

**UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION**

**COMMISSIONERS:**        **Deborah Platt Majoras, Chairman**  
                                  **Thomas B. Leary**  
                                  **Pamela Jones Harbour**  
                                  **Jon Leibowitz**

In the Matter of	)	
<b>JOHNSON &amp; JOHNSON,</b>	)	File No. 051-0050
a corporation.	)	
	)	

**AGREEMENT CONTAINING CONSENT ORDER**

The Federal Trade Commission (“Commission”) having initiated an investigation of the proposed merger of Respondent Johnson & Johnson (“J&J” or “Proposed Respondent”) and Guidant Corporation (“Guidant”), and it now appearing that J&J is willing to enter into this Agreement Containing Consent Order (“Consent Agreement”) to divest certain assets and providing for other relief:

**IT IS HEREBY AGREED** by and between Proposed Respondent, by its duly authorized officer and attorney, and counsel for the Commission that:

1. J&J is a corporation organized, existing and doing business under and by virtue of the laws of the state of New Jersey, with its offices and principal place of business located at One Johnson & Johnson Plaza, New Brunswick, NJ 08933.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint attached hereto.
3. Proposed Respondent waives:
  - (a) any further procedural steps;
  - (b) the requirement that the Commission’s Decision and Order, which is attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
  - (c) all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
  - (d) any claim under the Equal Access to Justice Act.

4. Proposed Respondent shall submit an initial report within ten (10) days of the date on which it executes this Consent Agreement and every thirty (30) days thereafter until the Decision and Order becomes final, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33, or the divestitures and termination required pursuant to Paragraph II, Paragraph III., and Paragraph IV. are accomplished, whichever is earlier. Each such report shall be signed by the Proposed Respondent and shall set forth in detail the manner in which the Proposed Respondent has to date complied or has prepared to comply, is complying, and will comply with the Decision and Order. Such reports will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
5. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent, in which event it will take such action as it may consider appropriate, or issue and serve its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
6. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of Complaint here attached, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.
7. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondent: (1) issue and serve its Complaint corresponding in form with the draft of Complaint here attached and its Decision and Order, and (2) make information public with respect thereto.
8. When final, the Decision and Order shall have the same force and effect and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. Delivery of the Complaint and the Decision and Order to Proposed Respondent by any means provided in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondent waives any right it may have to any other manner of service. Proposed Respondent also waives any right it may otherwise have to service of any Appendices incorporated by reference into the Decision and Order, and agree that it is bound to comply with and will comply with the Decision and Order to the same extent as if it had been served with copies of the Appendices, where Proposed Respondent is already in possession of copies of such Appendices.
9. The Complaint may be used in construing the terms of the Decision and Order, and no agreement, understanding, representation, or interpretation not contained in the Decision

and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.

10. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, licenses and transfers and obtaining all necessary approvals from governmental authorities, leaseholders, and other third parties to effectuate the divestitures, assignments, licenses and transfers) and that all parents, subsidiaries, groups, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are parties to this Consent Agreement and are bound thereby as if they had signed this Consent Agreement and were made parties to this proceeding and to the Decision and Order.
11. Proposed Respondent has read the draft of the Complaint and the Decision and Order contemplated hereby. Proposed Respondent understands that once the Decision and Order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order. Proposed Respondent agrees to comply with the proposed Decision and Order from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order after it becomes final.

Signed this \_\_\_\_\_ day of October, 2005.

**JOHNSON & JOHNSON**

**FEDERAL TRADE COMMISSION**

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William C. Weldon  
Chairman, Board of Directors, and  
Chief Executive Officer  
Johnson & Johnson

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Jonathan S. Klarfeld  
Jeffrey H. Perry  
Kari A. Wallace  
Brendan J. McNamara  
Tammy L. Imhoff  
Attorneys  
Bureau of Competition

Dated: October \_\_\_\_, 2005

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Steve Newborn, Esq.  
Weil, Gotshal & Manges, LLP  
Counsel for Johnson & Johnson

Dated: October \_\_\_\_, 2005

**APPROVED:**

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Michael R. Moiseyev  
Assistant Director  
Bureau of Competition

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Jeffrey Schmidt  
Deputy Director  
Bureau of Competition

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Susan A. Creighton  
Director  
Bureau of Competition