

JOHNSON & JOHNSON
Form 424B3
October 31, 2011

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**Filed Pursuant to Rule 424(b)(3)
Registration No. 333-175396**

**1302 Wrights Lane East
West Chester, Pennsylvania 19380**

October 27, 2011

Dear Stockholder:

We cordially invite you to attend a special meeting of Synthes stockholders to be held on Thursday, December 15, 2011 at 11:00 a.m., at Synthes European Headquarters, Luzernstrasse 19, 4528 Zuchwil (Solothurn), Switzerland. At the special meeting, we will ask you to consider and vote on a proposal to adopt the Agreement and Plan of Merger we entered into as of April 26, 2011, as it may be amended from time to time, with Johnson & Johnson and its wholly owned subsidiary, Samson Acquisition Corp., pursuant to which Samson Acquisition Corp. will merge with and into Synthes. As a result of the merger, Synthes will become a wholly owned subsidiary of Johnson & Johnson.

Upon closing of the merger, each share of Synthes common stock you hold will be converted into the right to receive a combination of (i) CHF 55.65 in cash and (ii) shares of Johnson & Johnson common stock. The number of shares of Johnson & Johnson common stock you receive will depend on the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger. If the average of the volume weighted average trading prices of Johnson & Johnson stock on each day during this valuation period, as converted into CHF on each day in the valuation period, is between CHF 52.54 and CHF 60.45, then you will receive a number of shares of Johnson & Johnson common stock having an aggregate value of CHF 103.35 in exchange for each of your shares of Synthes common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is less than CHF 52.54, then you will receive 1.9672 shares of Johnson & Johnson stock in exchange for each of your shares of Synthes common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is greater than CHF 60.45, then you will receive 1.7098 shares of Johnson & Johnson common stock in exchange for each of your shares of Synthes common stock.

Johnson & Johnson common stock is listed on the New York Stock Exchange under the trading symbol JNJ and on October 24, 2011 the last practicable date before the date of the accompanying proxy statement/prospectus, its closing price was \$64.73 per share.

The Synthes board of directors unanimously determined that the merger is fair to and in the best interests of Synthes and its stockholders, approved the merger agreement and recommends that you vote FOR adoption of the merger agreement.

Your vote is very important. Subject to the terms and conditions of a voting agreement dated as of April 26, 2011, Mr. Hansjörg Wyss, the Chairman of the Synthes board of directors, Ms. Amy Wyss, a Synthes director, and two trusts, the beneficiaries of which are Wyss family members, have agreed, among other things, to vote 44,825,825 of their shares of Synthes common stock (representing approximately 37.75% of the shares entitled to vote at the special meeting) FOR the adoption of the merger agreement. However, we cannot complete the merger unless the merger agreement is adopted by the affirmative vote of the holders of a majority of the outstanding shares of Synthes common stock entitled to vote at the special meeting. Only stockholders entered in the stock ledger at the close of business on October 20, 2011, the record date for the special meeting, are entitled to notice of and to vote at the special meeting and any adjournment or postponement of it. Admission cards can be ordered until December 6, 2011 from your

custodian bank. Admission cards with the corresponding voting material will be dispatched as from November 21, 2011 onwards. The special meeting will be conducted in German.

Please review the accompanying proxy statement/prospectus carefully. In particular, you should consider the matters discussed under **Risk Factors** beginning on page 16 of the accompanying proxy statement/prospectus before voting.

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Thank you for your support; we appreciate your consideration of this matter.

On behalf of the Board of Directors of Synthes, Inc.,

Dr. h.c. mult. Hansjörg Wyss
Chairman of the Board

Neither the Securities and Exchange Commission nor any state securities regulator has approved or disapproved the merger described in this proxy statement/prospectus or the Johnson & Johnson common stock to be issued in connection with the merger, or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

This proxy statement/prospectus is dated October 27, 2011,
and is first being mailed to stockholders on or about November 2, 2011.

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REFERENCES TO ADDITIONAL INFORMATION

This proxy statement/prospectus incorporates by reference important business and financial information about Johnson & Johnson from documents that are not included in or delivered with this proxy statement/prospectus. This information is available to you without charge upon your written or oral request. You can obtain the documents incorporated by reference in this proxy statement/prospectus by requesting them in writing or by telephone from Johnson & Johnson at the following address and telephone number:

JOHNSON & JOHNSON
One Johnson & Johnson Plaza
New Brunswick, NJ 08933
Attention: Office of Corporate Secretary
Telephone: (732) 524-2455

If you would like to request documents, please do so by December 1, 2011 in order to receive them before the special meeting.

See **Where You Can Find More Information** beginning on page 116.

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Synthes, Inc. Eimattstrasse 3 Tel. +41 61 965 61 11
c/o Synthes GmbH 4436 Oberdorf BL Fax +41 61 965 66 00
Switzerland

Notice of and Invitation to the Special Meeting of Stockholders 2011

Thursday, December 15, 2011 at 11:00 am (doors open at 10:30 am)
Synthes GmbH, Luzernstrasse 19, 4528 Zuchwil (Solothurn)

Oberdorf, November 2, 2011

Dear Stockholders,

We would like to invite you to attend the Special Meeting of Stockholders of Synthes, Inc. (hereafter Synthes), which will take place on Thursday, December 15, 2011 at 11:00 am at our premises at Luzernstrasse 19 in Zuchwil (Solothurn), Switzerland.

The Special Meeting of Stockholders will be conducted in German only. Subsequent to the meeting you are cordially invited to join us for a cocktail reception.

Purpose of the Special Meeting

The purposes of the Special Meeting are:

1. To consider and vote upon a proposal to adopt the agreement and plan of merger, dated as of April 26, 2011, as it may be amended from time to time, among Johnson & Johnson, Samson Acquisition Corp., a wholly owned subsidiary of Johnson & Johnson, and Synthes, pursuant to which Samson Acquisition Corp. will merge with and into Synthes. As a result of the merger, Synthes will become a wholly owned subsidiary of Johnson & Johnson, and each outstanding share of Synthes common stock will be converted into the right to receive a combination of (i) CHF 55.65 in cash and (ii) a number of shares of Johnson & Johnson common stock based on an exchange ratio that will be calculated based upon the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger; and
2. To consider and vote upon a proposal to adjourn the Special Meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the Special Meeting to adopt the merger agreement.

We will transact no other business at the Special Meeting except such business as may properly be brought by the Synthes board of directors before the Special Meeting or any adjournment or postponement of it.

The number of shares of Johnson & Johnson common stock you receive will depend on the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period. If the average of the volume weighted average trading prices of Johnson & Johnson stock on each day during this valuation period, as converted into CHF on each day in the valuation period, is between CHF 52.54 and CHF 60.45, then you will receive a number of shares of Johnson & Johnson common stock having an aggregate value of CHF 103.35 in exchange for each of your shares of Synthes common stock. If the average of the volume weighted average

trading prices of Johnson & Johnson common stock on each day during the valuation period is less than CHF 52.54, then you will receive 1.9672 shares of Johnson & Johnson stock in exchange for each of your shares of Synthes common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is greater than CHF 60.45, then you will receive 1.7098 shares of Johnson & Johnson common stock in exchange for each of your shares of Synthes common stock.

The Synthes Board of Directors unanimously determined that the merger is fair to, and in the best interests of, Synthes and its stockholders, approved the merger agreement and recommends that you vote FOR adoption of the merger agreement.

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Attendance procedures

Documents

The proxy statement/prospectus can be downloaded on www.synthes.com (Investors/Media section). Alternatively a hardcopy of the documentation (app. 300 pages) can be ordered via mail, e-mail or phone from the address noted below under Questions .

Record date for voting

Only stockholders entered in the stock ledger at the close of business on October 20, 2011, the record date for the Special Meeting, are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of it.

Admission cards

Admission cards can be ordered until December 6, 2011, from your custodian bank. Admission cards with the corresponding voting material will be dispatched as from November 21, 2011, onwards.

Representation/Granting proxy

Stockholders who will not be attending the Special Meeting in person may appoint a proxy to represent them. To do this, stockholders must sign their admission card/proxy form and deliver them to the person they wish to appoint. In particular, stockholders may elect to have their bank as a proxy holder of deposited shares (Depotvertreter), or they may be represented by the designated independent proxy.

Dr. Oscar Battegay, attorney at law and notary public, Heuberg 7, PO Box 2032, 4001 Basel, Switzerland, phone +41 58 387 95 00, fax +41 58 387 95 99, serves as the designated independent proxy. Stockholders wishing to be represented by the independent proxy should send their proxy authorizations and instructions directly to Dr. Battegay. If you appoint Dr. Battegay as your proxy, your votes will be cast FOR the proposal of the Board of Directors, absent written instructions to the contrary.

Additionally if you appoint Synthes, Inc. to represent you as your proxy, your votes will be cast FOR the proposal of the Board of Directors. Authorized proxies will accept voting instructions until December 8, 2011.

You may revoke your proxy prior to the Special Meeting in the manner described in the proxy statement/prospectus.

Representatives of custodian banks are requested to notify Synthes as soon as possible, at the latest at the admission office on the day of the Special Meeting, of the number of the shares they are representing.

Questions

We request that you direct any questions with regard to the Special Meeting to:

Synthes GmbH, Investor Relations, Eimattstrasse 3, 4436 Oberdorf BL, Switzerland, phone +41 32 720 46 38, e-mail investor.relations@synthes.com.

Yours faithfully,

On behalf of the Board of Directors of Synthes, Inc.

Dr. h.c. mult. Hansjörg Wyss Chairman of the Board

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QUESTIONS AND ANSWERS

The following are some questions that you, as a stockholder of Synthes, may have regarding the merger and the answers to those questions. Johnson & Johnson and Synthes urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all the information that might be important to you with respect to the merger. Additional important information is also contained in the Annexes to and the documents incorporated by reference in this proxy statement/prospectus. All references in this proxy statement/prospectus to Johnson & Johnson refer to Johnson & Johnson, a New Jersey corporation; all references in this proxy statement/prospectus to Synthes refer to Synthes, Inc., a Delaware corporation; all references in this proxy statement/prospectus to Samson Acquisition Corp. refer to Samson Acquisition Corp., a Delaware corporation and a direct wholly owned subsidiary of Johnson & Johnson; unless otherwise indicated or as the context requires, all references in this proxy statement/prospectus to we, our and us refer to Johnson & Johnson and Synthes collectively; and all references to the merger agreement refer to the Agreement and Plan of Merger, dated as of April 26, 2011, among Johnson & Johnson, Synthes and Samson Acquisition Corp., a copy of which is included as Annex A to this proxy statement/prospectus. Johnson & Johnson following completion of the merger is sometimes referred to in this proxy statement/prospectus as the combined company.

Q: What am I being asked to vote on?

A: You are being asked to vote to adopt the merger agreement, as it may be amended from time to time, entered into among Johnson & Johnson, Samson Acquisition Corp., a wholly owned subsidiary of Johnson & Johnson, and Synthes or to adjourn the special meeting to a later date, if necessary or appropriate, to solicit additional proxies if there are insufficient votes at the time of the special meeting to adopt the merger agreement. In the merger, Samson Acquisition Corp. will be merged with and into Synthes.

Q: What will happen to Synthes as a result of the merger?

A: If the merger is completed, Synthes will become a wholly owned subsidiary of Johnson & Johnson, and shares of Synthes common stock will be cancelled and delisted from the SIX Swiss Exchange.

Q: What will I receive in the merger?

A: Upon closing of the merger, you will receive a combination of (i) CHF 55.65 in cash and (ii) shares of Johnson & Johnson common stock. The number of shares of Johnson & Johnson common stock you receive will depend on the average of the volume weighted average trading prices of Johnson & Johnson common stock during the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period:

You will receive CHF 103.35 in shares of Johnson & Johnson common stock in exchange for each share of Synthes common stock that you own if the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is between CHF 52.54 and CHF 60.45 per share.

You will receive 1.7098 shares of Johnson & Johnson common stock in exchange for each share of Synthes common stock that you own if the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is greater than CHF 60.45.

You will receive 1.9672 shares of Johnson & Johnson common stock in exchange for each share of Synthes common stock that you own if the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is less than CHF 52.54.

Q: Does the Synthes board of directors support the merger?

A: Yes. The Synthes board of directors believes that the merger is fair to, and in the best interests of, Synthes and its stockholders, unanimously declared advisable and approved the merger agreement and recommends that the stockholders vote FOR the adoption of the merger agreement.

Q: What vote is required to adopt the merger agreement?

A: The adoption of the merger agreement requires the affirmative vote of a majority of the shares of Synthes common stock outstanding as of the record date for the special meeting. In connection with the merger,

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Mr. Hansjörg Wyss, the Chairman of the Synthes board of directors, Ms. Amy Wyss, a Synthes director, and two trusts, the beneficiaries of which are Wyss family members, entered into a voting agreement with Johnson & Johnson dated as of April 26, 2011, which we refer to as the voting agreement, in which they agreed, among other things, to vote 44,825,825 of their shares of Synthes common stock FOR the adoption of the merger agreement, subject to the terms and conditions of the voting agreement. Please see the section entitled The Merger Agreement The Voting Agreement on page 74 of this proxy statement/prospectus for a more detailed summary of the terms and conditions of the voting agreement. A copy of the voting agreement is attached to this proxy statement/prospectus as Annex B.

Q: Where and when is the special meeting of stockholders?

A: The Synthes special meeting will be held on Thursday, December 15, 2011 at 11:00 a.m., at Synthes European Headquarters, Luzernstrasse 19, 4528 Zuchwil (Solothurn), Switzerland. You may attend the special meeting and vote your shares in person, rather than completing, signing, dating and returning your proxy. However, you must have an admission card to attend the special meeting. To obtain an admission card, please request one from your custodian bank where your shares are held in custody as soon as possible. Admission cards can be ordered until December 6, 2011 from your custodian bank. Admission cards with the corresponding voting materials will be dispatched as from November 21, 2011, onwards.

Q: Who can vote at the special meeting?

A: You can vote at the special meeting if you owned shares of Synthes common stock entered in the stock ledger at the close of business on October 20, 2011, the record date for the special meeting. As of the close of business on that day, 118,756,463 shares of Synthes common stock were outstanding.

Q: What do I need to do now?

A: After carefully reading and considering the information contained in this proxy statement/prospectus, please request your admission card and corresponding voting material (including a proxy form) from your custodian bank as soon as possible, and in any event prior to December 6, 2011. Once you have received the materials, you may vote your shares by attending the special meeting and voting your shares in person at the special meeting, or by completing a proxy form (instructions are provided on the form). If you sign and return your proxy form and do not indicate how you want to vote, your proxy will be voted in favor of adoption of the merger agreement and in favor of the adjournment proposal, if any.

Q: Can I change my vote after I have mailed my signed proxy?

A: Yes. You can change your vote at any time prior to the time it is voted at the special meeting. You can do this in one of three ways. First, you can execute and deliver to Synthes a later-dated proxy form relating to the same shares. Second, you can file with Synthes acting Secretary a written notice of revocation bearing a later date than the proxy form. Any such written notice of revocation or subsequent proxy form must be received by Synthes before the taking of the vote at the special meeting and should be delivered to Synthes, Inc., Investor Relations, c/o Synthes GmbH, Eimattstrasse 3, 4436 Oberdorf BL, Switzerland, or hand delivered to Synthes acting Secretary or her representative before the taking of the vote at the special meeting. Third, you can attend the special meeting and vote in person. Attendance at the special meeting will not, in and of itself, constitute revocation of a proxy.

In addition to the three methods described above, stockholders who have appointed Dr. Oscar Battagay as their proxy may revoke such proxy by sending a written notice of revocation bearing a later date than the proxy form

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or a later-dated proxy form relating to the same shares and delivering it by mail so that it is received by the designated independent proxy, Dr. Oscar Battagay, before December 8, 2011. Such revocation or proxy form should be delivered to Heuberg 7, PO Box 2032, 4001 Basel, Switzerland, Attention: Dr. Oscar Battagay.

For stockholders whose shares are held in street name, and who have either instructed the record holder of their shares on how to vote their shares or obtained a proxy form from the record holder to vote at the special meeting, please check with your bank, broker, nominee, fiduciary or other custodian for information on how to revoke your instructions to them.

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Q: If my shares of Synthes common stock are held in street name by my broker, will my broker vote my shares for me?

A: Your broker will vote your shares of Synthes common stock only if you provide instructions on how to vote. You should follow the directions provided by your broker regarding how to instruct your broker to vote your shares. Without instructions, your shares will not be voted, which will have the effect of a vote against the adoption of the merger agreement.

Q: Is the merger expected to be taxable to me?

A: The receipt of the merger consideration in exchange for Synthes common stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes. For United States federal income tax purposes, generally you will recognize capital gain or loss as a result of the merger measured by the difference, if any, between (i) the sum of (a) the fair market value of the Johnson & Johnson common stock as of the effective time of the merger and (b) the U.S. dollar value of the Swiss francs received and (ii) your adjusted tax basis in the Synthes common stock exchanged therefor in the merger. You should read *The Merger Material United States Federal Income Tax Consequences of the Merger* beginning on page 55 for a more complete discussion of the United States federal income tax consequences of the merger. Tax matters can be complicated and the tax consequences of the merger to you will depend on your particular tax situation. We urge you to consult your tax advisor to determine the tax consequences of the merger to you.

Swiss-resident individual taxpayers holding Synthes common stock as their private property should realize a tax-free private capital gain or a non-tax-deductible loss, as the case may be, for Swiss federal, cantonal and municipal income tax purposes with respect to all or part of the shares of Johnson & Johnson common stock received in the merger. A portion of the merger consideration will be received in cash, and all or part may be treated as taxable income for Swiss federal, cantonal and municipal income tax purposes. Swiss-resident corporate and individual taxpayers as well as corporate and individual taxpayers resident abroad who hold Synthes common stock as part of Swiss business assets are required to recognize any capital gains realized as a result of the merger in their income statement for the respective tax period and are subject to Swiss federal, cantonal and municipal individual or corporate income tax, as the case may be, on any net taxable earnings (including a capital gain realized as a result of the merger) for such period. You should read *The Merger Material Swiss Tax Consequences of the Merger* beginning on page 57 for a more complete discussion of the Swiss tax consequences of the merger. Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. We urge you to consult your tax advisor to determine the tax consequences of the merger to you.

Q: When do you expect the merger to be completed?

A: We are working to complete the merger as quickly as possible. If the merger agreement is adopted by Synthes stockholders, it is anticipated that the merger will be completed during the first half of 2012, subject to the receipt of required stockholder and regulatory approvals. However, it is possible that factors outside our control could require us to complete the merger at a later time or not complete it at all.

Q: Can I dissent and require appraisal of my shares?

A: Yes. Synthes stockholders have appraisal rights under Delaware law in connection with the merger. See *The Merger Appraisal Rights* beginning on page 49.

Q: Who can help answer my questions?

A: If you have any questions about the merger or if you need additional copies of this proxy statement/prospectus or the proxy form, you should contact:

Synthes, Inc., Investor Relations
c/o Synthes GmbH
Eimattstrasse 3
4436 Oberdorf BL, Switzerland
Email: investor.relations@synthes.com
Phone: +41 32 720 46 38

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SUMMARY

*This summary highlights selected information from this proxy statement/prospectus and may not contain all the information that is important to you. To understand the merger fully and for a more complete description of the legal terms of the merger, you should carefully read this entire proxy statement/prospectus and the other documents to which we refer you, including in particular the copies of the merger agreement and the voting agreement that are attached to this proxy statement/prospectus as Annexes A and B, respectively. See also *Where You Can Find More Information* beginning on page 116. We have included page references parenthetically to direct you to a more complete description of the topics presented in this summary.*

The Companies

Johnson & Johnson (page 25)

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
Telephone: (732) 524-0400

Johnson & Johnson and its subsidiaries have approximately 114,000 employees worldwide engaged in the research and development, manufacture and sale of a broad range of products in the health care field. Johnson & Johnson is a holding company, which has more than 250 operating companies conducting business in virtually all countries of the world. Johnson & Johnson's primary focus has been on products related to human health and well-being. Johnson & Johnson is a New Jersey corporation, incorporated in the State of New Jersey in 1887.

Additional information about Johnson & Johnson and its subsidiaries is included in the documents incorporated by reference in this proxy statement/prospectus. See *Where You Can Find More Information* beginning on page 116.

Samson Acquisition Corp. (page 25)

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
Telephone: (732) 524-0400

Samson Acquisition Corp., a wholly owned subsidiary of Johnson & Johnson, is a Delaware corporation that was formed on April 21, 2011 solely for the purpose of effecting the merger and the other transactions contemplated by the merger agreement and has not engaged, and does not expect to engage, in any other business activities.

Synthes, Inc. (page 25)

Synthes, Inc.
1302 Wrights Lane East
West Chester, Pennsylvania 19380
Telephone: (610) 719-5000

Synthes is a global medical device company that develops, produces and markets instruments, implants and biomaterials for the surgical fixation, correction and regeneration of the human skeleton and its soft tissues. Synthes has more than 11,400 employees and operates and sells products in 42 countries worldwide. Synthes is a Delaware corporation, incorporated in the State of Delaware in 1999 (originally under the corporate name Synstra, Inc.).

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The Merger

Form of the Merger (page 46)

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, Samson Acquisition Corp., a wholly owned subsidiary of Johnson & Johnson and a party to the merger agreement, will merge with and into Synthes. Synthes will continue as the surviving corporation of the merger and will become a wholly owned subsidiary of Johnson & Johnson.

Merger Consideration (page 46)

In the merger, each issued and outstanding share of Synthes common stock (other than shares owned by Synthes as treasury stock, shares owned by Johnson & Johnson and shares for which appraisal rights have been properly exercised and perfected under the General Corporation Law of the State of Delaware (the "DGCL")) will be automatically converted into the right to receive a combination of (i) CHF 55.65 in cash and (ii) shares of Johnson & Johnson common stock. The number of shares of Johnson & Johnson common stock each Synthes stockholder will receive is based on the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is between CHF 52.54 and CHF 60.45, then each share of Synthes common stock will be converted into the right to receive a number of shares of Johnson & Johnson common stock having an aggregate value of CHF 103.35. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is less than CHF 52.54, then each share of Synthes common stock will be converted into the right to receive 1.9672 shares of Johnson & Johnson common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is greater than CHF 60.45, then each share of Synthes common stock will be converted into the right to receive 1.7098 shares of Johnson & Johnson common stock.

Holders of Synthes common stock will receive cash in lieu of any fractional shares of Johnson & Johnson common stock they otherwise would have received in the merger. Each Synthes stockholder who would otherwise have been entitled to receive a fraction of a share of Johnson & Johnson common stock will receive an amount in cash (without interest, rounded down to the nearest whole cent and subject to withholding taxes) equal to the product obtained by multiplying (1) the fractional share interest to which such holder (after taking into account all fractional share interests then held by such holder) would otherwise be entitled by (2) the average of the volume weighted averages of the trading prices, as reported by Bloomberg L.P., of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day during this valuation period.

The CHF 55.65 in cash and the number of shares of Johnson & Johnson common stock to be received by holders of Synthes common stock in the merger are referred to collectively as the merger consideration.

The exchange ratio will be determined shortly before completion of the merger. On October 24, 2011, the latest practicable date before the date of this proxy statement/prospectus, Johnson & Johnson common stock closed on the New York Stock Exchange (the "NYSE"), at \$64.73, the CHF equivalent of which is CHF 57.26 per share, as of such date. If this were the volume weighted average trading price per share of Johnson & Johnson common stock used to calculate the exchange ratio, the exchange ratio would be 1.8049. The actual exchange ratio and, accordingly, the actual number of shares of Johnson & Johnson common stock issued in respect of each share of Synthes common

stock in the merger, may differ from this example and will not be known at the special meeting because the valuation period will not occur until after the special meeting.

Completion of the Merger (page 46)

Johnson & Johnson and Synthes currently expect to complete the merger during the first half of 2012, subject to the receipt of required stockholder and regulatory approvals and the satisfaction or waiver of the conditions to the

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merger described in the merger agreement. However, it is possible that factors outside of our control could require us to complete the merger at a later date or not complete it at all.

Treatment of Synthes Stock Options and Other Equity Based Awards (page 54)

Each outstanding Synthes stock option will be cancelled upon the closing of the merger and converted into an amount in cash equal to the excess, if any, of (A) the sum of (x) the CHF 55.65 cash consideration in the merger and (y) the product of the share exchange ratio multiplied by the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period, over (B) the exercise price per share of Synthes common stock subject to the option, less applicable withholding taxes, if any.

Each Synthes restricted stock award will become fully vested upon the closing of the merger, and the holder of the restricted stock award will be entitled to receive, without any interest thereon, the merger consideration less applicable withholding taxes.

Ownership of Johnson & Johnson Following the Merger (page 47)

Based on the number of outstanding shares of Synthes common stock on the record date and the number of outstanding shares of Johnson & Johnson common stock on October 24, 2011, we anticipate that Synthes stockholders will own between approximately 7% and 8% of the outstanding shares of Johnson & Johnson common stock following the merger.

Material United States Federal Income Tax Consequences of the Merger (page 55)

The receipt of the merger consideration in exchange for Synthes common stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes. For United States federal income tax purposes, generally you will recognize capital gain or loss as a result of the merger measured by the difference, if any, between (i) the sum of (a) the fair market value of the Johnson & Johnson common stock as of the effective time of the merger and (b) the U.S. dollar value of the Swiss francs received and (ii) your adjusted tax basis in the Synthes common stock exchanged therefor in the merger.

You should read *The Merger – Material United States Federal Income Tax Consequences of the Merger* for a more complete discussion of the United States federal income tax consequences of the merger. **Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. We urge you to consult your tax advisor to determine the tax consequences of the merger to you.**

Material Swiss Tax Consequences of the Merger (page 57)

Swiss-resident individual taxpayers holding Synthes common stock as their private property should realize a tax-free private capital gain or a non-tax-deductible loss, as the case may be, for Swiss federal, cantonal and municipal income tax purposes with respect to all or part of the shares of Johnson & Johnson common stock received in the merger. A portion of the merger consideration will be received in cash, and all or part may be treated as taxable income for Swiss federal, cantonal and municipal income tax purposes. Swiss-resident corporate and individual taxpayers as well as corporate and individual taxpayers resident abroad who hold Synthes common stock as part of Swiss business assets are required to recognize any capital gains realized as a result of the merger in their income statement for the respective tax period and are subject to Swiss federal, cantonal and municipal individual or corporate income tax, as the case may be, on any net taxable earnings (including a capital gain realized as a result of the merger) for such period.

You should read [The Merger](#) [Material Swiss Tax Consequences of the Merger](#) for a more complete discussion of the Swiss tax consequences of the merger. **Tax matters can be complicated, and the tax consequences of the merger to you will depend on your particular tax situation. We urge you to consult your tax advisor to determine the tax consequences of the merger to you.**

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Recommendation of the Synthes Board of Directors (page 31)

The Synthes board of directors believes that the merger is fair to, and in the best interests of, Synthes and its stockholders, unanimously declared advisable and approved the merger agreement and **recommends that the stockholders vote FOR the adoption of the merger agreement.**

To review the background of and reasons for the merger, as well as certain risks related to the merger, see The Merger Background to the Merger, Reasons for the Merger and Recommendation of the Synthes Board of Directors and Risk Factors beginning on pages 26, 31 and 16, respectively.

Opinion of Synthes Financial Advisor (page 35)

In connection with the merger, Synthes financial advisor, Credit Suisse Securities (USA) LLC, referred to as Credit Suisse, delivered an opinion, dated April 25, 2011, to the Synthes board of directors as to the fairness, from a financial point of view and as of the date of such opinion, of the merger consideration to be received by holders of Synthes common stock (other than holders entering into the voting agreement and their respective affiliates). The full text of Credit Suisse's written opinion is attached to this proxy statement/prospectus as Annex C and sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken. **Credit Suisse's opinion was provided to the Synthes board of directors (in its capacity as such) for its information in connection with its evaluation of the merger consideration and did not address any other aspect of the proposed merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Synthes or the underlying business decision of Synthes to proceed with the merger. The opinion does not constitute advice or a recommendation to any stockholder as to how such stockholder should vote or act on any matter relating to the proposed merger or otherwise.**

Interests of Synthes Directors and Executive Officers in the Merger (page 40)

In considering the recommendation of the Synthes board of directors in favor of the adoption of the merger agreement, Synthes stockholders should be aware that certain directors and executive officers of Synthes have interests in the merger that may be different from, or in addition to, the interests of other Synthes stockholders generally. These interests include the following:

All outstanding options to purchase Synthes common stock under Synthes equity incentive plans, including those held by Synthes executive officers, would accelerate and vest upon the closing of the merger. The options would be cancelled and each option would be converted into an amount of cash equal to the excess, if any, of the value of the merger consideration over the exercise price of the option. As of October 20, 2011, unvested options held by Synthes executive officers relating to 192,500 shares of Synthes common stock would be subject to cancellation and exchange for cash if the merger is completed. As of October 20, 2011, no directors held options.

All restrictions imposed on restricted stock granted under Synthes equity incentive plans, including restricted stock held by Synthes executive officers, would lapse upon the closing of the merger. As of October 20, 2011, 76,035 restricted shares of Synthes common stock held by Synthes executive officers would be subject to accelerated vesting if the merger is completed. As of October 20, 2011, no directors held restricted stock.

Closing of the merger would constitute a change in control under the executive officers employment and change in control severance agreements, which generally entitle the executive officers to severance payments and tax gross-ups if their employment is terminated during the two-year period following the merger either by

Synthes without Cause or by the executive officers for Good Reason (as such terms are defined in the applicable agreements).

Members of the Synthes board of directors receive a grant of shares of Synthes common stock as their annual retainer for service on the board. They will receive a pro-rata portion of their annual grant covering the period of service between the previous grant and the closing of the merger.

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In connection with the Synthes board of director s exploration of a potential sale of the company, Synthes entered into retention bonus agreements with employees including the executive officers, most of which were amended in connection with the merger. Under the terms of the retention bonus agreements, each executive officer, other than Messrs. Hansjörg Wyss, Michel Orsinger, Robert Donohue and William Wachter, will receive a bonus on the first and second anniversaries of the merger if they remain continuously employed by Synthes through such dates. Messrs. Orsinger and Donohue will receive a bonus on the closing date of the merger and the six-month anniversary of the merger if they remain continuously employed by Synthes through such dates. Mr. Wachter will receive a bonus on the closing date of the merger and the one-year anniversary of the merger if he remains continuously employed by Synthes through such dates. In each case, if the executive officer is terminated without Cause or resigns for Good Reason (as such terms are defined in the executive s employment or change in control severance agreement, as applicable) following the merger and prior to the final payment date, the executive officer would be entitled to the full payment if the executive officer signs, and does not revoke, a release in favor of Synthes.

In connection with the Employment Agreement between Mr. Wyss and Synthes, Mr. Wyss will be entitled to certain retirement benefits upon the expiration of his current term as Chairman of the Board on April 30, 2012, or upon his earlier resignation or termination without cause.

Current and former officers and members of the Synthes board of directors will retain all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the effective time of the merger and such rights will continue following closing of the merger. The merger agreement also provides that for six years after the effective time of the merger, Johnson & Johnson will maintain directors and officers liability insurance covering each person who was, as of the date of the merger agreement, covered by Synthes directors and officers liability insurance.

The Synthes board of directors was aware of these interests and considered them, among other matters, when approving the merger agreement.

For a more complete description, see The Merger Interests of Synthes Directors and Executive Officers in the Merger .

Regulatory Approvals Required for the Merger (page 48)

The following is a summary of the material regulatory requirements for completion of the merger. There can be no guarantee if and when any of the consents or approvals required for the merger will be obtained or as to the conditions that such consents and approvals may contain. For further information, please see Risk Factors beginning on page 16.

United States Antitrust. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and related rules, certain transactions, including the merger, may not be completed until notifications have been given and information furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission and all statutory waiting period requirements have been satisfied. Johnson & Johnson and Synthes filed Notification and Report Forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission on June 6, 2011. Johnson & Johnson withdrew its Notification and Report Form on July 5, 2011 in order to allow more time for the staff of the Federal Trade Commission to review the proposed transaction and re-filed it on July 7, 2011. On August 8, 2011, Johnson & Johnson and Synthes received from the Federal Trade Commission a Request for Additional Information and Documentary Materials (a Second Request). The waiting period under the HSR Act with respect to the proposed merger will expire at 11:59 p.m., Eastern Time, on the 30th day after both Johnson & Johnson and Synthes have substantially complied with the Second Request, unless earlier terminated by the Federal Trade Commission or extended by agreement among the parties and the Federal Trade Commission.

At any time before or after the effective time of the merger, the Antitrust Division, the Federal Trade Commission or others (including states and private parties) could take action under the antitrust laws, including seeking to prevent the merger, to rescind the merger or to conditionally approve the merger upon the divestiture of

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assets of Johnson & Johnson or Synthes or subject to other remedies. There can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

European Union Antitrust. Both Johnson & Johnson and Synthes conduct business in Member States of the European Union. Council Regulation (EC) No. 139/2004, as amended, and accompanying regulations require notification to and approval by the European Commission of specific mergers or acquisitions involving parties with worldwide sales and individual European Union sales exceeding specified thresholds before these mergers and acquisitions can be implemented. On September 27, 2011, Johnson & Johnson filed the formal notification to the European Commission of the merger. Pursuant to Council Regulation (EC) No. 139/2004, the European Commission has 25 business days from the day following the date of receipt of a complete notification, which period may be extended to 35 business days under certain circumstances, in which to consider whether the merger would significantly impede effective competition in the common market (as defined by European Community regulations) or a substantial part of it, in particular as a result of the creation or strengthening of a dominant position. By the end of that period, the European Commission must issue a decision either clearing the merger, which may be conditional upon satisfaction of the parties' undertakings, or opening an in-depth Phase II investigation. A Phase II investigation may last a maximum of an additional 125 business days. It is possible that an investigation could result in a challenge to the merger based on European Union competition law or regulations.

Other Laws. In addition to the regulatory approvals described above, notifications of the merger have been filed with other governmental agencies for their review and approval under foreign regulatory laws, such as foreign merger control laws. It is possible that any of the governmental entities with which filings have been made may seek, as conditions for granting approval of the merger, various regulatory concessions.

Appraisal Rights (page 49)

Under Section 262 of the DGCL, record holders of Synthes common stock who do not vote in favor of the adoption of the merger agreement, who properly demand and perfect their appraisal rights and who comply with the terms of Section 262 of the DGCL will be entitled to seek appraisal for, and obtain payment in cash for the judicially determined fair value of, their shares of Synthes common stock if the merger is completed, in lieu of receiving the merger consideration. The relevant provisions of the DGCL are included as Annex D to this proxy statement/prospectus. Synthes stockholders are encouraged to read these provisions carefully and in their entirety. Moreover, due to the complexity of the procedures for exercising the right to seek appraisal, Synthes stockholders who are considering exercising such rights are encouraged to seek the advice of legal counsel. Failure to strictly comply with the applicable DGCL provisions will result in the loss of the right of appraisal. See *The Merger Appraisal Rights* .

Comparison of Rights of Common Shareholders of Johnson & Johnson and Synthes (page 102)

Synthes stockholders, whose rights are currently governed by the Synthes certificate of incorporation, as amended, the Synthes amended and restated by-laws, as amended, and Delaware law, will, upon completion of the merger, become shareholders of Johnson & Johnson and their rights will be governed by the Johnson & Johnson certificate of incorporation, the Johnson & Johnson by-laws and New Jersey law.

Litigation Related to the Merger (page 54)

Three putative shareholder class actions challenging the merger have been filed in the Delaware Court of Chancery naming Synthes, certain officers and directors of Synthes, Johnson & Johnson and Samson Acquisition Corp. as defendants. The three suits were consolidated into one action, *In re Synthes, Inc. Shareholder Litigation*, Case No. 6452-CS, and a Verified Consolidated Amended Class Action Complaint was filed in the consolidated action on

August 2, 2011. On August 4, 2011, the court entered an order dismissing Johnson & Johnson from the case without prejudice. On October 20, 2011, the remaining defendants filed a motion to dismiss the Verified Consolidated Amended Class Action Complaint with prejudice. On October 24, 2011, plaintiffs filed a motion with the Court of Chancery seeking a preliminary injunction to prevent Synthes from conducting a vote of stockholders to adopt the merger agreement.

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Accounting Treatment of the Merger (page 55)

The merger will be accounted for by Johnson & Johnson using the purchase method of accounting. Under this method of accounting, the purchase price will be allocated to the fair value of the net assets acquired. The excess purchase price over the fair value of the assets acquired will be allocated to goodwill.

Stock Exchange Listing of Johnson & Johnson Common Stock (page 48)

Shares of Johnson & Johnson common stock are quoted on the NYSE under the stock symbol JNJ. It is a condition to the consummation of the merger that the Johnson & Johnson common stock to be issued in the merger has been authorized for listing on the NYSE, subject to official notice of issuance.

Delisting of Synthes Common Stock (page 48)

Synthes common stock trades on the SIX Swiss Exchange under the symbol SYST. If the merger is completed, Synthes common stock will be delisted from the SIX Swiss Exchange.

The Special Meeting

Date, Time and Place (page 22)

The special meeting of Synthes stockholders will be held on Thursday, December 15, 2011 at 11:00 a.m., at Synthes European Headquarters, Luzernstrasse 19, 4500 Solothurn, Switzerland. At the special meeting, Synthes stockholders will be asked to adopt the merger agreement or adjourn the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting to adopt the merger agreement.

Record Date; Shares Entitled to Vote (page 22)

Synthes stockholders are entitled to vote at the special meeting if they are entered in the Synthes stock ledger as of the close of business on October 20, 2011, the record date for the special meeting.

On the record date, there were 118,756,463 shares of Synthes common stock outstanding and entitled to vote at the special meeting. Stockholders will have one vote at the special meeting for each share of Synthes common stock that they owned on the record date.

Vote Required (page 23)

Adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Synthes common stock entitled to vote on the adoption of the merger agreement on the record date. Subject to the terms and conditions of the voting agreement, Mr. Hansjörg Wyss, Ms. Amy Wyss and two trusts, the beneficiaries of which are Wyss family members, have agreed, among other things, to vote 44,825,825 of their shares of Synthes common stock (representing approximately 37.75% of the shares entitled to vote at the special meeting) FOR the adoption of the merger agreement.

Shares Owned by Synthes Directors and Executive Officers (page 23)

At the close of business on the record date, directors and executive officers of Synthes beneficially owned and were entitled to vote 58,390,695 shares of Synthes common stock, which represent approximately 49.17% of the shares of Synthes common stock entitled to vote at the special meeting.

The Merger Agreement

The merger agreement is attached as Annex A to this proxy statement/prospectus. We encourage you to read the merger agreement because it is the principal document governing the merger.

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No Solicitation (page 63)

The merger agreement contains restrictions on the ability of each of Synthes, its subsidiaries and their respective representatives to solicit or engage in discussions or negotiations with a third party regarding a competing proposal as described in *The Merger Agreement – No Solicitation*. Notwithstanding the restrictions, under certain limited circumstances, Synthes may respond to and negotiate an unsolicited acquisition proposal or the Synthes board of directors may change its recommendation or recommend to the Synthes stockholders an alternative transaction if specified conditions are met. For a more complete description, see *The Merger Agreement – No Solicitation*.

Conditions to the Completion of the Merger (page 67)

As more fully described in this proxy statement/prospectus and as set forth in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. These conditions include, among others, the adoption by Synthes stockholders of the merger agreement, the receipt of all necessary regulatory approvals under antitrust laws in the United States, the European Union and certain other jurisdictions, the accuracy of the representations and warranties made by the parties to the merger agreement, performance by the parties of their obligations under the merger agreement, and the absence of laws, orders or antitrust-related litigation prohibiting or preventing the merger. We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. For a more complete description of the conditions to completion of the merger, see *The Merger Agreement – Conditions to Completion of the Merger*.

Termination of the Merger Agreement (page 70)

The merger agreement may be terminated at any time prior to the effective time of the merger under the following circumstances:

by mutual written consent of Johnson & Johnson and Synthes;

by either Johnson & Johnson or Synthes if:

the merger is not completed by April 26, 2012 (which we refer to as the *outside date*), subject to a 60-day extension under certain circumstances, subject to the terminating party's compliance with certain provisions of the merger agreement;

certain legal restraints regarding the merger become final and nonappealable, subject to the terminating party's compliance with certain provisions of the merger agreement;

Synthes stockholders fail to adopt the merger agreement; or

the other party breaches the merger agreement such that any condition to the non-breaching party's obligation to complete the merger would not be satisfied, subject to the right of the breaching party to cure the breach by the outside date (and only if the terminating party is in compliance with its representations, warranties and covenants at the time of termination);

by Johnson & Johnson if:

the Synthes board of directors makes a change in the company recommendation or fails to publicly reaffirm the company recommendation within ten business days following a publicly announced or publicly known

competing proposal after a written request from Johnson & Johnson to provide such reaffirmation; or

certain legal restraints regarding the merger relating to antitrust and similar regulatory laws become final and nonappealable, subject to Johnson & Johnson's compliance with certain provisions of the merger agreement.

For a more complete description of the provisions addressing the circumstances under which the merger agreement can be terminated, see [The Merger Agreement](#) [Termination of the Merger Agreement](#) .

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Fees and Expenses (page 71)

Generally, all fees and expenses incurred in connection with the merger and the transactions contemplated by the merger agreement will be paid by the party incurring those expenses, except that Johnson & Johnson and Synthes will share equally the expenses incurred in connection with the printing and mailing of this proxy statement/prospectus. In addition, upon termination of the merger agreement under certain circumstances, Johnson & Johnson may be obligated to pay Synthes a termination fee of \$650 million and, in other circumstances, Synthes may be obligated to pay Johnson & Johnson a termination fee of \$650 million. For a more complete description, see The Merger Agreement Fees and Expenses .

Reasonable Best Efforts (page 66)

Subject to the terms and conditions of the merger agreement, Johnson & Johnson and Synthes have agreed to use their reasonable best efforts to:

take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary or reasonably advisable under applicable laws or orders, to consummate and make effective the merger and the related transactions; and

obtain, or cause to be obtained, all waivers, permits, consents, approvals, authorizations, qualifications and orders of all governmental authorities and officials and parties to contracts with Synthes and its subsidiaries that may be or become necessary for the performance of obligations pursuant to the merger agreement and the consummation of the related transactions.

As a result of these requirements, Johnson & Johnson and Synthes may be required, conditional upon closing, to divest certain assets or take other actions, subject to limitations specified in the merger agreement. For a more complete discussion see The Merger Agreement Reasonable Best Efforts .

Market Prices and Dividend Information (page 88)

Shares of Johnson & Johnson common stock are listed on the NYSE and shares of Synthes common stock are listed on the SIX Swiss Exchange. The following table presents:

the last reported sale price of a share of Johnson & Johnson common stock, as reported by the NYSE Composite Transactions Tape;

the last reported sale price of a share of Synthes common stock, as reported by the SIX Swiss Exchange; and

the market value of Synthes common stock on an equivalent price per share basis, as determined by reference to the value of the merger consideration to be received in respect of each share of Synthes common stock in the merger,

in each case on April 26, 2011, the last full trading day prior to the public announcement of the merger, and on October 24, 2011, the latest practicable date before the date of this proxy statement/prospectus. The equivalent price per share of Synthes common stock is always equal to CHF 159.00 to the extent that the average of the volume weighted average trading prices per share of Johnson & Johnson common stock on each day during the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period, is within the range of CHF 52.54 and CHF 60.45. Within this range, the CHF 159.00 equivalent

price per share represents the cash consideration of CHF 55.65 to be paid in respect of each share of Synthes common stock in the merger plus the stock consideration of shares of Johnson & Johnson having a value in the aggregate of CHF 103.35 to be issued in respect of each share of Synthes common stock in the merger. However, the equivalent price per share of Synthes common stock will be less than CHF 159.00 to the extent that the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is less than CHF 52.54 and will be more than CHF 159.00 to the extent that the average of the volume weighted average trading prices of Johnson & Johnson

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common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is greater than CHF 60.45.

	Johnson & Johnson Common Stock			Synthes Common Stock			Equivalent Price per
	High	Low	Close	High	Low	Close	Share of Synthes Common Stock(1)
April 26, 2011	\$65.30	\$64.07	\$64.95	CHF 148.50	CHF 146.40	CHF 146.50	CHF 159.00
October 24, 2011	\$64.79	\$63.60	\$64.73	CHF 149.40	CHF 148.50	CHF 148.80	CHF 159.00

(1) Calculated using an average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the ten trading days ending two trading days prior to April 26, 2011 and October 24, 2011, respectively, as converted into CHF on each day in these periods.

These prices will fluctuate prior to the special meeting and the consummation of the merger, and stockholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

Johnson & Johnson and Synthes declare and pay regular dividends. See [Market Prices and Dividend Information](#) .

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF JOHNSON & JOHNSON**

The following table sets forth selected historical consolidated financial data of Johnson & Johnson. The historical consolidated financial information of Johnson & Johnson as of and for each of the five fiscal years in the period ended January 2, 2011 has been derived from Johnson & Johnson's audited historical financial statements, which were audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm. Johnson & Johnson's historical audited consolidated financial statements for the years ended January 2, 2011, January 3, 2010 and December 28, 2008 are contained in its Annual Report on Form 10-K for the year ended January 2, 2011, which is incorporated by reference in this proxy statement/prospectus. Johnson & Johnson's historical audited consolidated financial statements for the years ended December 30, 2007 and December 31, 2006 are not incorporated by reference in this proxy statement/prospectus.

The selected historical consolidated financial data of Johnson & Johnson as of July 3, 2011 and for the six month periods ended July 3, 2011 and July 4, 2010 have been derived from Johnson & Johnson's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarter ended July 3, 2011, which is incorporated by reference in this proxy statement/prospectus. The selected historical consolidated financial data of Johnson & Johnson as of July 4, 2010 has been derived from Johnson & Johnson's historical unaudited interim consolidated financial statements contained in its Quarterly Report on Form 10-Q for the quarter ended July 4, 2010, which is not incorporated by reference in this proxy statement/prospectus. These financial statements are unaudited, but, in the opinion of Johnson & Johnson's management, contain all adjustments necessary to present fairly Johnson & Johnson's financial position, results of operations and cash flows for the periods indicated.

Results of interim periods are not necessarily indicative of the results expected for a full year or for future periods. This information is only a summary and should be read in conjunction with Johnson & Johnson's management's discussion and analysis of results of operations and financial condition and Johnson & Johnson's consolidated financial statements and notes thereto incorporated by reference in this proxy statement/prospectus. For additional information, please see [Where You Can Find More Information](#) beginning on page 116.

	Six Months Ended		Fiscal Year Ended				
	July 3,	July 4,	December 31,	December 31,	December 28,	January 3,	January 2,
	2011	2010	2006	2007	2008	2010	2011
	(Unaudited)						

(In US\$ millions, except per share data)

EARNINGS DATA:

Sales to customers	\$ 32,770	\$ 30,961	\$ 53,324	\$ 61,095	\$ 63,747	\$ 61,897	\$ 61,587
Costs and expenses	24,838	20,461	38,737	47,812	46,818	46,142	44,640
Earnings before provision for taxes on income	7,932	10,500	14,587	13,283	16,929	15,755	16,947
Net earnings	6,252	7,975	11,053	10,576	12,949	12,266	13,334
Basic net earnings per share	2.28	2.89	3.76	3.67	4.62	4.45	4.85
Diluted net earnings per share	2.25	2.85	3.73	3.63	4.57	4.40	4.78
	1.110	1.030	1.455	1.620	1.795	1.930	2.110

Dividends paid per
share

BALANCE SHEET

DATA

(as of period end):

Total assets	\$ 112,114	\$ 92,300	\$ 70,556	\$ 80,954	\$ 84,912	\$ 94,682	\$ 102,908
Long-term debt	13,680	7,937	2,014	7,074	8,120	8,223	9,156
Shareholders equity	62,132	52,851	39,318	43,319	42,511	50,588	56,579

Table of Contents**SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF SYNTHES**

The following table sets forth selected historical consolidated financial data of Synthes. The historical consolidated financial information of Synthes as of and for each of the five fiscal years in the period ended December 31, 2010 has been derived from Synthes' audited historical financial statements, which were audited by Ernst & Young LLP, an independent accounting firm. Synthes historical audited consolidated financial statements for the years ended December 31, 2010, 2009 and 2008 are included in this proxy statement/prospectus beginning on page F-17. Synthes historical audited consolidated financial statements for the years ended December 31, 2007 and 2006 are not included in this proxy statement/prospectus.

The selected historical consolidated financial data of Synthes as of June 30, 2011 and for the six month periods ended June 30, 2011 and 2010 have been derived from Synthes' historical unaudited interim consolidated financial statements included in this proxy statement/prospectus. The selected historical consolidated balance sheet data of Synthes as of June 30, 2010 has been derived from Synthes' historical unaudited interim consolidated financial statements not included in this proxy statement/prospectus. These financial statements are unaudited, but, in the opinion of Synthes management, contain all adjustments necessary to present fairly Synthes' financial position, results of operations and cash flows for the periods indicated.

Results of interim periods are not necessarily indicative of the results expected for a full year or for future periods. This information is only a summary and should be read in conjunction with the section titled "Synthes Management's Discussion and Analysis of Results of Operations and Financial Condition" beginning on page 76 and Synthes consolidated financial statements and notes thereto included in this proxy statement/prospectus.

	Six Months Ended June 30,		Fiscal Year Ended December 31,				
	2011	2010	2006	2007	2008	2009	2010

(In US\$ millions, except per share data)

**CONSOLIDATED
STATEMENTS OF
OPERATIONS****DATA:**

Net sales	\$ 1,975.0	\$ 1,803.9	\$ 2,391.6	\$ 2,759.7	\$ 3,192.5	\$ 3,394.7	\$ 3,687.0
Gross profit	1,629.1	1,485.6	1,957.9	2,234.7	2,638.7	2,802.4	3,046.5
Earnings from continuing operations	454.4	424.6	508.8	612.6	735.0	824.0	907.7
Net earnings	454.4	424.6	508.8	612.6	735.0	824.0	907.7
Earnings per share (basic and diluted):							
Earnings from continuing operations	3.83	3.58	4.38	5.16	6.19	6.94	7.65
Net earnings	3.83	3.58	4.38	5.16	6.19	6.94	7.65
Dividends declared per common share	1.9485	1.2776	0.5414	0.6187	0.9092	0.9824	1.2776

**CONSOLIDATED
BALANCE SHEET
DATA (as of period
end):**

Total assets	8,840.0	6,779.6	4,549.3	5,188.0	5,897.3	6,658.6	7,923.6
Liabilities (current and long-term)	1,322.7	1,031.4	1,170.6	1,102.0	1,071.5	1,020.4	1,184.9
Stockholders equity	7,517.3	5,748.2	3,378.7	4,086.0	4,825.8	5,638.2	6,738.7

Table of Contents**SUMMARY UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA**

The following table presents summary unaudited pro forma condensed combined financial information about the financial condition and results of operations of Johnson & Johnson after giving effect to the merger. The summary unaudited pro forma condensed combined income statement data for the six months ended July 3, 2011 and the year ended January 2, 2011 give effect to the merger as if the merger had taken place on January 4, 2010. The summary unaudited pro forma condensed combined balance sheet data gives effect to the merger as if it had taken place on July 3, 2011.

The following summary unaudited pro forma condensed combined financial information has been prepared by applying the purchase method of accounting with Johnson & Johnson treated as the acquirer and does not give effect to any potential cost savings or other operating efficiencies that could result from the merger. In addition, Johnson & Johnson's fair value of consideration paid to Synthes stockholders will be allocated to the assets acquired and liabilities assumed based upon their estimated fair values as of the date of the acquisition. The allocation is dependent upon certain valuations and other studies that have not progressed to the state where there is sufficient information to make a definitive allocation. Accordingly, the purchase price allocation pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information in this proxy statement/prospectus. The actual number of shares of Johnson & Johnson common stock issued in respect of each share of Synthes common stock in the merger will be established shortly before completion of the merger.

The summary unaudited pro forma condensed combined financial information is derived from, and should be read in conjunction with, the consolidated financial statements and related notes of Johnson & Johnson, incorporated herein by reference, and the consolidated financial statements and related notes of Synthes, included in this proxy statement/prospectus, together with the more detailed unaudited pro forma condensed combined financial information provided in the section titled "Unaudited Pro Forma Condensed Combined Financial Information" beginning on page 90. For further information with respect to documents incorporated by reference in this proxy statement/prospectus, please see "Where You Can Find More Information" beginning on page 116. The summary unaudited pro forma condensed combined financial information set forth below has been presented for informational purposes only and is not necessarily indicative of what the combined financial condition or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the summary unaudited pro forma condensed combined financial information presented below does not purport to project the combined financial condition or operating results for any future period.

	Fiscal Year Ended January 2, 2011	Six Months Ended July 3, 2011 (Unaudited)
	(In millions, except per share amounts)	
EARNINGS DATA:		
Sales to customers	\$ 65,274	\$ 34,745
Costs and expenses	47,908	26,529
Earnings before provision for taxes on income	17,366	8,216
Net earnings	13,699	6,484
Basic net earnings per share	4.62	2.20
Diluted net earnings per share	4.56	2.17
Dividends paid per share	2.110	1.110

As of July 3, 2011
(Unaudited)
(In millions, except per
share amounts)

BALANCE SHEET DATA

Total assets	\$ 138,672
Long-term debt	21,215
Shareholders' equity	75,565

Table of Contents**COMPARATIVE HISTORICAL AND PRO FORMA PER SHARE DATA**

The following table sets forth for the periods presented certain historical per share data of Johnson & Johnson common stock and Synthes common stock on a historical basis and on unaudited pro forma and pro forma equivalent bases after giving effect to the merger under the purchase method of accounting. The historical per share data of Johnson & Johnson and Synthes has been derived from, and should be read in conjunction with, the historical financial statements of Johnson & Johnson and Synthes incorporated by reference or included in this proxy statement/prospectus. See *Where You Can Find More Information*, Selected Historical Consolidated Financial Data of Johnson & Johnson and Selected Historical Consolidated Financial Data of Synthes beginning on pages 116, 11 and 12 respectively. The unaudited pro forma per share data has been derived from, and should be read in conjunction with, the unaudited pro forma condensed combined financial information provided in the section titled *Unaudited Pro Forma Condensed Combined Financial Information* beginning on page 90.

The Synthes unaudited pro forma equivalent data was calculated by multiplying the corresponding Johnson & Johnson unaudited pro forma consolidated data by 1.8029, which was calculated by assuming that the volume weighted average trading price of Johnson & Johnson common stock utilized to derive the exchange ratio was equal to CHF 57.32, which is the average of the volume weighted average trading prices of Johnson & Johnson common stock for the ten trading days ending two trading days prior to October 25, 2011 (October 21, 2011), as converted into CHF on each day in the valuation period. The exchange ratio does not include the CHF 55.65 per share cash portion of the merger consideration. The actual exchange ratio may vary as described in this proxy statement/prospectus. This data shows how each share of Synthes common stock would have participated in net income and book value of Johnson & Johnson if the companies had always been consolidated for accounting and financial reporting purposes for all periods presented. These amounts, however, are not intended to reflect future per share levels of net income and book value of Johnson & Johnson.

	Six Months Ended July 3, 2011	Fiscal Year Ended January 2, 2011
	(Unaudited)	
	(In millions, except per share amounts)	
JOHNSON & JOHNSON HISTORICAL		
Per common share data:		
Net earnings:		
Basic	\$ 2.28	\$ 4.85
Diluted	2.25	4.78
Dividends paid per share	1.110	2.110
Book value per share (basic)	22.67	20.66
SYNTHESES HISTORICAL(1)		
Per common share data:		
Net earnings (basic and diluted):	\$ 3.83	\$ 7.65
Dividends declared per share:	1.9485	1.2776
Book value per share (basic):	63.30	56.76
JOHNSON & JOHNSON UNAUDITED PRO FORMA COMBINED WITH SYNTHESES		
Per common share data:		

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Net earnings:				
Basic	\$	2.20	\$	4.62
Diluted		2.17		4.56
Dividends paid per share:		1.110		2.110
Book value per share (basic):		25.57		N/A

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**Six Months
Ended
July 3, 2011** **Fiscal Year Ended
January 2, 2011
(Unaudited)**
(In millions, except per share amounts)

SYNTHES UNAUDITED PRO FORMA EQUIVALENTS

Per common share data:

Earnings from continuing operations:

Basic	\$	3.97	\$	8.33
Diluted		3.91		8.22
Dividends declared per share:		2.00		3.80
Book value per share (basic):		46.10		N/A

- (1) Synthes reports its financial information on a calendar period basis, while Johnson & Johnson reports its financial information on a fiscal year basis. Synthes financial information is as of and for the year ended December 31, 2010 and the six months ended June 30, 2011.

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RISK FACTORS

*In addition to the other information included and incorporated by reference in this proxy statement/prospectus, including the matters addressed in the section entitled **Special Note Regarding Forward-Looking Statements**, Synthes stockholders should consider carefully the matters described below in determining whether to adopt the merger agreement. In addition, you should read and consider the risks associated with an investment in the common stock of Johnson & Johnson. These risks can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 2, 2011, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC and incorporated by reference into this proxy statement/prospectus. For further information regarding the documents incorporated in this proxy statement/prospectus by reference, please see **Where You Can Find More Information** beginning on page 116.*

Because of fluctuations in the market price of Johnson & Johnson common stock and the Swiss franc/U.S. dollar exchange rate, Synthes stockholders cannot be sure of the market value of the Johnson & Johnson common stock that they will receive in the merger.

At the time the merger is completed, each issued and outstanding share of Synthes common stock (other than shares owned by Johnson & Johnson or Synthes and shares in respect of which appraisal rights have been properly exercised and perfected) will be converted into the right to receive a combination of (i) CHF 55.65 in cash and (ii) a number of shares of Johnson & Johnson common stock equal to the exchange ratio (as described below). The exchange ratio is subject to a collar and may fluctuate, depending on the market price of Johnson & Johnson common stock and the Swiss franc/U.S. dollar exchange rate. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period, is equal to or between CHF 52.54 and CHF 60.45, then the number of shares of Johnson & Johnson common stock exchangeable for each share of Synthes common stock will be determined by dividing CHF 103.35 by the average of the volume weighted average trading prices.

Within the price range prescribed by the collar, the exchange ratio floats so as to ensure that the value of Johnson & Johnson common stock to be received in exchange for each share of Synthes common stock will be CHF 103.35 per share of Synthes common stock. However, if the average of the volume weighted average trading prices of Johnson & Johnson common stock used to calculate the exchange ratio is less than CHF 52.54, the exchange ratio will be fixed at 1.9672 shares of Johnson & Johnson common stock for each share of Synthes common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock used to calculate the exchange ratio is greater than CHF 60.45, the exchange ratio will be fixed at 1.7098 shares of Johnson & Johnson common stock for each share of Synthes common stock. Accordingly, if the average of the volume weighted average trading prices of Johnson & Johnson common stock used to calculate the exchange ratio is less than the low end of the collar, then the initial value of the stock portion of the consideration to be paid per share of Synthes common stock may be less than CHF 103.35. Conversely, if the average of the volume weighted average trading prices of Johnson & Johnson common stock used to calculate the exchange ratio is greater than the high end of the collar, then the initial value of the stock portion of the consideration may be greater than CHF 103.35.

There will be time lapses between each of the date on which Synthes stockholders vote on the merger agreement at the special meeting, the date on which the exchange ratio is determined and the date on which Synthes stockholders entitled to receive shares of Johnson & Johnson common stock actually receive such shares. The market value of Johnson & Johnson common stock may fluctuate during these periods.

Stock price fluctuations may result from a variety of factors (many of which are beyond our control), including the following:

changes in Johnson & Johnson's and Synthes' respective businesses, operations and prospects or market assessments thereof;

market assessments of the likelihood that the merger will be completed, including related considerations regarding litigation and regulatory approvals of the merger;

market assessments about the prospects of post-merger operations;

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fluctuations in the exchange rate between the U.S. dollar and the Swiss franc; and

general business, market, industry and economic conditions and other factors generally affecting the price of Johnson & Johnson and Synthes common stock.

In addition, the exchange rate used to convert the U.S. dollar denominated volume weighted average trading prices of Johnson & Johnson common stock into Swiss francs for purposes of calculating the exchange ratio may fluctuate during the periods between each of the date of the special meeting, the date on which the exchange ratio is determined and the date on which Synthes stockholders entitled to receive shares of Johnson & Johnson common stock actually receive such shares. Fluctuations in this Swiss franc/U.S. dollar exchange rate may cause the actual exchange ratio to differ significantly from the exchange ratio that would have existed if it had been calculated as of the date of the special meeting.

Consequently, at the time Synthes stockholders must decide whether or not to adopt the merger agreement, they will not know the actual market value of the shares of Johnson & Johnson common stock they will receive when the merger is completed. The actual market value of shares of Johnson & Johnson stock, when received by Synthes stockholders, will depend on the market value of those shares on that date. This market value may be less than the value used to determine the exchange ratio, as the determination will be made with respect to a period occurring prior to the consummation of the merger.

Synthes stockholders are urged to obtain current market quotations for shares of Johnson & Johnson common stock and Synthes common stock.

The merger is subject to the receipt of consents and clearances from regulatory authorities that may impose conditions that could have an adverse effect on Johnson & Johnson, Synthes or the combined company, or if not obtained, could prevent completion of the merger.

Completion of the merger is conditioned upon the expiration or termination of the applicable waiting periods, and any extension of the waiting periods, under the HSR Act, approval by the European Commission under applicable merger regulations and regulatory approval in certain other jurisdictions. Johnson & Johnson and Synthes are pursuing all required approvals in accordance with the merger agreement. These consents, orders and approvals may impose conditions on or require divestitures relating to the divisions, operations or assets of Johnson & Johnson or Synthes or may impose requirements, limitations or costs or place restrictions on the conduct of the combined company's business. The merger agreement may require Johnson & Johnson and/or Synthes to comply with such conditions imposed by regulatory entities, and in certain circumstances, either company may refuse to close the merger on the basis of those regulatory conditions. Such conditions, divestitures, requirements, limitations, costs or restrictions may jeopardize or delay completion of the merger, may reduce the anticipated benefits of the merger or may result in the abandonment of the merger. Further, no assurance can be given that the required consents and approvals will be obtained or that the required conditions to closing will be satisfied, and, even if all such consents and approvals are obtained and the conditions are satisfied, no assurance can be given as to the terms, conditions and timing of the approvals or that they will satisfy the terms of the merger agreement. See "The Merger Agreement - Conditions for the Completion of the Merger" beginning on page 67 for a discussion of the conditions to the completion of the merger and "The Merger - Regulatory Matters" beginning on page 48 for a description of the regulatory approvals necessary in connection with the merger.

Failure to complete the merger could negatively impact the stock prices and the future business and financial results of Johnson & Johnson and Synthes.

If the merger is not completed, the ongoing businesses of Johnson & Johnson and Synthes may be adversely affected. Johnson & Johnson and Synthes will be subject to several risks, including the following:

being required to pay a termination fee of \$650 million under certain circumstances under the merger agreement;

having to pay certain costs relating to the merger, such as legal, accounting, financial advisor, filing, mailing and printing fees; and

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focusing each company's management on the merger instead of on pursuing other opportunities that could have been beneficial to each company, in each case, without realizing any of the benefits of having the merger completed.

If the merger is not completed, Johnson & Johnson and Synthes cannot assure their stockholders that these risks will not materialize and will not materially adversely affect the business, financial results and stock prices of either company.

The price of Johnson & Johnson common stock may be affected by factors different from those affecting the price of Synthes common stock.

Upon completion of the merger, holders of Synthes common stock will become holders of Johnson & Johnson common stock. Johnson & Johnson's business is different from that of Synthes, and Johnson & Johnson's results of operations, as well as the price of Johnson & Johnson common stock, may be affected by factors different from those affecting Synthes' results of operations and the price of Synthes common stock. For a discussion of Johnson & Johnson's business and certain risks to consider in connection with its business, see Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 2, 2011, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are incorporated by reference in this proxy statement/prospectus.

Fluctuations in the valuation of foreign currencies could impact the value of an investment in Johnson & Johnson common stock by certain Synthes stockholders.

Johnson & Johnson common stock and any dividends to be paid in respect of it will be denominated in U.S. dollars. An investment in Johnson & Johnson common stock by an investor whose principal currency is not the U.S. dollar exposes the investor to foreign exchange rate risk. Any depreciation of the U.S. dollar in relation to such other currency will reduce the value of the investment in Johnson & Johnson common stock, and any dividends to be paid in respect of it, in terms of such other currency, and any appreciation of the U.S. dollar will increase the value in terms of such other currency.

Some directors and executive officers of Synthes have interests in the merger that differ from the interests of Synthes' other stockholders.

Some directors and executive officers of Synthes may have interests in the merger that differ from, or that are in addition to, their interests as stockholders of Synthes. These interests may include, among other things, specific employment arrangements, arrangements that provide for severance benefits if certain executive officers' employment is terminated under certain circumstances following completion of the merger and rights to indemnification and directors' and officers' liability insurance that will survive the completion of the merger. Although the Synthes board of directors recommended the adoption of the merger to Synthes stockholders, these interests may cause Synthes directors and officers to view the merger differently than general stockholders. See "The Merger" Interests of Synthes Directors and Officers in the Merger beginning on page 40.

Johnson & Johnson is expected to incur substantial expenses related to the merger and the integration of Synthes.

Johnson & Johnson is expected to incur substantial expenses in connection with the merger and the integration of Synthes. Specifically, based on estimates as of the date of the announcement of the merger, Johnson & Johnson expects to incur approximately \$500 to 600 million of transaction costs related to the merger, the largest component of which will be costs incurred to hedge the foreign currency component of the merger, and which costs are expected to be recorded as special items. Additionally, there are a large number of processes, policies, procedures, operations,

technologies and systems that must be integrated, including purchasing, accounting and finance, sales, billing, payroll, manufacturing, marketing and benefits. While Johnson & Johnson expects to incur after-tax integration and restructuring costs and other costs incurred to execute the transaction following completion of the merger in 2012 that are estimated to range between \$1.0 and \$1.2 billion, many of the expenses that will be incurred are, by their nature, difficult to estimate accurately. These expenses could, particularly in the near term, exceed the savings that Johnson & Johnson expects to achieve from elimination of duplicative expenses and the realization of

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economics of scale and cost savings. Although Johnson & Johnson and Synthes expect that the realization of efficiencies related to the integration of the businesses may offset incremental transaction, merger-related and restructuring costs over time, we cannot give any assurance that this net benefit will be achieved in the near term, or at all.

The merger may cause dilution to Johnson & Johnson's earnings per share, which may negatively affect the market price of Johnson & Johnson's common stock.

Johnson & Johnson anticipates that the merger may have a 1% to 2% dilutive impact, excluding special items, such as after-tax charges for such items as amortization of acquired intangibles, inventory set-up costs, restructuring costs and other costs incurred to execute the transaction on the earnings per share of its common stock during 2012. We anticipate that this dilutive impact will be reduced over time. These expectations are based on preliminary estimates as of the date of the public announcement of the merger which may materially change. Johnson & Johnson could also encounter additional transaction-related costs or other factors such as the failure to realize all of the benefits anticipated in the merger. In addition, Johnson & Johnson anticipates that Synthes stockholders will own between approximately 7% and 8% of the outstanding shares of Johnson & Johnson common stock following the merger, based on the number of outstanding shares of Synthes common stock on the record date and the number of outstanding shares of Johnson & Johnson common stock on October 24, 2011. Once its shares are issued in the merger, Johnson & Johnson's earnings per share may be lower than it would have been in the absence of the merger. All of these factors could cause dilution to Johnson & Johnson's earnings per share or decrease or delay the expected accretive effect of the merger and cause a decrease in the market price of Johnson & Johnson common stock.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This proxy statement/prospectus and the documents incorporated by reference in this proxy statement/prospectus contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 with respect to the financial condition, results of operations, business strategies, operating efficiencies, synergies, revenue enhancements, competitive positions, growth opportunities for existing products, plans and objectives of management, markets for the common stock of Johnson & Johnson and Synthes and other matters. Statements in this proxy statement/prospectus and the documents incorporated herein by reference that are not historical facts are hereby identified as forward-looking statements for the purpose of the safe harbor provided by Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the Securities Act). Such forward-looking statements, including, without limitation, those relating to the future business prospects, revenues and income of Johnson & Johnson and Synthes, and those relating to the merger and the expected benefits thereof, wherever they occur in this proxy statement/prospectus or the documents incorporated herein by reference, are necessarily estimates reflecting the judgment of the respective managements of Johnson & Johnson or Synthes and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. Such forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in this proxy statement/prospectus and the documents incorporated herein by reference.

Words such as may, will, predict, target, forecast, estimate, project, plan, intend, expect, anticipate, should, could, intends and similar expressions are intended to identify forward-looking statements. These forward-looking statements are found at various places throughout this proxy statement/prospectus and the other documents incorporated herein by reference. Important factors that could cause actual results to differ materially from those indicated by such forward-looking statements include, without limitation, the risks and uncertainties set forth under Risk Factors, beginning on page 16, as well as, among others, risks and uncertainties relating to:

the occurrence of any event, change or other circumstance that could give rise to the termination of the merger agreement;

the outcome of any legal proceedings in which Johnson & Johnson or Synthes is involved;

the inability to complete the merger due to the failure to obtain stockholder approval, governmental or regulatory clearances or the failure to satisfy other conditions to the closing of the merger;

the failure of the merger to be completed for any other reason;

the risk that required governmental and regulatory approvals may delay the merger or result in the imposition of conditions that could cause the parties to abandon the merger;

the risk that the proposed merger disrupts current plans and operations;

potential difficulties in employee retention as a result of the merger;

disruption from the merger making it difficult to maintain relationships with customers or suppliers;

the risk that the businesses will not be integrated successfully, or that the integration will be more costly or more time consuming and complex than anticipated;

the impact of exchange rate fluctuations between the U.S. dollar and the Swiss franc;

the risk that cost savings and other synergies anticipated to be realized from the merger may not be fully realized or may take longer to realize than expected;

adverse developments in general market, business, economic, labor, regulatory and political conditions;

the impact of any outbreak or escalation of hostilities on a national, regional or international basis, acts of terrorism or natural disasters;

competitive factors, including technological advances achieved and patents attained by competitors and generic competition as patents on products expire;

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continued access to credit markets on favorable terms, and the maintenance by Johnson & Johnson of an AAA credit rating; and

the impact of any change to applicable government laws and regulations affecting domestic and foreign operations, including those relating to trade, monetary and fiscal policies, taxes, price controls, regulatory approval of new products, licensing and healthcare reform.

Additional factors that could impact Johnson & Johnson's ability to achieve the results described in any forward-looking statements can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended January 2, 2011 and subsequent Quarterly Reports on Form 10-Q, all filed with the SEC.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this proxy statement/prospectus, or if such statement is included in another document incorporated in this proxy statement/prospectus, as of the date of such other document. Readers also should understand that it is not possible to predict or identify all such factors and that this list should not be considered a complete statement of all potential risks and uncertainties. Johnson & Johnson and Synthes undertake no obligation to update any forward-looking statements, whether as a result of new information, changes in beliefs, changes in circumstances, future events or developments, or otherwise.

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THE SPECIAL MEETING

We are making this proxy statement/prospectus available to Synthes stockholders as of the record date as part of the solicitation of proxies by the Synthes board of directors for use at the special meeting, including any adjournment or postponement of the meeting.

Date, Time and Place

The Synthes special meeting will be held on Thursday, December 15, 2011 at 11:00 a.m., at Synthes European Headquarters, Luzernstrasse 19, 4528 Zuchwil (Solothurn), Switzerland. Please request your admission card from your custodian bank where your shares are held in custody as soon as possible if you plan to attend the special meeting. Admission cards can be ordered until December 6, 2011 from your custodian bank. Admission cards with the corresponding voting material will be dispatched as from November 21, 2011 onwards. This proxy statement/prospectus can be downloaded from www.synthes.com (Investors/Media section) or a hardcopy of the documentation (approximately 300 pages) can be ordered via mail, e-mail or phone from Synthes, Inc., Investor Relations, c/o Synthes GmbH, Eimattstrasse 3, 4436 Oberdorf BL, Switzerland, phone +41 32 720 46 38, e-mail: investor.relations@synthes.com.

Purpose of the Special Meeting

At the special meeting, Synthes stockholders will be asked to consider and vote upon a proposal to adopt the merger agreement, pursuant to which a wholly owned subsidiary of Johnson & Johnson, Samson Acquisition Corp., will merge with and into Synthes, with Synthes becoming a wholly owned subsidiary of Johnson & Johnson, and each outstanding share of Synthes common stock will be converted into the right to receive a combination of (i) CHF 55.65 in cash and (ii) shares of Johnson & Johnson common stock based on the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is between CHF 52.54 and CHF 60.45, then each share of Synthes common stock will be converted into the right to receive a number of shares of Johnson & Johnson common stock having an aggregate value of CHF 103.35. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is less than CHF 52.54, then each share of Synthes common stock will be converted into the right to receive 1.9672 shares of Johnson & Johnson common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is greater than CHF 60.45, then each share of Synthes common stock will be converted into the right to receive 1.7098 shares of Johnson & Johnson common stock.

The Synthes board of directors unanimously determined that the merger is fair to, and in the best interests of, Synthes and its stockholders, declared advisable and approved the merger agreement and recommends that you vote FOR adoption of the merger agreement.

Record Date; Shares Entitled to Vote; Quorum

Only stockholders entered in the stock ledger at the close of business on October 20, 2011, the record date for the special meeting, are entitled to notice of, and to vote at, the special meeting and any adjournment or postponement of it. On the record date, 118,756,463 shares of Synthes common stock were issued and outstanding and held by approximately 19 holders of record.

Synthes by-laws provide that, except (a) with respect to shares of Synthes common stock issued pursuant to the Combination Agreement dated February 24, 1999, to (i) R. Maag and H.J. Wyss, (ii) the stockholders of Synthes, Synthes North America, Inc., Synthes Spine, Inc. and Synthes (Canada) Ltd., (iii) any stockholders of Stratec Holding Ltd. that are U.S. persons who received share of Synthes common stock bearing a legend in respect of issuances pursuant to Section 4(2) of the Securities Act, and (iv) any U.S. persons who are Qualified Institutional Buyers as such term is defined in Rule 144A of the Securities Act who purchased shares in connection with Synthes secondary offering effected in November 1999, or transferees of such Qualified Institutional Buyers who obtained such shares in compliance with the restrictions on resales and transfers set

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forth in the offering circular prepared for such secondary offering; and (b) under certain other limited circumstances, any voting instruction received from a U.S. person or bearing a U.S. postmark shall be presumed to evidence a prohibited transfer of shares of Synthes common stock, or interests therein or rights thereof, as to which such voting instructions relate, and shall, accordingly, be disregarded by Synthes and shall be deemed void and of no effect.

A quorum will be present at the special meeting if there is the presence in person or by proxy of the holders of shares of stock having one-third of the voting power of the shares entitled to vote at the meeting. Abstentions will be treated as present at the special meeting for purposes of determining the presence or absence of a quorum for the transaction of all business. In the event that a quorum is not present at the special meeting, it is expected that the special meeting will be adjourned to solicit additional proxies, provided that the proposal to adjourn the special meeting has been approved by the majority vote of the stockholders present and entitled to vote at the special meeting, although less than a quorum. Holders of record of Synthes common stock on the record date are entitled to one vote per share on any matter submitted to a vote at the special meeting.

Vote Required

The adoption of the merger agreement requires the affirmative vote of the holders of a majority of the outstanding shares of Synthes common stock entitled to vote at the special meeting. Because the required vote of Synthes stockholders is based upon the number of outstanding shares of Synthes common stock entitled to vote, rather than upon the shares actually voted, the failure by a stockholder to submit a proxy or to vote in person at the special meeting, including abstentions and broker non-votes, will have the same effect as a vote against adoption of the merger agreement.

Subject to the terms and conditions of the voting agreement, Mr. Hansjörg Wyss, the Chairman of the Synthes board of directors, Ms. Amy Wyss, a Synthes director, and two trusts, the beneficiaries of which are Wyss family members, have agreed, among other things, to vote 44,825,825 of their shares of Synthes common stock (representing approximately 37.75% of the shares entitled to vote at the special meeting) **FOR** the adoption of the merger agreement.

Shares Owned by Synthes Directors and Executive Officers

At the close of business on the record date, directors and executive officers of Synthes beneficially owned and were entitled to vote 58,390,695 shares of Synthes common stock, which represented approximately 49.17% of the shares of Synthes common stock entitled to vote at the special meeting.

Voting of Proxies

Stockholders should request their admission card and corresponding voting material (including a proxy form) from their custodian bank where their shares are held in custody as soon as possible, and in any event prior to December 6, 2011. Admission cards with the corresponding voting material will be dispatched as from November 21, 2011. Once the material has been received, stockholders may vote their shares by attending and voting their shares in person at the special meeting, or by completing a proxy form (instructions are provided on the form). If a proxy form is signed by a stockholder and returned without specific voting instructions, the shares represented by the proxy will be voted **FOR** the proposals presented at the special meeting.

Representatives of custodian banks are requested to notify Synthes as soon as possible and at the latest at the admission office on the day of the special meeting, of the number of the shares they are representing.

Stockholders whose shares are held in street name must either instruct the record holder of their shares how to vote their shares or obtain a proxy form as described above to vote at the special meeting. Please check the voting form used by your bank, broker, nominee, fiduciary or other custodian for information on how to submit your instructions to them.

The persons named as proxies by a stockholder may propose and vote for one or more adjournments of the special meeting, including adjournments to permit further solicitations of proxies. Any adjournment may be made at any time by stockholders representing a majority of the votes present in person or by proxy at the special meeting,

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whether or not a quorum exists, without further notice other than by an announcement made at the meeting. Synthes does not currently intend to seek an adjournment of its special meeting. No proxy voted against the proposal to adopt the merger agreement will be voted in favor of any such adjournment.

Synthes does not expect that any matter other than the proposals to adopt the merger agreement and to adjourn the special meeting, if necessary or appropriate, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting will be brought before the special meeting. If, however, other matters are properly brought before the special meeting, or any adjourned meeting, the persons named as proxies will vote in accordance with their judgment.

Revocability of Proxies

Stockholders may revoke their proxy at any time prior to the taking of the vote at the special meeting. Stockholders may revoke their proxy by:

executing and delivering to Synthes a later-dated proxy form relating to the same shares;

filing with Synthes acting Secretary a written notice of revocation bearing a later date than the proxy form; or

attending the special meeting and voting in person (although attendance at the special meeting will not, in and of itself, revoke a proxy).

Any such written notice of revocation or subsequent proxy form must be received by Synthes before the taking of the vote at the special meeting, and should be delivered to Synthes, Inc., Investor Relations, c/o Synthes GmbH, Eimattstrasse 3, 4436 Oberdorf BL, Switzerland, or hand delivered to Synthes acting Secretary, Helene Schaub, or her representative before the taking of the vote at the special meeting.

In addition to the three methods described above, stockholders who have appointed Dr. Oscar Battegay as their proxy may revoke such proxy by sending a written notice of revocation bearing a later date than the proxy form or a later-dated proxy form relating to the same shares and delivering it by mail so that it is received by the designated independent proxy, Dr. Oscar Battegay, before December 8, 2011. Such revocation or proxy form should be delivered to Heuberg 7, PO Box 2032, 4001 Basel, Switzerland, Attention: Dr. Oscar Battegay.

For stockholders whose shares are held in street name, and who have either instructed the record holder of their shares on how to vote their shares or obtained a proxy form from the record holder to vote at the special meeting, please check with your bank, broker, nominee, fiduciary or other custodian for information on how to revoke your instructions to them.

Solicitation of Proxies

Synthes is soliciting proxies for the special meeting and will bear all expenses in connection with solicitation of proxies, except that those expenses incurred in connection with the printing and mailing of this proxy statement/prospectus will be shared equally by Synthes and Johnson & Johnson. Upon request, Synthes will pay banks, brokers, nominees, fiduciaries or other custodians their reasonable expenses for sending proxy material to, and obtaining instructions from, persons for whom they hold shares.

Synthes expects to solicit proxies primarily by mail, but directors, officers and other employees of Synthes may also solicit in person or by Internet, telephone or mail.

Synthes stockholders who receive more than one proxy form or voting instruction form have shares registered in different forms or in more than one account. Please complete, sign, date and return all proxy forms and provide instructions for all voting instruction forms received to ensure that all shares are voted.

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THE COMPANIES

Johnson & Johnson

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
Telephone: (732) 524-0400

Johnson & Johnson and its subsidiaries have approximately 114,000 employees worldwide engaged in the research and development, manufacture and sale of a broad range of products in the health care field. Johnson & Johnson is a holding company, which has more than 250 operating companies conducting business in virtually all countries of the world. Johnson & Johnson's primary focus has been on products related to human health and well-being. Johnson & Johnson is a New Jersey corporation, incorporated in the State of New Jersey in 1887.

Additional information about Johnson & Johnson and its subsidiaries is included in the documents incorporated by reference in this proxy statement/prospectus. See [Where You Can Find More Information](#) beginning on page 116.

Samson Acquisition Corp.

Johnson & Johnson
One Johnson & Johnson Plaza
New Brunswick, New Jersey 08933
Telephone: (732) 524-0400

Samson Acquisition Corp., a wholly owned subsidiary of Johnson & Johnson, is a Delaware corporation that was formed on April 21, 2011 solely for the purpose of effecting the merger and the other transactions contemplated by the merger agreement and has not engaged, and does not expect to engage, in any other business activities.

Synthes

Synthes, Inc.
1302 Wrights Lane East
West Chester, Pennsylvania 19380
Telephone: (610) 719-5000

Synthes is a global medical device company employing more than 11,400 people. Through its five product groups (Trauma, Spine, Cranio-Maxillofacial, Biomaterials and Power Tools), Synthes develops, produces and markets instruments, implants and biomaterials for the surgical fixation, correction and regeneration of the human skeleton and its soft tissues.

Synthes has operations and sells direct in 42 countries and sells through distributors in an additional 76 countries. Synthes' operations are managed by four area head offices: West Chester (USA) for North America; Solothurn (Switzerland) for Europe, Middle East & Africa; Sydney (Australia) for Asia/Pacific and Miami (USA) for Latin America. Synthes operates 13 manufacturing facilities, mainly located in the United States and Switzerland.

Following the merger of Stratec Medical and Synthes USA in February 1999, the company was incorporated in Delaware under the corporate name Synstra, Inc. In March 1999, Synstra changed its name to Synthes-Stratec. In February 2004, following the merger of Synthes-Stratec and Mathys, the company changed its name to Synthes. Later in 2004, Synthes registered shares were added to the Swiss Market Index.

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THE MERGER

Background to the Merger

As part of its ongoing review of Synthes' business, the Synthes board of directors, which is sometimes referred to as the Synthes board, regularly reviews and assesses long-term strategic goals and associated risks, including potential strategic alternatives. Against a backdrop of significant changes to the regulatory, reimbursement, pricing and tax environments driven by healthcare reform and the weak economic environment that had reduced the growth prospects of Synthes and its industry, the Synthes board of directors, in April 2010, raised with Mr. Wyss the possibility of exploring strategic alternatives to enhance stockholder value, including a potential sale of the company.

Mr. Wyss concurred that it would be appropriate for the Synthes board to explore strategic alternatives, and the Synthes board agreed that Amin J. Khoury, a Synthes independent director, would serve as the lead director in this process, as he had previously done in all of Synthes' significant mergers and acquisitions transactions. In connection with this process, Synthes retained Credit Suisse to act as its financial advisor, based on Credit Suisse's qualifications, experience, reputation and familiarity with Synthes after having advised Synthes on all of its significant mergers and acquisitions transactions. Synthes also retained Shearman & Sterling LLP (Shearman & Sterling) to act as its legal advisor.

Synthes, with the assistance of Credit Suisse, began to assess which potential strategic partners had the financial capacity to complete a transaction of this size. Based on this assessment, nine potential strategic partners (including Johnson & Johnson) were identified. Beginning in mid-September 2010, Synthes and Credit Suisse, acting in accordance with Synthes' directives, approached these potential strategic partners to explore their interest in pursuing a possible transaction with Synthes. Five of the nine strategic parties declined the opportunity, and four expressed preliminary interest. Synthes held initial introductory meetings with each of these four potential strategic partners. Synthes entered into confidentiality agreements and shared certain financial due diligence materials with three of these four potential strategic partners (with one party declining to proceed further than the initial introductory meeting). Each of these parties was told during this process that if it was interested in proceeding, it would be necessary to submit a written non-binding proposal for the acquisition of Synthes.

Synthes and Johnson & Johnson entered into a confidentiality agreement on September 24, 2010 (which was later amended several times) that covered Synthes' confidential information, and held a number of meetings in the Fall of 2010 between certain of their senior executives to discuss on a preliminary level a possible acquisition of Synthes by Johnson & Johnson.

On September 27, 2010, Alex Gorsky, Vice Chairman of Johnson & Johnson's Executive Committee, and Michael Mahoney, Worldwide Chairman of Johnson & Johnson's Medical Diagnostics & Devices group, met with Mr. Wyss, Mr. Khoury and a representative of Credit Suisse. At this meeting, there was a general discussion of the potential for a business combination transaction between Synthes and Johnson & Johnson and Synthes provided Messrs. Gorsky and Mahoney with preliminary due diligence information regarding Synthes, including financial due diligence information.

On September 28, 2010, Aileen Stockburger, Vice President of Worldwide Business Development of Johnson & Johnson's subsidiary, DePuy Orthopaedics, Inc., and Susan Morano, Vice President of New Business Development of Johnson & Johnson's Medical Devices & Diagnostics group, had a telephone conversation with a representative of Credit Suisse to discuss the process of working together towards a potential business combination between Johnson & Johnson and Synthes. On October 14, 2010, Messrs. Gorsky and Mahoney, Peter Batesko, III, Worldwide Vice

President of Finance and Chief Financial Officer of Johnson & Johnson's subsidiary, DePuy Orthopaedics, Inc., Michael Ullmann, General Counsel of Johnson & Johnson's Medical Devices & Diagnostics group, and Ms. Stockburger met with Messrs. Khoury, Michel Orsinger, Synthes' President and Chief Executive Officer, and Robert Donohue, Synthes' Chief Financial Officer, for a preliminary due diligence review and presentation of Synthes business. Representatives of Credit Suisse also attended this meeting.

On November 21, 2010, William C. Weldon, Chairman of the Board of Directors and Chief Executive Officer of Johnson & Johnson, and Mr. Khoury met and generally discussed the potential for a business combination transaction between Synthes and Johnson & Johnson.

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On December 12, 2010, Messrs. Wyss and Orsinger, and Dr. Robert Frigg, Chief Technology Officer of Synthes, met with Messrs. Mahoney, Gorsky and Ullmann and Ms. Stockburger to further discuss Synthes' business, the structure of Johnson & Johnson's Medical Device & Diagnostics group and Johnson & Johnson's general thoughts about the potential integration process. During this meeting, the representatives of the two companies also discussed the AO Foundation, a research and education foundation that is also a minority shareholder of Synthes.

Also, starting in mid-November 2010, in accordance with Synthes' directives, Credit Suisse contacted six private equity firms that were considered potential merger partners for Synthes in light of their prior investments and capital resources to explore their interest in pursuing a possible transaction with Synthes. Two of the six declined the opportunity, and four expressed preliminary interest. Synthes entered into confidentiality agreements, held due diligence meetings, and shared certain financial due diligence materials with each of these four potential private equity partners. All of the potential partners expressed an interest in proceeding, and were instructed to submit a non-binding proposal for the acquisition of Synthes.

At a meeting of the Synthes board of directors on November 19, 2010, Messrs. Wyss and Khoury brought the Synthes board up to date as to the status of discussions with the various strategic parties and private equity partners.

On December 13, 2010, three of the private equity firms submitted non-binding proposals to acquire Synthes for ranges of up to CHF 150 per share of Synthes common stock, with the consideration to be paid 100% in cash. These three private equity firms indicated that, because of the size of the potential transaction, they would need to include other private equity firms in a consortium in order to proceed with a transaction. The fourth private equity firm that had participated in a due diligence meeting declined to submit a non-binding proposal. In a telephone conversation on December 15, 2010, Messrs. Gorsky and Wyss had a discussion to follow up on the meeting between representatives of the two companies on December 12. Mr. Gorsky indicated that Johnson & Johnson would be following up with a formal proposal in due course. The other parties contacted declined to submit proposals.

In a telephone conversation on December 20, 2010, Mr. Gorsky conveyed to Mr. Khoury the terms of Johnson & Johnson's non-binding proposal to acquire Synthes, with an indicative price range of CHF 145-150 per share of Synthes common stock. Johnson & Johnson's proposal contemplated that more than 60% of the consideration would be paid in the form of Johnson & Johnson common stock, and was subject to, among other things, satisfactory completion of due diligence and negotiation and execution of mutually acceptable transaction agreements. In response to a request from Mr. Khoury, Johnson & Johnson presented this proposal in writing on December 23, 2010. Between January 10, 2011 and January 18, 2011, Messrs. Gorsky and Wyss had a number of telephone conversations in which Mr. Gorsky requested a proposed timeline for a response to the Johnson & Johnson proposal, and Mr. Wyss responded that the Synthes board was considering the proposal and that Synthes would respond in the coming weeks.

On January 12, 2011, Mr. Wyss and Mr. Khoury, together with representatives of Credit Suisse, met in London with representatives of each of the three private equity firms that had submitted non-binding proposals on December 13, 2010. In each of these meetings, the parties discussed Synthes' business as well as a potential transaction. Following this meeting, the three private equity firms were authorized by Synthes to form a consortium for purposes of proceeding with the proposed transaction.

On February 2, 2011, Mr. Weldon and Mr. Khoury had a telephone conversation in which Mr. Weldon confirmed to Mr. Khoury that Johnson & Johnson's previously submitted non-binding proposal of CHF 145-150 per share of Synthes common stock remained valid.

On February 8, 2011, Mr. Wyss and Mr. Khoury, together with representatives of Credit Suisse, met in Boston with representatives of each of the three private equity firms that had submitted non-binding proposals to confirm that their previously submitted non-binding proposals remained valid. On February 9, 2011, the three private equity firms

submitted a revised non-binding proposal to reflect a proposed purchase price of CHF 151 per share of Synthes common stock but said that they could not increase their proposal above CHF 151 per share. Also as part of this proposal, the private equity firms advised that Mr. Wyss would be required to convert a substantial portion of his equity investment in Synthes into an equity investment in the post-merger company.

On February 10 and 11, 2011, the Synthes board of directors held a regularly scheduled meeting that was also attended by representatives of Shearman & Sterling and Credit Suisse. At this meeting, the Synthes board discussed

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potential strategic alternatives, including maintaining the status quo, growing its business through acquisitions and a sale of Synthes or merger with another company. In this regard, the Synthes board considered that maintaining the status quo would allow Synthes management to focus on opportunities to develop Synthes business and to continue providing a dividend to its stockholders, but that it also would continue to expose Synthes to the negative effects of changes to the regulatory, reimbursement, pricing and tax environments driven by healthcare reform and the weak economic environment. The Synthes board also considered that growing Synthes business through acquisitions might allow Synthes to use its relative size to drive synergies through economies of scale and to achieve a mix of assets with a higher growth profile, but that to date Synthes had not been able to find attractive targets and that this strategy would create a risk of diluting Synthes growth rate and margins. Finally, the Synthes board considered that a sale of Synthes at a significant premium to its trading price would provide immediate accretion in value to stockholders, and that the opportunities to enhance Synthes operating performance might improve if Synthes were either a private company or were part of a larger corporation, but also noted that an acquisition of Synthes would require significant financing and that there were few strategic and private equity firms with the financial capability to complete such an acquisition.

Also at this meeting, Credit Suisse reviewed with the Synthes board of directors financial aspects of the non-binding proposals received from Johnson & Johnson and the three private equity firms. The Synthes board discussed the fact that the Johnson & Johnson proposal offered less closing risk as it related to the necessary financing given Johnson & Johnson's strong financial position and the fact that a significant portion of the overall consideration would be paid in Johnson & Johnson stock, not cash, compared to the fact that 100% of the consideration offered by the private equity firms to Synthes public stockholders would be in the form of cash.

The Synthes board also discussed the private equity firms' proposal. The Synthes board noted that the private equity firms' proposal offered absolute value certainty to Synthes stockholders because the value of the cash consideration would not fluctuate after signing. The Synthes board also discussed the fact that an acquisition of Synthes by a strategic partner (such as Johnson & Johnson) would likely attract greater regulatory scrutiny than an acquisition of Synthes by one or more private equity firms, and accordingly, would be likely to close at a later date. However, the Synthes board discussed that there was significant closing risk associated with the private equity firms' proposal, as the private equity funds' ability to obtain sufficient cash to close their proposed merger would be impacted by general uncertainty in the financing markets as well as fluctuations in the currency exchange rate. In this regard, the Synthes board noted that no private equity firms had completed cash acquisitions of this magnitude in several years. The Synthes board also discussed the fact that because the private equity firms were not as familiar with Synthes business and industry as Johnson & Johnson was, the private equity firms would likely have greater due diligence requirements than would Johnson & Johnson, which might result in a longer due diligence period prior to signing a merger agreement. The Synthes board also discussed that the private equity firms would require Mr. Wyss to convert a substantial portion of his equity to facilitate the transaction.

After discussion with Synthes management and legal and financial advisors, including an executive session of the independent directors, the Synthes board authorized Mr. Khoury to further discuss the Johnson & Johnson proposal with representatives of Johnson & Johnson. On February 14, 2011, Mr. Khoury spoke with Mr. Weldon and indicated that because Synthes had received all-cash proposals in an amount higher than CHF 150, Johnson & Johnson's proposed price of CHF 145-150 was not acceptable to the Synthes board and that the Synthes board would accept a price of CHF 160 per share. Mr. Khoury also discussed with Mr. Weldon the fact that it was important to the Synthes board of directors that any business combination transaction be structured so as to provide Synthes stockholders with significant certainty of value and certainty of closing. On February 15, 2011, in accordance with the Synthes board's directives, Credit Suisse further conveyed to a representative of Johnson & Johnson and representatives of Johnson & Johnson's financial advisor, Goldman, Sachs & Co. (Goldman Sachs), the importance of certainty of value and closing, as well as proposed price and mix of consideration, in the Synthes board's evaluation of a business combination.

On February 16, 2011, Mr. Weldon and Mr. Khoury had a further telephone call in which Mr. Weldon indicated that Johnson & Johnson was prepared to raise its offer to CHF 155 per share, subject to Johnson & Johnson being able to conduct a complete due diligence review, but that he did not have authority to offer more than CHF 155 per share. Mr. Weldon noted that any ability of Johnson & Johnson to offer more than CHF 155 per share would be subject to the results of its due diligence review and discussion with the Johnson & Johnson board of directors. Following this call, representatives of Synthes indicated to representatives of Johnson & Johnson that Synthes was

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prepared to continue discussions with Johnson & Johnson about a potential business combination transaction. On February 20, 2011, Mr. Weldon and Mr. Khoury had a further telephone call to discuss the timing for Johnson & Johnson to commence its due diligence review.

Beginning in early March, representatives of Johnson & Johnson and its advisors met in person and held telephonic conference calls on numerous occasions with Synthes' representatives and advisors as part of Johnson & Johnson's due diligence review of Synthes. Also in connection with this due diligence review, Synthes made available to Johnson & Johnson and its advisors a variety of legal, business and financial documents. This due diligence review continued through the execution of the merger agreement.

On March 28, 2011, Johnson & Johnson and Synthes entered into a confidentiality agreement that covered Johnson & Johnson's confidential information to facilitate Synthes conducting due diligence on Johnson & Johnson in light of the stock component of the consideration in a potential transaction with Johnson & Johnson.

Also on March 28, 2011, Shearman & Sterling provided to Johnson & Johnson's legal counsel, Cravath, Swaine & Moore LLP (Cravath), an initial draft of the merger agreement and the voting agreement. Over the course of the next several weeks, the parties and their respective advisors conducted extensive negotiations over the terms and conditions of the merger agreement and the voting agreement. These negotiations focused on the representations, warranties, covenants and closing conditions to be included in the merger agreement, as well as the obligations of the parties in connection with obtaining regulatory approvals for the merger. The negotiations also addressed the circumstances under which the parties could terminate the merger agreement and the voting agreement, the percentage of shares subject to the voting agreement in the event the Synthes board were to change its recommendation in favor of a superior proposal, and the circumstances and amount of termination fees payable pursuant to the merger agreement.

On April 1, 2011, the compensation committee of the Synthes board met to consider proposed arrangements designed to incentivize key personnel to remain employed with Synthes during the potentially significant period of time that Synthes was exploring a potential sale of the company and beyond (which the compensation committee recognized could be a period of unease and uncertainty for employees), and to reward them for their contributions to the success of Synthes. After discussion, the compensation committee approved, subject to approval by the Synthes board, amendments to existing employment agreements with seven senior executives, new change in control severance arrangements with nine senior executives, and retention bonus agreements with those 16 executives plus two other senior executives, as well as retention bonuses and a reward bonus pool for other groups of key employees. On April 4, 2011, the Synthes board met to consider these proposed arrangements and, after discussion, approved them.

On April 7, 2011, Mr. Mahoney, Gary Fischetti, Company Group Chairman of Johnson & Johnson's subsidiary, DePuy, Inc. and other representatives of DePuy, Inc. met with Mr. Orsinger and other representatives of Synthes to review a presentation of Synthes' overall structure, operations and business units. The management presentation was followed by an integration planning session. Representatives of Credit Suisse also attended this meeting. Afterward, Mr. Mahoney met with Mr. Orsinger to discuss leadership and succession planning. The parties discussed a further meeting to review international and U.S. organization and research and development pipeline.

On April 12, 2011, Ms. Stockburger, Eric Harris, Assistant General Counsel of Johnson & Johnson, Mr. Fischetti, and other representatives of Johnson & Johnson met with Mr. Orsinger and other representatives of Synthes to discuss, among other things, Synthes' international and U.S. organization and research and development pipeline. Representatives of Credit Suisse also attended this meeting. On April 13, 2011, Messrs. Weldon and Wyss had a phone call to discuss the status of the process between the two companies to date. During this conversation, Mr. Weldon stated that before entering into any definitive transaction, Johnson & Johnson would need to complete its due diligence review.

On April 14, 2011, a representative from Credit Suisse and a representative from Goldman Sachs exchanged emails regarding the tentative timing of Synthes' board of directors meeting.

On April 18, 2011, in response to market speculation about a potential transaction between Johnson & Johnson and Synthes, and in compliance with the requirements of the SIX Swiss Exchange, Synthes issued a public statement confirming that it was engaged in discussions with Johnson & Johnson about a potential business combination transaction. Synthes' statement indicated that no assurance could be given as to whether, when or on what terms any possible transaction might occur, and that Synthes did not intend to make any further public statements unless and until a definitive agreement had been reached, or until discussions between the parties had

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terminated. Also on April 18, 2011, Mr. Mahoney conveyed to representatives of Synthes that Johnson & Johnson would like to modify the terms of the retention and severance arrangements of Synthes senior executives in the event of a business combination. On April 20, 2011, a representative of Johnson & Johnson stated to a representative of Credit Suisse that Johnson & Johnson would like to begin discussions with senior executives of Synthes regarding the proposed modifications, and that these discussions were a predicate of Johnson & Johnson pursuing any transaction. In response, and in accordance with the Synthes board's directives, the representatives of Synthes and Credit Suisse conveyed to Mr. Mahoney and to representatives of Johnson & Johnson, respectively, that Synthes did not want these discussions with the senior executives to occur until negotiations of the terms of the merger agreement and voting agreement were substantially complete.

On April 19, 2011, Synthes representatives and advisors participated in a due diligence session with representatives of Johnson & Johnson to discuss certain financial, business and legal matters related to Johnson & Johnson.

Throughout the week of April 18, 2011, Synthes and Johnson & Johnson and their respective advisors continued to negotiate the terms of the merger agreement and the voting agreement. These negotiations centered around the amount and form of consideration (including whether there would be a collar on the stock consideration, and the nature of the collar), the circumstances under which Synthes would be permitted to terminate the merger agreement and the amount of a termination fee payable upon such termination, and the obligations of the parties to obtain regulatory approvals and the consequences of failing to do so.

On April 22, 2011, the Johnson & Johnson board of directors, which is sometimes referred to as the Johnson & Johnson board, met telephonically. Representatives of Johnson & Johnson's senior management team and Johnson & Johnson's legal and financial advisors also participated in this meeting. Members of Johnson & Johnson's senior management team provided an update on the current status of negotiations with Synthes and made presentations regarding, among others, (i) Synthes' business, (ii) findings from Johnson & Johnson's due diligence review of Synthes and (iii) the potential financial implications of a combination. Representatives from Cravath and Goldman Sachs discussed the legal and financial implications of a potential combination. At this meeting, the Johnson & Johnson board of directors authorized continued negotiation with Synthes and the submission of a bid to acquire Synthes, subject to final approval from the Johnson & Johnson board.

Over the course of numerous discussions between Johnson & Johnson and Synthes and their respective legal and financial advisors between April 21 and April 25, 2011, Synthes and Johnson & Johnson agreed that (1) the aggregate merger consideration would be CHF 159.00 per share, with 65% of the consideration being in the form of Johnson & Johnson stock (subject to a 7% collar) and 35% of the aggregate consideration being in the form of cash, (2) Johnson & Johnson would agree to use reasonable best efforts to obtain necessary antitrust approvals (including the divestiture of assets in accordance with the merger agreement) and to pay to Synthes a reverse termination fee of \$650 million if the merger fails to close because required antitrust approvals have not been obtained and (3) Synthes would convene a special meeting of its stockholders to vote on adoption of the merger agreement even if the Synthes board were to change its recommendation in favor of adoption of the merger agreement (although if the Synthes board were to change its recommendation in favor of a superior proposal, the percentage of shares subject to the voting agreement would be reduced from approximately 37% to 33%).

On April 24, 2011, Mr. Mahoney again requested that senior executives of Synthes modify the terms of their retention and severance arrangements and expressed an interest in speaking with these senior executives to discuss the proposed modifications. During the day and evening on April 25, 2011, Messrs. Gorsky and Khoury spoke by telephone to finalize the proposed transaction terms. Mr. Gorsky expressed to Mr. Khoury the importance to Johnson & Johnson of completing the modifications to the terms of the retention and severance arrangements of Synthes senior executives before Johnson & Johnson could agree to a transaction.

On April 25, 2011, the Johnson & Johnson board of directors met telephonically. Representatives of Johnson & Johnson's senior management team and Johnson & Johnson's legal and financial advisors also participated in this meeting. Members of Johnson & Johnson's senior management team provided an update as to the current status of negotiations with Synthes and reported that Johnson & Johnson had reached an agreement in principle and described the agreed upon terms. Members of Johnson & Johnson's senior management team also made presentations regarding updates on the findings made during the legal and business due diligence process, an overview of Synthes' senior management and an update on the financial implications of a potential combination. Representatives from Cravath and Goldman Sachs discussed the legal and financial implications of a potential combination.

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The members of the Johnson & Johnson board of directors then unanimously authorized the execution and delivery of the merger agreement and the voting agreement.

Also on April 25, 2011, the Synthes board of directors met telephonically. Representatives of Synthes' senior management team and Synthes' legal and financial advisors also participated in this meeting. Representatives of Shearman & Sterling reviewed the fiduciary duties of the directors in connection with their consideration of the proposed merger, and described the principal terms of the proposed merger agreement and voting agreement. Also at this meeting, Credit Suisse reviewed with the Synthes board of directors its financial analysis of the merger consideration and rendered to the Synthes board of directors an oral opinion, confirmed by delivery of a written opinion dated April 25, 2011, to the effect that, as of that date and based on and subject to the matters described in the opinion, the merger consideration to be received by holders of Synthes common stock (other than holders entering into voting agreements in connection with the merger and their respective affiliates) was fair, from a financial point of view, to such holders. The directors also discussed the terms of the proposed transaction and the process between the signing of definitive agreements and the closing of the transaction. The members of the Synthes board of directors then unanimously determined that the proposed merger, upon the terms and conditions set forth in the merger agreement, was fair to and in the best interests of Synthes and its stockholders; declared the merger agreement advisable; approved the merger agreement; and recommended that holders of Synthes common stock adopt the merger agreement. The Synthes board also unanimously approved proposed modifications to the terms of the retention and severance arrangements that had been approved by the Synthes board of directors on April 4, 2011, which modifications had been negotiated at the request of Johnson & Johnson.

During the day on April 26, 2011, Mr. Mahoney and other representatives of Johnson & Johnson and Messrs. Wyss and Khoury met telephonically with 15 senior executives of Synthes to discuss proposed modifications to the terms of the retention and severance arrangements that had been approved by the Synthes board of directors on April 4, 2011. As of the close of business on April 26, 2011, 12 of the 15 senior executives had agreed to the proposed modifications, and two additional executives agreed to such modifications shortly thereafter.

Also on April 26, 2011, Messrs. Weldon and Wyss spoke by telephone to confirm all open items had been resolved and to discuss execution of the merger agreement and the voting agreement.

During the evening of April 26, 2011, the merger agreement and the voting agreement were executed. Johnson & Johnson and Synthes issued a joint press release announcing the agreements prior to the opening of the Swiss financial markets on April 27, 2011.

Johnson & Johnson's Reasons for the Merger

Johnson & Johnson believes the merger will expand and strengthen its orthopaedics business worldwide, which represents an important growth driver for it. Johnson & Johnson further believes that Synthes is widely respected for its innovative high-quality products, world-class research and development capabilities, commitment to education, high standards of service and extensive global footprint. It expects that the merger will create the most innovative, comprehensive orthopaedics business in the world and enable it to better serve clinicians and patients worldwide.

Reasons for the Merger and Recommendation of the Synthes Board of Directors

At a special meeting held on April 25, 2011, the Synthes board of directors unanimously determined that the merger is fair to, and in the best interests of, Synthes and its stockholders, approved the merger agreement and recommended that Synthes stockholders vote FOR adoption of the merger agreement.

In evaluating the merger, the Synthes board of directors consulted with Synthes senior management and legal and financial advisors and, in reaching its decision to approve the merger agreement and recommend that Synthes stockholders adopt the merger agreement, the Synthes board of directors considered a number of factors, including the following:

Synthes Business Condition and Prospects. The Synthes board of directors considered information with respect to Synthes financial condition, results of operations, business, competitive position and business strategy, as well as current industry, economic, regulatory and market conditions and trends. The Synthes

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board of directors considered other strategic alternatives reasonably available to Synthes, including continuing to operate as an independent company and the possibility of growing its business through acquisitions and internal growth while remaining independent, in each case taking into account the potential benefits, risks and uncertainties associated with those other opportunities.

Value of Merger Consideration. The Synthes board of directors considered the value of the merger consideration to be received by Synthes stockholders in the merger, including that the value may fluctuate and be different than CHF 159 per share at closing. The Synthes board of directors noted that, if the average of the volume weighted average trading prices of Johnson & Johnson's common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period, is between CHF 52.54 and CHF 60.45, Synthes stockholders will receive, for each share of Synthes common stock that they own, merger consideration with a value of CHF 159.00 (consisting of CHF 55.65 in cash and CHF 103.35 in Johnson & Johnson common stock). The Synthes board of directors considered this aggregate value as compared to recent and historical trading prices of Synthes common stock. The Synthes board of directors also considered the fact that, because the exchange ratio for the stock portion of the merger consideration becomes fixed outside this range of trading prices, the value of the merger consideration to be received by Synthes stockholders would also change: the value of the merger consideration will be more than CHF 159.00 to the extent that the average of the volume weighted average trading prices of Johnson & Johnson common stock during the valuation period, as converted into CHF on each day in the valuation period, is greater than CHF 60.45 and will be less than CHF 159.00 to the extent that the average of the volume weighted trading prices of Johnson & Johnson's common stock during the valuation period, as converted into CHF on each day in the valuation period, is lower than CHF 52.54. Accordingly, the Synthes board of directors considered the fact that the aggregate value to be received by Synthes stockholders could be impacted both by changes in the trading prices of Johnson & Johnson common stock, as well as the changes in the USD/CHF currency exchange rate.

Form of Merger Consideration. The Synthes board of directors considered that the stock portion of the merger consideration will permit Synthes stockholders to exchange their shares of Synthes common stock for shares of Johnson & Johnson common stock and retain an equity interest in the combined enterprise and the related opportunity to share in its future growth. The Synthes board of directors also reviewed the current and historical results of operations and trading prices of Johnson & Johnson common stock and considered the liquidity that holding shares of Johnson & Johnson common stock would provide to Synthes stockholders who do not wish to hold shares of Johnson & Johnson common stock following the merger.

Ability to Discuss Alternative Transactions and Change Recommendation. The Synthes board of directors considered Synthes' ability to speak with third parties about unsolicited alternative transaction proposals, and the circumstances under which the Synthes board of directors could change its recommendation in favor of the merger agreement. The Synthes board of directors noted that even if the Synthes board of directors changed its recommendation because of a superior proposal, the percentage required to vote in favor of the merger would be reduced from approximately 37% to 33% of the outstanding shares of common stock.

Regulatory Matters. The Synthes board of directors considered the required regulatory approvals for the merger and the prospects and anticipated timing of obtaining such approvals. The Synthes board of directors also considered that Johnson & Johnson had agreed to use reasonable best efforts to obtain necessary antitrust approvals (including the divestiture of assets pursuant to the merger agreement), and that Johnson & Johnson had agreed to pay a termination fee to Synthes of \$650 million if the merger is not completed solely for antitrust reasons.

Tax Treatment. The Synthes board of directors considered the expected tax treatment of the merger to Synthes stockholders, including the fact that the merger is not structured as a reorganization for United States federal income tax purposes that generally would allow Synthes stockholders not to recognize gain from the receipt of the stock

portion of the merger consideration.

Opinion of Financial Advisor. The Synthes board of directors considered the financial presentation and opinion, dated April 25, 2011, of Credit Suisse as to the fairness, from a financial point of view and as of the date of the opinion, of the merger consideration to be received by holders of Synthes common stock (other than

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holders entering into the voting agreement and their respective affiliates), as more fully described in the section titled *Opinion of Synthes Financial Advisor* beginning on page 35.

Other Considerations. The Synthes board of directors also considered:

the fact that nine potential strategic partners and six potential private equity partners were contacted on behalf of Synthes to determine whether they would be interested in acquiring Synthes and that no potential strategic partner other than Johnson & Johnson submitted a proposal to acquire Synthes, and that the only private equity firms that submitted a non-binding proposal to acquire Synthes did so at CHF 151 per share, and said they could not increase their proposed price above CHF 151;

the fact that the merger agreement does not include a financing condition to Johnson & Johnson's obligation to close the merger; and

the availability of statutory appraisal rights to Synthes stockholders who comply with the required procedures under the DGCL.

Potential Risks. The Synthes board of directors considered a number of potential risks, as well as related mitigating factors, in connection with its evaluation of the merger, including:

the fact that completion of the merger would require satisfaction of closing conditions that are not within Synthes' control, including the receipt of regulatory approvals, and that no material adverse effect on Synthes has occurred;

that if the merger is not completed as a result of the failure to receive regulatory approvals or satisfy other closing conditions, this could result in significant distractions of Synthes' employees and increased expenses from an unsuccessful attempt to complete the merger and could have an adverse impact on Synthes' business;

the fact that under the terms of the merger agreement, prior to the completion or abandonment of the merger Synthes will be required to conduct its business only in the ordinary course consistent with past practice and subject to certain operational restrictions; and

the requirement that Synthes pay to Johnson & Johnson a \$650 million termination fee if the merger agreement is terminated (1) by Johnson & Johnson following a change in recommendation by the Synthes board of directors, (2) by Johnson & Johnson if the Synthes board of directors fails to publicly reaffirm its recommendation of the merger following a publicly announced competing proposal, or (3) because (x) the Synthes special meeting has not been held by the outside date or the merger agreement is not adopted at the special meeting and (y) a competing proposal was publicly known prior to termination and (z) Synthes enters into an agreement with respect to a competing proposal within 12 months of termination.

In the judgment of the Synthes board of directors, however, these potential risks were more than offset by the potential benefits of the merger discussed above.

The above discussion is not intended to be exhaustive, but Synthes believes it addresses the material information and factors considered by the Synthes board of directors in its consideration of the merger, including factors that may support the merger as well as factors that may weigh against it. In view of the variety of factors and the amount of information considered, the Synthes board of directors did not find it practicable to, and did not make specific assessments of, quantify or otherwise assign relative weights to, the specific factors considered in reaching its

determination. In addition, the Synthes board of directors did not undertake to make any specific determination as to whether any particular factor, or any aspect of any particular factor, was favorable or unfavorable to its ultimate determination, and individual members of the Synthes board of directors may have given different weights to different factors.

In considering the recommendation of the Synthes board of directors to approve the merger agreement, Synthes stockholders should be aware that certain executive officers and directors of Synthes have certain interests in the merger that may be different from, or in addition to, the interests of Synthes stockholders generally. The Synthes board of directors was aware of these interests and considered them when adopting the merger agreement

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and recommending that Synthes stockholders vote to adopt the merger agreement. See Interests of Synthes Directors and Executive Officers in the Merger beginning on page 40.

Projected Financial Information

Synthes does not, as a matter of course, prepare long-range financial projections, and Synthes senior management prepares only one-year forecasts in connection with Synthes annual budgeting process.

However, in connection with Synthes evaluation of a possible transaction, Synthes management prepared certain financial projections for calendar years 2011 through 2015. These forecasts were provided to the Synthes board of directors and also provided to Synthes financial advisor in connection with its opinion more fully described in the section titled Opinion of Synthes Financial Advisor beginning on page 35. These financial projections were not provided to Johnson & Johnson or to any other party that expressed an interest in pursuing a transaction with Synthes. The financial projections set forth below are not included in this proxy statement/prospectus to influence your decision as to whether to vote to adopt the merger agreement or because we believe they are material.

The inclusion of the financial projections set forth below in this proxy statement/prospectus should not be regarded as an indication that Synthes, the Synthes board of directors, Johnson & Johnson or any recipient of the financial projections considered, or now considers, them to be necessarily predictive of actual future results, and they should not be relied upon as such.

The financial projections are subjective in many respects and reflect numerous judgments, estimates and assumptions that are inherently uncertain, many of which are beyond Synthes control, including estimates and assumptions regarding industry performance, general business, economic, regulatory, market and financial conditions and other future events, as well as matters specific to Synthes business. Important factors that may affect actual results and cause the financial projections not to be accurate include, but are not limited to, risks and uncertainties relating to Synthes business (including its ability to achieve strategic goals, objectives and targets over the applicable periods), industry performance, the regulatory environment, general business and economic conditions, competition and the protection and enforcement of intellectual property rights. In addition, the financial projections do not reflect any events that could affect Synthes prospects, changes in general business or economic conditions or any other transaction or event that has occurred since, or that may occur and that was not anticipated at, the time the financial projections were prepared, including the announcement of the potential acquisition of Synthes by Johnson & Johnson pursuant to the merger agreement. Further, the financial projections do not take into account the effect of any failure of the merger to occur, and should not be viewed as necessarily accurate or continuing in that context. The financial projections also cover multiple years and by their nature become less predictive with each successive year. Furthermore, and for the same reasons, the financial projections should not be construed as commentary by Synthes management as to how management expects Synthes actual results to compare to research analysts estimates. There can be no assurance that the financial projections will be achieved or that Synthes future financial results will not vary, even materially, from the financial projections. None of Synthes, Johnson & Johnson or their respective affiliates, representatives or agents undertakes any obligation to update or otherwise to revise the financial projections to reflect circumstances existing or arising after the date such projections were generated or to reflect the occurrence of future events, even if any or all of the underlying estimates and assumptions are shown to be in error.

Set forth below is a summary of the financial projections.

2011	2012	2013	2014	2015
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(\$ in millions except per share amounts)

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Revenue	\$ 3,993	\$ 4,273	\$ 4,573	\$ 4,894	\$ 5,238
EBIT	\$ 1,357	\$ 1,453	\$ 1,555	\$ 1,665	\$ 1,783
EBITDA	\$ 1,710	\$ 1,831	\$ 1,960	\$ 2,098	\$ 2,246
Net Income	\$ 981	\$ 1,053	\$ 1,130	\$ 1,212	\$ 1,301
Earnings Per Share	\$ 8.27	\$ 8.87	\$ 9.52	\$ 10.22	\$ 10.96
Unlevered free cash flow	\$ 759	\$ 979	\$ 1,121	\$ 1,282	\$ 1,396

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Each of EBITDA, EBIT and unlevered free cash flow is not a measure recognized by U.S. generally accepted accounting principles (GAAP). Non-GAAP financial measures are not intended to be substitutes for any GAAP financial measure and, as calculated, may not be comparable to similarly titled measures of other companies.

The financial projections should be read together with Synthes' historical financial statements and the other information regarding Synthes contained elsewhere in this proxy statement/prospectus. The financial projections were not prepared with a view toward public disclosure. Neither Synthes' independent accounting firm nor any other independent accountant has compiled, examined or performed any procedures with respect to the prospective financial information contained in the financial projections, nor have they expressed any opinion or given any form of assurance on the financial projections or their respective achievability, and accordingly assume no responsibility for them.

There can be no assurance that any projections will be realized, or that the assumptions on which they are based will prove to be correct. The financial projections do not and should not be read to update, modify or affirm any prior financial guidance issued by Synthes. You are cautioned not to place undue reliance on this information in making a decision as to whether to vote to adopt the merger agreement.

Opinion of Synthes' Financial Advisor

Synthes retained Credit Suisse to act as its financial advisor in connection with the merger. In connection with Credit Suisse's engagement, the Synthes board of directors requested that Credit Suisse evaluate the fairness, from a financial point of view, of the merger consideration to be received by holders of Synthes common stock (other than holders entering into the voting agreement and their respective affiliates). On April 25, 2011, at a meeting of the Synthes board of directors held to evaluate the proposed merger, Credit Suisse rendered to the Synthes board of directors an oral opinion, confirmed by delivery of a written opinion dated April 25, 2011, to the effect that, as of that date and based on and subject to the matters described in its opinion, the merger consideration to be received by holders of Synthes common stock (other than holders entering into the voting agreement and their respective affiliates) was fair, from a financial point of view, to such holders.

The full text of Credit Suisse's written opinion, dated April 25, 2011, to the Synthes board of directors, which sets forth, among other things, the procedures followed, assumptions made, matters considered and limitations on the scope of review undertaken, is attached as Annex C and is incorporated into this proxy statement/prospectus by reference in its entirety. The description of Credit Suisse's opinion set forth in this proxy statement/prospectus is qualified in its entirety by reference to the full text of Credit Suisse's opinion. Credit Suisse's opinion was provided to the Synthes board of directors (in its capacity as such) for its information in connection with its evaluation of the merger consideration and did not address any other aspect of the proposed merger, including the relative merits of the merger as compared to alternative transactions or strategies that might be available to Synthes or the underlying business decision of Synthes to proceed with the merger. The opinion does not constitute advice or a recommendation to any stockholder as to how such stockholder should vote or act on any matter relating to the proposed merger or otherwise.

In arriving at its opinion, Credit Suisse reviewed a draft dated April 25, 2011 of the merger agreement and certain publicly available business and financial information relating to Synthes and Johnson & Johnson. Credit Suisse also reviewed certain other information relating to Synthes and Johnson & Johnson, including financial forecasts relating to Synthes and publicly available research analysts' estimates relating to Johnson & Johnson, provided to or discussed with Credit Suisse by Synthes and Johnson & Johnson, and met with Synthes' and Johnson & Johnson's managements to discuss Synthes' and Johnson & Johnson's respective businesses and prospects. Credit Suisse also considered certain financial and stock market data of Synthes and Johnson & Johnson, and Credit Suisse compared that data with similar

data for other publicly held companies in businesses it deemed similar to that of Synthes and Johnson & Johnson, and Credit Suisse considered, to the extent publicly available, the financial terms of certain other business combinations and transactions which have been effected or announced. Credit Suisse also considered such other information, financial studies, analyses and investigations and financial, economic and market criteria which it deemed relevant.

In connection with its review, Credit Suisse did not independently verify any of the foregoing information and Credit Suisse assumed and relied upon such information being complete and accurate in all material respects. With

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respect to the financial forecasts for Synthes that Credit Suisse utilized in its analyses, Synthes' management advised Credit Suisse, and Credit Suisse assumed, that such forecasts were reasonably prepared on bases reflecting the best currently available estimates and judgments of Synthes' management as to the future financial performance of Synthes. With respect to the publicly available research analysts' estimates for Johnson & Johnson that Credit Suisse utilized in its analyses, Credit Suisse reviewed and discussed such forecasts with Johnson & Johnson's management and assumed, with Synthes' consent, that such forecasts were a reasonable basis upon which to evaluate the future financial performance of Johnson & Johnson. Credit Suisse also relied upon, with Synthes' consent and without independent verification, the assessments of Synthes' and Johnson & Johnson's managements as to (i) the existing and future products, product candidates and technology of Synthes and the validity of, and risks associated with, such products, product candidates and technology and (ii) governmental and regulatory policies and matters affecting the healthcare industry and the potential impact thereof on Synthes, Johnson & Johnson and the contemplated benefits of the merger. Credit Suisse assumed, with Synthes' consent, that there would be no developments with respect to any such matters that would be material to Credit Suisse's analyses or opinion.

Credit Suisse also assumed, with Synthes' consent, that, in the course of obtaining any regulatory or third party consents, approvals or agreements in connection with the merger, no delay, limitation, restriction or condition, including any divestiture requirements, would be imposed that would have an adverse effect on Synthes, Johnson & Johnson or the contemplated benefits of the merger in any respect material to Credit Suisse's analyses or opinion and that the merger would be consummated in accordance with the terms of the merger agreement, without waiver, modification or amendment of any material term, condition or agreement. Representatives of Synthes advised Credit Suisse, and Credit Suisse also assumed, that the terms of the merger agreement, when executed, would conform in all material respects to the terms reflected in the draft reviewed by Credit Suisse. In addition, Credit Suisse was not requested to make, and did not make, an independent evaluation or appraisal of the assets or liabilities (contingent or otherwise) of Synthes or Johnson & Johnson, nor was Credit Suisse furnished with any such evaluations or appraisals.

Credit Suisse's opinion addresses only the fairness, from a financial point of view and as of the date of its opinion, of the merger consideration to be received by holders of Synthes common stock (other than holders entering into the voting agreement and their respective affiliates) and did not address any other aspect or implication of the merger, including, without limitation, the form or structure of the merger consideration or the merger or any voting or other agreement, arrangement or understanding entered into in connection with the merger or otherwise. Credit Suisse's opinion also did not address the fairness of the amount or nature of, or any other aspect relating to, any compensation to any officers, directors or employees of any party to the merger, or class of such persons, relative to the merger consideration or otherwise. The issuance of Credit Suisse's opinion was approved by Credit Suisse's authorized internal committee.

Credit Suisse's opinion was necessarily based upon information made available to it as of the date of its opinion and financial, economic, market and other conditions as they existed and could be evaluated on that date. Credit Suisse did not express any opinion as to what the value of shares of Johnson & Johnson common stock actually would be when issued to the holders of Synthes common stock pursuant to the merger or the prices at which shares of Synthes common stock or Johnson & Johnson common stock would trade at any time. In addition, Credit Suisse expressed no view as to, and its opinion did not address, foreign currency exchange risks associated with the merger. Except as described in this summary, the Synthes board of directors imposed no other limitations on Credit Suisse with respect to the investigations made or procedures followed in rendering its opinion.

In preparing its opinion to the Synthes board of directors, Credit Suisse performed a variety of financial and comparative analyses, including those described below. The summary of Credit Suisse's analyses described below is not a complete description of the analyses underlying Credit Suisse's opinion. The preparation of a fairness opinion is a complex process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances and, therefore, a fairness opinion is not

readily susceptible to partial analysis or summary description. Credit Suisse arrived at its ultimate opinion based on the results of all analyses undertaken by it and assessed as a whole and did not draw, in isolation, conclusions from or with regard to any one factor or method of analysis. Accordingly, Credit Suisse believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on

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information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Credit Suisse considered industry performance, general business, economic, market and financial conditions and other matters, many of which are beyond Synthes' control. No company, transaction or business used in Credit Suisse's analyses is identical to Synthes, Johnson & Johnson or the proposed merger, and an evaluation of the results of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies, business segments or transactions analyzed. The estimates contained in Credit Suisse's analyses and the ranges of valuations resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by the analyses. In addition, analyses relating to the value of businesses or securities do not purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, the estimates used in, and the results derived from, Credit Suisse's analyses are inherently subject to substantial uncertainty.

Credit Suisse was not requested to, and it did not, recommend the specific consideration payable in the proposed merger, which merger consideration was determined through negotiations between Synthes and Johnson & Johnson, and the decision to enter into the merger agreement was solely that of the Synthes board of directors. Credit Suisse's opinion and financial analyses were only one of many factors considered by the Synthes board of directors in its evaluation of the proposed merger and should not be viewed as determinative of the views of the Synthes board of directors or Synthes' management with respect to the merger or the merger consideration.

The following is a summary of the material financial analyses reviewed with the Synthes board of directors on April 25, 2011 in connection with Credit Suisse's opinion. **The financial analyses summarized below include information presented in tabular format. In order to fully understand Credit Suisse's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Credit Suisse's financial analyses.** For purposes of the financial analyses summarized below, the term "implied per share merger consideration" refers to the total implied value of the merger consideration of CHF 159.00 per share calculated as (i) the CHF 55.65 per share cash consideration and (ii) the CHF 103.35 per share assumed value of the stock consideration based on an illustrative merger exchange ratio of 1.8295 (which was calculated by dividing CHF 103.35 by the volume weighted average Johnson & Johnson closing stock price for the three-day period ended April 21, 2011 of \$63.41 per share (as converted into CHF utilizing a U.S. dollar to CHF exchange rate of 0.8909)). The actual merger exchange ratio will be determined prior to closing and, as provided in the merger agreement, will not be greater than 1.9672 or less than 1.7098.

Synthes Financial Analyses

Synthes Selected Companies Analysis. Credit Suisse reviewed financial and stock market information of Synthes and the following seven selected publicly traded companies with operations in whole or in part in the medical devices industry:

Boston Scientific Corporation
Johnson & Johnson
Medtronic, Inc.
Smith & Nephew plc
St. Jude Medical, Inc.

Stryker Corporation
Zimmer Holdings, Inc.

Credit Suisse reviewed, among other things, enterprise values of the selected companies, calculated as equity values based on closing stock prices on April 14, 2011 (the last trading day prior to market rumors of a potential transaction with Johnson & Johnson), plus debt, less cash and other adjustments, as a multiple of calendar year 2011 estimated

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earnings before interest, taxes, depreciation and amortization, referred to as EBITDA. Credit Suisse also reviewed equity values of the selected companies, based on closing stock prices on April 14, 2011, as a multiple of calendar year 2011 estimated earnings per share, referred to as EPS. The overall low and high calendar year 2011 estimated EBITDA multiples observed for the selected companies were 7.1x and 10.9x, respectively, and the overall low and high calendar year 2011 estimated EPS multiples observed for the selected companies were 11.5x and 23.2x, respectively. In calculating an implied per share reference range for Synthes, Credit Suisse applied a range of selected multiples of calendar year 2011 estimated EBITDA and EPS of 8.0x to 9.0x and 14.0x to 18.0x, respectively, derived from the selected companies to corresponding data of Synthes. Financial data of the selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information. Financial data of Synthes were based on internal estimates of Synthes' management. This analysis indicated the following approximate implied per share reference range for Synthes as compared to the implied per share merger consideration:

Implied Per Share Reference Range	Implied Per Share Merger Consideration
CHF 109 CHF 130	CHF 159

Synthes Selected Transactions Analysis. Credit Suisse reviewed financial information of the following eight selected transactions involving companies with operations in whole or in part in the medical devices industry:

Acquiror	Target
Smith & Nephew plc	Plus Orthopedics Holding AG
Private Equity Consortium	Biomet, Inc.
Blackstone Capital Partners V. L.P.	Encore Medical Corporation
Synthes, Inc.	Mathys Medizinaltechnik AG
Zimmer Holdings, Inc.	Centerpulse AG
Synthes, Inc.	Stratec Holding Ltd.
Stryker Corporation	Howmedica (Orthopaedic Division of Pfizer Inc.)
Johnson & Johnson	DePuy, Inc.

Credit Suisse reviewed, among other things, transaction values, calculated as the purchase prices paid for the target companies in the selected transactions plus debt, less cash and other adjustments, as multiples of the target companies' latest 12 months sales and EBITDA. The overall low and high latest 12 months sales multiples observed for the selected transactions were 2.0x and 5.7x, respectively, and the overall low and high latest 12 months EBITDA multiples observed for the selected transactions were 8.0x and 18.6x, respectively. In calculating an implied per share reference range for Synthes, Credit Suisse applied a range of selected multiples of latest 12 months sales and EBITDA of 3.5x to 4.5x and 10.0x to 14.0x, respectively, derived from the selected transactions to Synthes' sales and EBITDA for the latest 12 months ended March 31, 2011. Financial data of the selected transactions were based on publicly available information at the time of announcement of the relevant transaction. Financial data of Synthes were based on public filings and internal estimates of Synthes' management. This analysis indicated the following approximate implied per share reference range for Synthes, as compared to the implied per share merger consideration:

Implied Per Share Reference Range	Implied Per Share Merger Consideration
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Synthes Discounted Cash Flow Analysis. Credit Suisse performed a discounted cash flow analysis of Synthes to calculate the estimated present value of the standalone unlevered, after-tax free cash flows that Synthes was forecasted to generate during the fiscal years ending December 31, 2011 through December 31, 2015 based on internal estimates of Synthes management. Credit Suisse calculated terminal values for Synthes by applying a range of terminal value EBITDA multiples of 8.5x to 9.5x to Synthes estimated EBITDA for the fiscal year ending December 31, 2015. The present value (as of March 31, 2011) of the cash flows and terminal values was then

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calculated using discount rates ranging from 8.5% to 10.5%. This analysis indicated the following approximate implied per share reference range for Synthes, as compared to the implied per share merger consideration:

Implied Per Share Reference Range	Implied Per Share Merger Consideration
CHF 133 CHF 154	CHF 159

Johnson & Johnson Financial Analysis

Johnson & Johnson Selected Companies Analysis. Credit Suisse reviewed financial and stock market information of Johnson & Johnson, Synthes and the six other selected publicly traded companies with operations in whole or in part in the medical devices industry referred to above in Synthes Selected Companies Analysis. Credit Suisse reviewed, among other things, enterprise values of Johnson & Johnson, Synthes and the other selected companies, calculated as equity values based on closing stock prices on April 14, 2011, plus debt, less cash and other adjustments, as a multiple of calendar year 2011 estimated EBITDA. Credit Suisse also reviewed equity values of Johnson & Johnson, Synthes and the other selected companies, based on closing stock prices on April 14, 2011, as a multiple of calendar year 2011 estimated EPS. Financial data of Johnson & Johnson and the other selected companies were based on publicly available research analysts' estimates, public filings and other publicly available information. Financial data of Synthes were based on internal estimates of Synthes' management. Credit Suisse then compared the implied multiples of calendar year 2011 estimated EBITDA and EPS derived for Johnson & Johnson with those derived for Synthes and the other selected companies. This analysis indicated ranges of implied multiples of calendar year 2011 estimated EBITDA and EPS for Synthes and the other selected companies of 7.1x to 10.9x and 11.5x to 23.2x, respectively, as compared to implied multiples of calendar year 2011 estimated EBITDA and EPS for Johnson & Johnson of 7.6x and 12.4x, respectively.

Other Information. Credit Suisse also noted for the Synthes board of directors certain additional factors that were not considered part of Credit Suisse's financial analyses with respect to its opinion but were referenced for informational purposes, including, among other things, the following:

premiums paid in selected transactions with transaction values of greater than \$10 billion announced between January 1, 2000 and April 21, 2011, applying a selected range of premiums derived from the closing stock prices of the target companies during various periods prior to public announcement of the relevant transactions to Synthes' closing stock price on April 14, 2011 and Synthes' high closing stock price during the 52-week period ended April 14, 2011, which indicated an implied per share reference range for Synthes of approximately CHF 143 to CHF 156;

historical trading prices of Synthes common stock during the 52-week period ended April 14, 2011, which reflected low and high stock prices during such period of approximately CHF 109 to CHF 135 per share;

one-year forward stock price targets for Synthes common stock in 13 recently published, publicly available Wall Street research analyst reports, which indicated low and high stock price targets for Synthes (discounted to present value using a 9.5% discount rate) of approximately CHF 105 to CHF 146 per share; and

one-year forward stock price targets for Johnson & Johnson common stock in 13 recently published, publicly available Wall Street research analyst reports, which indicated a mean and median target stock price for Johnson & Johnson of approximately \$67.62 per share and \$67.00 per share, respectively, noting that such target stock prices implied a premium of 5.5% and 4.6%, respectively, to Johnson & Johnson's closing stock

price of \$64.07 per share on April 21, 2011.

Miscellaneous

Synthes selected Credit Suisse to act as its financial advisor in connection with the merger based on Credit Suisse's qualifications, experience, reputation and familiarity with Synthes. Credit Suisse is an internationally recognized investment banking firm and is regularly engaged in the valuation of businesses and securities in connection with mergers and acquisitions, leveraged buyouts, negotiated underwritings, competitive biddings,

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secondary distributions of listed and unlisted securities, private placements and valuations for corporate and other purposes.

Synthes has agreed to pay Credit Suisse for its financial advisory services to Synthes in connection with the proposed merger an aggregate fee currently estimated to be approximately \$50 million, \$5 million of which was paid upon delivery of Credit Suisse's opinion and the balance of which is contingent upon closing of the merger. In addition, Synthes has agreed to reimburse Credit Suisse for its expenses, including fees and expenses of legal counsel, and to indemnify Credit Suisse and related parties for certain liabilities and other items, including liabilities under the federal securities laws, arising out of or related to its engagement. Credit Suisse and its affiliates in the past have provided investment banking and other financial services to Synthes, for which Credit Suisse and its affiliates have received compensation. In addition, Credit Suisse and its affiliates in the past have provided and in the future may provide wealth management and other financial services to significant stockholders of Synthes (including Synthes' founder and chairman, Mr. Hansjörg Wyss and his family), which may include financial services in connection with the merger, for which services Credit Suisse and its affiliates have received and would expect to receive compensation. Credit Suisse is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and other financial services. In the ordinary course of business, Credit Suisse and its affiliates may acquire, hold or sell, for Credit Suisse's and its affiliates own accounts and the accounts of customers, equity, debt and other securities and financial instruments (including bank loans and other obligations) of Synthes, Johnson & Johnson and their respective affiliates and any other company that may be involved in the merger, as well as provide investment banking and other financial services to such companies.

Interests of Synthes' Directors and Executive Officers in the Merger

In considering the recommendation of the Synthes board of directors in favor of the adoption of the merger agreement, Synthes stockholders should be aware that certain directors and executive officers of Synthes have interests in the merger that may be different from, or in addition to, the interests of Synthes stockholders generally. The Synthes board of directors was aware of the interests described below and considered them, among other matters, when approving the merger agreement and recommending that Synthes stockholders vote to adopt the merger agreement. These interests are summarized below.

Stock Options and Other Stock-Based Awards. All outstanding options to purchase Synthes common stock issued under the equity incentive plans adopted in 2000 and 2010, including those held by executive officers, will accelerate and vest upon the closing of the merger. Under the terms of the merger agreement, all options will be cancelled and each option will be converted into an amount of cash equal to the excess, if any, of the merger consideration over the exercise price of the option. For a more complete description of the merger consideration, see "The Merger—Treatment of Synthes' Stock Options and Other Equity-Based Awards" on page 54. As of October 20, 2011, unvested options held by Synthes' executive officers for 192,500 shares of Synthes common stock will be cancelled and exchanged for cash if the merger is completed. In addition, all restrictions imposed on restricted stock grants granted under the equity incentive plans, including those held by Synthes executive officers, will lapse upon the closing of the merger. As of October 20, 2011, 76,035 restricted shares of Synthes common stock held by Synthes' executive officers will be subject to accelerated vesting if the merger is completed. Please see the table below for further details relating to options and grants of restricted stock held by Synthes' executive officers that are subject to acceleration and vesting or lapsing of restrictions.

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The following table sets forth, as of October 20, 2011, the number of shares subject to unvested options held by Synthes executive officers and the weighted average exercise prices of those options and the number of shares of restricted stock held by Synthes executive officers. Synthes directors do not hold options or restricted stock:

Name	Number of Shares Subject to Unvested Options	Weighted Average Exercise Price per Share (CHF)	Number of Shares of Restricted Stock
Michel Orsinger <i>President and Chief Executive Officer</i>	85,000	115.38	47,693
Robert Donohue <i>Chief Financial Officer</i>	24,000	132.40	28,342
Ciro Roemer <i>President, Europe and Operations</i>	27,500	126.41	0
Steven Murray <i>President, Spine</i>	20,000	130.70	0
Harry Hall IV <i>President, Trauma</i>	20,000	132.40	0
Michael Mazzio <i>President, CMF</i>	16,000	128.15	0
William Wachter <i>President, Power Tools</i>	0		0
Dr. h. c. mult. Hansjörg Wyss <i>Chairman of the Board</i>	0		0

Employment Agreements. Each executive officer except for Mr. Wachter and Mr. Wyss entered into an Employment Agreement with Synthes between August 10, 2010 and January 24, 2011 that provides for severance, as described below, if the executive officer is terminated under certain circumstances following a Change in Control (as defined in the applicable Employment Agreement). The Employment Agreements, with the exception of the Employment Agreement for Mr. Roemer, were amended on or about April 13, 2011. These Employment Agreements, as amended, provide for severance following a Change in Control if the executive officer is terminated without Cause or resigns for Good Reason (as each is defined in the applicable Employment Agreement, as amended) within the two years following a Change in Control.

In the Employment Agreements for Messrs. Hall, Mazzio, Murray and Roemer, Cause includes the executive officer's willful misconduct, gross negligence, insubordination, theft, dishonesty, misappropriation of funds, usurpation of corporate opportunity, material breach of fiduciary duty, failure to follow policies or to perform assigned duties, conviction of or plea of nolo contendere with respect to a felony, any crime involving fraud, larceny or embezzlement, or any other crime involving moral turpitude, any other conduct that is materially detrimental to Synthes or violation of drug and alcohol in the workplace policies. Cause in the Employment Agreements for Messrs. Orsinger and Donohue includes willful misconduct, failure to perform duties, insubordination, theft, dishonesty, conviction of a felony or any other misconduct that is materially detrimental to Synthes.

Good Reason for Messrs. Hall, Mazzio, Murray and Roemer, as amended in accordance with the Revised Retention Agreements, described below, includes the occurrence of any of the following events without either (x) the executive

officer's express prior written consent or (y) full cure within 30 days after the executive officer gives written notice to Synthes requesting cure: (i) a material reduction in base salary, (ii) the relocation of the executive officer's principal office more than 75 miles (or for Mr. Roemer, the relocation of his principal office from Synthes' offices in Switzerland), or (iii) the assignment of duties or responsibilities that are substantially inconsistent with the executive officer's professional skills and experience levels as of such Change in Control (without regard to the fact that Synthes is no longer an independent publicly held company). No event shall constitute grounds for a Good Reason termination unless the executive officer terminates his employment within 90 days after such event occurs. Good Reason in the Employment Agreements for Messrs. Orsinger and Donohue includes (i) a material diminution in authority, title, duties, responsibilities or reporting lines, (ii) a material reduction in total compensation, or (iii) the

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relocation of the executive officer's principal office more than 50 miles. Messrs. Orsinger and Donohue also must resign within one year after an event that would constitute Good Reason.

Consummation of the merger would constitute a Change in Control under each of the Employment Agreements. The severance payable to an executive officer upon a termination without Cause or a resignation for Good Reason within two years following a Change in Control is a lump sum payment equal to a multiple of the total annual cash compensation (annual base salary plus annual cash bonus) in effect at the time of termination plus a pro-rata annual cash bonus for the year of termination. In addition, each executive officer with an Employment Agreement (other than Mr. Roemer, who is not a United States taxpayer) is entitled to a gross-up for any excise tax imposed on the executive officer under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended. The severance multiple for Messrs. Orsinger and Donohue is three times total annual cash compensation, and the multiple for Messrs. Hall, Mazzio, Murray and Roemer is two times total annual cash compensation. The severance amounts payable to each executive officer is set forth below in the tables titled "Named Executive Officers Golden Parachute Compensation" on page 45 and "Other Executive Officers" on page 45.

Change in Control Severance Agreement. Mr. Wachter entered into a Change in Control Severance Agreement with Synthes on April 14, 2011. This agreement provides for severance benefits, as described below, if Mr. Wachter's employment is terminated without Cause or he resigns for Good Reason within two years following a Change in Control.

Cause includes Mr. Wachter's willful misconduct, gross negligence, insubordination, theft, dishonesty, misappropriation of funds, usurpation of corporate opportunity, material breach of fiduciary duty, failure to follow policies or to perform assigned duties, conviction of or plea of nolo contendere with respect to a felony, any crime involving fraud, larceny or embezzlement, or any other crime involving moral turpitude, any other conduct that is materially detrimental to Synthes or violation of drug and alcohol in the workplace policies.

Good Reason includes the occurrence of any of the following events without either (x) Mr. Wachter's express prior written consent or (y) full cure within 30 days after Mr. Wachter gives written notice to Synthes requesting cure: (i) a material diminution in authority, title, duties, or responsibilities, (ii) a material reduction in total compensation, or (iii) the relocation of Mr. Wachter's principal office more than 75 miles. No event shall constitute grounds for a Good Reason termination unless Mr. Wachter terminates his employment within 90 days after such event occurs.

Consummation of the merger would constitute a Change in Control under Mr. Wachter's Change in Control Severance Agreement. The severance payable to Mr. Wachter upon a termination without Cause or a resignation for Good Reason within two years following a Change in Control is a lump sum payment equal to his total annual cash compensation (annual base salary plus annual cash bonus) in effect at the time of termination plus a pro-rata annual cash bonus for the year of termination. In addition, Mr. Wachter is entitled to a gross-up for any excise tax imposed under Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended. The severance amounts payable to Mr. Wachter are set forth below in the table titled "Other Executive Officers" on page 45.

Additional Employment Agreements and Change in Control Severance Agreements. In addition to the Employment Agreements and Change in Control Severance Agreements between Synthes and the executive officers described above, three other executives who are not executive officers entered into Employment Agreements on January 24, 2011, as amended on April 13, 2011. Eight executives who are not executive officers and did not enter into Employment Agreements with Synthes entered into Change in Control Severance Agreements with Synthes on April 14, 2011. The Employment Agreements and Change in Control Severance Agreements were amended by Revised Retention Agreements (described below) on or about April 26, 2011. These Employment Agreements and Change in Control Severance Agreements provide for substantially similar benefits as the Employment Agreements and Change in Control Severance Agreements with the executive officers described above, except the severance

multiplier for each executive ranges from one to two times total cash compensation.

Retention Bonus Agreements. On April 13, 2011, Synthes entered into Retention Bonus Agreements with each executive officer, other than Mr. Wyss, and certain other employees. The Retention Bonus Agreements entitle each executive officer to a multiple of the sum of his annual base salary plus annual cash bonus if the executive officer remains in the continuous employment of Synthes, to be paid in two parts as described below. If the

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executive officer is terminated without Cause or resigns for Good Reason (defined in the same manner as the applicable Employment Agreement or Change in Control Severance Agreement, as amended by the Revised Retention Agreements described below, where applicable) prior to the final payment date, the executive officer would be entitled to the full payment if the executive officer signs, and does not revoke, a release in favor of Synthes. The Retention Bonus Agreements entitle the executive officers to the following payments: Messrs. Orsinger and Donohue are entitled to four times annual base salary plus annual cash bonus, two-thirds to be paid on the closing date of the merger and one-third to be paid on the six-month anniversary of the closing date of the merger; Messrs. Hall, Mazzio, Murray and Roemer are entitled to three times annual base salary plus annual cash bonus, one-half to be paid on the first anniversary of the closing date of the merger and one-half to be paid on the second anniversary of the closing date of the merger; and Mr. Wachter is entitled to one times annual base salary plus annual cash bonus, one-half to be paid on the closing date of the merger and one-half to be paid on the first anniversary of the closing date of the merger. The retention bonus amounts payable to each executive officer are set forth below in the table titled Retention Payments on page 44.

Revised Retention Agreements. In connection with the merger, Synthes, at Johnson & Johnson's request, entered into Revised Retention Agreements with Messrs. Hall, Mazzio, Murray, and Roemer, as well as certain other executives who are not executive officers, on or about April 26, 2011, that amended their respective Employment Agreements, Change in Control Severance Agreements and Retention Agreements. The Revised Retention Agreements (i) amended the definition of Good Reason so that it was more difficult to resign for Good Reason by removing the executive's ability to resign for Good Reason due to a material diminution in the executive's authority, title, duties or responsibilities or due to a material reduction in the executive's total compensation, (ii) amended the payment dates of the Retention Bonus Agreements so that retention bonuses are payable on the first and second anniversaries of the closing date of the merger (from the original terms under which the retention bonus was payable on the closing date of the merger and the first anniversary of the closing date of the merger), (iii) amended any severance provisions in any other agreement so that the executive would not be entitled to severance following the second anniversary of the closing date, but would instead be eligible for the Johnson & Johnson severance plan applicable to that executive, (iv) required a release of claims in favor of Synthes for any payment of a retention bonus in connection with a termination of employment, and (v) increased restrictive covenants for the executive to a period of 18 months following termination of employment.

Additional Retention Bonus Agreements. In addition to the Retention Bonus Agreements described above with the executive officers, Synthes has entered into substantially similar Retention Bonus Agreements covering approximately 200 executives and senior management with a value of approximately \$35 million.

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The following table sets forth the retention payments that each of Synthes' executive officers would be entitled to receive under their Retention Bonus Agreements, as amended, and the retention payment dates, assuming each executive officer remains employed with Johnson & Johnson through the applicable payment date:

Retention Payments

Name	Payment Date	Cash (\$)(1)
Michel Orsinger <i>President and Chief Executive Officer</i>	Closing	7,959,508
	Six-Month Anniversary of the Closing	3,979,754
Robert Donohue <i>Chief Financial Officer</i>	Closing	3,076,896
	Six-Month Anniversary of the Closing	1,538,448
Ciro Roemer <i>President Europe and Operations</i>	First Anniversary of the Closing	2,455,592
	Second Anniversary of the Closing	2,455,592
Steven Murray <i>President, Spine</i>	First Anniversary of the Closing	1,237,515
	Second Anniversary of the Closing	1,237,515
Harry Hall IV <i>President, Trauma</i>	First Anniversary of the Closing	1,084,785
	Second Anniversary of the Closing	1,084,785
Michael Mazzio <i>President, CMF</i>	First Anniversary of the Closing	827,055
	Second Anniversary of the Closing	827,055
William Wachter <i>President Power Tools</i>	Closing	307,730
	First Anniversary of the Closing	307,730
Dr. h. c. mult. Hansjörg Wyss <i>Chairman of the Board</i>	Not Applicable	0
All other executives as a group	First Anniversary of the Closing	6,655,986
	Second Anniversary of the Closing	6,655,986

(1) The amounts payable to Messrs. Orsinger and Roemer include payments in Swiss Francs and have been converted into U.S. dollars based on the World Market Fix rate as of 11:00 a.m. (New York time) for October 20, 2011, which was 0.8977 CHF to 1.00 USD.

Hansjörg Wyss. Pursuant to the Employment Agreement between Mr. Wyss and Synthes, dated April 25, 2003, and amended as of April 27, 2007, Mr. Wyss is entitled to certain retirement benefits at the end of his term as Chairman of

the Board of Synthes on April 30, 2012. Also, under the terms of the Employment Agreement, Mr. Wyss would be entitled to these retirement benefits if he resigns or his employment is terminated without cause prior to April 30, 2012. The Employment Agreement provides that, at the end of his term as Chairman of the Board of Synthes, Mr. Wyss is entitled to assume the position of Chairman Emeritus of Synthes. Pursuant to the merger agreement, Mr. Wyss will cease to be a director of Synthes at the closing of the merger. The Employment Agreement further provides that the retirement benefits include an annual benefit of \$500,000, payable monthly, commencing on May 1, 2012, as well as a continuation of his perquisites under his Employment Agreement. Such perquisites include access to office space, equipment, facilities, support personnel and dues for professional associations as well as personal use of corporate aircraft for Mr. Wyss and his spouse or significant other. The Employment Agreement provides that Synthes or its successor will also supply an automobile for Mr. Wyss use as well as other perquisites to include an annual physical, participation in a matching gift program and personal tax and financial advice. It also provides that Synthes will reimburse Mr. Wyss for all tax costs incurred for all of the perquisites he receives. Under his Employment Agreement, Mr. Wyss is entitled to an annual equity grant of 13,000 shares of Synthes common stock. If the merger closes before the date in 2012 on which grants are typically made, Mr. Wyss is entitled to receive a pro-rata portion of his annual grant covering the period of service between the previous grant and the closing of the merger. Mr. Wyss entered into an agreement with Johnson & Johnson on April 26, 2011 that provides for Mr. Wyss to transfer to Synthes a number of shares of Synthes common stock that would have been converted, at the closing of the merger, into the right to receive cash and Johnson & Johnson common stock valued at \$25 million in the aggregate.

The following tables show the retention and severance compensation and benefits that each of Synthes executive officers would be entitled to receive under their respective employment, change in control and retention agreements, that are based on or related to the merger, (i) if the executive is not terminated immediately following the merger (Single Trigger) and (ii) assuming the executive officer is terminated without Cause or resigns for Good Reason immediately following the closing of the merger (Double Trigger). The Single Trigger amount represents the value of the Retention Bonus Agreement award that are intended be paid in two installments (as shown above in the table entitled Retention Payments) contingent upon the executive officer remaining with Synthes. The Double Trigger amount represents the

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value of the Retention Bonus Agreement award, plus the severance payments that would be made under the Employment Agreements or Change in Control Severance Agreement that are based on or related to the merger. The first table below, entitled *Named Executive Officers Golden Parachute Compensation*, sets forth, for each of Synthes Chief Executive Officer, Chief Financial Officer and the other three most highly compensated executive officers, the estimated value of the potential retention and change in control severance pay and other benefits due the executive officer (based on levels of pay and other circumstances as of October 20, 2011), including an estimate of the amount of any excise tax gross-up and the value of any stock options and other stock based awards subject to accelerated vesting or for which restrictions would lapse (see *Stock Options and Other Stock-Based Awards*), if applicable, if the executive officer terminated employment as of October 20, 2011. The second table below, entitled *Other Executive Officers*, shows the value of similar compensation payable to Synthes other executive officers. Although the rules of the SEC do not require the second table, it has been included so that quantification of the payments and benefits that could be received by Synthes executive officers is presented in a uniform manner. Mr. Wyss has been omitted from these tables because he will not receive any retention or severance compensation based on or related to the merger.

*Named Executive Officers
Golden Parachute Compensation*

Name	Event	Cash(1) (\$)	Equity(2) (\$)	Perquisites Pension and and Benefits		Tax	Other (\$)	Total (\$)
				Reimbursement	(\$)(3)			
Michel Orsinger <i>President and Chief Executive Officer</i>	Single Trigger	11,939,262	17,682,062	0	0	6,646,535	0	36,267,859
	Double Trigger	22,393,811	17,682,062	0	0	11,872,280	0	51,948,153
Robert Donohue <i>Chief Financial Officer</i>	Single Trigger	4,615,344	5,908,854	0	0	2,980,160	0	13,504,358
	Double Trigger	8,641,849	5,908,854	0	0	5,015,578	0	19,566,281
Ciro Roemer <i>President, Europe and Operations</i>	Single Trigger	4,911,184	1,907,653	0	0	N/A	0	6,818,837
	Double Trigger	8,873,488	1,907,653	0	0	N/A	0	10,781,141
Steven Murray <i>President, Spine</i>	Single Trigger	2,475,030	788,125	0	0	901,390	0	4,164,545
	Double Trigger	4,442,140	788,125	0	0	1,882,120	0	7,112,385
Harry Hall IV <i>President, Trauma</i>	Single Trigger	2,169,570	740,782	0	0	902,997	0	3,813,349
	Double Trigger	3,875,387	740,782	0	0	1,753,622	0	6,369,791

(1) The amounts payable to Messrs. Orsinger and Roemer include payments in Swiss Francs and have been converted into U.S. dollars based on the World Market Fix rate as of 11:00 a.m. (New York time) for October 20, 2011, which was 0.8977 CHF to 1.00 USD.

(2) This amount represents the value of unvested options and restricted shares that would accelerate and vest upon completion of the merger and the aggregate payments in cancellation of stock and option awards, calculated using a per share price of CHF 159.00 and has been converted into U.S. dollars based on the World Market Fix rate as of 11:00 a.m. (New York time) for October 20, 2011, which was 0.8977 CHF to 1.00 USD, resulting in a per share price of \$177.12.

- (3) The amounts in this column represent the value of a gross-up for Synthes' payment of excise taxes resulting from Section 280G of the Internal Revenue Code of 1986, as amended. Mr. Roemer is not a U.S. taxpayer and therefore does not receive a tax gross-up.

Other Executive Officers

Name	Event	Cash (\$)	Equity (\$)(1)	Tax				Total (\$)
				Pension and NDCB (\$)(2)	Perquisites and Benefits (\$)	Reimbursement (\$)(2)	Other (\$)	
Michael Mazzio	Single Trigger	1,654,110	687,312	0	0	731,998	0	3,073,420
<i>President, CHF</i>	Double Trigger	2,958,635	687,312	0	0	1,383,819	0	5,029,766
William Wachter	Single Trigger	615,460	0	0	0	0	0	615,460
<i>President, Power Tools</i>	Double Trigger	1,403,878	0	0	0	495,987	0	1,899,865

- (1) This amount represents the value of unvested options and restricted shares that would accelerate and vest upon completion of the merger and aggregate payments in cancellation of stock and option awards, calculated using a per share price of CHF 159.00 and has been converted into U.S. dollars based on the World Market Fix rate as of 11:00 a.m. (New York time) for October 20, 2011, which was 0.8977 CHF to 1.00 USD, resulting in a per share price of \$177.12.
- (2) The amounts in this column represent the value of a gross-up for Synthes' payment of excise taxes resulting from Section 280G of the Internal Revenue Code of 1986, as amended.

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Director Annual Retainers. Non-employee directors receive an annual grant of shares of Synthes common stock as a retainer for their service on the board. This grant is typically made in February of each year. If the merger does not close prior to the date in 2012 on which the annual grants are typically made, Synthes will grant 13,700 shares of Synthes common stock, in the aggregate, to the directors in 2012. If the merger closes before the date in 2012 on which grants are typically made, the directors will receive a pro-rata portion of their annual grant covering the period of service between the previous grant and the closing of the merger.

Indemnification and Insurance. The merger agreement provides that all rights to indemnification and exculpation from liabilities for acts or omissions occurring at or prior to the effective time of the merger existing in favor of current or former directors or officers of Synthes under Synthes certificate of incorporation, by-laws or indemnification contracts will be assumed by the surviving corporation in the merger and will continue in full force and effect in accordance with their terms following closing of the merger. The merger agreement also provides that for six years after the effective time of the merger, Johnson & Johnson will maintain directors and officers liability insurance for acts or omissions occurring at or prior to the effective time of the merger, covering each person who was, as of the date of the merger agreement, covered by Synthes directors and officers liability insurance, on terms no less favorable than those in effect as of the date of the merger agreement.

Potential Employment Discussions Between Johnson & Johnson and Synthes Executives. Affiliates of Johnson & Johnson have had and expect to continue to have conversations from time to time with executive officers and other executives of Synthes, including the President and Chief Executive Officer of Synthes, concerning their role at Synthes or an affiliate of Johnson & Johnson following the consummation of the merger. These conversations may include proposals by the affiliates of Johnson & Johnson regarding the proposed terms of the individual's employment, compensation and benefits. No assurance can be given that any such conversations will result in an employment relationship between any affiliate of Johnson & Johnson and any individual.

Form of the Merger

Subject to the terms and conditions of the merger agreement and in accordance with Delaware law, at the effective time of the merger, Samson Acquisition Corp., a wholly owned subsidiary of Johnson & Johnson and a party to the merger agreement, will merge with and into Synthes. Synthes will continue as the surviving corporation of the merger and will become a wholly owned subsidiary of Johnson & Johnson.

Completion and Effectiveness of the Merger

The merger will become effective upon the filing of the certificate of merger with the Secretary of State of the State of Delaware in accordance with the relevant provisions of the DGCL or such later time as is agreed upon by Johnson & Johnson and Synthes and specified in the certificate of merger. Such filing will occur as promptly as practicable, but in no event later than the third business day after satisfaction or written waiver (where permissible) of the conditions to the completion of the merger set forth in the merger agreement (other than those conditions that by their nature are to be satisfied at closing, but subject to the satisfaction or waiver of those conditions at such time) unless another date is agreed to in writing by Johnson & Johnson and Synthes. However, in the event that on such third business day all such conditions to completion of the merger are no longer satisfied or waived, the certificate of merger will not be filed until the first business day on which all such conditions are again satisfied or waived, unless another time is agreed to by Johnson & Johnson and Synthes. The closing of the merger will take place immediately prior to the filing of the certificate of merger.

Merger Consideration; Conversion of Shares

In the merger, each issued and outstanding share of Synthes common stock (other than shares owned by Synthes as treasury stock, shares owned by Johnson & Johnson and shares for which appraisal rights have been properly demanded and perfected under the DGCL) will be automatically converted into the right to receive a combination of (i) CHF 55.65 in cash and (ii) shares of Johnson & Johnson common stock. The number of shares of Johnson & Johnson common stock each Synthes stockholder will receive is based on the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period. If

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the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is between CHF 52.54 and CHF 60.45, then each share of Synthes common stock will be converted into the right to receive a number of shares of Johnson & Johnson common stock having an aggregate value of CHF 103.35. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is less than CHF 52.54, then each share of Synthes common stock will be converted into the right to receive 1.9672 shares of Johnson & Johnson common stock. If the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period is greater than CHF 60.45, then each share of Synthes common stock will be converted into the right to receive 1.7098 shares of Johnson & Johnson common stock.

Holders of Synthes common stock will receive cash in lieu of any fractional shares of Johnson & Johnson common stock they otherwise would have received in the merger. Each Synthes stockholder who would otherwise have been entitled to receive a fraction of a share of Johnson & Johnson common stock will receive an amount in cash (without interest, rounded down to the nearest whole cent and subject to withholding taxes) equal to the product obtained by multiplying (1) the fractional share interest to which such holder (after taking into account all fractional share interests then held by such holder) would otherwise be entitled by (2) the average of the volume weighted averages of the trading prices, as reported by Bloomberg L.P., of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day during this valuation period.

The CHF 55.65 in cash and the number of shares of Johnson & Johnson common stock to be received by holders of Synthes common stock in the merger are referred to collectively as the merger consideration in this proxy statement/prospectus.

The merger agreement provides that the exchange ratio will be appropriately adjusted to reflect the effect of any stock split, reverse stock split, stock dividend (including any dividend or distribution of securities of a subsidiary of Synthes or Johnson & Johnson or of securities convertible into Johnson & Johnson or Synthes common stock), extraordinary cash dividends, reorganization, recapitalization, reclassification, combination, exchange of shares or other similar change with respect to Johnson & Johnson common stock or Synthes common stock with a record date occurring on or after the date of the merger agreement and prior to the effective time of the merger.

The exchange ratio will be determined shortly before completion of the merger. On October 24, 2011, the latest practicable date before the date of this proxy statement/prospectus, Johnson & Johnson common stock closed on the NYSE, at \$64.73, the equivalent of which is CHF 57.26 per share, as of such date. If this were the volume weighted average trading price per share of Johnson & Johnson common stock used to calculate the exchange ratio, the exchange ratio would be 1.8049. The actual exchange ratio and, accordingly, the actual number of shares of Johnson & Johnson common stock issued in respect of each share of Synthes common stock in the merger, may differ from this example and will not be known at the special meeting because the valuation period will not occur until after the special meeting.

Ownership of Johnson & Johnson Following the Merger

Based on the number of outstanding shares of Synthes common stock on the record date and the number of outstanding shares of Johnson & Johnson common stock on October 24, 2011, we anticipate that Synthes stockholders will own between approximately 7% and 8% of the outstanding shares of Johnson & Johnson common stock following the merger.

Procedures for Exchange of Certificates; Fractional Shares

The conversion of Synthes common stock into the right to receive the merger consideration will occur automatically at the effective time of the merger. As promptly as practicable after the closing of the merger, each of VEM Aktienbank AG, the exchange agent and paying agent appointed by Johnson & Johnson for shares held in Switzerland or Germany, and Computershare Trust Company, N.A., the exchange agent and paying agent appointed by Johnson & Johnson for shares held in the United States (each an exchange agent), will send instructions to each holder of record of shares of Synthes common stock as of the effective time of the merger in its respective

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jurisdiction. The instructions will contain directions for obtaining shares of Johnson & Johnson common stock, the cash portion of the merger consideration and cash for any fractional shares of Johnson & Johnson common stock, in exchange for shares of Synthes common stock.

After the effective time of the merger, each certificate that previously represented shares of Synthes common stock will no longer be outstanding, will be automatically canceled and retired, will cease to exist and will represent only the right to receive the merger consideration as described above.

Until holders of certificates previously representing Synthes common stock have surrendered those certificates to the appropriate exchange agent for exchange, those holders will not receive dividends or distributions on the Johnson & Johnson common stock into which such shares have been converted with a record date after the effective time of the merger and will not receive cash for any fractional shares of Johnson & Johnson common stock. When holders surrender such certificates, they will receive any dividends with a record date after the effective time of the merger and a payment date on or prior to the date of surrender and any cash for fractional shares of Johnson & Johnson common stock, in each case without interest.

In the event of a transfer of ownership of Synthes common stock that is not registered in the transfer records of Synthes, payment of the merger consideration as described above will be made to the person to whom the ownership of Synthes common stock was transferred if the certificate representing such shares is presented to the appropriate exchange agent and is accompanied by:

all documents required to evidence and effect such transfer; and

evidence that any applicable stock transfer taxes have been paid.

No fractional shares of Johnson & Johnson common stock will be issued to any Synthes stockholder upon surrender of certificates previously representing Synthes common stock. Each Synthes stockholder will receive cash in lieu of any fraction of a share of Johnson & Johnson common stock such stockholder would otherwise have been entitled to receive. See Merger Consideration; Conversion of Shares .

Stock Exchange Listing of Johnson & Johnson Common Stock

It is a condition to the consummation of the merger that the Johnson & Johnson common stock to be issued in the merger has been authorized for listing on the NYSE, subject to official notice of issuance.

Delisting of Synthes Common Stock

Synthes common stock trades on the SIX Swiss Exchange under the symbol SYST . If the merger is completed, Synthes common stock will be delisted from the SIX Swiss Exchange.

Merger Financing

Johnson & Johnson has represented in the merger agreement that it has, and as of the closing will have, and will make available to Samson Acquisition Corp., sufficient funds to consummate the merger. The receipt of financing by Johnson & Johnson is not a condition to the obligation of any party to complete the merger under the terms of the merger agreement.

Regulatory Matters

United States Antitrust. Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act), and related rules, certain transactions, including the merger, may not be completed until notifications have been given and information furnished to the Antitrust Division of the Department of Justice and the Federal Trade Commission and all statutory waiting period requirements have been satisfied. Johnson & Johnson and Synthes filed Notification and Report Forms with the Antitrust Division of the Department of Justice and the Federal Trade Commission on June 6, 2011. Johnson & Johnson withdrew its Notification and Report Form on July 5, 2011 in order to allow more time for the staff of the Federal Trade Commission to review the proposed transaction and re-filed it on July 7, 2011. On August 8, 2011, Johnson & Johnson and Synthes received from the Federal Trade Commission a Request for Additional Information and Documentary Materials (a Second

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Request). The waiting period under the HSR Act with respect to the proposed merger will expire at 11:59 p.m., Eastern Time, on the 30th day after both Johnson & Johnson and Synthes have substantially complied with the Second Request, unless earlier terminated by the Federal Trade Commission or extended by agreement among the parties and the Federal Trade Commission.

At any time before or after the effective time of the merger, the Antitrust Division, the Federal Trade Commission or others (including states and private parties) could take action under the antitrust laws, including seeking to prevent the merger, to rescind the merger or to conditionally approve the merger upon the divestiture of assets of Johnson & Johnson or Synthes or subject to other remedies. There can be no assurance that a challenge to the merger on antitrust grounds will not be made or, if such a challenge is made, that it would not be successful.

European Union Antitrust. Both Johnson & Johnson and Synthes conduct business in Member States of the European Union. Council Regulation (EC) No. 139/2004, as amended, and accompanying regulations require notification to and approval by the European Commission of specific mergers or acquisitions involving parties with worldwide sales and individual European Union sales exceeding specified thresholds before these mergers and acquisitions can be implemented. On September 27, 2011, Johnson & Johnson filed the formal notification to the European Commission of the merger. Pursuant to Council Regulation (EC) No. 139/2004, the European Commission has 25 business days from the day following the date of receipt of a complete notification, which period may be extended to 35 business days under certain circumstances, in which to consider whether the merger would significantly impede effective competition in the common market (as defined by European Community regulations) or a substantial part of it, in particular as a result of the creation or strengthening of a dominant position. By the end of that period, the European Commission must issue a decision either clearing the merger, which may be conditional upon satisfaction of the parties' undertakings, or opening an in-depth Phase II investigation. A Phase II investigation may last a maximum of an additional 125 business days. It is possible that an investigation could result in a challenge to the merger based on European Union competition law or regulations.

Other Laws. In addition to the regulatory approvals described above, notifications of the merger have been filed with other governmental agencies for their review and approval under foreign regulatory laws, such as foreign merger control laws. It is possible that any of the governmental entities with which filings have been made may seek, as conditions for granting approval of the merger, various regulatory concessions.

General. In connection with obtaining the approval of all necessary governmental authorities to complete the merger, including but not limited to the governmental authorities specified above, there can be no assurance that:

governmental authorities will not impose any conditions on the granting of their approval and, if such conditions are imposed, that Johnson & Johnson or Synthes will be able to satisfy or comply with such conditions;

compliance or non-compliance will not have adverse consequences on Johnson & Johnson after completion of the merger; or

the required regulatory approvals will be obtained within the time frame contemplated by Johnson & Johnson and referred to in this proxy statement/prospectus or on terms that will be satisfactory to Johnson & Johnson and Synthes.

We cannot assure you that a challenge to the merger will not be made or that, if a challenge is made, it will not prevail. See The Merger Agreement Conditions to the Completion of the Merger .

Appraisal Rights

In connection with the merger, record holders of Synthes common stock who (i) do not vote for the adoption of the merger agreement at the special meeting of stockholders, (ii) make a written demand for appraisal prior to the taking of the vote on the adoption of the merger agreement and (iii) otherwise comply with the applicable statutory procedures of Section 262 of the DGCL, summarized herein, may be entitled to appraisal rights under Section 262 of the DGCL if the merger is completed. In order to properly demand and perfect appraisal rights, a record holder of shares of Synthes common stock must comply with Section 262 of the DGCL.

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Section 262 of the DGCL is reprinted in its entirety as Annex D to this proxy statement/prospectus. Set forth below is a summary description of Section 262 of the DGCL. The following summary describes the material aspects of Section 262 of the DGCL and the law relating to appraisal rights and is qualified in its entirety by reference to Annex D. All references in Section 262 of the DGCL and this summary to stockholder are to the record holder of shares of Synthes common stock immediately prior to the effective time of the merger as to which appraisal rights are demanded. Failure to comply strictly with the procedures set forth in Section 262 of the DGCL will result in the loss of appraisal rights.

Under the DGCL, holders of shares of Synthes common stock who follow the procedures set forth in Section 262 of the DGCL will be entitled to have their shares appraised by the Delaware Court of Chancery and to receive payment in cash of the fair value of those shares, exclusive of any element of value arising from the accomplishment or expectation of the merger, in lieu of receiving the merger consideration.

Under Section 262 of the DGCL, when a merger agreement relating to a proposed merger is to be submitted for adoption at a meeting of stockholders, as in the case of the special meeting, the corporation, not less than 20 days prior to such meeting, must notify each of its stockholders who was a stockholder of record on the record date for notice of such meeting with respect to such shares for which appraisal rights are available, that appraisal rights are so available, and must include in each such notice a copy of Section 262 of the DGCL. This proxy statement/prospectus constitutes such notice to the holders of Synthes common stock and Section 262 of the DGCL is attached to this proxy statement/prospectus as Annex D and incorporated herein by reference. Any stockholder who wishes to exercise such appraisal rights or who wishes to preserve the right to do so should review the following discussion and Annex D carefully, because failure to timely and properly comply with the procedures specified in Section 262 of the DGCL will result in the loss of appraisal rights under the DGCL.

If you wish to exercise appraisal rights you must not vote for the adoption of the merger agreement and must deliver to Synthes, before the vote on the proposal to adopt the merger agreement, a written demand for appraisal of your shares of Synthes common stock. If you sign and return a proxy form without abstaining or expressly directing that your shares of Synthes common stock be voted against the adoption of the merger agreement, you will effectively waive your appraisal rights because such shares represented by the proxy will be voted for the adoption of the merger agreement. Accordingly, if you desire to demand and perfect appraisal rights with respect to any of your shares of Synthes common stock, you must (i) refrain from executing and returning the proxy form and from voting in person FOR the proposal to adopt the merger agreement or (ii) check either the against or the abstain box next to the proposal on such proxy form or vote in person against the proposal or register in person an abstention with respect thereto. A vote or proxy against the adoption of the merger agreement will not, in and of itself, constitute a demand for appraisal.

A demand for appraisal will be sufficient if it reasonably informs Synthes of the identity of the stockholder and that such stockholder intends thereby to demand appraisal of such stockholder's shares of Synthes common stock. This written demand for appraisal must be separate from any proxy or vote abstaining from or voting against the adoption of the merger agreement. If you wish to exercise your appraisal rights you must be the record holder of such shares of Synthes common stock on the date the written demand for appraisal is made and you must continue to hold such shares through the effective time of the merger. Accordingly, a stockholder who is the record holder of shares of Synthes common stock on the date the written demand for appraisal is made, but who thereafter transfers such shares prior to the effective time of the merger, will lose any right to appraisal in respect of such shares.

Only a holder of record of Synthes common stock is entitled to assert appraisal rights for such shares of Synthes common stock registered in that holder's name. A demand for appraisal should be executed by or on behalf of the holder of record, fully and correctly, as the holder's name appears on the stock certificates or in the case of uncertificated shares, as the holder's name appears on the stockholder register, and must state that such person intends thereby to demand appraisal of his, her or its shares. If the shares are owned of record in a fiduciary capacity, such as

by a broker, dealer, commercial bank, trust company or other nominee, execution of the demand for appraisal should be made in that capacity, and if the shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand should be executed by or on behalf of all joint owners. An authorized agent, including one for two or more joint owners, may execute the demand for appraisal on behalf of a holder of

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record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, it, he or she is acting as agent for such owner or owners.

A record holder such as a broker, dealer, commercial bank, trust company or other nominee who holds shares as nominee for several beneficial owners may exercise appraisal rights with respect to the shares of Synthes common stock held for one or more beneficial owners while not exercising such rights with respect to the shares held for other beneficial owners; in such case, the written demand should set forth the number of shares as to which appraisal is sought. If the number of shares of Synthes common stock is not expressly stated, the demand will be presumed to cover all shares held in the name of the record owner. If you hold your shares in an account with a broker, dealer, commercial bank, trust company or other nominee and wish to exercise your appraisal rights, you are urged to consult with your broker, dealer, commercial bank, trust company or other nominee to determine the appropriate procedures for the making of a demand for appraisal.

All written demands for appraisal of shares of Synthes common stock must be mailed or delivered to: Synthes, Inc., 1302 Wrights Lane East, West Chester, Pennsylvania 19380, Attention: Corporate Secretary, or should be delivered to the Corporate Secretary at the special meeting, prior to the vote on the adoption of the merger agreement.

Within ten days after the effective time of the merger, the surviving corporation must notify each stockholder who has properly asserted appraisal rights under Section 262 of the DGCL and has not voted for the adoption of the merger agreement of the date that the merger has become effective. Within 120 days after the effective time of the merger, but not thereafter, the surviving corporation or any stockholder who has complied with the statutory requirements of Section 262 of the DGCL and is otherwise entitled to appraisal rights may commence an appraisal proceeding by filing a petition in the Delaware Court of Chancery demanding a determination of the fair value of the shares of all stockholders who have properly demanded appraisal. If no such petition is filed, appraisal rights will be lost for all stockholders who had previously demanded appraisal of their shares. The surviving corporation is not under any obligation, and has no present intention, to file a petition with respect to appraisal of the value of the shares. Accordingly, if you wish to exercise your appraisal rights, you should regard it as your obligation to take all steps necessary to perfect your appraisal rights in the manner prescribed in Section 262 of the DGCL.

Within 120 days after the effective time of the merger, any stockholder who has complied with the provisions of Section 262 of the DGCL will be entitled, upon written request, to receive from the surviving corporation a statement setting forth the aggregate number of shares of Synthes common stock not voted in favor of the adoption of the merger agreement and with respect to which demands for appraisal were received by the surviving corporation, and the number of holders of such shares. Such statement must be mailed within ten days after the written request therefor has been received by the surviving corporation or within ten days after expiration of the period for delivery of appraisal demands, whichever is later. A person who is the beneficial owner of Synthes common stock held either in a broker, dealer, commercial bank, trust company or other nominee on behalf of such person may, in such person's own name, file an appraisal petition or request from the surviving corporation the statement described in this paragraph.

If a petition for an appraisal is timely filed and a copy thereof served upon the surviving corporation, it will then be obligated, within 20 days, to file with the Delaware Register in Chancery a duly verified list containing the names and addresses of the stockholders who have demanded appraisal of their shares and with whom agreements as to the value of their shares have not been reached. After notice to the stockholders as required by the Delaware Court of Chancery, the Delaware Court of Chancery is empowered to conduct a hearing on such petition to determine those stockholders who have complied with Section 262 of the DGCL and who have become entitled to appraisal rights thereunder. The Delaware Court of Chancery may require the stockholders who demanded appraisal rights of their shares of Synthes common stock to submit their stock certificates to the Register in Chancery for notation thereon of the pendency of the appraisal proceeding; and if any stockholder fails to comply with such direction, the Delaware Court of Chancery may

dismiss the proceedings as to such stockholder.

After the Delaware Court of Chancery determines which stockholders are entitled to appraisal, the appraisal proceeding will be conducted in accordance with the rules of the Delaware Court of Chancery, including any rules specifically governing appraisal proceedings. Through such proceeding, the Delaware Court of Chancery shall determine the fair value of the shares exclusive of any element of value arising from the accomplishment or

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expectation of the merger, together with interest, if any, to be paid upon the amount determined to be the fair value. In determining such fair value, the Delaware Court of Chancery shall take into account all relevant factors. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective time of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the merger and the date of payment of the judgment.

If you are considering seeking appraisal, you should be aware that the fair value of your shares as determined under Section 262 of the DGCL could be more than, the same as or less than the per share merger consideration you are entitled to receive pursuant to the merger agreement if you did not seek appraisal of your shares and that investment banking opinions as to the fairness from a financial point of view of the consideration payable in a sale transaction, such as the merger, are not opinions as to, and do not otherwise address, fair value under Section 262 of the DGCL. In determining fair value of shares, the Delaware Court of Chancery will take into account all relevant factors. In *Weinberger v. UOP, Inc.*, the Delaware Supreme Court stated that such factors include market value, asset value, dividends, earning prospects, the nature of the enterprise and other facts which were known or which could be ascertained as of the date of the merger which throw any light on future prospects of the merged corporation. In *Weinberger*, the Delaware Supreme Court stated, among other things, that proof of value by any techniques or methods which are generally considered acceptable in the financial community and otherwise admissible in court should be considered in an appraisal proceeding. In addition, the Delaware Court of Chancery has decided that the statutory appraisal remedy, depending on factual circumstances, may or may not be a dissenting stockholder's exclusive remedy.

The Delaware Court of Chancery will direct the payment of the fair value of the shares of Synthes common stock who have perfected appraisal rights, together with interest, if any, by the surviving corporation to the stockholders entitled thereto. Unless the Delaware Court of Chancery in its discretion determines otherwise for good cause shown, interest from the effective time of the merger through the date of payment of the judgment shall be compounded quarterly and shall accrue at 5% over the Federal Reserve discount rate (including any surcharge) as established from time to time during the period between the effective time of the merger and the date of payment of the judgment. The costs of the action (which do not include attorneys' fees or expert fees or expenses) may be determined by the Delaware Court of Chancery and taxed upon the parties as the Delaware Court of Chancery deems equitable. The Delaware Court of Chancery may also order that all or a portion of the expenses incurred by any stockholder in connection with an appraisal, including without limitation reasonable attorneys' fees and the fees and expenses of experts utilized in the appraisal proceeding, be charged *pro rata* against the value of all of the shares entitled to appraisal. In the absence of such determination or assessment, each party bears its own expenses.

Any stockholder who has properly demanded and perfected an appraisal in compliance with Section 262 of the DGCL will not, after the effective time of the merger, be entitled to vote his, her or its shares for any purpose or be entitled to the payment of dividends or other distributions thereon, except dividends or other distributions payable to holders of record of shares of Synthes common stock as of a date prior to the effective time of the merger.

At any time within 60 days after the effective time of the merger, any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party may withdraw the demand for appraisal and accept the merger consideration to which the stockholder is entitled pursuant to the merger agreement by delivering to the surviving corporation a written withdrawal of the demand for appraisal. After this period, a stockholder may withdraw a demand for appraisal only with the written consent of the surviving corporation. If no petition for appraisal is filed with the Delaware Court of Chancery within 120 days after the effective time of the merger, a stockholder's right to appraisal will cease and such stockholder will be entitled only to receive the merger consideration pursuant to the merger agreement. No petition timely filed in the Delaware Court of Chancery demanding appraisal will be dismissed as to any stockholder without the approval of the Delaware Court of Chancery and such approval may be conditioned

on such terms as the Delaware Court of Chancery deems just; provided, however, that any stockholder who has not commenced an appraisal proceeding or joined that proceeding as a named party may submit a demand for appraisal and accept the per share merger consideration offered pursuant to the merger agreement within 60 days after the effective time of the merger.

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If you properly demand appraisal of your shares of Synthes common stock under Section 262 of the DGCL and you fail to perfect, or effectively withdraw or lose, your right to appraisal, as provided in the DGCL, your shares of Synthes common stock will be converted into the right to receive the per share merger consideration. You will fail to perfect, or effectively lose or withdraw, your right to appraisal if, among other things, no petition for appraisal is filed within 120 days after the effective time of the merger, or if you deliver to surviving corporation a written withdrawal of your demand for appraisal.

If you desire to exercise your appraisal rights, you must not vote for adoption of the merger agreement and must strictly comply with the procedures set forth in Section 262 of the DGCL.

Failure to take any required step in connection with the exercise of appraisal rights will result in the termination or waiver of such rights.

In view of the complexity of Section 262 of the DGCL, stockholders who may wish to dissent from the merger and pursue appraisal rights should consult their legal advisors.

Synthes Employee Benefits Matters

The merger agreement provides that for 12 months following the closing date of the merger, the employees of Synthes or its subsidiaries who remain in the employment of Synthes or the surviving corporation after the closing date of the merger will receive a base salary or wage rate, bonus opportunity (other than with respect to any participant in Synthes Global Executive Incentive Compensation Plan as of the closing date of the merger) and a level of employee benefit plans and arrangements (excluding any equity-based compensation, defined benefit pension or post-employment health or post-employment welfare benefits) that are no less favorable in the aggregate to those provided to such employees immediately prior to the closing date of the merger (and for participants in Synthes Global Executive Incentive Compensation Plan as of the closing date of the merger, a bonus opportunity that is no less favorable in the aggregate than that provided to similarly situated employees of Johnson & Johnson).

Johnson & Johnson also has agreed that, solely to the extent that Johnson & Johnson makes a plan or program available to employees of the surviving corporation and not, in any case, where credit would result in a duplication of benefits, Johnson & Johnson will cause the surviving corporation to recognize the service of each Synthes employee who remains employed by the surviving corporation as if such service had been performed with Johnson & Johnson for the following purposes:

for purposes of vesting under Johnson & Johnson's defined benefit pension plan;

for purposes of eligibility and calculation of benefits for vacation and paid time off under Johnson & Johnson's vacation and paid time off programs;

for purposes of eligibility under any health or welfare plan maintained by Johnson & Johnson (other than any post-employment health or post-employment welfare plan);

for purposes of eligibility and vesting under Johnson & Johnson's 401(k) plan; and

unless covered under another Synthes arrangement, for purposes of eligibility, vesting and calculation of benefits under Johnson & Johnson's severance plan.

Johnson & Johnson will not cause the surviving corporation to recognize Synthes past service for purposes of benefit accrual under any of the foregoing benefit plans of Johnson & Johnson or for purposes of eligibility, vesting or benefit

accrual under any employee benefit plan of Johnson & Johnson not described above.

The merger agreement provides that Johnson & Johnson will enroll Synthes employees in the severance plans of Johnson & Johnson, or its subsidiary, at the same level of benefits as similarly situated employees of Johnson & Johnson, unless a Synthes employee is covered by another arrangement.

With respect to any welfare plan maintained by Johnson & Johnson in which Synthes employees are eligible to participate after the merger, the merger agreement provides that Johnson & Johnson will waive any limitations on benefits relating to any pre-existing conditions to the extent such conditions are covered immediately prior to the merger under the applicable Synthes plans and to the same extent such limitations are waived under any comparable

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plan of Johnson & Johnson or its subsidiaries and recognize, for purposes of annual deductible and out-of-pocket limits under its medical and dental plans, deductible and out-of-pocket expenses paid by employees of Synthes and its subsidiaries in the calendar year in which the merger occurs.

Treatment of Synthes Stock Options and Other Equity-Based Awards

Each outstanding Synthes option will be cancelled upon the closing of the merger and converted into an amount in cash equal to the excess, if any, of (A) the sum of (x) the CHF 55.65 cash consideration in the merger and (y) the product of the share exchange ratio multiplied by the average of the volume weighted average trading prices of Johnson & Johnson common stock on each of the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period, over (B) the exercise price per share of Synthes common stock subject to the option, less applicable withholding taxes, if any.

Each Synthes restricted stock award will become fully vested upon the closing of the merger, and the holder of the restricted stock award will be entitled to receive, without any interest thereon, the merger consideration less applicable withholding taxes.

Litigation Related to the Merger

Three putative shareholder class actions challenging the merger have been filed in the Delaware Court of Chancery naming Synthes, certain officers and directors of Synthes, Johnson & Johnson and Samson Acquisition Corp., as defendants: (i) *Norfolk County Retirement System et al., v. Hansjoerg Wyss et al.*, Case No. 6452 (filed May 5, 2011); (ii) *Inter-Local Pension Fund of the Graphic Communications Conference of the International Brotherhood of Teamsters et al., v. Hansjoerg Wyss et al.*, Case No. 6506 (filed May 19, 2011); and (iii) *Mortimer Labes et al., v. Hansjoerg Wyss et al.*, Case No. 6534 (filed May 31, 2011). The complaints allege, among other things, that the members of the Synthes board of directors breached their fiduciary duties and seek, among other things, to enjoin the defendants from completing the merger on the terms of the merger agreement. On May 27, 2011, the Delaware Court of Chancery entered an Order of Consolidation for Case No. 6452 and Case No. 6506 and appointed Labaton Sucharow LLP and Spector Roseman Kodroff & Willis P.C. as lead counsel in respect of the consolidated cases. Case No. 6534 also subsequently became part of the consolidated action, captioned *In re Synthes, Inc. Shareholder Litigation*. On August 2, 2011, plaintiffs' counsel filed a Verified Consolidated Amended Class Action Complaint in the consolidated action (which we refer to as the Consolidated Amended Complaint). The Consolidated Amended Complaint includes additional factual allegations based on disclosures in this proxy statement/prospectus (as initially filed on July 7, 2011). Plaintiffs have dismissed Johnson & Johnson from the action, and the court entered an order dismissing Johnson & Johnson without prejudice on August 4, 2011. On October 20, 2011 the remaining defendants filed a motion to dismiss the Consolidated Amended Complaint with prejudice. On October 24, 2011, plaintiffs filed a motion with the Court of Chancery seeking a preliminary injunction to prevent Synthes from conducting a vote of stockholders to adopt the merger agreement.

Resale of Johnson & Johnson Common Stock

Johnson & Johnson common stock issued in the merger will not be subject to any restrictions on transfer arising under the Securities Act, except for shares issued to any Synthes stockholder who may be deemed to be an affiliate of Johnson & Johnson for purposes of Rule 145 under the Securities Act. Persons who may be deemed to be affiliates include individuals or entities that control, are controlled by, or are under common control with Johnson & Johnson and may include the executive officers, directors and significant stockholders of Johnson & Johnson. This proxy statement/prospectus does not cover resales of Johnson & Johnson common stock received by any person upon completion of the merger, and no person is authorized to make any use of this proxy statement/prospectus in connection with any such resale.

Notice to Synthes Stockholders Resident in Canada and Canadian Resale Restrictions

Notice to Synthes Stockholders Resident in Canada. The Johnson & Johnson common stock that is being distributed to holders of Synthes common stock that reside in Canada is being distributed under an exemption from the prospectus requirement of Canadian provincial and territorial securities laws.

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Canadian Resale Restrictions. The provincial and territorial securities laws require the first trade in the Johnson & Johnson common stock to be made in accordance with certain conditions, including that no unusual effort is made to prepare the market or to create a demand for such shares and no extraordinary commission or consideration is paid in respect of the trade. In addition, when selling the shares, holders resident in a province or territory of Canada must use a dealer appropriately registered in such province or territory or rely on another exemption from the registration requirement of such province or territory. If a holder requires advice on any applicable prospectus or registration exemption, the holder should consult its own legal advisor.

Accounting Treatment of the Merger

The merger will be accounted for by Johnson & Johnson using the purchase method of accounting. Under this method of accounting, the purchase price will be allocated to the fair value of the net assets acquired. The excess purchase price over the fair value of the assets acquired will be allocated to goodwill.

Material United States Federal Income Tax Consequences of the Merger

The following is a summary of the material United States federal income tax consequences of the merger to holders of Synthes common stock whose shares are converted into the right to receive the merger consideration under the merger. This summary is based on the Internal Revenue Code of 1986, as amended, applicable Treasury regulations, and administrative and judicial interpretations thereof, each as in effect as of the date hereof, all of which may change, possibly with retroactive effect. This summary assumes that shares of Synthes common stock are held as capital assets. It does not address all of the tax consequences that may be relevant to particular holders in light of their personal circumstances, or to other types of holders, including, without limitation:

banks, insurance companies or other financial institutions;

broker-dealers;

traders;

expatriates;

tax-exempt organizations;

persons who are investors in a pass-through entity;

persons who are subject to alternative minimum tax;

persons who hold their shares of common stock as a position in a straddle or as part of a hedging or conversion transaction;

persons deemed to sell their shares of common stock under the constructive sale provisions of the Internal Revenue Code;

persons that have a functional currency other than the United States dollar; or

persons who acquired their shares of Synthes common stock upon the exercise of stock options or otherwise as compensation.

In addition, this discussion does not address U.S. federal estate, gift or other non-income tax, or any state, local or non-U.S. tax consequences of the merger.

ALL HOLDERS OF SHARES OF SYNTHES COMMON STOCK ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER IN LIGHT OF THEIR PARTICULAR SITUATIONS, AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAW OF ANY STATE, LOCAL OR NON-U.S. JURISDICTION.

For purposes of this discussion, a United States Holder means a holder of Synthes common stock who is:

a citizen or individual resident of the United States;

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a corporation or an entity treated as a corporation for United States federal income tax purposes, created or organized in or under the laws of the United States or any political subdivision thereof (including the District of Columbia);

an estate the income of which is subject to United States federal income taxation regardless of its source; or

a trust (a) the administration over which a United States court can exercise primary supervision and (b) all of the substantial decisions of which one or more United States persons have the authority to control and certain other trusts considered United States persons for United States federal income tax purposes.

A **Non-United States Holder** is a holder (other than an entity treated as a partnership for U.S. federal income tax purposes) that is not a United States Holder.

If a partnership holds Synthes common stock, the tax treatment of a partner in the partnership will generally depend upon the status of the partner and the activities of the partnership. If you are a partner of a partnership holding Synthes common stock, you should consult your tax advisor regarding the tax consequences of the merger.

United States Holders

The receipt of the merger consideration in exchange for shares of Synthes common stock pursuant to the merger will be a taxable transaction for United States federal income tax purposes. In general, a United States Holder who receives the merger consideration in exchange for shares of Synthes common stock pursuant to the merger will recognize capital gain or loss for United States federal income tax purposes equal to the difference, if any, between (i) the sum of (a) the fair market value of the Johnson & Johnson common stock as of the effective time of the merger and (b) the U.S. dollar value of the Swiss francs received and (ii) the holder's adjusted tax basis in the shares of Synthes common stock exchanged for the merger consideration pursuant to the merger. The U.S. dollar value of the Swiss francs received should be determined, depending on the United States Holder's method of accounting and foreign currency elections in effect, by reference to the spot rate on either the date the shares of Synthes common stock are treated as sold for U.S. income tax purposes or the date the Swiss francs are received. Each U.S. Holder is urged to consult its own tax advisor as to the determination of the amount realized in its particular circumstances. Any gain or loss recognized would be long-term capital gain or loss if the holding period for the shares of Synthes common stock exceeded one year. Long-term capital gains of noncorporate taxpayers generally are taxable at a maximum rate of 15%. Capital gains of corporate shareholders generally are taxable at the regular tax rates applicable to corporations.

A United States Holder's aggregate tax basis in Johnson & Johnson common stock received in the merger will equal the fair market value of such stock as of the effective time of the merger. The holding period of the Johnson & Johnson common stock received in the merger will begin on the day after the merger. A United States Holder's basis in any Swiss francs received will equal the U.S. dollar value of those Swiss francs using the same spot rate used to determine the amount of gain or loss recognized.

On a subsequent disposition of any Swiss francs received in the merger (including conversion into U.S. dollars), a United States Holder will generally recognize exchange gain or loss equal to the difference between the United States Holder's basis in such Swiss francs (as described above) and the fair market value of the property received in exchange for the Swiss francs. Exchange gain or loss will generally be treated as U.S.-source ordinary income or loss.

Non-United States Holders

A Non-United States Holder generally will not be subject to U.S. federal income tax on any gain realized in the merger unless:

the gain is effectively connected with the conduct of a trade or business by the Non-United States Holder in the United States (and, if an income tax treaty applies, is attributable to a U.S. permanent establishment maintained by the Non-United States Holder); or

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in the case of a Non-United States Holder that is an individual, such Non-United States Holder is present in the United States for 183 days or more in the taxable year of disposition and meets other conditions and is not eligible for relief under an applicable income tax treaty.

Gain that is effectively connected with a Non-United States Holder's conduct of a trade or business in the United States generally will be subject to U.S. federal income tax, net of certain deductions, at the same rates applicable to U.S. persons. A Non-United States Holder that is a corporation may also be subject to branch profits tax at a 30% rate (or such lower rate as may apply under an applicable tax treaty) on after-tax profits effectively connected with a U.S. trade or business to the extent that such after-tax profits are not reinvested and maintained in the U.S. business. If the gain is effectively connected with the Non-United States Holder's conduct of a trade or business in the United States but, under an applicable income tax treaty, is not attributable to a permanent establishment maintained by the Non-United States Holder in the United States, the gain may be exempt from U.S. federal income tax under the income tax treaty. If a Non-United States Holder is described in the second bullet point above, the Non-United States Holder generally will be subject to U.S. federal income tax at a rate of 30% on the gain realized, although the gain may be offset by certain U.S.-source capital losses realized during the same taxable year.

Information Reporting and Backup Withholding

Information reporting and backup withholding may apply to payments made in connection with the merger. Backup withholding will not apply, however, to a holder who (1) furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding on the substitute Form W-9 or successor form included in the letter of transmittal to be delivered to holders of Synthes common stock prior to completion of the merger, (2) provides a certification of foreign status on the applicable Form W-8 (typically Form W-8BEN) or appropriate successor form or (3) is otherwise exempt from backup withholding. Back-up withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against such holder's United States federal income tax liability provided the required information is timely furnished to the IRS.

Material Swiss Tax Consequences of the Merger

Swiss-resident individual taxpayers holding Synthes common stock as their private property should realize a tax-free private capital gain or a non-tax-deductible loss, as the case may be, for Swiss federal, cantonal and municipal income tax purposes with respect to all or part of the shares of Johnson & Johnson common stock received in the merger. A portion of the merger consideration will be received in cash, and all or part may be treated as taxable income for Swiss federal, cantonal and municipal income tax purposes.

Swiss-resident corporate and individual taxpayers as well as corporate and individual taxpayers resident abroad who hold Synthes common stock as part of Swiss business assets are required to recognize any capital gains realized as a result of the merger in their income statement for the respective tax period and are subject to Swiss federal, cantonal and municipal individual or corporate income tax, as the case may be, on any net taxable earnings (including a capital gain realized as a result of the merger) for such period; capital losses are tax-deductible. A part of the merger consideration may be treated as dividend income for tax purposes. The same tax treatment applies to Swiss resident individuals who, for income tax purposes, are classified as professional securities dealers for reasons of, for example, frequent dealing and debt-financed purchases.

Swiss-resident taxpayers should consult with their individual tax advisors to determine the Swiss tax consequences of the merger in the light of their particular circumstances, including what tax planning opportunities might be available to them.

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THE MERGER AGREEMENT

The following summary describes material provisions of the merger agreement, which is included as Annex A to this proxy statement/prospectus and is incorporated herein by reference in its entirety. This summary may not contain all of the information about the merger agreement that is important to you. The rights and obligations of Johnson & Johnson and Synthes are governed by the express terms and conditions of the merger agreement and not by this summary or any other information contained in this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety as well as this proxy statement/prospectus before making any decisions regarding the merger.

The merger agreement is included in this proxy statement/prospectus to provide you with information regarding its terms. It is not intended to provide any factual information about Johnson & Johnson or Synthes.

The merger agreement contains representations and warranties by each of the parties to the merger agreement. These representations and warranties were made solely for the benefit of the other parties to the merger agreement and:

may not be intended as statements of fact, but rather as a way of allocating the risk to one of the parties if the statements prove to be inaccurate;

have been qualified by certain disclosures that were made to the other parties in connection with the negotiation of the merger agreement, that modify, qualify and create exceptions to the representations, warranties and covenants set forth in the merger agreement; and

may apply standards of materiality in a way that is different from what may be viewed as material by you or other investors or that is different from standards of materiality generally applicable under the United States federal securities laws.

Accordingly, you should not rely on the representations and warranties in the merger agreement (or the summaries contained herein) as characterizations of the actual state of facts about Johnson & Johnson or Synthes. The representations and warranties and other provisions of the merger agreement should not be read alone, but instead should be read together with the information provided elsewhere in this proxy statement/prospectus and in the documents incorporated herein by reference. See *Where You Can Find More Information* beginning on page 116.

Representations and Warranties

The merger agreement contains certain customary representations and warranties made by Synthes relating to, among other things, the following:

due organization, valid existence, good standing, corporate power and authority and qualification or licensing;

material subsidiaries;

certificate of incorporation and by-laws or equivalent organizational documents;

capitalization of Synthes and ownership of its subsidiaries;

corporate power and authority with respect to the execution and delivery of the merger agreement, the due and valid execution and delivery of the merger agreement and the enforceability of the merger agreement;

the approval of the merger agreement by the board of directors of Synthes, the recommendation by the Synthes board of directors that Synthes stockholders vote to adopt the merger agreement and the vote required by the stockholders of Synthes to adopt the merger agreement;

the absence of conflicts with, or violations of, organizational documents, any applicable law or any contracts, permits or other instruments or obligations;

required consents, approvals, authorizations, permits and governmental filings and notifications in connection with the merger;

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compliance with applicable laws and possession of material permits;

compliance with a certain corporate integrity agreement, settlement agreement and divestiture agreement (see Other Actions);

financial statements and internal controls and procedures;

the absence of certain changes and events since December 31, 2010;

the absence of material litigation;

employee benefit plan matters and ERISA compliance;

collective bargaining agreements and other labor relations matters;

owned real property and tangible assets;

compliance with the terms of material leases;

intellectual property;

tax matters;

environmental matters;

material contracts;

insurance;

filings with the SIX Swiss Exchange and the accuracy of information contained in such filings;

receipt of an opinion from Synthes financial advisor;

payment of fees and expenses for brokers, accountants, financial advisors, investment bankers and legal counsel in connection with the merger;

regulatory compliance;

compliance with the Foreign Corrupt Practices Act, the Currency and Foreign Transactions Reporting Act of 1970 and other similar laws, and the absence of any sanction by the Office of Foreign Assets Control of the United States Department of Treasury;

the absence of any poison pill or other rights agreement or plan;

the inapplicability of state takeover statutes; and

the accuracy of the information supplied in connection with this proxy statement/prospectus and the registration statement of which it is a part.

The merger agreement also contains certain customary representations and warranties made by each of Johnson & Johnson and Samson Acquisition Corp. relating to, among other things, the following:

due organization, valid existence, good standing, corporate power and authority and qualification or licensing;

the certificate of incorporation and by-laws or equivalent organizational documents;

capitalization of Johnson & Johnson and Johnson & Johnson's ownership of Samson Acquisition Corp.;

due authorization, valid issuance, registration and NYSE approval for listing the shares issuable pursuant to the merger;

corporate power and authority with respect to the execution and delivery of the merger agreement, the due and valid execution and delivery of the merger agreement and the enforceability of the merger agreement;

the absence of a vote required by Johnson & Johnson's shareholders to approve the merger;

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the absence of conflicts with, or violations of, organizational documents, any applicable law or any contracts, permits or other instruments or obligations;

required consents, approvals, authorizations, permits and governmental filings and notifications in connection with the merger;

availability to Johnson & Johnson of sufficient funds to permit Samson Acquisition Corp. to consummate the merger;

SEC filings and financial statements;

internal controls and disclosure controls and procedures;

the absence of material litigation;

organization and operations of Samson Acquisition Corp.;

the absence of ownership of Synthes common stock by Johnson & Johnson and Samson Acquisition Corp.;

payment of fees for brokers in connection with the merger; and

the accuracy of the information supplied in connection with this proxy statement/prospectus and the registration statement of which it is a part.

Many of the representations and warranties in the merger agreement are qualified by a materiality or material adverse effect standard. For purposes of the merger agreement, material adverse effect means, when used in connection with Synthes or Johnson & Johnson, any occurrence, state of facts, development, circumstance, change or effect that, individually or in the aggregate with all other events, occurrences, states of facts, developments, circumstances, changes and effects:

would prevent the consummation of the merger and any of the transactions contemplated by the merger agreement, which we refer to as the related transactions, by Synthes or Johnson & Johnson, as applicable, or otherwise prevent either of Synthes or Johnson & Johnson from performing its respective obligations under the merger agreement; or

has had or would reasonably be expected to have a material adverse effect on the business, financial condition or results of operations of Synthes and its subsidiaries, taken as a whole, or Johnson & Johnson and its subsidiaries, taken as a whole, as the case may be, except that any occurrence, state of facts, development, circumstance, change or effect resulting from the following will not be taken into account:

any change in the market price or trading volume of Synthes common stock or Johnson & Johnson common stock, as applicable, or any failure, in and of itself, by Synthes or Johnson & Johnson, as the case may be, to meet internal projections or forecasts or published revenue or earnings predictions for any period ending (or for which revenues or earnings are released) on or after the date of the merger agreement (however, the facts or causes underlying or contributing to such change or failure may be considered);

changes in general economic or political conditions, or in the financial, credit or securities markets in general, to the extent such changes do not disproportionately affect Synthes and its subsidiaries, taken as a

whole, or Johnson & Johnson and its subsidiaries, taken as a whole, as the case may be, relative to other participants in the industries in which they conduct their respective businesses;

changes in applicable law or GAAP or any interpretations thereof, to the extent such changes do not disproportionately affect Synthes and its subsidiaries, taken as a whole, or Johnson & Johnson and its subsidiaries, taken as a whole, relative to other participants in the industries in which they conduct their respective businesses;

changes, including legal and regulatory changes, in the industries in which Synthes and its subsidiaries conduct their respective businesses or in the industries in which Johnson & Johnson and its subsidiaries conduct their respective businesses, as applicable, to the extent such changes do not disproportionately affect Synthes and its subsidiaries, taken as a whole, or Johnson & Johnson and its subsidiaries, taken as a whole, relative to other participants in the industries in which they conduct their respective businesses;

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acts of civil unrest or war (whether or not declared), armed hostilities or terrorism, or any escalation or worsening of any such acts under way as of the date of the merger agreement, unless such acts are directed at the properties or assets of Synthes or any of its subsidiaries or Johnson & Johnson or any of its subsidiaries, as applicable;

earthquakes, hurricanes, tsunamis, tornados, floods, mudslides, volcanic eruptions or other natural disasters or force majeure events, unless such events directly involve the properties or assets of Synthes or any of its subsidiaries or Johnson & Johnson or any of its subsidiaries, as the case may be; or

the public announcement of the merger agreement.

The representations and warranties in the merger agreement do not survive the effective time of the merger.

Conduct of Business Pending the Merger

Synthes has undertaken certain covenants in the merger agreement restricting the conduct of its business between the date of the merger agreement and the effective time of the merger. During this period, except (i) with prior written consent of Johnson & Johnson (which consent shall not be unreasonably withheld, delayed or conditioned) or (ii) as contemplated or permitted by the merger agreement, Synthes has agreed that (x) its businesses and the businesses of its subsidiaries will be, in all material respects, conducted only in the ordinary course of business and in a manner consistent in all material respects with past practice (and Synthes and its subsidiaries will not take any action to the contrary) and (y) it shall, and shall cause each of its subsidiaries to, use commercially reasonable efforts to preserve substantially intact their business organizations and maintain and preserve intact their current relationships with customers, suppliers, licensors, licensees, distributors and others having business dealings with them.

In addition, by way of amplification and not limitation, Synthes has agreed that each of it and its subsidiaries be subject to various specific restrictions relating to the conduct of their respective businesses between the date of the merger agreement and the effective time of the merger, including the following (subject in each case to the exceptions specified in the preceding paragraph):

amending or otherwise changing its certificate of incorporation or by-laws or equivalent organizational documents;

issuing, delivering, selling, granting, pledging, disposing of or granting or permitting an encumbrance on, any shares of any classes of capital stock or other voting securities or other ownership interests or similar interests (except for securities issuable upon the exercise of Synthes stock options outstanding as of the date of the merger agreement);

selling, leasing, licensing, pledging, disposing of, or granting or permitting an encumbrance on, any material property or other assets (except for sales of inventory and used equipment in the ordinary course of business and consistent with past practice);

declaring, setting aside, making or paying any dividend, payable in cash, stock, property or otherwise on any of its capital stock (except (i) for dividends made by any Synthes subsidiary to Synthes or another of its subsidiaries and (ii) that Johnson & Johnson has consented to Synthes paying a regular annual dividend for 2011 consistent with past practice (including with respect to the timing thereof) if the merger has not occurred prior to the customary record date for such dividend and certain other conditions are met);

adjusting, reclassifying, combining, splitting, subdividing, redeeming, purchasing or otherwise acquiring any of its capital stock, voting securities or other ownership interests or any securities convertible, exchangeable for or exercisable into such securities or interests;

acquiring, including by merger, consolidation, or acquisition of stock or assets or any other business combination or by any other manner, any other corporation, partnership, other business organization or any business, division or equity interest thereof;

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incurring or guaranteeing indebtedness or extending loans, advances, capital contributions or investments (except (i) to employees, (ii) to Synthes or its wholly owned subsidiaries in the ordinary course of business or (iii) borrowings under Synthes' existing credit facility);

making or authorizing capital expenditures in excess of the aggregate amount disclosed in Synthes' capital expenditure budget;

making material modifications to accounting policies or procedures, other than as required by GAAP or applicable law;

modifying any material tax accounting methods (except as required under applicable law) or tax elections, settling or compromising any material tax liability or consenting to any claim or assessment relating to a material amount of tax, filing any amended tax return or claim for refund, entering into any closing agreement relating to a material tax amount or waiving or extending the statute of limitations in respect of material taxes (except, in each case, in the ordinary course of business, and to the extent applicable, in a manner consistent with past practices);

(i) abandoning, selling, transferring or licensing intellectual property or related agreements, (ii) disclosing or allowing to be disclosed any material confidential information or (iii) adversely amending or modifying any rights to any material intellectual property in any material respect;

except as required to ensure that any Synthes employee benefit plan is not out of compliance with applicable law or the terms of such plan:

adopting, terminating or amending collective bargaining agreements, similar contracts or employee benefit plans;

increasing the compensation or benefits of, or paying any bonus to, any current or former director, officer, employee or consultant (other than in the ordinary course of business and in a manner consistent with past practice);

granting any change in control, retention, severance or termination pay to any current or former director, officer, employee or independent contractor or increasing any such compensation or benefit;

granting any awards;

taking any action to fund or secure the payment of compensation or benefits under any employee benefit plan;

taking any action to accelerate the vesting or payment of any compensation or benefit under any employee benefit plan or awards made thereunder; or

materially changing any actuarial or other assumption used to calculate funding obligations with respect to any employee benefit plan or changing the manner in which contributions to any employee benefit plan are made or the basis on which such contributions are determined (except as required by GAAP);

except as required by law or any judgment of a court of competent jurisdiction:

paying, discharging, satisfying or settling any claims, liabilities, obligations or litigation that are material to Synthes and its subsidiaries, taken as a whole (other than liabilities in the ordinary course of business, consistent with past practice and in accordance with their terms that are disclosed, reflected or reserved against in Synthes' financial statements or incurred since the date of the financial statements in the ordinary course of business and in a manner consistent with past practice);

waiving or assigning rights or claims with material value; or

canceling material indebtedness;

entering into, terminating or canceling (except when it may be commercially reasonable to do so and after consulting with Johnson & Johnson in advance and, in good faith, taking Johnson & Johnson's views into

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account with respect to certain specified contracts), failing to exercise a right to renew on commercially reasonable terms or materially modifying or amending any material contract;

entering into, modifying, amending or terminating any contract or waiving, modifying, releasing or assigning any material rights or claims thereunder, which action would reasonably be expected to (i) impair in any material respect the ability of Synthes to perform its obligations under the merger agreement or (ii) materially impede, interfere with, hinder or delay the consummation of the merger or related transactions;

entering into any material contract to the extent consummation of the merger and related transactions would reasonably be expected to trigger, conflict with or result in a violation of any change of control or similar provision of such contract;

authorizing or applying for the listing of shares of Synthes common stock on any stock exchange (other than the SIX Swiss Exchange); or

authorizing or agreeing to do any of the foregoing.

Johnson & Johnson has also agreed to various specific restrictions relating to the conduct of its business between the date of the merger agreement and the effective time of the merger, including the following (in each case, except as contemplated or permitted by any other provision of the merger agreement or with the prior written consent of Synthes (which consent shall not be unreasonably withheld, delayed or conditioned)):

amending or otherwise changing its certificate of incorporation or by-laws, except for any amendments or changes that would not (i) materially delay, impede or prevent the consummation of the merger and related transactions or (ii) adversely affect the stockholders of Synthes in any material respect differently than the shareholders of Johnson & Johnson;

declaring, setting aside, making or paying any extraordinary or special dividends, in cash, stock, property or otherwise, with respect to any of its capital stock;

acquiring or merging with any business, person or division, or entering into a joint venture, in each case within the orthopedics market, if entering into a definitive agreement relating to, or the consummation of, such actions would be reasonably likely to materially delay, materially impede or prevent the consummation of the transactions;

acquiring or merging with any business, person or division, if entering into a definitive agreement relating to, or the consummation of, such acquisition or merger would be reasonably likely to materially delay the effectiveness of the registration statement; or

authorizing or agreeing to do any of the foregoing.

No Solicitation

Under the merger agreement, subject to certain exceptions described below, Synthes has agreed that it will not, nor will any of its subsidiaries or any of its or its subsidiaries respective officers, directors, employees, accountants, consultants, legal counsel, investment bankers, advisors, agents or other representatives, which we refer to as representatives, directly or indirectly (and Synthes will cause each of the parties listed above not to):

solicit, initiate or take any other action to facilitate or knowingly encourage any competing proposal, as described below;

enter into, maintain, continue or participate in any discussions or negotiations with any person or entity in furtherance of, or furnish to any person any information with respect to, any competing proposal;

agree to, approve, endorse, recommend or consummate any competing proposal;

enter into any binding letter of intent, memorandum of understanding, agreement in principle, merger agreement, acquisition agreement, option agreement or other contract or agreement which contemplates or which would reasonably be expected to lead to any competing proposal (other than certain acceptable

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confidentiality agreements) (we refer to each such agreement in respect of a potential competing proposal as a competing transaction agreement);

take any action to approve a third party becoming an interested stockholder or to approve any transaction, for the purposes of section 203 of the DGCL; or

resolve, propose, agree, authorize or permit any representative to do any of the foregoing.

The merger agreement also provides that Synthes will, and will direct its subsidiaries and its subsidiaries representatives to:

immediately cease and cause to be terminated all existing discussions and negotiations with any person regarding any competing proposal conducted prior to the execution of the merger agreement by Synthes, any of its subsidiaries or any of its or its subsidiaries respective representatives; and

request the prompt return or destruction of all confidential information previously furnished.

Under the merger agreement, a competing proposal means any bona fide proposal or offer from any person relating to, or that could reasonably be expected to lead to, in one transaction or a series of related transactions (other than the merger):

any merger, consolidation, share exchange, business combination, recapitalization, liquidation, dissolution or other similar transaction involving Synthes or any of its subsidiaries pursuant to which any person or the shareholders of any person would own 15% or more of any class of equity securities of Synthes or any resulting parent company of Synthes;

any sale, lease, license, exchange, transfer or other disposition of, or joint venture involving, assets or businesses that constitute or represent more than 15% of the total revenue, operating income, EBITDA or fair market value of the assets of Synthes and its subsidiaries, taken as a whole;

any sale, exchange, transfer or other disposition of more than 15% of any class of equity securities, or securities convertible into or exchangeable for equity securities, of Synthes;

any tender offer or exchange offer that, if consummated, would result in any person becoming the beneficial owner of more than 15% of any class of equity securities of Synthes;

any other transaction the consummation of which would be reasonably likely to impede, interfere with, prevent or materially delay the merger; or

any combination of the foregoing.

Synthes has agreed that promptly after the receipt of any competing proposal or any bona fide inquiry relating to or that could reasonably be expected to lead to any competing proposal, Synthes will advise Johnson & Johnson, orally and in writing, of such proposal, setting forth the financial and other material terms and conditions of such proposal (including any changes thereto) and the identity of the person making such competing proposal or bona fide inquiry. Additionally, Synthes is required to (i) keep Johnson & Johnson fully informed of the status and material details (including any changes to the terms) of any such competing proposal or bona fide inquiry and (ii) provide to Johnson & Johnson, as soon as reasonably practicable after receipt or delivery thereof, copies of all correspondence and other written material (including draft and final versions of agreements, as well as any amendments, schedules

and exhibits) relating to any such competing proposal or bona fide inquiry between Synthes or any of its subsidiaries or their respective representatives and the person making such competing proposal or bona fide inquiry or such person's representatives.

Notwithstanding the restrictions described above, if following the execution of the merger agreement and prior to the adoption of the merger agreement by Synthes stockholders, Synthes receives an unsolicited, written, bona fide competing proposal that did not arise as a result of a breach of Synthes' no-solicitation obligations under the merger agreement, and the Synthes board of directors reasonably determines, in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation and outside legal counsel), that

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such competing proposal constitutes, or is reasonably likely to lead to, a superior proposal, as described below; and

failure to furnish information to, or enter into discussion with, the person who made the competing proposal would be inconsistent with the fiduciary duties of the Synthes board of directors to Synthes and its stockholders under applicable law, then Synthes may furnish information to, and enter into discussions with, the person making such competing proposal (so long as Synthes (i) has provided, or concurrently provides, all such information to Johnson & Johnson and (ii) has obtained from any such person a customary confidentiality agreement containing terms no less favorable to Synthes than those contained in the confidentiality agreement between Synthes and Johnson & Johnson).

Under the merger agreement, the term superior proposal means any unsolicited, written, bona fide offer made by a third party with respect to a competing proposal (other than pursuant to the second to last bullet point in the definition of competing proposal above), replacing each reference to 15% in the definition of competing proposal with 50% , which the Synthes board of directors reasonably determines, in its good faith judgment, after having received the advice of a financial advisor of nationally recognized reputation and outside legal counsel, to be:

more favorable to the Synthes stockholders from a financial point of view than the merger, taking into account all the terms and conditions of such proposal, as well as any changes to the financial terms of the merger agreement proposed by Johnson & Johnson in response to such offer or otherwise; and

reasonably expected to be consummated.

Change in the Company Recommendation

The Synthes board of directors has agreed to recommend that Synthes stockholders vote in favor of the adoption of the merger agreement, which we refer to as the company recommendation . Under the merger agreement, neither the Synthes board of directors nor any committee of the Synthes board of directors may take any of the following actions (each of which we refer to as a change in the company recommendation):

withdraw, qualify, modify or amend, or propose publicly to withdraw, qualify, modify or amend, the company recommendation;

adopt or recommend, or propose publicly to adopt or recommend, any competing proposal; or

make any public statement inconsistent with the company recommendation.

Notwithstanding the above, at any time prior to the adoption of the merger agreement by Synthes stockholders and subject to Synthes obligations under the no-solicitation provisions of the merger agreement, if the Synthes board of directors determines in its good faith judgment (after having received the advice of a financial advisor of nationally recognized reputation and outside legal counsel) that the failure to make a change in the company recommendation would be inconsistent with the Synthes board of directors fiduciary duties to Synthes and its stockholders under applicable law, the Synthes board of directors may make a change in the company recommendation, provided that no change in the company recommendation may be made:

that relates to a competing proposal unless such competing proposal constitutes a superior proposal; and

until after Synthes has provided Johnson & Johnson with five business days prior written notice of the intent to make a change in the company recommendation, which specifies the reasons therefor, including the terms and

conditions of such superior proposal (provided that any amendment to the financial terms and any other material term of such superior proposal shall require a new two business day notice period).

During the applicable notice period, Synthes and Johnson & Johnson and their respective representatives have agreed to negotiate in good faith regarding any revisions to the terms of the merger agreement proposed by Johnson & Johnson. In determining whether to make a change in the company recommendation, the Synthes board of directors must take into account any changes to the financial terms of the merger agreement proposed by Johnson & Johnson in response to its receipt of such notice from Synthes or otherwise.

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Nothing in the merger agreement prohibits the Synthes board of directors from making any disclosure that is required by applicable law, except that neither the Synthes board of directors nor any committee of the Synthes board of directors may make any change in the company recommendation in connection with such disclosure.

If the board of directors of Synthes makes a change in the company recommendation, Synthes will nonetheless continue to be obligated to hold its stockholders meeting and submit the proposal to adopt the merger agreement to its stockholders as described in this proxy statement/prospectus.

Synthes Stockholders Meeting

Synthes has agreed to take all lawful action to call, give notice of, convene and hold the Synthes stockholders meeting as promptly as practicable for the purpose of obtaining stockholder adoption of the merger agreement. Synthes has further agreed to solicit proxies from its stockholders in favor of the adoption of the merger agreement and to take all other action necessary or advisable to obtain such stockholder adoption. The Synthes board of directors has agreed, subject to a change in company recommendation in accordance with the terms of the merger agreement, to include its recommendation to its stockholders to adopt the merger agreement in this proxy statement/prospectus. The merger agreement requires Synthes to convene and hold the Synthes stockholder meeting as promptly as practicable for the purpose of obtaining stockholder adoption of the merger agreement, regardless of any change in company recommendation or competing proposal.

Reasonable Best Efforts

Subject to the terms and conditions of the merger agreement, Johnson & Johnson and Synthes have agreed to use their reasonable best efforts to:

take, or cause to be taken, all appropriate action, and to do, or cause to be done, all things necessary or reasonably advisable under applicable laws or orders, to consummate and make effective the merger and the related transactions; and

obtain, or cause to be obtained, all waivers, permits, consents, approvals, authorizations, qualifications and orders of all governmental authorities and officials and parties to contracts with Synthes and its subsidiaries that may be or become necessary for the performance of obligations pursuant to the merger agreement and the consummation of the related transactions.

Additionally, Synthes, Johnson & Johnson and Samson Acquisition Corp. have each agreed to:

cooperate fully with one another in promptly seeking to obtain all such waivers, permits, consents, approvals, authorizations, qualifications and orders; and

make any appropriate filings, if necessary or advisable (in the opinion of Johnson & Johnson), pursuant to the HSR Act, the EU Merger Regulation or other applicable foreign, state or supranational antitrust, competition, fair trade or similar laws.

The merger agreement further provides that Synthes will use its reasonable best efforts to:

provide or cause to be provided promptly to Johnson & Johnson all necessary information and assistance as any governmental authority may require; and

provide or cause to be provided promptly all assistance and cooperation to allow Johnson & Johnson to prepare and submit any filings or submissions under the HSR Act, the EU Merger Regulation or other applicable antitrust, competition, fair trade or similar laws.

Johnson & Johnson will have the principal responsibility for devising and implementing the strategy for obtaining any necessary antitrust or competition clearances and will take the lead in all meetings and communications with any governmental authority in connection with obtaining such clearances; provided that Johnson & Johnson will consult in advance with Synthes and in good faith take Synthes' views into account regarding the overall strategic direction of obtaining antitrust or competition clearance in the United States, the European Union or certain other material jurisdictions, and Johnson & Johnson will consult with Synthes prior to taking any material

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substantive position in any written submissions to, or to the extent practicable, discussions with, governmental agencies in such jurisdictions.

The merger agreement further provides that Johnson & Johnson and Synthes will, and will cause their subsidiaries to use their reasonable best efforts to, accomplish the following:

take any and all steps necessary to avoid or eliminate each and every legal impediment under any applicable state, federal, foreign or supranational antitrust, competition, fair trade or similar law that may be asserted by any antitrust or competition governmental authority or any other party so as to enable the parties to close the transaction as promptly as practicable (and in any event, prior to the outside date);

propose, negotiate, commit to and effect the sale, divestiture or other disposition of their assets, properties or businesses, and enter into such other arrangements, as are necessary or reasonably advisable in order to avoid the entry of any order, the commencement of litigation seeking the entry of, or to effect the dissolution of, any injunction, temporary restraining order or other order that would have the effect of materially delaying or preventing the consummation of the merger and related transactions; and

defend through litigation, on the merits, any claims asserted in court or administrative tribunal by any person in order to avoid the entry of, or have vacated or terminated, any decree, order or judgment that would prevent the closing from occurring prior to the outside date.

Notwithstanding the foregoing or any other provision of the merger agreement, (i) neither Johnson & Johnson nor any of its subsidiaries or affiliates will be required to agree to a divestiture of any assets or businesses of DePuy, Inc. or any of its subsidiaries or of Synthes or any of its subsidiaries that, in the aggregate, are material relative to (a) DePuy, Inc. and its subsidiaries, taken as a whole, or (b) Synthes and its subsidiaries, taken as a whole, and (ii) Synthes, only at the direction of Johnson & Johnson (in connection with satisfying the obligations described above), will agree to any divestiture of any of its assets or the assets of any of its subsidiaries or affiliates so long as such divestiture is conditioned on the consummation of the merger.

Johnson & Johnson will have the sole and exclusive right to direct and control any litigation, negotiation or other action, with counsel of its own choosing, provided that, in the United States, the European Union or certain other material jurisdictions, Johnson & Johnson will consult in advance with Synthes and in good faith take Synthes' views into account regarding the overall strategic direction of the defense of any such litigation and consult with Synthes prior to making dispositive motions or other material substantive filings or entering into any negotiations concerning litigation in such jurisdictions. In such jurisdictions, Johnson & Johnson must, to the extent practicable and permitted by the relevant governmental authority, give Synthes (through its counsel) the opportunity to attend and participate in all substantive meetings, telephone calls or discussions with respect to any filings, investigations (including settlement of any investigation), litigation or other inquiry, provided that Johnson & Johnson or its representatives may conduct such aforementioned interactions without Synthes or its representatives present if Johnson & Johnson determines in good faith that doing so would enhance the likelihood of obtaining any necessary antitrust, competition, fair trade or similar clearance by the outside date.

Conditions to the Completion of the Merger

Conditions to Johnson & Johnson's, Samson Acquisition Corp.'s and Synthes' Obligations to Complete the Merger. Each party's obligation to effect the merger is subject to the satisfaction or waiver of the following conditions:

the registration statement on Form S-4, of which this proxy statement/prospectus forms a part, has been declared effective by the SEC and is not the subject of any stop order or proceedings seeking a stop order;

the merger agreement has been adopted by the affirmative vote of shareholders of Synthes representing a majority of the shares of Synthes common stock outstanding and entitled to vote at the Synthes stockholder meeting on the adoption of the merger agreement;

no governmental authority has enacted, issued, promulgated, enforced or entered any law or order, whether temporary, preliminary or permanent, that is in effect and has the effect of enjoining, restraining, prohibiting or otherwise preventing the consummation of the merger and the related transactions;

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no antitrust, competition, fair trade or similar law or order, arising in the United States, the European Union or certain other jurisdictions whether temporary, preliminary, or permanent, is in effect and has the effect of enjoining, restraining, prohibiting or otherwise preventing the consummation of the merger and the related transactions;

any waiting period applicable to the consummation of the merger under the HSR Act has expired or has been terminated;

the approval by the European Commission of the merger and the related transactions has been obtained pursuant to the EU Merger Regulation (or the approval by those national competition authorities in the European Union that have jurisdiction as a result of a referral of the merger and the related transactions under the EU Merger Regulation);

any approval or waiting period with respect to certain jurisdictions has been obtained or terminated or has expired; and

the shares of Johnson & Johnson common stock to be issued to Synthes stockholders upon completion of the merger have been approved for listing on the NYSE, subject to official notice of issuance.

Conditions to Johnson & Johnson's and Samson Acquisition Corp.'s Obligations to Complete the Merger. Johnson & Johnson's and Samson Acquisition Corp.'s obligation to effect the merger is further subject to the satisfaction or waiver of the following additional conditions:

the representations and warranties of Synthes relating to:

capitalization and ownership of its subsidiaries;

corporate power and authority with respect to the execution and delivery of the merger agreement, the due and valid execution and delivery of the merger agreement and the enforceability of the merger agreement;

the approval of the merger agreement by the board of directors of Synthes and the vote required by the stockholders of Synthes to adopt the merger agreement;

the absence of conflicts with, or violations of, organizational documents;

the absence of certain changes and events relating to Synthes' employee benefits plans from December 31, 2010 to the date of the merger agreement, including increases in compensation or benefits, grants or increases in severance or termination pay for certain personnel, the entry into or amendment of employment and other similar contracts, the removal of restrictions in benefit plans or the adoption of new benefit plans;

agreements that limit or purport to limit the ability of affiliates of Synthes (other than Synthes' subsidiaries) to compete in any line of business or with any person or entity in any geographic area, during any period of time or in any customer segment;

brokers' fees payable in connection with the merger and the related transactions;

the absence of any rights agreement, poison pill or similar agreement or plan to which Synthes is a party; and

the inapplicability of the Delaware state takeover statute set forth in Section 203 of the DGCL;

that are qualified as to materiality or material adverse effect are true and correct, and such representations and warranties that are not so qualified by materiality or material adverse effect are true and correct in all material respects, in each case as of the date of the merger agreement and as of the closing date of the merger as though made on the closing date, or if such representations and warranties expressly relate to an earlier date, then as of such date;

all the other representations and warranties of Synthes set forth in the merger agreement are true and correct as of the date of the merger agreement and as of the closing date of the merger as though made on the closing date, or if such representations and warranties expressly relate to an earlier date, then as of such date, except to the extent that the facts or matters as to which such representations and warranties are not so true and

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correct as of such dates, without giving effect to any qualifications or limitations as to materiality or material adverse effect set forth in such representations and warranties, individually or in the aggregate, have not had and would not have a material adverse effect on Synthes;

Synthes has performed or complied in all material respects with the agreements and covenants required by the merger agreement to be performed or complied with by it at or prior to the date on which the merger is to be effected and has delivered to Johnson & Johnson a certificate, signed by an executive officer of Synthes, certifying that Synthes has so performed or so complied;

there is no pending suit, action or proceeding with respect to any antitrust, competition, fair trade or similar law by any governmental authority in the United States, the European Union or certain other jurisdictions (i) seeking to restrain or prohibit the consummation of the merger or any of the related transactions or seeking to obtain from Johnson & Johnson, Samson Acquisition Corp. or Synthes or any other subsidiary or affiliate of Johnson & Johnson any damages that, in the aggregate, are material relative to (a) DePuy, Inc. and its subsidiaries, taken as a whole, or (b) Synthes and its subsidiaries, taken as a whole, (ii) seeking to impose limitations on the ability of Johnson & Johnson or any of its affiliates to hold, or exercise full rights of ownership of, any shares of capital stock of the surviving corporation, including the right to vote such shares on all matters properly presented to the stockholders of the surviving corporation, (iii) seeking to prohibit Johnson & Johnson or any of its subsidiaries or affiliates from effectively controlling, in any material respect, the business or operations of Synthes or any of its subsidiaries or affiliates, (iv) seeking any divestiture that is not required to be effected pursuant to the terms of the merger agreement, or (v) that would have a material adverse effect on Synthes or Johnson & Johnson; and

there is no law or order, whether temporary, preliminary or permanent, arising under any antitrust, competition, fair trade or similar law or order in the United States, the European Union or certain other jurisdictions that is in effect that would reasonably be expected to result in any of the effects referred to in the immediately preceding clause.

Conditions to Synthes Obligation to Complete the Merger. Synthes obligation to effect the merger is further subject to the satisfaction or waiver of the following additional conditions:

the representation and warranty of Johnson & Johnson and Samson Acquisition Corp. relating to ownership of Synthes common stock is true and correct as of the date of the merger agreement and as of the closing date of the merger as though made on the closing date;

the representations and warranties of Johnson & Johnson and Samson Acquisition Corp. relating to authority with respect to the execution and delivery of the merger agreement, the due and valid execution and delivery of the merger agreement and the enforceability of the merger agreement and the absence of conflicts with, or violations of, organizational documents, which are qualified as to materiality or material adverse effect are true and correct, and such representations and warranties that are not so qualified by materiality or material adverse effect are true and correct in all material respects, in each case as of the date of the merger agreement and as of the closing date of the merger as though made on the closing date, or if such representations and warranties expressly relate to an earlier date, then as of such date;

all the other representations and warranties of Johnson & Johnson set forth in the merger agreement are true and correct as of the date of the merger agreement and as of the closing date of the merger as though made on the closing date, or if such representations and warranties expressly relate to an earlier date, then as of such date, except to the extent that the facts or matters as to which such representations and warranties are not so true and correct as of such dates, without giving effect to any qualifications or limitations as to materiality or

material adverse effect set forth in such representations and warranties, individually or in the aggregate, have not had and would not have a material adverse effect on Johnson & Johnson; and

Johnson & Johnson and Samson Acquisition Corp. have performed or complied in all material respects with the agreements and covenants required by the merger agreement to be performed or complied with by them at or prior to the date on which the merger is to be effected and Johnson & Johnson has delivered to Synthes a certificate, signed by an executive officer of Johnson & Johnson, certifying that Johnson & Johnson and Samson Acquisition Corp. have so performed or so complied.

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Termination of the Merger Agreement

The merger agreement may be terminated and the transactions contemplated thereby abandoned at any time prior to the effective time of the merger:

by mutual written consent of Johnson & Johnson and Synthes, duly authorized by their respective boards of directors;

by either Johnson & Johnson or Synthes, if the effective time of the merger has not occurred on or before the outside date, subject to 60 days extension upon delivery of written notice of such extension to the other party not less than five business days prior to the outside date, in the event that certain regulatory clearances have not yet been obtained, provided that all other conditions to closing have been satisfied (see Conditions to the Completion of the Merger) ; provided, further, that the right to terminate the merger agreement as described herein is not available to any party whose failure to fulfill any obligation under the merger agreement or other intentional breach has been a material cause of, or resulted in, the failure to effect the merger on or before the outside date;

by either Johnson & Johnson or Synthes, if any governmental authority has enacted, issued, promulgated, enforced or entered any final and nonappealable law or order that has the effect of enjoining, restraining, prohibiting or otherwise preventing the consummation of the merger and the related transactions, provided that the party seeking to terminate the merger agreement has complied in all material respects with its obligations described under Additional Terms ;

by either Johnson & Johnson or Synthes, if the Synthes stockholders fail to adopt the merger agreement at the Synthes stockholder meeting;

by Johnson & Johnson, upon a breach by Synthes of any representation, warranty, covenant or agreement set forth in the merger agreement such that any condition to Johnson & Johnson's obligations to complete the merger would not then be satisfied and such breach cannot be cured or has not been cured on or before the outside date, provided that neither Johnson & Johnson nor Samson Acquisition Corp. is in material breach of its respective representations, warranties or covenants as of the time of such purported termination;

by Johnson & Johnson, if the Synthes board of directors (i) makes a change in the company recommendation or (ii) fails publicly to reaffirm the company recommendation within ten business days of receipt of a written request by Johnson & Johnson to provide such reaffirmation following a competing proposal that has been publicly announced or that has become publicly known;

by Johnson & Johnson, if any governmental authority has enacted, issued, promulgated, enforced or entered any law or order with respect to any antitrust, competition, fair trade or similar law in the United States, the European Union or certain other jurisdictions having the effect of: (i) seeking to restrain or prohibit the consummation of the merger or any other related transactions or seeking to obtain from Johnson & Johnson, Samson Acquisition Corp. or Synthes or any other subsidiary or affiliate of Johnson & Johnson any damages that, in the aggregate, are material relative to (a) DePuy, Inc. and its subsidiaries, taken as a whole, or (b) Synthes and its subsidiaries, taken as a whole, (ii) seeking to impose limitations on the ability of Johnson & Johnson or any of its affiliates to hold, or exercise full rights of ownership of, any shares of capital stock of the surviving corporation, including the right to vote such shares on all matters properly presented to the stockholders of the surviving corporation, (iii) seeking to prohibit Johnson & Johnson or any of its subsidiaries

or affiliates from effectively controlling, in any material respect, the business or operations of Synthes or any of its subsidiaries or affiliates, (iv) seeking any divestiture that is not required to be effected pursuant to the terms of the merger agreement or (v) that would have a material adverse effect on Synthes or Johnson & Johnson, in each case, which shall have become final and nonappealable, provided that Johnson & Johnson has complied in all material respects with its obligations described under Additional Terms ; or

by Synthes, upon a breach by Johnson & Johnson of any representation, warranty, covenant or agreement set forth in the merger agreement such that any condition to Synthes obligation to complete the merger would not then be satisfied and such breach cannot be cured or has not been cured on or before the outside date,

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provided that Synthes is not in material breach of its respective representations, warranties or covenants as of the time of such purported termination.

Effect of Termination

If the merger agreement is terminated as described in Termination above, the merger agreement will be void and no party will have any liability under the merger agreement, except that:

no termination will relieve any party from liability for fraud committed prior to such termination or for any intentional breach prior to such termination of any of its representations, warranties, covenants or agreements set forth in the merger agreement; and

designated provisions of the merger agreement will survive termination, including (i) the confidential treatment of information, (ii) provisions regarding brokers' fees, (iii) the ability of any party to specifically enforce the merger agreement against another party, (iv) the allocation of fees and expenses, including, if applicable, the termination fees described below and (v) certain other general provisions governing the merger agreement.

Fees and Expenses

General. The merger agreement provides that each party will pay its own fees and expenses in connection with the merger agreement, the merger and the related transactions, whether or not the merger or any other related transaction is consummated, except that Johnson & Johnson and Synthes will each pay one-half of the expenses incurred in connection with printing and mailing of the registration statement of which this proxy statement/prospectus is a part.

Termination Fee. Synthes must pay to Johnson & Johnson a termination fee of \$650 million in each of the following circumstances:

Johnson & Johnson terminates the merger agreement because the Synthes board of directors makes a change in the company recommendation (see the sixth bullet point under Termination of the Merger Agreement);

Johnson & Johnson terminates the merger agreement because the Synthes board of directors fails publicly to reaffirm the company recommendation within ten business days of receipt of a written request by Johnson & Johnson to provide such reaffirmation following a competing proposal that has been publicly announced or that has become publicly known (see the sixth bullet point under Termination of the Merger Agreement); or

(i) Johnson & Johnson or Synthes terminates the merger agreement because (a) the merger is not effected by the outside date (but only if the Synthes stockholder meeting has not been held prior to the date of such termination) (see the second bullet point under Termination of the Merger Agreement) or (b) the Synthes stockholders fail to adopt the merger agreement at the Synthes stockholder meeting; (ii) prior to the termination of the merger agreement, a competing proposal is publicly announced or has become publicly known; and (iii) on or prior to the date that is 12 months after the date of termination, Synthes enters into a competing transaction agreement, or the transactions contemplated by a competing proposal are consummated (for purposes of this circumstance, the term competing proposal has the same meaning as described under No Solicitation , except that references to 15% are replaced by 35%).

Johnson & Johnson must pay Synthes a termination fee of \$650 million in the following circumstance:

the merger agreement is terminated by either Johnson & Johnson or Synthes (i) pursuant to their respective rights described in the second, third or seventh bullet points under Termination of the Merger Agreement and

(ii) at the time of any such termination all of the conditions set forth in Conditions to Completion of the Merger have been satisfied or waived (or, with respect to any conditions that by their terms must be satisfied at closing, would have been so satisfied if the closing would have occurred), except for the conditions described in the third and fourth bullet points under Conditions to the Completion of the Merger Conditions to Johnson & Johnson s, Samson Acquisition Corp. s and Synthes Obligations to

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Complete the Merger and the conditions described in the second to last and the last bullet points under Conditions to the Completion of the Merger Conditions to Johnson & Johnson's and Samson Acquisition Corp.'s Obligations to Complete the Merger .

Indemnification and Insurance

Pursuant to the merger agreement, from and after the effective time of the merger, Johnson & Johnson has agreed to cause the surviving corporation to assume the obligations with respect to all rights to indemnification and exculpation from liabilities, including advancement of expenses, for acts or omissions occurring at or prior to the effective time of the merger now existing in favor of the current or former directors or officers of Synthes, as provided in the certificate of incorporation and by-laws of Synthes or any indemnification contract between such directors or officers and Synthes. The indemnification and exculpation rights pursuant to the terms of the certificate of incorporation or by-laws of Synthes as in effect at or prior to the effective time of the merger may not be impaired by any modifications of such terms in any amendment or restatement following the effective time of the merger.

Johnson & Johnson has agreed to obtain, at the effective time of the merger, a prepaid (or tail) directors and officers liability insurance policy in respect of acts or omissions occurring at or prior to the effective time of the merger for six years from the effective time of the merger, covering persons currently covered by Synthes' directors and officers liability insurance policies on terms with respect to such coverage and amounts no less favorable than those of Synthes' current policy; provided that the surviving corporation will not be obligated to pay more than 300% of the last annual premium paid by Synthes for such insurance. If the necessary amount to procure such insurance coverage exceeds such maximum amount, Johnson & Johnson will only be obligated to provide as much coverage as may be obtained for such maximum amount.

Other Covenants and Agreements

The merger agreement contains certain other covenants and agreements, including covenants and agreements relating to:

cooperation between Johnson & Johnson and Synthes in the preparation of this proxy statement/prospectus and the registration statement of which this forms a part;

confidentiality and access by each party to certain information about the other party during the period prior to the effective time of the merger;

the use of reasonable best efforts by Johnson & Johnson and Synthes to consult with the other before making public announcements regarding the merger;

cooperation between Johnson & Johnson and Synthes in the defense or settlement of any stockholder litigation relating to the merger and related transactions;

the use of reasonable best efforts by Synthes and its board of directors to ensure that no state takeover law becomes applicable and, if applicable, to ensure the merger and related transactions are consummated as promptly as practicable;

the obligations of Samson Acquisition Corp.;

sharing of notifications from governmental authorities in connection with the merger or related transactions;

the obligations of Synthes with respect to certain tax matters;

the use of reasonable best efforts by Johnson & Johnson to cause the shares of Johnson & Johnson common stock to be issued in the merger to be approved for listing on the NYSE;

the use of reasonable best efforts by Synthes to cause the delisting of its shares on the SIX Swiss Exchange; and

the use of reasonable best efforts by Johnson & Johnson and Synthes to cause the consents of their respective independent auditors in connection with the registration statement to be delivered to the other.

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Other Actions

Under the merger agreement, Synthes and its subsidiaries are required to:

comply in all material respects with the terms and conditions of the Settlement Agreement, entered into on September 27, 2010, among Synthes, the United States of America, the Office of Inspector General, the United States Department of Defense TRICARE Management Activity, the United States Department of Veterans Affairs and Norian Corporation; and

comply in all material respects with the terms and conditions of the Corporate Integrity Agreement, entered into on September 23, 2010, between Synthes and the Office of Inspector General.

Synthes is also required under the merger agreement to (i) comply with the terms and conditions of the Divestiture Agreement, entered into on September 23, 2010, among Synthes, the Office of Inspector General and Norian Corporation (which we refer to herein as the Divestiture Agreement) and (ii) complete either the sale of the assets of Norian Corporation to an unrelated party or the dissolution of the Norian Corporation by May 24, 2011. Synthes divested Norian on May 24, 2011, fulfilling its obligations under the Divestiture Agreement.

Certificate of Incorporation and By-laws of the Surviving Corporation

At the effective time of the merger, Synthes certificate of incorporation, will, by virtue of the merger, be amended and restated in its entirety to read as the certificate of incorporation of Samson Acquisition Corp., as in effect immediately prior to the effective time of the merger, except that all references to Samson Acquisition Corp. will be deemed to be references to the surviving corporation until thereafter amended. The merger agreement further provides that, at the effective time of the merger, the by-laws of Samson Acquisition Corp. as in effect immediately prior to the effective time of the merger will continue as the by-laws of the surviving corporation, except that all references to Samson Acquisition Corp. will be deemed to be references to the surviving corporation until thereafter amended. For a summary of certain provisions of the current Synthes certificate of incorporation, by-laws and the associated rights of Synthes stockholders, see Comparison of Rights of Common Shareholders of Johnson & Johnson and Synthes beginning on page 102.

Directors and Officers of the Surviving Corporation

The directors of Samson Acquisition Corp. immediately prior to the effective time of the merger will be the initial directors of the surviving corporation, each to hold office in accordance with the certificate of incorporation and by-laws of the surviving corporation, and the officers of Synthes immediately prior to the effective time of the merger shall be the initial officers of the surviving corporation, in each case, until their respective successors are duly elected and qualified or until such officer's earlier death, resignation or removal.

Governing Law

The merger agreement is governed by the laws of the state of Delaware and provides that any action or proceeding relating to or arising out of the merger agreement will be maintained exclusively in the Court of Chancery of the State of Delaware.

Amendment; Extension and Waiver; Parties in Interest; Assignment

Amendment. The merger agreement may be amended by an instrument in writing signed by each of the parties to the merger agreement by action taken by or on behalf of their respective boards of directors at any time prior to the effective time of the merger; provided, however, that after the merger agreement has been adopted by the stockholders of Synthes, no amendment may be made that requires (under applicable law or the rules of any relevant stock exchange) further approval by Synthes stockholders without such approval having been obtained.

Extension and Waiver. To the extent permitted by applicable law, at any time prior to the effective time of the merger, a party may by written instrument signed on behalf of such party:

extend the time for performance of any obligation or other act of any other party to the merger agreement;

waive any breach or inaccuracy in the representations and warranties of any other party contained in the merger agreement or in any document delivered pursuant to the merger agreement; and

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waive compliance with any agreement of any other party or any condition to its own obligations contained in the merger agreement, except that, after the merger agreement has been adopted by the stockholders of Synthes, no waiver may be made that requires (under applicable law or the rules of any relevant stock exchange) further approval by Synthes stockholders without such approval having been obtained.

Parties in Interest. Except for the rights of Synthes stockholders to receive merger consideration and for provisions described above under Indemnification and Insurance, pursuant to which the persons referenced therein are third party beneficiaries, the merger agreement is not intended to confer nor will confer upon any other person other than the parties thereto any right, benefit or remedy of any nature whatsoever.

Assignment. Johnson & Johnson and Samson Acquisition Corp. may assign all or any of their rights and obligations under the merger agreement to any affiliate of Johnson & Johnson without the consent of the other parties to the merger agreement. Under the merger agreement, such an assignment would not relieve Johnson & Johnson or Samson Acquisition Corp. as applicable, of its obligations under the merger agreement if the assignee did not perform the assigned obligations. Following the merger, Synthes will become a wholly owned direct or indirect subsidiary of Johnson & Johnson, whether or not such an assignment occurs.

The Voting Agreement

On April 26, 2011, concurrently with and as a condition to Johnson & Johnson's willingness to enter into the merger agreement, Mr. Hansjörg Wyss, Chairman of the Synthes board of directors, Amy Wyss, a member of the Synthes board of directors, the AW 2010 GRAT and the Wyss 1989 Distributive Trust, each a trust the beneficiary of which are Wyss family members (which we herein collectively refer to as the Shareholders), entered into a voting agreement with Johnson & Johnson. Pursuant to the voting agreement, the Shareholders agreed to vote 44,825,825 of their shares of Synthes common stock, representing approximately 37.75% of the shares of Synthes common stock outstanding as of the record date for the special meeting, in favor of, among other things, the adoption of the merger agreement and against (i) any competing proposal or competing transaction, (ii) the adoption of any competing transaction agreement and (iii) any other action that would in any manner (A) prevent, impede, frustrate or nullify any provision of the merger agreement, (B) change the voting rights of any class of Synthes capital stock or (C) otherwise interfere with or delay the transactions contemplated by the merger agreement. However, in the event that the Synthes board of directors changes its recommendation that Synthes stockholders adopt the merger agreement, the Shareholders are only required to vote shares representing not less than 33% of the outstanding Synthes common stock in favor of the adoption of the merger agreement. In addition, the Shareholders have agreed not to (i) subject to certain exceptions, transfer their shares of Synthes common stock and (ii) solicit alternative transactions or enter into discussions concerning, or provide confidential information in connection with, any alternative transaction. The voting agreement will terminate upon the earlier of the effective time of the merger or the termination of the merger agreement in accordance with its terms.

Table of Contents**SECURITIES OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND
MANAGEMENT OF SYNTHES**

The following table sets forth information with respect to the beneficial ownership of shares of Synthes common stock as of October 20, 2011 (except where otherwise indicated), by each person or entity known by Synthes to beneficially own more than 5% of Synthes, by each of Synthes directors, by each of Synthes executive officers and by all of Synthes directors and executive officers as a group. Except as indicated in the footnotes to this table, and subject to applicable community property laws, the persons listed in the table below have sole voting and investment power with respect to all shares of Synthes common stock shown as beneficially owned by them. Unless otherwise indicated, the address of each of the beneficial owners identified is c/o Synthes, Inc., 1302 Wrights Lane East, West Chester, Pennsylvania 19380.

Beneficial Owner	Number of Shares	Percentage of Total Shares Outstanding
Dr. h.c. mult. Hansjörg Wyss(1)	45,810,708	38.58%
Charles Hedgepeth	52,010	0.04%
Robert Bland(2)	5,590,265	4.71%
Daniel Eicher	1,275	*
Dr. David Helfet	12,796	0.01%
Amin J. Khoury	4,500	*
André Mueller	4,199	*
Felix Pardo	4,500	*
Jobst Wagner	7,137	*
Amy Wyss(1)	6,573,520	5.54%
Michel Orsinger	227,943	0.19%
Robert Donohue	34,342	0.03%
Ciro Roemer	47,500	0.04%
Steven Murray	5,000	*
Harry Hall IV	5,000	*
Michael Mazzio	4,000	*
William Wachter	0	*
All executive officers and directors as a group (17 persons)	58,390,695	49.17%

* Owns less than one one-hundredth of a percent (0.01%) of the total shares outstanding.

(1) Disclaims ownership of any shares owned by family members.

(2) Includes shares for which beneficial ownership is attributable due to his role as a trustee for certain Wyss family trusts.

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**SYNTHES MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following discussion and analysis should be read in conjunction with Synthes' condensed consolidated financial statements and the corresponding notes included elsewhere in this proxy statement/prospectus. Certain percentages presented in this discussion and analysis are calculated from the underlying whole-dollar amounts and therefore may not recalculate from the rounded numbers used for disclosure purposes.

OVERVIEW

Synthes, Inc. and its subsidiaries (collectively, the Group) develop, manufacture, and distribute products for the operative treatment of bone fractures including both metallic and osteobiological materials. The Group's operations are classified into four reportable segments that manufacture and sell similar products in different geographic areas. The North America, Europe (which covers Europe, the Middle East and Africa, or EMEA), Asia Pacific, and Latin America reportable segments derive their revenues from the sale of medical implants and instruments. The key determining factor in identifying the reportable segments is how the Group's Chief Executive Officer routinely reviews the Group's results. The Group's regional sales performance is evaluated according to a focus on five primary product groups: Trauma, Spine, and Cranio-Maxillofacial (CMF) surgery, Power Tools, and Biomaterials. Operational results, beyond sales performance, are evaluated according to area of responsibility and/or region and not by product category, as expenses and profits are not available by product category.

Through dedicated sales forces for each of these product groups, the Group sells implants, instruments and power tools that are used in operating rooms throughout the world, and is focused on developing and launching innovative new products, providing a high service level to its customers through a dedicated sales force and delivering first-class educational offerings.

HIGHLIGHTS FROM 2010

In May 2010, the Group formally opened a new manufacturing facility in Suzhou, China. Production by this factory will primarily supply the Chinese market and certain countries within the Asia Pacific region. The facility also includes training and product development centers. Approval to sell selected products in China is expected in 2012 following completion of ongoing clinical studies.

In October 2010, the Group reached a settlement with the U.S. Department of Justice and the Office of Inspector General of the Department of Health and Human Services (OIG) relating to the Government's inquiry into certain test marketing and promotional practices from May 2002 to July 2004 involving products of Synthes' Norian subsidiary. Under the settlement, the parent company of the Group agreed to pay US\$0.8 million in settlement, fines and forfeiture payments for a single misdemeanor violation of the U.S. Food, Drug and Cosmetic Act (the Act), and also agreed to divest the assets of Norian. Norian agreed to pay fines and forfeitures of approximately US\$23.5 million for one felony and numerous misdemeanor violations of the Act. All amounts due under the settlement were paid, and the payments did not have a material effect on the financial performance or financial position of the Group. Additionally, as part of the settlement, the Group entered into a Corporate Integrity Agreement with the OIG. Under that agreement, the Group will build upon its existing corporate compliance program and has retained an Independent Review Organization to help the Group monitor and evaluate compliance in its promotional and product-related business functions.

In the fourth quarter of 2010, the Group acquired Anspach, a privately-held company specializing in the development, manufacturing, sale, and servicing of high-precision power tools. This acquisition was a complementary addition to the Group's existing power tools product portfolio. The acquisition price was \$182.9 million in cash. At the acquisition date, the cash consideration was financed from available cash balances of the Group.

Full year 2010 global revenue increased 8.6% versus the prior year to \$3.7 billion. Foreign exchange positively impacted growth by 1.1%. Trauma and CMF generated combined 11% sales growth globally, primarily through new product launches and competitive conversions. However, pricing and market-related issues (i.e., reimbursement challenges with insurers, high procedure costs, and limited evidence of solid clinical outcomes) negatively impacted the U.S. Spine business, while Synthes generated single-digit growth in Spine outside the U.S.

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In North America, Synthes had sales growth of 4.8% for the full year 2010, to \$2.2 billion, a result of mixed performances in the various product groups. Trauma, CMF and Power Tools grew at rates of 7.2%, 11.4% and 65.7%, respectively. Spine revenues decreased due to market-related issues, delayed new product launches and pricing pressures.

In Europe, the Group achieved sales growth of 10.8% in 2010 with sales of \$929.5 million. The Group had positive sales results in Trauma, CMF, and Power Tools with growth versus the prior year of 12.3%, 17.9% and 10.7%, respectively, in 2010. Severe winter weather in Europe contributed to increased accidents resulting in increased sales. In Spine, as in the U.S., the Group faced challenges in terms of lower procedure volumes, continued pricing pressure and the entry of new competitors. Despite these challenges, the Group experienced sales growth of 5.5% in Spine.

In Asia Pacific, the Group had sales growth of 18.5% in 2010, to \$423.1 million as a result of mixed performances in the various areas within that region. In 2010, the business continued to expand profitably, with exceptional growth in both our Spine and CMF product groups, primarily due to our relatively recent entry into these emerging markets. Trauma, CMF, Spine, and Power Tools all experienced growth at 16.8%, 29.3%, 20.8% and 17.8%, respectively.

In Latin America, the Group had sales growth of 26.3% with sales of \$176.5 million. Trauma, CMF and Power Tools grew at 27.7%, 31.2% and 37.6%, respectively. Spine also experienced strong performance in 2010 with 19.1% growth. Important new product launches across all product groups and ongoing dedicated sales force expansion were contributors to the region's sales growth performance.

HIGHLIGHTS FROM FIRST HALF 2011

In June 2011, the Group and Eli Lilly announced the signing of an exclusive worldwide strategic collaboration agreement which will allow Synthes to expand its product portfolio to address the growing demand of the aging population by combining our innovative expertise within the medical device industry with a dedicated, best-in-class pharmaceutical partner who is focused on Osteoporosis. Moving forward, the Group will expand its breadth from primarily a provider of metallic implants to a total solutions provider, presenting customers with comprehensive metallic, biomaterial and in the future, biologic & pharmaceutical products all with an ultimate goal to improve patient care. Together, the Group and Eli Lilly will collaborate in three distinct areas: 1) the co-promotion of Eli Lilly's osteoporosis drug FORTEO® for current osteoporosis indications in the U.S. and in select markets within Europe, Asia Pacific and Latin America, 2) a joint clinical development program that will pursue regulatory approval for FORTEO® in potential future indications such as fracture healing and 3) the joint development and licensing of earlier stage compounds for the local delivery and treatment of bone defects and spinal fusion.

In May 2011, the Group sold assets comprising the product lines of Norian for \$22 million in cash to Kensey Nash Corporation, (Kensey Nash) in conformity with the terms of the settlement reached with the U.S. Department of Justice and the Office of Inspector General (OIG) relating to the Government's Norian inquiry. Kensey Nash made an initial payment of \$11 million and will make an additional \$11 million payment at the earlier of either the transfer of manufacturing to the Kensey Nash facility or 18 months following the closing. Also, as part of a long-term supply agreement, Kensey Nash will manufacture the Norian products, whereby the Group will exclusively distribute the products worldwide, and the companies also entered into a research and development agreement to create certain related future products. Additionally, the Group also sold the Norian manufacturing facility to Kensey Nash for \$4 million.

In April 2011, the Group and Johnson & Johnson announced a definitive agreement whereby Johnson & Johnson will acquire Synthes for approximately \$21.3 billion. Upon completion of the merger, the Group and the DePuy Companies of Johnson & Johnson together will comprise the largest business within the Medical Devices and

Diagnostics segment of Johnson & Johnson. The combination is expected to deliver: enhanced product development capabilities and robust pipelines from the two organizations, global reach to a broader orthopaedics portfolio, and renowned leadership and expertise in professional education. Subject to the receipt of regulatory approvals and the approval of Synthes stockholders, the transaction is expected to close during the first half of 2012.

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First half 2011 global revenue increased 9.5% versus the prior year to \$2.0 billion. Foreign exchange positively impacted growth by 3.8%. Trauma and CMF generated combined 9% sales growth globally, primarily through new product launches and competitive conversions in spite of difficult market challenges. Significant pricing and market-related issues (i.e., reimbursement challenges with insurers, high procedure costs, and limited evidence of solid clinical outcomes) negatively impacted the U.S. Spine business, while the Group generated double-digit growth in Spine outside the U.S.

In North America, the Group had sales growth of 5.8% for the first half 2011, to \$1.1 billion, a result of mixed performances in the various product groups. Trauma, CMF and Power Tools grew at rates of 3.9%, 10.6% and 232.7%, respectively. Spine revenues decreased slightly by 2.0% due to market-related issues and pricing pressures.

In Europe, the Group achieved sales growth of 9.6% in first half 2011 with sales of \$499.6 million. The Group had positive sales results in Spine, CMF, and Power Tools with growth versus the prior year of 10.5%, 29.9% and 21.4%, respectively, in first half 2011. In Trauma, the Group faced challenges in terms of a very high first half 2010 sales base due to severe winter weather in Europe, which contributed to increased accidents, and therefore, resulted in increased sales. Also contributing to a high first half 2010 sales base were orders of Saudi Tenders (not repeated in first half 2011). Despite the high first half 2010 sales base, the Group experienced sales growth of 6.6% in Trauma in the first half 2011.

In Asia Pacific, the Group had sales growth of 25.2% in first half 2011, to \$252.5 million as a result of mixed performances in the various countries within that region. In the first half 2011, the business continued to expand, with exceptional growth in all product groups, primarily due to our relatively recent entry into these emerging markets. Trauma, CMF, Spine, and Power Tools all experienced growth at 21.8%, 45.5%, 30.6% and 20.5%, respectively.

In Latin America, the Group had sales growth of 18.9% with sales of \$97.1 million. Trauma and CMF grew at 19.9% and 34.9%, respectively. Spine also experienced strong performance in first half 2011 with 14.8% growth. Important new product launches across all product groups and ongoing dedicated sales force expansion were contributors to the region's sales growth performance.

RESULTS OF OPERATIONS***Net Sales by Reportable Segment***

The following tables present net sales by reportable segment and the components of the percentage changes (US\$ in millions):

	Year Ended December 31,		%	Volume	Price/ Mix	Foreign Exchange
	2010	2009				
North America	\$ 2,157.9	\$ 2,059.2	4.8%	3.2%	1.3%	0.3%
Europe	929.5	838.8	10.8	12.4	0.3	(1.9)
Asia Pacific	423.1	357.0	18.5	12.2	(2.2)	8.5
Latin America	176.5	139.7	26.3	10.7	3.9	11.7
Total	\$ 3,687.0	\$ 3,394.7	8.6%	6.7%	0.8%	1.1%

	Year Ended December 31,		% Inc/(Dec)	Volume	Price/ Mix	Foreign Exchange
	2009	2008				
North America	\$ 2,059.2	\$ 1,922.2	7.1%	2.9%	4.4%	(0.2)%
Europe	838.8	824.7	1.7	8.2	1.3	(7.8)
Asia Pacific	357.0	309.0	15.5	16.8	(2.1)	0.8
Latin America	139.7	136.6	2.3	13.8	(0.5)	(11.0)
Total	\$ 3,394.7	\$ 3,192.5	6.3%	6.1%	2.8%	(2.6)%

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Foreign Exchange included in the table above represents the effect of changes in foreign currency exchange rates on sales growth. Generally, the strengthening of the U.S. dollar will reduce U.S. GAAP reported revenues and expenses.

2010 compared to 2009 and 2009 compared to 2008

The Group's net sales increased 8.6% to \$3,687.0 million in 2010 from \$3,394.7 million in 2009. Net sales grew by 7.5% as a result of volume and price/mix changes and 1.1% due to the favorable impact of foreign currency exchange rates on net sales. The Group's net sales increased 6.3% to \$3,394.7 million in 2009 from \$3,192.5 million in 2008. Net sales grew by 8.9% as a result of volume and price/mix changes and declined 2.6% due to the unfavorable impact of foreign currency exchange rates on net sales.

Net sales in North America grew 4.8% in 2010 to \$2,157.9 million compared to net sales of \$2,059.2 million in 2009. The growth in net sales in North America in 2010 is attributable to 7.2% growth in Trauma sales and 11.4% growth in CMF sales, partially offset by a decline of 4.6% in Spine. Net sales in North America grew 7.1% in 2009 to \$2,059.2 million compared to \$1,922.2 million of net sales in 2008 as a result of 6.4% growth in Trauma sales, 9.2% growth in CMF sales and 8.9% growth in Spine sales.

Net sales in Europe grew 10.8% in 2010 to \$929.5 million compared to net sales of \$838.8 million in 2009. The growth in net sales in Europe in 2010 is attributable to 12.3% growth in Trauma sales, 17.9% growth in CMF sales and 5.5% growth in Spine sales. Net sales in Europe grew 1.7% in 2009 to \$838.8 million compared to \$824.7 million of net sales in 2008 as a result of 1.5% growth in Trauma sales, 4.7% growth in CMF sales and 3.0% growth in Spine sales.

Net sales in Asia Pacific grew 18.5% in 2010 to \$423.1 million compared to net sales of \$357.0 million in 2009. The growth in net sales in Asia Pacific in 2010 is attributable to 16.8% growth in Trauma sales, 29.3% growth in CMF sales and 20.8% growth in Spine sales. Net sales in Asia Pacific grew 15.5% in 2009 to \$357.0 million compared to \$309.0 million of net sales in 2008 as a result of 13.3% growth in Trauma sales, 25.0% growth in CMF sales and 19.7% growth in Spine sales.

Net sales in Latin America grew 26.3% in 2010 to \$176.5 million compared to net sales of \$139.7 million in 2009. The growth in net sales in Latin America in 2010 is attributable to 27.7% growth in Trauma sales, 31.2% growth in CMF sales and 19.1% growth in Spine sales. Net sales in Latin America grew 2.3% in 2009 to \$139.7 million compared to \$136.6 million of net sales in 2008 as a result of 3.4% growth in Trauma sales, 8.8% growth in CMF sales and 0.6% growth in Spine sales.

Operating Expenses

The following table presents operating expenses and the respective percentage of net sales by year (US\$ in millions):

	2010	2009	2008
Selling and Promotion	\$ 1,080.1	\$ 978.9	\$ 934.3
% of Net Sales	29.3%	28.8%	29.3%
General and Administrative	\$ 393.3	\$ 382.4	\$ 349.4
% of Net Sales	10.7%	11.3%	10.9%
Research and Development	\$ 172.4	\$ 168.3	\$ 169.9
% of Net Sales	4.7%	5.0%	5.3%

Selling and promotion (S&P) expense has increased in each of the last three years while S&P as a percent of sales increased in 2010; but, decreased in 2009. S&P expense over the last three years increased primarily as a result of sales force increases from 2,940 in 2008 to 3,319 in 2009 to 3,636 in 2010 and higher depreciation of field sales equipment, somewhat offset by lower continuing education expenses. Foreign exchange increased S&P by 0.1%, 0.0%, and 0.1% in 2010, 2009 and 2008, respectively (as a percentage of sales).

General and administrative (G&A) expense has increased in dollar terms over the last three years; however, as a percent of sales was lower in 2010 and 2008 compared to 2009 as a result of higher legal costs in 2009. In 2010, G&A spending increased versus 2009 approximately 3%, while sales grew 8.6%, reflecting spending control and

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lower legal expense. This resulted in an approximately 60 basis points decrease (as a percent of sales) in 2010 compared to 2009. In 2009, G&A as a percent of sales increased approximately 40 basis points compared to 2008. The G&A increase in 2009 was primarily due to higher legal expenses associated with major litigation (i.e., the Norian matter which is discussed in the second paragraph of the Highlights from 2010 section). A majority of our G&A spend is incurred in the U.S. and Switzerland, primarily in corporate and regional headquarters. Foreign exchange increased G&A by 0.2%, 0.1% and 0.1% in 2010, 2009 and 2008, respectively (as a percentage of sales).

Research and development (R&D) expense as a percent of sales has decreased in each of the last two years. These decreases reflect lower spending for clinical trials. Foreign exchange increased R&D by 0.1%, 0.2% and 0.1% in 2010, 2009 and 2008, respectively (as a percentage of sales).

Profitability (US\$ in millions)

	2010	2009	2008
Net Sales	\$ 3,687.0	\$ 3,394.7	\$ 3,192.5
Gross Profit Margin	82.6%	82.6%	82.7%
Operating Income Margin	34.8%	34.3%	33.8%
Net Earnings Margin	24.6%	24.3%	23.0%

Gross profit margin in total has not changed significantly over the past three years. Full year 2010 gross profit margin of 82.6% (as a percentage of sales) remained high due to continued operational productivity improvements, despite continuing pricing pressures and increased manufacturing costs. Foreign exchange positively impacted gross profit margin by 0.3% (as a percentage of sales). Full year 2009 gross profit margin was 82.6% (as a percentage of sales) and benefited from foreign exchange rate changes positively impacting gross profit margin by 1.1% (as a percentage of sales). Full year 2008 gross profit margin of 82.7% (as a percentage of sales) benefited from foreign exchange rates which positively impacted gross profit margin by 0.9% (as a percentage of sales).

Other Income (Expenses), Income Taxes and Net Earnings

Other expense increased in 2010 versus 2009 primarily due to the intangible assets write-off in connection with the N Spine acquisition of \$9.0 million and foreign exchange losses of \$13.4 million in 2010. In 2009 and 2008, other expense included \$6.1 million and \$24.0 million in foreign exchange losses, respectively.

The Group's effective tax rate is a blend of U.S. and foreign income tax expense. The effective tax rate on earnings before income taxes for the years ended December 31, 2010, 2009 and 2008 has been 27.7%, 28.6% and 30.3%, respectively. The effective tax rates for 2010 and 2009 are positively impacted by ongoing tax planning and favorable settlement of contingencies.

As a result of the revenues and expenses discussed previously, net earnings in 2010 increased 10.2% to \$907.7 million from \$824.0 million in 2009. In 2009, net earnings increased 12.1% compared to 2008. Basic and diluted earnings per share increased 10.2% in 2010 compared to 2009, while 2009 basic and diluted earnings per share increased 12.1% from 2008.

Health Care Reform in the U.S.

The Group continues to assess the impact that the health care reform legislation passed in 2010 by the U.S. federal government will have on our business. The new law includes a 2.3% excise tax on a majority of our U.S. sales that is

scheduled to be implemented in 2013.

Table of Contents**First Half 2011 compared to First Half 2010*****Net Sales by Reportable Segment***

The following tables present net sales by reportable segment and the components of the percentage changes (US\$ in millions):

	Six Months		%	Volume	Price/	Foreign
	2011	2010			Inc/(Dec)	Mix
North America	\$ 1,125.8	\$ 1,064.5	5.8%	4.3%	1.2%	0.3%
Europe	499.6	455.9	9.6	2.0	(0.2)	7.8
Asia Pacific	252.5	201.8	25.2	14.1	(0.2)	11.3
Latin America	97.1	81.7	18.9	12.4	(2.2)	8.7
Total	\$ 1,975.0	\$ 1,803.9	9.5%	5.2%	0.5%	3.8%

Foreign Exchange included in the table above represents the effect of changes in foreign currency exchange rates on sales growth. Generally, the strengthening of the U.S. dollar will reduce U.S. GAAP reported revenues and expenses.

The Group's net sales increased 9.5% to \$1,975.0 million in first half 2011 from \$1,803.9 million in first half 2010. Net sales grew by 5.7% as a result of volume and price/mix changes and 3.8% due to the favorable impact of foreign currency exchange rates on net sales.

Net sales in North America grew 5.8% in first half 2011 to \$1,125.8 million compared to net sales of \$1,064.5 million in first half 2010. The growth in net sales in North America in first half 2011 is attributable to 3.9% growth in Trauma sales, 10.6% growth in CMF sales and 232.7% growth in Power Tools sales, partially offset by a decline of 2.0% in Spine.

Net sales in Europe grew 9.6% in first half 2011 to \$499.6 million compared to net sales of \$455.9 million in first half 2010. The growth in net sales in Europe in first half 2011 is attributable to 6.6% growth in Trauma sales, 29.9% growth in CMF sales, 10.5% growth in Spine sales and 21.4% growth in Power Tool sales.

Net sales in Asia Pacific grew 25.2% in first half 2011 to \$252.5 million compared to net sales of \$201.8 million in first half 2010. The growth in net sales in Asia Pacific in first half 2011 is attributable to 21.8% growth in Trauma sales, 45.5% growth in CMF sales, 30.6% growth in Spine sales and 20.5% growth in Power Tools sales.

Net sales in Latin America grew 18.9% in first half 2011 to \$97.1 million compared to net sales of \$81.7 million in first half 2010. The growth in net sales in Latin America in first half 2011 is attributable to 19.9% growth in Trauma sales, 34.9% growth in CMF sales, 14.8% growth in Spine sales which were slightly offset by a decline of 0.3% in Power Tools sales.

Operating Expenses

The following table presents operating expenses and the respective percentage of net sales by year (US\$ in millions):

	First Half 2011	First Half 2010
Selling and Promotion	\$ 592.6	\$ 530.3
% of Net Sales	30.0%	29.4%
General and Administrative	\$ 235.7	\$ 210.4
% of Net Sales	11.9%	11.7%
Research and Development	\$ 99.2	\$ 85.6
% of Net Sales	5.0%	4.7%

Selling and promotion (S&P) expense increased 0.6% as a percent of sales in the first half 2011 versus first half 2010. S&P expense increased primarily as a result of sales force increases from 3,636 in 2010 to 3,764 in first

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half 2011 and higher investments in field sales equipment. Foreign exchange increased S&P by 0.1% in first half 2011 versus first half 2010 (as a percentage of sales).

General and administrative (G&A) expense increased 0.2% as a percent of sales in the first half 2011 versus first half 2010, primarily as a result of higher legal expense associated with major litigation, somewhat offset by cost reduction initiatives. Foreign exchange increased G&A by 0.2% in first half 2011 versus first half 2010 (as a percentage of sales).

Research and development (R&D) expense increased 0.3% as a percent of sales in the first half 2011 versus first half 2010, primarily due to spending related to the worldwide strategic collaboration agreement with Eli Lilly. Foreign exchange increased R&D by 0.2% in first half 2011 versus first half 2010 (as a percentage of sales).

Profitability (US\$ in millions)

	First Half 2011	First Half 2010
Net Sales	\$ 1,975.0	\$ 1,803.9
Gross Profit Margin	82.5%	82.4%
Operating Income Margin	32.0%	33.4%
Net Earnings Margin	23.0%	23.5%

First half year 2011 gross profit margin of 82.5% (as a percentage of sales) increased slightly versus first half 2010 gross profit margin of 82.4%, primarily due to continued operational productivity improvements, despite continuing pricing pressures, product mix, and increased manufacturing costs.

Other Income (Expenses), Income Taxes and Net Earnings

Other expense decreased in first half 2011 versus first half 2010 primarily due to the gain on the Norian sale of \$11.3 million partially offset by higher foreign exchange losses in the first half 2011 of \$11.5 million versus first half 2010 of \$6.3 million.

The Group's effective tax rate is a blend of U.S. and foreign income tax expense. The effective tax rate on earnings before income taxes for first half 2011 was 27.4% versus first half 2010 income tax rate of 28.6%.

As a result of the revenues and expenses discussed previously, net earnings in first half 2011 increased 7.0% to \$454.4 million from \$424.6 million in first half 2010. Basic and diluted earnings per share increased 6.9% in first half 2011 compared to first half 2010.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2010, the Group had \$736.6 million in cash and cash equivalents, comprised of \$0.9 million in prime money market and government funds, and \$735.7 million in short-term deposits and interest-bearing accounts. At December 31, 2009, the Group had \$1,419.2 million in cash and cash equivalents, comprised of \$1,006.3 million in government funds, and \$412.9 million in short-term deposits and interest-bearing accounts. The Group's policy is to invest excess cash in short-term marketable securities earning a market rate of interest without assuming undue risk to principle limiting our exposure to any one company or industry.

Cash flows provided by operating activities were \$1,166.3 million in 2010 compared to \$1,054.2 million in 2009. The principal source of cash from operating activities in 2010 was net earnings. Certain adjustments to reconcile net earnings to net cash provided by operating activities accounted for another \$366.0 million of operating cash. All other items of operating cash flows in 2010 were net cash outflows of \$107.4 million, primarily due to working capital requirements. Cash flows provided by operating activities were \$1,054.2 million in 2009 compared to \$818.1 million in 2008. The principal source of cash from operating activities in 2009 was net earnings. Certain adjustments to reconcile net earnings to net cash provided by operating activities accounted for another \$282.0 million of operating cash. All other items of operating cash flows in 2009 were net cash outflows of \$51.8 million, primarily due to working capital requirements.

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Cash flows used in investing activities were \$1,833.5 million in 2010, compared to \$399.9 million in 2009. Included in 2010 investment activity was \$189.7 million invested in business acquisitions, including Anspach. In 2011, we expect to spend approximately \$490 million to purchase property, plant and equipment, reflecting the cash outlays necessary to complete new product-related investments, buildings and manufacturing equipment. During 2010, the Group purchased \$3.3 billion and had maturities of \$2.0 billion in U.S. government securities. The securities are classified as short-term available-for-sale marketable securities on the consolidated balance sheets. The purchases and any sales or maturities of these investments are reflected as cash flows from investing activities. Cash flows used in investing activities were \$399.9 million in 2009, compared to \$359.8 million in 2008. Included in investing activities for 2010, 2009 and 2008 were \$48.0 million, \$108.6 million and \$78.6 million, respectively in consideration in connection with prior acquisitions including the acquisition of AO Foundation intellectual property.

Cash flows used in financing activities were \$69.6 million for 2010 versus \$118.2 million in 2009 and compared to \$127.0 million in 2008. In 2010 and 2009, the only significant cash used in financing activities related to the dividends paid to holders of Synthes common stock of \$151.6 million and \$116.6 million, respectively.

In January 2010, the Group entered a CHF 120 million credit facility with three Swiss banks. Borrowings under the credit facility bear interest at a floating rate and the principal balances at December 31, 2010 total CHF 90.0 million (US\$96.0 million). The credit facility is hedged by an interest rate swap to fix the rate on the borrowings to maturity in December 2016. The borrowing is secured by a new European headquarters building in Solothurn, Switzerland and is intended to fund the construction of the same. Interest expense associated with the credit facility of CHF 0.4 million (US\$0.4 million) has been capitalized as of December 31, 2010.

At June 30, 2011, the Group had \$1,513.2 million in cash and cash equivalents which is comprised of short-term deposits and interest-bearing accounts. The Group's policy is to invest excess cash in short-term marketable securities earning a market rate of interest without assuming undue risk to principle limiting our exposure to any one company or industry.

Cash flows provided by operating activities were \$593.5 million in the first half 2011 compared to \$540.7 million in the first half 2010. The principal source of cash from operating activities in the first half 2011 was net earnings. Certain adjustments to reconcile net earnings to net cash provided by operating activities accounted for another \$193.5 million of operating cash. All other items of operating cash flows in first half 2011 were net cash outflows of \$54.4 million, primarily due to working capital requirements.

Cash flows provided by investing activities were \$284.1 million in the first half 2011, compared to cash flows used in investing activities of \$1,278.9 million in the first half 2010. Included in the first half 2011 were purchases of \$1.8 billion and maturities of \$2.3 billion in U.S. government securities. The securities are classified as short-term available-for-sale marketable securities on the condensed consolidated balance sheet. The purchases and any sales or maturities of these investments are reflected as cash flows from investing activities.

Cash flows used in financing activities were \$193.7 million for the first half 2011, compared to \$98.9 million in the first half 2010. In the first half 2011, the only significant cash used in financing activities related to the payment of dividends to holders of Synthes common stock of \$231.4 million.

Cash and cash equivalents are invested in highly rated financial institutions and invested only in high-quality financial instruments, primarily issued by the U.S. government, in accordance with our internal investment policy, and limit the amount of credit exposure to any one entity.

As of June 30, 2011, the Group had short-term and long-term investments in debt securities with a fair value of \$729.9 million. These investments are in debt securities of many different companies and, therefore, we have no significant concentration of risk with a single counterparty. All debt securities are highly rated, and, therefore, we believe the risk of default by the companies is low.

As of June 30, 2011, \$852.7 million of our cash and cash equivalents and short-term and long-term investments are held in jurisdictions outside of the U.S., and are expected to be indefinitely reinvested for continued use in foreign operations. Repatriation of these assets to the U.S. would have negative tax consequences. Approximately

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\$7 million of this amount is denominated in U.S. dollars, and therefore bears no foreign currency translation risk. The remaining is denominated in the various currencies where we operate.

Management believes that cash flows from operations and available borrowings under the CHF 120 million credit facility are sufficient to meet our expected working capital, capital expenditure and debt service needs. Should investment opportunities arise, we believe that our earnings, balance sheet and cash flows will allow us to obtain additional capital, if necessary.

CONTRACTUAL OBLIGATIONS

We have entered into contracts with various third parties in the normal course of business that will require future payments. The following table illustrates our contractual obligations as of December 31, 2010 (US\$ in millions):

Contractual Obligations	Total	2011	2012 and 2013	2014 and 2015	2016 and Thereafter
Long-term debt	\$ 98.4	\$ 0.1	\$ 0.3	\$ 0.4	\$ 97.6
AO installment payments	77.9	51.5	26.4		
Operating leases	43.3	15.3	19.0	8.4	0.6
Capital leases	4.4	0.4	0.8	0.8	2.4
Contributions to defined benefit plans	21.6	21.6			
Total contractual obligations	\$ 245.6	\$ 88.9	\$ 46.5	\$ 9.6	\$ 100.6

Approximately 32% of the other long-term liabilities on our consolidated balance sheet are liabilities related to defined benefit pension plans. Defined benefit plan liabilities are based upon the underfunded status of the respective plans; they are not based upon future contributions. Due to uncertainties regarding future plan asset performance, changes in interest rates and our intentions on voluntary contributions, we are unable to reasonably estimate future contributions beyond 2011. Therefore, this table does not include any amounts related to future contributions to our plans. See Note C10 to the consolidated financial statements included in our 2010 Annual Report for the year ended December 31, 2010 for further information on our defined benefit plans.

Also included in other long-term liabilities on our consolidated balance sheet are liabilities related to uncertain tax benefits and corresponding interest and penalties thereon. Due to the uncertainties inherent in these liabilities, such as the ultimate timing and resolution of tax audits, we are unable to reasonably estimate the amount or period in which potential tax payments related to these positions will be made. Therefore, this table does not include any obligations related to uncertain tax benefits. See Note C6 to the consolidated financial statements included in our 2010 Annual Report for the year ended December 31, 2010 for further information on these uncertain tax benefits.

We have entered into various contractual agreements that may result in future payments dependent upon various events such as granting of patents, regulatory approvals and product launches. Since there is uncertainty on the timing or whether such payments will have to be made, we have not included them in this table. These payments could range from \$0 to \$28 million.

CRITICAL ACCOUNTING ESTIMATES

We have adopted various accounting policies to prepare the condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Our most significant accounting policies are disclosed in Note B to the consolidated financial statements included in our 2010 Annual Report for the year ended December 31, 2010.

The preparation of the interim condensed consolidated financial statements, in conformity with U.S. GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses in the condensed consolidated financial statements and accompanying notes. Actual results could differ from these estimates. Significant areas that require management's estimates include the allowance for doubtful accounts receivable,

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provision for obsolete inventories, fair values of acquired assets and liabilities, useful lives of assets, asset impairment, product liability claims, self-insurance, pensions and other post-retirement benefits, stock-based compensation, commitments and contingencies, and income taxes. We base our estimates on historical experience, actuarial valuations, or various assumptions that are believed to be reasonable under the circumstances. The Group is subject to risks and uncertainties, such as changes in the health care environment, regulatory oversight, changes in the financial markets, competition and legislation that may cause actual results to differ from estimated results.

Estimates are considered to be critical if they meet both of the following criteria: (1) the estimate requires assumptions about material matters that are uncertain at the time the accounting estimates are made and (2) material changes in the estimates are reasonably likely to occur from period to period. Our critical accounting estimates include the following:

Legal Proceedings

The Group is, and will likely continue to be, subject to various lawsuits and claims that arise from time to time in the ordinary course of business, including without limitation those involving product liability, intellectual property, commercial transactions, employment-related matters, real estate, environmental and antitrust matters (collectively, *Actions*). The outcomes of such *Actions* are not within the Group's control and may not be known for prolonged periods of time. In some *Actions*, the claimants seek damages as well as other relief, including without limitation injunctions barring the sale of certain products by the Group, that could require significant expenditures or result in lost revenues to the Group. In accordance with U.S. GAAP, the Group records a liability in the condensed consolidated financial statements for an *Action* when a loss from that *Action* is either known or considered probable, and the amount of such loss can be reasonably estimated. If the reasonable estimate of a known or probable loss is a range, and no amount within the range is a better estimate than any other, the minimum amount of the range is accrued. If a loss is possible, but not known or probable, and can be reasonably estimated, the estimated loss or range of loss is disclosed in the notes to the condensed consolidated financial statements. In most cases, significant judgment is required to estimate the likelihood, amount and timing of a loss to be recorded in connection with any *Action*. The Group's significant legal proceedings are discussed in Note 11 to the condensed consolidated financial statements (the *Significant Actions*). While it is not possible to predict the outcome for most of the *Significant Actions*, management does not anticipate that any of the *Significant Actions* will result in any material loss not covered by provisions therefor.

Income Tax Strategies

The Group's effective tax rate is based on income, statutory tax rates and tax planning opportunities available in the various jurisdictions in which the Group operates. The Group establishes reserves when, despite management's belief that the tax return positions are fully supportable, management believes that certain positions are likely to be challenged and that the Group may or may not prevail. These reserves are established and adjusted in accordance with the principles of U.S. GAAP. Under U.S. GAAP, if the Group determines that a tax position is more likely than not of being sustained upon audit, based solely on the technical merits of the position, then a benefit is recognized. The benefit is measured by determining the amount that is greater than 50% likely of being realized upon settlement. The Group presumes that all tax positions will be examined by a taxing authority with full knowledge of all relevant information. The Group regularly monitors its tax positions and tax liabilities. The Group reevaluates the technical merits of its tax positions and recognizes an uncertain tax benefit, or derecognizes a previously recorded tax benefit, when (i) there is a completion of a tax audit, (ii) there is a change in applicable tax law including a tax case or legislative guidance or (iii) there is an expiration of the statute of limitations. Significant judgment is required in accounting for tax reserves.

Tax regulations require certain items to be included in the tax return at different times than when those items are required to be recorded in the condensed consolidated financial statements. As a result, the Group's effective tax rate

reflected in the condensed consolidated financial statements is different than that reported in the tax returns. Some of these differences are permanent, such as expenses that are not deductible on the tax return, and some are temporary differences, such as depreciation expense. Temporary differences create deferred tax assets and liabilities. Deferred tax assets generally represent items that can be used as a tax deduction or credit in our tax return in future years for which the Group has already recorded the tax benefit in our condensed consolidated

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statements of earnings. The Group establishes valuation allowances for deferred tax assets when the amount of expected future taxable income is not likely to support the use of the deduction or credit. Deferred tax liabilities generally represent tax expense recognized in the condensed consolidated financial statements for which payment has been deferred or expense has already been taken as a deduction on the tax return; however, has not yet been recognized as an expense in the condensed consolidated statements of operations.

Valuation of Goodwill and Other Intangible Assets

When the Group acquires a company, the purchase price is allocated, as applicable, among other identifiable intangible assets, net tangible assets and goodwill as required by U.S. GAAP. The amount of the purchase price allocated to other intangible assets is determined by estimating the future cash flows of each project or technology and discounting the net cash flows back to their present values. The discount rate used is determined at the time of the acquisition in accordance with accepted valuation methods.

Goodwill represents the excess of the aggregate purchase price over the fair value of net assets of acquired businesses. Goodwill is tested for impairment at least annually or whenever impairment indicators exist which suggest that the carrying amount may be impaired.

The test for impairment requires management to make numerous estimates about fair value, most of which are based on projected future cash flows. The Group's estimates associated with the goodwill impairment test are considered critical due to the amount of goodwill recorded on our condensed consolidated balance sheets and the judgment required in determining fair value, including projected future cash flows.

Intangible assets with finite lives consist mainly of customer relationships, acquired patents and patent rights, software, product-related know-how and licensing and marketing agreements and are amortized on a straight-line basis over their estimated useful lives, ranging from 5 to 40 years. Such assets are evaluated for impairment whenever impairment indicators exist.

Intangible assets with indefinite lives consist of the Synthes trade names, corporate trade names and geographic marketing rights. Indefinite-lived assets are not amortized but are required to be tested for potential impairment at least annually or whenever impairment indicators exist. Such assets are deemed to be impaired if book value exceeds estimated fair value.

RECENT ACCOUNTING PRONOUNCEMENTS

There are no recently issued accounting pronouncements that we have not yet adopted that are expected to have a material effect on our financial position, results of operations or cash flows.

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QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK OF SYNTHES

The Group distributes its products throughout the world. As a result, the Group's financial results could be significantly affected by factors such as weak economic conditions or changes in foreign currency exchange rates. The Group's operating results are primarily exposed to changes in exchange rates among the U.S. dollar, European currencies, in particular the euro, the Swiss franc, the British pound, the Japanese yen, the Australian dollar, Colombian peso, Brazilian real and the Canadian dollar. When the U.S. dollar weakens against foreign currencies, the dollar value of sales denominated in foreign currencies increases. When the U.S. dollar strengthens, the opposite situation occurs. The Group develops and manufactures its products in the United States, Switzerland, Germany, China, Brazil, Mexico and Austria and incurs costs in the applicable local currencies. This worldwide deployment of facilities serves to partially mitigate the impact of currency exchange rate changes on the Group's cost of goods sold. For the year ended December 31, 2010, a hypothetical 10% adverse change in foreign exchange rates would have resulted in a decrease to operating income of approximately \$21 million.

Financial instruments that may potentially subject the Group to concentration of credit risk consist principally of cash, cash equivalents, marketable securities, trade accounts receivable and derivatives. All cash, cash equivalents, marketable securities, and derivatives are placed in financial institutions with strong credit ratings, which minimizes the risk of loss due to nonpayment.

The Group has cash and cash equivalents which consist of cash and highly liquid short-term investments with original maturities of three months or less. The Group places its cash and cash equivalents in financial institutions that are highly rated. Management believes it effectively safeguards cash assets given the current economic conditions.

The Group has investments in marketable debt securities that are classified and accounted for as available-for-sale. The Group's debt securities are U.S. government securities invested with many different counterparties and, therefore, the Group has no significant concentration of risk with a single counterparty. All debt securities are highly rated, and, therefore, the Group believes the risk of default by the counterparties is low.

Concentration of credit risks with respect to trade accounts receivable is limited, due to the large number of customers and their dispersion across many geographic areas. Also, the Group has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. However, a significant portion of trade accounts receivable is with national health care systems in several countries. Although the Group does not currently foresee a credit risk associated with these receivables, repayment is dependent upon the financial stability of those customers.

The Group enters into forward exchange contracts to minimize the impact of currency fluctuations on transactions and cash flows denominated in nonfunctional currencies, thereby limiting risk to the Group that would otherwise result from changes in exchange rates. These nonfunctional currency exposures principally relate to changes in foreign currency on settled intercompany debt agreements and related forward exchange contracts, as well as intercompany receivables and payables arising from intercompany purchases of manufactured products. The periods of the forward currency exchange contracts correspond to the periods of the exposed transactions, with realized gains and losses included in the measurement and recording of transactions denominated in the nonfunctional currencies. All forward currency exchange contracts are recorded at their fair value each period, with resulting gains (losses) recorded in other income (expense) in the consolidated statements of operations.

The Group has a 6 1/2 year floating-to-fixed interest rate swap agreement with notional amount of CHF 60 million at the start of the agreement and increasing to CHF 120 million in June 2011. The interest rate swap is designated as a

cash flow hedge of the floating interest rate obligation under the Group's CHF 120 million credit facility due March 2016. The outstanding market value of the interest rate swap is recorded in accrued expenses other with the offset recorded in accumulated other comprehensive income in the stockholders' equity section of the consolidated balance sheets.

Table of Contents**MARKET PRICE AND DIVIDEND INFORMATION**

Johnson & Johnson common stock is listed for trading on the NYSE under the trading symbol JNJ and Synthes common stock is listed for trading on the SIX Swiss Exchange under the symbol SYST. The following table sets forth, for the periods indicated, dividends declared and the high and low sales prices per share of Johnson & Johnson common stock and of Synthes common stock as reported by the NYSE Composite Transaction Tape and the SIX Swiss Exchange, respectively. For current price information, Synthes stockholders are urged to consult publicly available sources.

Calendar Period	Johnson & Johnson Common Stock			Synthes Common Stock		Dividends Declared(1)
	High	Low	Dividends Declared	High	Low	
2009						
First Quarter	\$ 61.00	\$ 46.25	\$0.46	CHF 148.40	CHF 116.50	CHF 1.10
Second Quarter	56.65	50.12	0.49	132.20	103.30	
Third Quarter	62.47	55.71	0.49	130.10	102.60	
Fourth Quarter	65.41	58.78	0.49	138.60	118.10	
2010						
First Quarter	65.95	61.89	0.49	146.50	124.50	1.35
Second Quarter	66.20	57.55	0.54	133.10	117.40	
Third Quarter	62.70	56.86	0.54	131.80	109.30	
Fourth Quarter	64.92	61.25	0.54	129.50	110.10	
2011						
First Quarter	63.54	57.50	0.54	135.00	117.90	1.80
Second Quarter	67.37	59.25	0.57	155.70	124.30	
Third Quarter	68.05	59.08	0.57	148.70	126.30	
Fourth Quarter (through October 24, 2011)	64.84	60.83	0.57	149.40	145.10	

(1) Synthes pays dividends once annually.

The following table sets forth the high, low and closing prices per share of Johnson & Johnson common stock and of Synthes common stock as reported by the NYSE Composite Transaction Tape and the SIX Swiss Exchange, respectively, and the price per share of Synthes common stock on an equivalent basis, as determined by reference to the value of the merger consideration to be received in respect of each share of Synthes common stock in the merger, in each case on April 26, 2011, the last full trading day prior to the public announcement of the merger, and on October 24, 2011, the latest practicable date before the date of this proxy statement/prospectus. The equivalent price per share of Synthes common stock is always equal to CHF 159.00 to the extent that the average of the volume weighted average trading prices per share of Johnson & Johnson common stock on each day during the ten trading days ending two trading days prior to the effective time of the merger, as converted into CHF on each day in this valuation period, is within the range of CHF 52.54 and CHF 60.45. Within this range, the CHF 159.00 equivalent price per share represents the cash consideration of CHF 55.65 to be paid in respect of each share of Synthes common stock in the merger plus the stock consideration of shares of Johnson & Johnson having a value in the aggregate of

CHF 103.35 to be issued in respect of each share of Synthes common stock in the merger. However, the equivalent price per share of Synthes common stock will be less than CHF 159.00 to the extent that the average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is less than CHF 52.54, and will be more than CHF 159.00 to the extent that the average of the volume weighted average trading prices of Johnson & Johnson

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common stock on each day during the valuation period, as converted into CHF on each day in the valuation period, is greater than CHF 60.45.

	Johnson & Johnson Common Stock			Synthes Common Stock			Equivalent Price per Share of Synthes Common Stock(1)
	High	Low	Close	High	Low	Close	
April 26, 2011	\$ 65.30	\$ 64.07	\$ 64.95	CHF 148.50	CHF 146.40	CHF 146.50	CHF 159.00
October 24, 2011	\$ 64.79	\$ 63.60	\$ 64.73	CHF 149.40	CHF 148.50	CHF 148.80	CHF 159.00

- (1) Calculated using an average of the volume weighted average trading prices of Johnson & Johnson common stock on each day during the ten trading days ending two trading days prior to April 26, 2011 and October 24, 2011, respectively, as converted into CHF on each day in these periods.

These prices will fluctuate prior to the special meeting and the closing of the merger, and stockholders are urged to obtain current market quotations prior to making any decision with respect to the merger.

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The unaudited pro forma condensed combined statements of income for the fiscal year ended January 2, 2011 and for the six months ended July 3, 2011 combine the historical consolidated statements of income of Johnson & Johnson and Synthes, giving effect to the merger as if it had occurred on January 4, 2010. The unaudited pro forma condensed combined balance sheet as of July 3, 2011 combines the historical consolidated balance sheets of Johnson & Johnson and Synthes, giving effect to the merger as if it had occurred on July 3, 2011. The historical consolidated financial information has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the merger, (2) factually supportable, and (3) with respect to the statements of income, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial statements. In addition, the unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the:

separate historical financial statements of Johnson & Johnson as of and for the year ended January 2, 2011 and the related notes included in Johnson & Johnson's Annual Report on Form 10-K for the year ended January 2, 2011, which is incorporated by reference in this proxy statement/prospectus;

separate historical financial statements of Synthes as of and for the year ended December 31, 2010 and the related notes included in Synthes' Annual Report for the year ended December 31, 2010 included in this proxy statement/prospectus.

separate historical financial statements of Johnson & Johnson as of and for the six months ended July 3, 2011 and the related notes included in Johnson & Johnson's Quarterly Report on Form 10-Q for the quarterly period ended July 3, 2011, which is incorporated by reference in this proxy statement/prospectus; and

separate historical financial statements of Synthes as of and for the six months ended June 30, 2011 and the related notes included in Synthes' unaudited interim report included in this proxy statement/prospectus.

The unaudited pro forma condensed combined financial information has been presented for informational purposes only. The pro forma information is not necessarily indicative of what the combined company's financial position or results of operations actually would have been had the merger been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial information does not purport to project the future financial position or operating results of the combined company. There were no material transactions between Johnson & Johnson and Synthes during the periods presented in the unaudited pro forma condensed combined financial statements that would need to be eliminated.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting under existing U.S. generally accepted accounting principles, or GAAP standards, which are subject to change and interpretation. Johnson & Johnson has been treated as the acquirer in the merger for accounting purposes. The acquisition accounting is dependent upon certain valuations and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. Accordingly, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information. Differences between these preliminary estimates and the final acquisition accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

The unaudited pro forma condensed combined financial information does not reflect any cost savings, operating synergies or revenue enhancements that the combined company may achieve as a result of the merger or the costs to integrate the operations of Johnson & Johnson and Synthes or the costs necessary to achieve these cost savings, operating synergies and revenue enhancements.

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	Johnson & Johnson	Synthes	Pro Forma Adjustments Reclassification (refer to note 3)		Transaction	Pro Forma Combined
			(In millions, except per share data)			
Sales to customers	\$ 61,587	3,687				65,274
Cost of products sold	18,792	641	63		632 a	20,128
Gross profit	42,795	3,046	(63)		(632)	45,146
Selling, marketing and administrative expenses	19,424		1,528		(54)b	20,898
Selling and promotion		1,080	(1,080)			
General and administrative		394	(394)			
Research and development expense	6,844	172				7,016
Royalty expense		71	(71)			
Amortization of intangible assets		46	(46)			
Interest income	(107)	(6)				(113)
Interest expense, net of portion capitalized	455	4			258 c	717
Foreign exchange losses		13	(13)			
Other (income) expense, net	(768)	17	13			(738)
Earnings before provision for taxes on income	16,947	1,255			(836)	17,366
Provision for taxes on income	3,613	347			(293)d	3,667
Net Earnings	\$ 13,334	908			(543)	13,699
Basic net earnings per share	\$ 4.85	7.65				4.62
Diluted net earnings per share	\$ 4.78	7.65				4.56
Cash dividends per share	\$ 2.110	1.28				2.110
Basic average shares outstanding	2,751.4	118.7				2,965.4 e
Diluted average shares outstanding	2,788.8	118.7				3,002.8 e

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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	Johnson & Johnson	Synthes	Pro Forma Adjustments Reclassification (refer to note 3)		Transaction	Pro Forma Combined
			(In millions, except per share data)			
Sales to customers	\$ 32,770	1,975				34,745
Cost of products sold	9,950	346	36		244 a	10,576
Gross profit	22,820	1,629	(36)		(244)	24,169
Selling, marketing and administrative expenses	10,271		863		(32)b	11,102
Selling and promotion		593	(593)			
General and administrative		236	(236)			
Research and development expense	3,620	99				3,719
Royalty expense		44	(44)			
Amortization of intangible assets		26	(26)			
Interest income	(39)	(3)				(42)
Interest expense, net of portion capitalized	254	3			129 c	386
Foreign exchange gains		11	(11)			
Other (income) expense, net	193	(5)	11			199
Restructuring expense	589					589
Earnings before provision for taxes on income	7,932	625			(341)	8,216
Provision for taxes on income	1,680	171			(119)d	1,732
Net Earnings	\$ 6,252	454			(222)	6,484
Basic net earnings per share	\$ 2.28	3.83				2.20
Diluted net earnings per share	\$ 2.25	3.83				2.17
Cash dividends per share	\$ 1.11	1.95				1.11
Basic average shares outstanding	2,739.6	118.8				2,953.8 (e)
Diluted average shares outstanding	2,778.1	118.8				2,992.3 (e)

See Notes to Unaudited Pro Forma Condensed Combined Financial Statements.

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As of July 3, 2011

	Johnson & Johnson	Pro Forma Adjustments Reclassification (refer to note 3) Transaction			Pro Forma Combined
		Synthes			
	(In millions, except per share data)				
ASSETS					
Current assets					
Cash and cash equivalents	\$ 14,974	1,513			16,487
Marketable securities	14,708	730			15,438
Accounts receivable trade, less allowances for doubtful accounts	10,982	762			11,744
Accounts receivable other		150	(150)		
Inventories	6,413	536	122	480 f	7,551
Deferred taxes on income	2,306	54			2,360
Prepaid expenses and other receivables	3,290	50	150		3,490
Total current assets	52,673	3,795	122	480	57,070
Property, plant and equipment, net	14,974	1,027	(122)	225 g	16,104
Intangible assets, net	18,378	2,335		9,665 h	30,378
Goodwill	16,243	1,446		7,348 i	25,037
Deferred taxes on income	5,653	138			5,791
Other assets	4,193	99			4,292
Total assets	\$ 112,114	8,840		17,718	138,672
LIABILITIES AND SHAREHOLDERS EQUITY					
Loans and notes payable	\$ 5,046	1			5,047
Accounts payable	5,689	63			5,752
Income taxes payable		39	(39)		
Accrued taxes other than income and payroll		65	(65)		
Accrued liabilities	4,405	186	114	90 j	4,795
Accrued rebates, returns and promotions	2,933		10		2,943
Accrued compensation and employee related obligations	2,104	178			2,282
Current acquisition-related liabilities		59	(59)		
Accrued taxes on income	808		61		869
Deferred income taxes		22	(22)		

Total current liabilities	20,985	613	90	21,688
Long-term debt	13,680	151	7,384 c	21,215
Deferred taxes on income	1,888	360	4,178 k	6,426
Employee related obligations	6,202	69	150 l	6,421
Other liabilities	7,227	130		7,357
Total liabilities	49,982	1,323	11,802	63,107
Shareholders' equity				
Preferred stock - without par value				