

JOHNSON & JOHNSON  
Form 11-K  
June 25, 2004

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 11-K

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ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Commission File Number 1-3215

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN

(Full title of the Plan)

JOHNSON & JOHNSON  
ONE JOHNSON & JOHNSON PLAZA

NEW BRUNSWICK, NEW JERSEY 08933

(Name of issuer of the securities held pursuant to the Plan  
and the address of its principal executive office)

Item 4. Financial Statements and Exhibits

Report of Independent Registered Public Accounting Firm

Statement of Net Assets Available for Benefits

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Supplemental Schedule:

Schedule of Assets Held for Investment Purposes

Consent of Morris, Davis & Chan, LLP, dated June 18, 2004

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned

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hereunto duly authorized.

ALZA CORPORATION TAX DEFERRAL  
INVESTMENT PLAN

By: /s/ D.R. Hoffmann

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D.R. Hoffmann, Trustee

June 24, 2004

ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN

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FINANCIAL STATEMENTS AND  
SUPPLEMENTAL SCHEDULE

AS OF AND FOR THE YEARS ENDED  
DECEMBER 31, 2003 AND 2002

ALZA CORPORATION TAX DEFERRAL  
INVESTMENT PLAN

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Pension Committee  
Johnson & Johnson  
ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN

We have audited the accompanying statement of net assets available for benefits of the ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN (the Plan) as of December 31, 2003 and 2002, and the related statement of changes in net assets available

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for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003 and 2002, and the changes in its net assets available for benefits for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplemental schedule of assets held for investment purposes as of December 31, 2003 is presented for the purpose of complying with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, and is not a required part of the basic financial statements. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

June 18, 2004  
Oakland, California

### ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN

#### Statement of Net Assets Available for Benefits December 31, 2003 and 2002

	2003 -----	2002 -----
Investments at fair value:		
Mutual funds:		
Merrill Lynch Ready Asset Trust	\$ 16,216,024	\$ 18,006,196
Merrill Lynch Basic Value	13,108,200	10,130,993
Merrill Lynch Corporate Bond	4,515,648	4,384,311
Merrill Lynch Balanced Capital	3,735,789	3,197,689
Merrill Lynch Global Allocation	3,801,829	3,209,991
John Hancock Emerging Growth	2,319,984	1,940,668
Templeton International	2,145,532	1,653,964
Alliance New Europe	106,673	82,426
Alliance Premier Growth	908,971	804,500
Fidelity Advisor Overseas	311,924	130,143
Franklin California Growth	2,488,012	1,505,786
Merrill Lynch Healthcare	1,629,900	1,313,207

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Merrill Lynch International Index	416,048	305,220
Merrill Lynch Pacific	281,205	62,981
Merrill Lynch Small Cap Index	744,425	297,577
Merrill Lynch S&P 500 Index	8,050,054	6,001,171
Merrill Lynch Fundamental Growth	6,494,062	5,198,889
Munder NetNet	762,088	315,956
PIMCO Small Cap Value	1,099,099	801,285
Other investments:		
Retirement Cash Management Account	25,206,774	24,584,885
Johnson & Johnson Common Stock	40,127,924	46,203,705
Participant loans	1,230,808	1,052,603
	-----	-----
Total investments	135,700,973	131,184,146
Cash	42,953	754,256
Employer contributions receivable	--	1,717,217
Accrued interest and dividends receivable	24,844	24,463
Receivable for investment sold	43,934	--
	-----	-----
Net assets available for benefits	\$135,812,704	\$133,680,082
	=====	=====

See accompanying notes to financial statements.

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
Statement of Changes in Net Assets Available for Benefits  
Years Ended December 31, 2003 and 2002

	2003	2002
	-----	-----
Additions to net assets attributed to:		
Investment income:		
Net realized and unrealized appreciation		
(depreciation) in fair value of investments	\$ 11,396,535	\$ (20,140,
Interest and dividends	1,679,266	1,941,
	-----	-----
	13,075,801	(18,198,
Employer contributions	--	2,691,
Participant salary reduction contributions	--	8,001,
Participant rollover contributions	658,545	2,116,
	-----	-----
Net additions	13,734,346	(5,389,
	-----	-----
Deductions from net assets attributed to:		
Distributions	11,598,464	18,758,
Administrative expenses	3,260	2,
	-----	-----
Net deductions	11,601,724	18,761,
	-----	-----
Increase (decrease) in net assets	2,132,622	(24,150,
Net assets available for benefits:		
Beginning of year	133,680,082	157,830,
	-----	-----
End of year	\$ 135,812,704	\$ 133,680,

See accompanying notes to financial statements.

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
Notes to Financial Statements  
December 31, 2003 and 2002

1. DESCRIPTION OF PLAN

The following description of the ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN (the Plan) provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

General

The Plan is a defined contribution plan. ALZA Corporation (the Company or ALZA) remits to the Trust created by the Plan such amounts as are voluntarily elected by participants and Company contributions. The Plan is subject to the Employee Retirement Income Security Act of 1974 (ERISA).

On June 22, 2001, a merger between Johnson & Johnson and ALZA Corporation was completed. Effective January 1, 2003, the Johnson & Johnson Pension Committee has the responsibility of making decisions with respect to the Plan. There were no participant salary reduction or Company contributions during 2003. Additionally, during 2003 the Johnson & Johnson Pension Committee approved the following:

- 1) Freeze all new investments into the Retirement Cash Management Account option as soon as administratively feasible.
- 2) The merger of the Plan into the Johnson & Johnson Salaried Savings Plan upon completion of a compliance audit and any necessary and appropriate corrections.

Contributions

Prior to January 1, 2003, participants may make elective salary reduction contributions which are tax deferred and are, therefore, not included in a participant's compensation for federal income tax purposes until distributed to the participant. Under the Plan, participants may elect to contribute through bi-weekly payroll deductions a fixed dollar amount up to a maximum of \$11,000 for participants under age 50, or \$12,000 for participants age 50 and up in 2002. Further restrictions may be imposed on highly compensated individuals and Plan participants who also participate in the ALZA Retirement Plan.

For the year ended December 31, 2002 the Company made a contribution of \$20 each pay period for each employee (thereby making all ALZA employees participants) to begin an account and encourage employees to participate further in the Plan. The Company also made a matching contribution at 50% of participant contributions. The maximum Company contribution was \$2,000 for each participant.

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## ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN Notes to Financial Statements December 31, 2003 and 2002

### 1. DESCRIPTION OF PLAN (continued)

#### Participant Accounts

Each participant's account is credited with 100% of the contributions made by the participant through a salary deferral agreement. The Company will suspend the pretax salary deferral agreement of any participant if it determines that a participant's annual contribution limitation, as described in the Internal Revenue Code, will be exceeded.

Participants are allowed to make rollover contributions of amounts received from other qualified employer-sponsored retirement plans. Such contributions are deposited in the appropriate investment funds in accordance with the participant's directions and the Plan's provisions.

Participants allocate their contributions for investment into mutual funds and other investment vehicles (see Note 5). Earnings and losses of the investments are allocated to participants in accordance with the Plan's provisions.

#### Vesting

Participant account balances are 100% vested at all times.

#### Distribution of Benefits

Distributions from the Plan are available to a participant (or the beneficiary) in any of the following situations: termination of employment with the Company, retirement, total disability, death, reaching age 59-1/2, or a qualified financial hardship. The participant (or the beneficiary) may elect to receive a lump sum distribution of the value of his account, or he or she may choose to have the funds remain in the Plan.

#### Loans

A participant who is employed by the Company and meets certain Plan requirements may elect to borrow funds from his or her account. The borrowings are evidenced by notes that bear interest at the published prime rate plus 1% and have repayment terms of one to 30 years, depending on the purpose of the loans. Such repayments and interest thereon are credited to the borrower's account and reinvested in the same manner as current contributions.

## ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN Notes to Financial Statements December 31, 2003 and 2002

### 1. DESCRIPTION OF PLAN (Continued)

#### Income Tax Status

The Plan obtained its latest determination letter on March 11, 2002, in

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which the Internal Revenue Service stated that the Plan, as then designed, was in compliance with the applicable requirements of the Internal Revenue Code. The Plan has been amended since receiving the determination letter. However, the Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

### Administrative Expenses

Although not required to do so, the Company has paid all of the expenses (except for certain broker fees on transactions executed at the participant's discretion, and loan fees) associated with administering the Plan.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Accounting

The Plan's financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recognized as earned. Expenses are recorded as incurred.

### Investment Valuation and Income Recognition

Investments in mutual funds are valued at the published fair value as reported by the fund manager which represents the net asset value of shares held by the Plan at year end. Other investments are valued at the published fair value as reported. The participant loans receivable is valued at cost which approximates fair value.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

### Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Plan management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
Notes to Financial Statements  
December 31, 2003 and 2002

## 3. RELATED PARTY TRANSACTIONS

Certain Plan investments are shares of mutual funds managed by Merrill Lynch Trust Company of California. Merrill Lynch Trust Company of California is the trustee as defined by the Plan and, therefore, these transactions qualify as party-in-interest transactions. Fees for the investment management services are paid by ALZA.

## 4. PLAN TERMINATION

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The Company has the right under the Plan to terminate the Plan at any time subject to the provisions of ERISA.

### 5. INVESTMENT FUND ACTIVITY

The following are investment options under the Plan:

#### Mutual Funds

Merrill Lynch Ready Asset Trust - A money market fund.

Merrill Lynch Basic Value Fund- A fund of equity securities that management of the fund believes are undervalued and represent basic investment value.

Merrill Lynch Corporate Bond Fund - A fund of long-term corporate fixed-income securities, including corporate bonds and notes, convertible securities and preferred stocks.

Merrill Lynch Balanced Capital Fund - A fund of equity, debt and convertible securities that seeks to achieve the highest total return consistent with prudent risk.

Merrill Lynch Global Allocation Fund - A fund investing in domestic and foreign equities, debt, and money markets seeking total return consistent with prudent risk.

John Hancock Emerging Growth Fund - A fund investing in emerging-growth companies.

Templeton International Fund - A fund investing in equity securities trading on foreign markets seeking long term growth of capital.

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### ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN Notes to Financial Statements December 31, 2003 and 2002

### 5. INVESTMENT FUND ACTIVITY (Continued)

#### Mutual Funds (continued)

Alliance New Europe Fund - This fund seeks long-term capital appreciation by investing at least 65% of its total assets in the equity securities of European companies.

Alliance Premier Growth Fund - This fund seeks long-term growth of capital by investing at least 85% of its total assets in the equity securities of large, carefully selected, U.S. companies.

Fidelity Advisor Overseas Fund - This fund seeks capital growth by investing at least 65% of its total assets in foreign securities.

Franklin California Growth Fund - This fund seeks capital appreciation by investing in equity securities of companies that maintain their headquarters or conduct a majority of their operations in California.

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Merrill Lynch Healthcare Fund - This fund seeks long-term capital appreciation through worldwide investment in equity securities of companies that derive a substantial portion of their sales from products and services in health care.

Merrill Lynch International Index Fund - This fund seeks to provide investment results that, before expenses, replicate the total return of the Morgan Stanley Capital International EAFE Index.

Merrill Lynch Pacific Fund - This fund seeks long-term capital appreciation by investing primarily in equities of corporations domiciled in Far Eastern or Western Pacific countries.

Merrill Lynch Small Cap Index Fund - This fund seeks to provide investment results that, before expenses, replicate the total return of the Russell 2000 Index.

Merrill Lynch S&P 500 Index Fund - This fund seeks to provide investment results that, before expenses, replicate the total return of the Standard & Poor's 500(TM) Composite Stock Price Index.

Merrill Lynch Fundamental Growth Fund - This fund seeks long-term growth of capital by investing at least 65% of assets in equities issued by medium and large capitalization companies.

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### ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN Notes to Financial Statements December 31, 2003 and 2002

#### 5. INVESTMENT FUND ACTIVITY (Continued)

##### Mutual Funds (continued)

Munder NetNet Fund - This fund seeks long-term capital appreciation by investing at least 65% of its total assets in equity securities.

PIMCO Small Cap Value Fund - This fund seeks long-term growth of capital by investing at least 65% of its total assets in the common stocks of companies with market capitalizations between \$50 million and \$1 billion.

##### Other Investments

Retirement Cash Management Account (RCMA) - A self-directed brokerage account that enables participants to choose from a wide variety of investments.

Johnson & Johnson Common Stock Fund - As a result of the merger on June 22, 2001, between Johnson & Johnson and ALZA Corporation, holders of ALZA common stock received 0.98 of a share of Johnson & Johnson common stock for each share of ALZA common stock.

Investments representing 5% or more of the Plan's net assets were as follows:

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	December 31,	
	----- 2003 -----	2002 -----
Merrill Lynch Ready Asset Trust	\$16,216,024	\$18,006,196
Merrill Lynch Basic Value Fund	13,108,200	10,130,993
Merrill Lynch S&P 500 Index Fund	8,050,054	--
Johnson & Johnson Common Stock		
Held in Johnson & Johnson Common Stock Fund	40,127,924	46,203,705
Held in Retirement Cash Management Account	2,489,684	3,432,181

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500

Included in net assets available for benefits at December 31, 2003 and 2002 are benefits due to terminated participants of \$65,504 and \$0, respectively.

In accordance with generally accepted accounting principles, benefits due to terminated participants are included in net assets available for benefits.

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
Notes to Financial Statements  
December 31, 2003 and 2002

6. RECONCILIATION OF FINANCIAL STATEMENTS TO FORM 5500 (Continued)

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500 as of December 31, 2003:

Net assets available for benefits per the financial statements	\$ 135,812,704
Amounts allocated to withdrawing participants	(65,504)
Net assets available for benefits per Form 5500	----- \$ 135,747,200 =====

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2003:

Benefits paid to participants per the financial statements	\$ 11,598,464
Add: Amounts allocated to withdrawing participants at end of year	65,504
Less: Amounts allocated to withdrawing participants at beginning of year	----- -- -----
Benefits paid to participants per Form 5500	\$ 11,663,968 =====

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Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year end but not yet distributed.

7. RECLASSIFICATION

Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

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SUPPLEMENTAL SCHEDULE

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
	Identity of Issue, Borrower, Lessor, or Similar Party -----	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value -----	Co
	Alliance	New Europe Fund	\$
	Alliance	Premier Growth Fund	1,
	Fidelity	Advisor Overseas Fund	
	Franklin	California Growth Fund	2,
	John Hancock	Emerging Growth Fund	2,
*	Merrill Lynch	Global Allocation Fund	3,
*	Merrill Lynch	Fundamental Growth Fund	9,
*	Merrill Lynch	Healthcare Fund	1,
*	Merrill Lynch	Basic Value Fund	13,
*	Merrill Lynch	Balanced Capital Fund	4,
*	Merrill Lynch	S&P 500 Index Fund	8,
*	Merrill Lynch	Small Cap Index Fund	
*	Merrill Lynch	International Index Fund	
*	Merrill Lynch	Pacific Fund	
*	Merrill Lynch	Corporate Bond Fund	4,
*	Merrill Lynch	Ready Asset Trust Fund	16,
	Munder	NetNet Fund	
	PIMCO	Small Cap Value Fund	
	Templeton	International Fund	1,
*	Johnson & Johnson	Common Stock 776,770 shares	7,
	Retirement Cash Management Account		
	24/7 Real Media Inc.	Common Stock 2,500 shares	
	3Com Corp.	Common Stock 110 shares	
	3M Company	Common Stock 210 shares	
	4 Kids Entertainment Inc.	Common Stock 1,000 shares	
	Abbey Natl.	Common Stock 376 shares	
	Abbott Labs	Common Stock 700 shares	

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Abgenix Inc.	Common Stock	257 shares
ABN-Amro Holding	Common Stock	339 shares
Adaptec Inc.	Common Stock	700 shares
ADC Telecommunications Inc.	Common Stock	1000 shares
Adobe Systems Inc.	Common Stock	100 shares
Advance Auto Parts Inc.	Common Stock	55 shares
Advance PCS	Common Stock	70 shares
Advanced Fibre Communication	Common Stock	100 shares
Advanced Medical Inc.	Common Stock	500 shares
Advanced Micro Devices Inc.	Common Stock	2307 shares
Aegon	Common Stock	522 shares
Affymetrix Inc.	Common Stock	1,068 shares
Agere Systems Inc. Cl A	Common Stock	18 shares
Agere Systems Inc. Cl B	Common Stock	524 shares
Agilent Technologies Inc.	Common Stock	446 shares
AKZO	Common Stock	240 shares
Alcoa Inc.	Common Stock	2,362 shares
Alkermes Inc.	Common Stock	1,000 shares
Allied Irish Banks	Common Stock	500 shares
Allstate Corp.	Common Stock	120 shares
Altera Corp.	Common Stock	3,500 shares
Altria Group Inc.	Common Stock	217 shares
Amazon.com	Common Stock	300 shares
Amerada Hess Corp.	Common Stock	1,500 shares
America Movil	Common Stock	600 shares
American Bank	Common Stock	4,000 shares
American International Group Inc.	Common Stock	753 shares
American Tower Corp.	Common Stock	325 shares
Ameritrade Hldg Corp.	Common Stock	425 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )

( b )

( c )

( d )

Identity of Issue, Borrower,  
 Lessor, or Similar Party

Description of Investment Including  
 Maturity Date, Rate of Interest,  
 Collateral, Par, or Maturity Value

Amgen Inc.	Common Stock	1,133 shares	\$
Amkor Tech Inc.	Common Stock	200 shares	
Amr. Corp.	Common Stock	46 shares	
Anadarko Pete Corp.	Common Stock	500 shares	
Andrex Group	Common Stock	100 shares	
Anheusr Busch Cos Inc.	Common Stock	575 shares	
Apollo Group Inc.	Common Stock	65 shares	
Apple Computer Inc.	Common Stock	632 shares	
Applebees International Inc.	Common Stock	60 shares	
Applied Digital Solutions	Common Stock	1,500 shares	
Applied Materials Inc.	Common Stock	13,243 shares	
Aradigm Corp.	Common Stock	8,500 shares	
Archer Daniels	Common Stock	74 shares	

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Ariad Pharmaceuticals Inc.	Common Stock	100 shares
Ariba Inc.	Common Stock	500 shares
Asml Hldng	Common Stock	240 shares
AT&T Wireless	Common Stock	269 shares
AT&T Corp.	Common Stock	168 shares
Atmel Corp.	Common Stock	550 shares
Avanex Corp.	Common Stock	1,000 shares
Avaya Inc.	Common Stock	163 shares
Avon Prod. Inc.	Common Stock	218 shares
Bae System	Common Stock	866 shares
Baker Hughes Inc.	Common Stock	83 shares
Ballard Pwr Sys. Inc.	Common Stock	500 shares
Bank of America Corp.	Common Stock	675 shares
Bank of NY	Common Stock	45 shares
Bank One Corp.	Common Stock	59 shares
BARR Pharmaceuticals Inc.	Common Stock	55 shares
Barrick Gold Corp.	Common Stock	1,000 shares
BASF Ag	Common Stock	312 shares
BEA Sys. Inc.	Common Stock	1,000 shares
Bed Bath & Beyond Inc.	Common Stock	125 shares
Bellsouth Corp.	Common Stock	1,000 shares
Berkshire Hathaway Inc.	Common Stock	20 shares
Best Buy Co. Inc.	Common Stock	187 shares
BHP Billiton Ltd.	Common Stock	555 shares
Biogen Inc.	Common Stock	26 shares
BJS Wholesale Club Inc.	Common Stock	1,000 shares
Block H&R Inc.	Common Stock	55 shares
BMC Software Inc.	Common Stock	1,039 shares
Boeing Company	Common Stock	250 shares
Bookham Tech.	Common Stock	1,000 shares
Boston Scientific Corp.	Common Stock	400 shares
Bowater Inc.	Common Stock	18 shares
Boykin Lodging Co.	Common Stock	6,000 shares
BP Plc	Common Stock	2,857 shares
Bristol Myers Squibb Co.	Common Stock	386 shares
Broadcom Corp.	Common Stock	385 shares
Broadvision Inc.	Common Stock	111 shares
Brocade Communications Sys.	Common Stock	1,000 shares
Cable & Wireless Pub Ltd. Co.	Common Stock	200 shares
Cable Design Technologies Co.	Common Stock	300 shares
Cadbury Schweppes	Common Stock	586 shares
California Water Svc Group	Common Stock	1,000 shares
Cam Comm Solutions Inc.	Common Stock	500 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )

( b )

( c )

Identity of Issue, Borrower,  
 Lessor, or Similar Party

Description of Investment Including  
 Maturity Date, Rate of Interest,  
 Collateral, Par, or Maturity Value

( d )

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Canon Inc.	Common Stock	267 shares	\$
Capital One Financial	Common Stock	75 shares	
Catalytica Energy Sys.	Common Stock	1,001 shares	
Cedar Fair	Common Stock	5,000 shares	
Central Coast Bancorp Ca.	Common Stock	330 shares	
Cepheid Inc.	Common Stock	100 shares	
Chesapeake Energy	Common Stock	230 shares	
ChevronTexaco Corp.	Common Stock	916 shares	
Chicos Fas Inc.	Common Stock	110 shares	
China Mobile HK	Common Stock	100 shares	
Ciena Corp.	Common Stock	500 shares	
Cisco Systems Inc.	Common Stock	24,385 shares	
Citigroup Inc.	Common Stock	3,796 shares	
Citrix Systems Inc.	Common Stock	1,510 shares	
Clear Channel Communications	Common Stock	43 shares	
CMGI	Common Stock	450 shares	
Coach Inc.	Common Stock	165 shares	
Coca Cola Co.	Common Stock	257 shares	
Cognizant Technology Solution	Common Stock	80 shares	
Colonial Properties	Common Stock	1,250 shares	
Comcast Corp. Class A	Common Stock	270 shares	
Comcast Corp. Class A SPCL	Common Stock	71 shares	
Comp Financial	Common Stock	315 shares	
Conagra Inc.	Common Stock	1,000 shares	
Connectics Corp.	Common Stock	2,000 shares	
Conocophillips	Common Stock	3,093 shares	
Copper Mtn. Networks Inc.	Common Stock	80 shares	
Corning Inc.	Common Stock	593 shares	
Corporate High Yld	Common Stock	3,000 shares	
Correctional Properties Trust	Common Stock	6,000 shares	
Costco Wholesale	Common Stock	60 shares	
Countrywide Financial	Common Stock	60 shares	
Coventry Health Care Inc.	Common Stock	85 shares	
Covis Corp.	Common Stock	1,093 shares	
COX Communications Inc.	Common Stock	300 shares	
CSX Corp.	Common Stock	46 shares	
Cypress Semiconductor	Common Stock	200 shares	
Danaher Corp.	Common Stock	50 shares	
Danske Bank	Common Stock	812 shares	
Deere Co.	Common Stock	63 shares	
Del Monte Foods Co.	Common Stock	89 shares	
Dell Inc.	Common Stock	5,517 shares	
Deutsche Bank	Common Stock	127 shares	
Developers Diversified Rlty.	Common Stock	5,365 shares	
Diageo	Common Stock	317 shares	
Diametrics Med.	Common Stock	200 shares	
Digital Lightwave Inc.	Common Stock	100 shares	
Digital Video Systems	Common Stock	500 shares	
Ditech Communications	Common Stock	185 shares	
DNX Corp.	Common Stock	78 shares	
Donaldson Co. Inc.	Common Stock	400 shares	
Doubleclick Inc.	Common Stock	3 shares	
Dover Corp.	Common Stock	120 shares	
DSL Net Inc.	Common Stock	200 shares	
DSM	Common Stock	593 shares	
Duke Realty Corp.	Common Stock	1,000 shares	

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
Identity of Issue, Borrower, Lessor, or Similar Party -----	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value -----	\$	Co
Dupont	Common Stock	646 shares	
Durect Corp.	Common Stock	1,500 shares	
E Trade Group Inc.	Common Stock	903 shares	
Eaton Corp.	Common Stock	13 shares	
Edison International	Common Stock	238 shares	
Egain Communications Corp.	Common Stock	60 shares	
Eisai Ltd.	Common Stock	562 shares	
Elan Corp.	Common Stock	400 shares	
Eloyalty Corp.	Common Stock	30 shares	
EMC Corp.	Common Stock	7,466 shares	
Emerson Elec. Co.	Common Stock	16 shares	
Encana Corp.	Common Stock	184 shares	
Endesa	Common Stock	1,245 shares	
Engage Technologies Inc.	Common Stock	250 shares	
Eni	Common Stock	173 shares	
Enron Corp.	Common Stock	330 shares	
Enterasys Networks Inc.	Common Stock	500 shares	
Entrada Networks Inc.	Common Stock	50 shares	
Equity Residential Properties	Common Stock	1,000 shares	
Ericsson	Common Stock	12 shares	
Essex Property Inc.	Common Stock	900 shares	
Everest	Common Stock	35 shares	
Excelligence Learning	Common Stock	125 shares	
Extreme Networks Inc.	Common Stock	100 shares	
Exxon Mobil Corp.	Common Stock	2,415 shares	
Fannie Mae	Common Stock	155 shares	
FedEx Corp.	Common Stock	25 shares	
Fibercore Inc.	Common Stock	1,100 shares	
Finisar Corp.	Common Stock	1,175 shares	
First Data Corp.	Common Stock	650 shares	
Five Star Quality Care	Common Stock	186 shares	
FleetBoston Finl Corp.	Common Stock	37 shares	
Flextronics International Ltd.	Common Stock	1,562 shares	
Fluor Corp.	Common Stock	200 shares	
Forest Labs Inc.	Common Stock	400 shares	
Fortune Brands Inc.	Common Stock	45 shares	
Foundry Networks Inc.	Common Stock	365 shares	
France Telecom	Common Stock	100 shares	
Freeprt-McMran Copper & Gold	Common Stock	75 shares	
Fuji Photo Film	Common Stock	637 shares	
Gannett Co.	Common Stock	500 shares	
Gap Inc.	Common Stock	1,093 shares	
Genaera Corp.	Common Stock	1,000 shares	
Genentech Inc.	Common Stock	400 shares	
General Electric	Common Stock	8,122 shares	
General Mills	Common Stock	25 shares	

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General Motors Corp.	Common Stock	100 shares
General Dynamics Corp.	Common Stock	100 shares
Genzyme Corp.	Common Stock	65 shares
Geron Corp.	Common Stock	1,000 shares
Gillette Co.	Common Stock	127 shares
Glaxosmithkline	Common Stock	901 shares
Globalstar Telecomm	Common Stock	200 shares
Great Lakes REIT Inc.	Common Stock	2,000 shares
Green Star Prods Inc.	Common Stock	4,400 shares
Gtech Holdings Corp.	Common Stock	90 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value		Co
-----	-----		-----
Guidant Corp.	Common Stock	600 shares	\$
Harley Davidson Inc.	Common Stock	800 shares	
Harmonic Lightwaves Inc.	Common Stock	400 shares	
Harmony Gold	Common Stock	1,000 shares	
Health Care Property Invs.	Common Stock	4,000 shares	
Health Care REIT Inc.	Common Stock	6,000 shares	
Health Grades Inc.	Common Stock	2,000 shares	
Health Mgmt Assoc. Inc.	Common Stock	500 shares	
Healthcare Rlty	Common Stock	5,000 shares	
Heinz H J Co.	Common Stock	200 shares	
Hewlett Packard Co.	Common Stock	819 shares	
Hitachi Ltd.	Common Stock	173 shares	
Home Depot Inc.	Common Stock	1,803 shares	
Hospitality Properties	Common Stock	2,000 shares	
HRPT Properties	Common Stock	28,600 shares	
HSBC Hldg	Common Stock	161 shares	
Humphrey Hospitality	Common Stock	10,000 shares	
I2 Technologies Inc.	Common Stock	610 shares	
Ibis Technology Corp.	Common Stock	30 shares	
Icos Corp.	Common Stock	500 shares	
Identix Inc.	Common Stock	134 shares	
Illinois Tool Works Inc.	Common Stock	25 shares	
Illumina Inc.	Common Stock	230 shares	
Inamed Corp.	Common Stock	75 shares	
Incyte Corp.	Common Stock	60 shares	
Infocus Corp.	Common Stock	1,000 shares	
Ing Groep	Common Stock	675 shares	
Innkeepers USA	Common Stock	5,000 shares	
Insignia Solutions	Common Stock	3,000 shares	
Integrated Device Tech	Common Stock	100 shares	
Intel Corp.	Common Stock	21,288 shares	
Interferon	Common Stock	3,000 shares	

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Internet Architecture	Common Stock	200 shares
Internet Cap Group Inc.	Common Stock	912 shares
Interwave Communications International	Common Stock	5 shares
International Business Mach.	Common Stock	1,950 shares
International Game Technologies	Common Stock	100 shares
International Paper Co.	Common Stock	68 shares
Intuit Inc.	Common Stock	200 shares
Invitrogen	Common Stock	55 shares
Iomega Corp.	Common Stock	200 shares
Ishares TS and P	Common Stock	65 shares
Isis Pharmaceuticals	Common Stock	2,000 shares
Invoice Inc.	Common Stock	3,000 shares
Jabil Circuit Inc.	Common Stock	120 shares
Jacobs Engineering Group Inc.	Common Stock	120 shares
JC Penney Co.	Common Stock	2,000 shares
JDS Uniphase Corp.	Common Stock	5,500 shares
JM Smucker Co.	Common Stock	12 shares
JMAR Inds Inc.	Common Stock	150 shares
* Johnson & Johnson	Common Stock	48,194 shares
JP Morgan Chase and Co.	Common Stock	1,591 shares
Juniper Networks Inc.	Common Stock	1,190 shares
Kaneb Pipe Line Partners LP	Common Stock	4,000 shares
Kao Corp.	Common Stock	44 shares
Kingfisher	Common Stock	1,249 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value		
-----	-----		
KLA Tencor Corp.	Common Stock	55 shares	\$
Knight Trading Group Inc.	Common Stock	335 shares	
Koninklijke Philips Electronics	Common Stock	404 shares	
Korea Elec Pwr	Common Stock	720 shares	
KPNQWest	Common Stock	600 shares	
Kraft Foods Inc.	Common Stock	59 shares	
Kulicke & Soffa Indust	Common Stock	2,000 shares	
Lam Research Corp.	Common Stock	250 shares	
Lexmark International Group Inc.	Common Stock	40 shares	
Limited Brands Inc.	Common Stock	103 shares	
Lockheed Martin Corp.	Common Stock	100 shares	
Loral Space & Comm Ltd.	Common Stock	307 shares	
Lowe's Companies Inc.	Common Stock	200 shares	
LSI Logic Corp.	Common Stock	4,700 shares	
LTX Corp.	Common Stock	500 shares	
Lucent Technologies Inc.	Common Stock	2,512 shares	

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Marks & Spencer Ltd.	Common Stock	197 shares
Martha Stewart	Common Stock	200 shares
Massey Energy Co.	Common Stock	400 shares
Maxim Integrated Prods.	Common Stock	1,000 shares
Maxygen Inc.	Common Stock	500 shares
MBNA Corp.	Common Stock	38 shares
McData Corp.	Common Stock	88 shares
Medco Health Solutions	Common Stock	182 shares
Medtronic Inc.	Common Stock	1,350 shares
Mellon Financial Corp.	Common Stock	83 shares
Merck & Co. Inc.	Common Stock	1,558 shares
Mercury Interactive Corp.	Common Stock	75 shares
* Merrill Lynch & Co.	Common Stock	400 shares
Micromuse Inc.	Common Stock	70 shares
Micron Technology Inc.	Common Stock	200 shares
Microsoft Inc.	Common Stock	10,509 shares
Millea Health Solutions	Common Stock	108 shares
Millennium Pharmaceuticals	Common Stock	800 shares
MIM Corp.	Common Stock	100 shares
MIPS Techs Inc.	Common Stock	13 shares
Molecular Diagnostics	Common Stock	491 shares
Monsanto Co.	Common Stock	57 shares
Motorola Inc.	Common Stock	1,154 shares
Nasdaq-100	Common Stock	3,474 shares
Nationwide Health Properties	Common Stock	9,500 shares
National Australia	Common Stock	84 shares
Navistar International Corp.	Common Stock	71 shares
Nektar Therapeutics	Common Stock	500 shares
Nestle S A	Common Stock	325 shares
Netflix Com Inc.	Common Stock	500 shares
Network Appliance Inc.	Common Stock	1,690 shares
New Focus Inc.	Common Stock	760 shares
Newell Rubbermaid Inc.	Common Stock	37 shares
Newmont Mining Corp.	Common Stock	1,029 shares
News Corp. Ltd.	Common Stock	1,000 shares
Nexprise Inc.	Common Stock	36 shares
Nextel Partners Inc.	Common Stock	380 shares
NII Hldgs Inc.	Common Stock	45 shares
Nike Inc.	Common Stock	33 shares
Nintendo Ltd.	Common Stock	986 shares

\* Represents parties-in-interest

ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )

( b )

( c )

( d )

Identity of Issue, Borrower,  
 Lessor, or Similar Party

Description of Investment Including  
 Maturity Date, Rate of Interest,  
 Collateral, Par, or Maturity Value

Co

Nippon Teleg & Tel Corp.

Common Stock

510 shares

\$

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Nokia Corp.	Common Stock	8,125 shares
Norsk Hydro	Common Stock	400 shares
Nortel Networks Corp.	Common Stock	1,500 shares
Nova Chemicals Corp.	Common Stock	100 shares
Novartis	Common Stock	506 shares
Novell Inc.	Common Stock	300 shares
Novellics Sys Inc.	Common Stock	1,400 shares
Nuvelo Inc.	Common Stock	200 shares
Office Depot Inc.	Common Stock	150 shares
Omnicom Group	Common Stock	40 shares
Open TV Corp.	Common Stock	50 shares
Oracle Corp.	Common Stock	20,000 shares
Pacific Aerospace & Eltr Inc.	Common Stock	10 shares
Paccar Inc.	Common Stock	55 shares
Pacific Sunwear Cal Inc.	Common Stock	250 shares
PalmOne Inc.	Common Stock	50 shares
Palmsource Inc.	Common Stock	15 shares
Parker Hannifin Corp.	Common Stock	25 shares
Paychex Inc.	Common Stock	220 shares
Peoplesoft Inc.	Common Stock	190 shares
Pepsico Inc.	Common Stock	1,867 shares
Peregrine Pharmactls Inc.	Common Stock	1,000 shares
Petsmart Inc.	Common Stock	170 shares
Pfizer Inc.	Common Stock	5,173 shares
PG&E Corp.	Common Stock	370 shares
Pharmaceutical Res Inc.	Common Stock	45 shares
Pitney Bowes Inc.	Common Stock	100 shares
Pixar	Common Stock	200 shares
Plantronics Inc.	Common Stock	700 shares
Plum Creek Timber Co. Inc.	Common Stock	1,070 shares
PMI Group Inc.	Common Stock	115 shares
Pogo Producing Co.	Common Stock	60 shares
Polycom Inc.	Common Stock	245 shares
Portugal Telecom	Common Stock	835 shares
Potash Corp. of Saskatchewan Inc.	Common Stock	17 shares
Praxair Inc.	Common Stock	56 shares
Preferred Income	Common Stock	8,000 shares
Procter & Gamble	Common Stock	200 shares
Progress Energy Inc.	Common Stock	227 shares
Providian Finl Corp.	Common Stock	200 shares
Proxim Inc.	Common Stock	188 shares
Qlogic Corp.	Common Stock	360 shares
Qualcomm Inc.	Common Stock	196 shares
RailAmerica Inc.	Common Stock	533 shares
Real Networks Inc.	Common Stock	500 shares
Redback Networks Inc.	Common Stock	315 shares
Reed Elsevier	Common Stock	204 shares
Repsol	Common Stock	402 shares
RF Micro Devices Inc.	Common Stock	400 shares
Rite Aid Corp.	Common Stock	250 shares
Riverstone Networks Inc.	Common Stock	856 shares
RobertHalf International Inc.	Common Stock	195 shares
Roche Hldg Ltd.	Common Stock	115 shares
Rohm and Haas	Common Stock	33 shares
Rouge Wave Software	Common Stock	200 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value		Co
-----	-----		-----
Roxio Inc.	Common Stock	114 shares	\$
Royal Caribbean Cruises	Common Stock	125 shares	
Royal Dutch Petroleum Co.	Common Stock	1,500 shares	
RSA Security Inc.	Common Stock	300 shares	
Saba Software Inc.	Common Stock	37 shares	
Safenet Inc.	Common Stock	170 shares	
San Paolo-Imi	Common Stock	319 shares	
Sandisk Corp.	Common Stock	115 shares	
Sanmina-Sci Corp.	Common Stock	575 shares	
Save the Worldair Inc.	Common Stock	530 shares	
Savient Pharmaceuticals Inc.	Common Stock	500 shares	
SBC Communications Inc.	Common Stock	60 shares	
Schering Plough Corp.	Common Stock	178 shares	
Schlumberger Ltd.	Common Stock	130 shares	
Scottish Power	Common Stock	634 shares	
Sector Spdr Consumers Stpl.	Common Stock	100 shares	
Sector Spdr Technology	Common Stock	125 shares	
Select Medical Corp.	Common Stock	260 shares	
Serologicals Corp.	Common Stock	150 shares	
Shell Trns & Trdng	Common Stock	328 shares	
Siebel Sys Inc.	Common Stock	1,800 shares	
Silicon Graphics Inc.	Common Stock	1,608 shares	
Sina Corp.	Common Stock	200 shares	
Smith Micro Software Inc.	Common Stock	1,500 shares	
Societe Generale France	Common Stock	987 shares	
Solectron Corp.	Common Stock	2,200 shares	
Sonus Networks Inc.	Common Stock	180 shares	
Sony Corp.	Common Stock	426 shares	
Sorrento Networks Corp.	Common Stock	10 shares	
Sovran Self Storage Inc.	Common Stock	5,000 shares	
Sprint Corp.	Common Stock	740 shares	
Standard&Poors	Common Stock	272 shares	
Staples Inc.	Common Stock	213 shares	
Starbucks Corp.	Common Stock	150 shares	
Statoil ASA	Common Stock	1,001 shares	
Stellent Inc.	Common Stock	38 shares	
Stemcells Inc.	Common Stock	1,000 shares	
Stora Enso	Common Stock	967 shares	
Stratex Networks Inc.	Common Stock	50 shares	
Sun Microsystems Inc.	Common Stock	15,646 shares	
Superconductor Technologies	Common Stock	100 shares	
Supergen Inc.	Common Stock	1,125 shares	
Symantec Corp.	Common Stock	550 shares	
Symyx Tech Inc.	Common Stock	300 shares	
Syngenta	Common Stock	948 shares	
Taiwan Manufacturing	Common Stock	237 shares	
Target Corp.	Common Stock	67 shares	

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TDK Corp.	Common Stock	134 shares
Telefonos M SA RP L	Common Stock	1,035 shares
Telik Inc.	Common Stock	380 shares
Teradyne Inc.	Common Stock	49 shares
Teraforce Tech Corp.	Common Stock	4,200 shares
Texas Instruments	Common Stock	7,700 shares
Tibco Software Inc.	Common Stock	45 shares
Time Warner Inc.	Common Stock	1,558 shares
Topps Inc.	Common Stock	500 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
-----	-----	-----	-----
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	Co	-----
Total SA	Common Stock	205 shares	\$
Toyota Motor Corp.	Common Stock	140 shares	
TPG	Common Stock	345 shares	
Transcanada Corp.	Common Stock	500 shares	
Transmeta Corp.	Common Stock	140 shares	
Travelers Property A	Common Stock	133 shares	
Travelers Property B	Common Stock	278 shares	
Tribune Co.	Common Stock	52 shares	
Tyco International Ltd.	Common Stock	226 shares	
UAL Corp.	Common Stock	200 shares	
Union Pacific Corp.	Common Stock	225 shares	
United Parcel Services	Common Stock	282 shares	
Universal Health Svcs	Common Stock	200 shares	
Univision Communications	Common Stock	75 shares	
Upgrade International Corp.	Common Stock	50 shares	
UPM Kymmene Oy	Common Stock	446 shares	
UTS Motorola Inc.	Common Stock	235 shares	
UTStarcom Inc.	Common Stock	130 shares	
Varco International Inc.	Common Stock	1,000 shares	
Verisign Inc.	Common Stock	322 shares	
Veritas Software Co.	Common Stock	169 shares	
Verizon Communications	Common Stock	326 shares	
VF Corp.	Common Stock	32 shares	
Viacom Inc.	Common Stock	287 shares	
Viacom Inc. C1 B	Common Stock	390 shares	
Vicon Indust Inc.	Common Stock	500 shares	
Visx Inc.	Common Stock	200 shares	
Vodafone Group	Common Stock	500 shares	
Volvo Aktiebolaget	Common Stock	391 shares	
Wachovia Corp.	Common Stock	56 shares	

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Wal-Mart Stores Inc.	Common Stock	1,465 shares
Walt Disney Company	Common Stock	7,181 shares
Wast Management Inc.	Common Stock	45 shares
Wellpoint Health Networks Inc.	Common Stock	230 shares
Wells Fargo & Co.	Common Stock	35 shares
Westell Technologies Inc.	Common Stock	300 shares
Western Wireless	Common Stock	235 shares
Westpac Banking Corp.	Common Stock	5,625 shares
Weyerhaeuser Co.	Common Stock	20 shares
Wind River Systems Inc.	Common Stock	1,450 shares
Worldcom Inc.	Common Stock	2,560 shares
Worldcom Inc.-MCI Group	Common Stock	1,050 shares
Worldwide Restauarant	Common Stock	2,000 shares
Wyeth	Common Stock	31 shares
Xcel Energy Inc.	Common Stock	200 shares
Xerox Corp.	Common Stock	961 shares
Xilinx Inc.	Common Stock	200 shares
XM Satelte Radio Hldgs	Common Stock	115 shares
Yahoo Inc.	Common Stock	440 shares
Yellow Roadway Corp.	Common Stock	85 shares
Zimmer Holdings Inc.	Common Stock	95 shares
Zurich Finl Svcs	Common Stock	677 shares
Alltel Corp.	Preferred Stock	145 shares
Amerada Hess Corp.	Preferred Stock	155 shares
Baxter International	Preferred Stock	210 shares
Bethlehem Steel Corp.	Preferred Stock	174 shares

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
-----	-----	-----	-----
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	-----	Co
Centurytel Inc.	Preferred Stock	290 shares	\$
Chubb Corp.	Preferred Stock	290 shares	
Constellation Brands Inc.	Preferred Stock	295 shares	
Electronic Data Systems	Preferred Stock	285 shares	
Ford Motor Co.	Preferred Stock	340 shares	
General Motors Corp.	Preferred Stock	555 shares	
Harris Preferred Cap	Preferred Stock	400 shares	
Kerr McKee Corp.	Preferred Stock	160 shares	
MCI Capital	Preferred Stock	500 shares	
* Merrill Lynch	Preferred Stock	3,000 shares	
National Australia Bank	Preferred Stock	660 shares	
Northrop Grumman Corp.	Preferred Stock	60 shares	
Prudential Financial Inc.	Preferred Stock	95 shares	
Raytheon Company	Preferred Stock	120 shares	
Simon Property Group Inc.	Preferred Stock	1,500 shares	

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Teekay Shipping	Preferred Stock	265 shares
Travelers Property	Preferred Stock	300 shares
Xerox Corp.	Preferred Stock	80 shares
Aim	Aggressive Growth Fund	
Aim	Balanced Fund	
Aim	Basic Value Fund	
Aim	Blue Chip Fund	
Aim	Equity Constellation Fund	
Aim	European Growth Fund	
Aim	Premier Equity Fund	
Alger	MidCap Growth Institutional Portfolio	
Alger	LargeCap Growth Fund	
Alger	MidCap Growth Fund	
Alliance	Premier Growth Fund	
Alliance	Technology Fund	
AM Washington Mutual	Investors Fund	
American	Growth Fund of America	
Blackrock	Low Duration Fund	
Capital	World Growth and Income Fund	
Davis	NY Venture Fund	
Federated	European Equity Fund	
Federated	International Small Co. Fund	
Federated	Kaufman Fund	
Fidelity	High Income Fund	
Fidelity	Equity Growth Fund	
Fidelity	MidCap Fund	
Fidelity	Dividend Growth Fund	
Franklin	FlexCap Growth Fund	
Hochkis & Wily	LargeCap Value Fund	
Ing International	SmallCap Growth Fund	
Invesco	Technology Fund	
John Hancock	US Global Lrds Gr Fund	
John Hancock	Bond Fund	
John Hancock	International Fund	
Lord Abbett	Developing Growth Fund	
Mass Investors	Growth Stock Fund	
Mass Investors	Trust Fund	
MFS	High Income Fund	
MFS	MidCap Growth Fund	
MFS	Research Fund	
* Merrill Lynch	Balanced Capital Fund	

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )

( b )

( c )

Identity of Issue, Borrower,  
 Lessor, or Similar Party

Description of Investment Including  
 Maturity Date, Rate of Interest,  
 Collateral, Par, or Maturity Value

( d )

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*	Merrill Lynch	Basic Value Fund	\$
*	Merrill Lynch	Bond Core Fund	
*	Merrill Lynch	Bond High Income Fund	
*	Merrill Lynch	Dragon Fund	
*	Merrill Lynch	Euro Fund	
*	Merrill Lynch	Fundamental Growth Fund	
*	Merrill Lynch	Global Allocation Fund	
*	Merrill Lynch	Global Growth Fund	
*	Merrill Lynch	Global Technology Fund	
*	Merrill Lynch	Global Value Fund	
*	Merrill Lynch	Healthcare Fund	
*	Merrill Lynch	Latin American Fund	
*	Merrill Lynch	Pacific Fund	
*	Merrill Lynch	S&P 500 Index Fund	
*	Merrill Lynch	SmallCap Value Fund	
	Munder	NetNet Fund	
	Oppenheimer	International Growth Fund	
	PIMCO	CCM Capital Appreciation Fund	
	PIMCO	High Yield Fund	
	PIMCO	Innovation Fund	
	PIMCO	Renaissance Fund	
	PIMCO	Real Return Bond Fund	
	PIMCO	SmallCap Value Fund	
	PIMCO	Total Return Fund	
	Pioneer	High Yield Fund	
	Seligman	Communications Information Fund	
	State Street	Government Income Fund	
	Templeton	Developing Markets Fund	
	Templeton	Foreign Fund	
	Managers Fund	Fixed Income Sec Fund	
	Managers	Special Equity Fund	
	Oakmark	Equity and Income Fund	
	Oakmark	Select Fund	
	Van Kampen	Emerging Growth Fund	
	Van Kampen	Comstock Fund	
	Van Kampen	Equity & Income Fund	
	Capital Crossing Bank	Certificate of Deposit	
	Fremont Investment & Loan	Certificate of Deposit	
	CMA	Money Market Fund	
	Federal Home Ln Mtg Corp.	6.875% Due 2010	
	Federal National Mtg Assoc.	6.625% Due 2030	
	Federal National Mtg Assoc.	7.250% Due 2010	
	Federal National Mtg Assoc.	6.125% Due 2012	
	Federal Home Ln Mtg Corp.	6.000% Due 2033	
	Federal National Mtg Assoc.	5.000% Due 2018	
	Federal National Mtg Assoc.	6.500% Due 2032	
	United States Treasury Bond	7.500% Due 2016	
	United States Treasury Bond	5.250% Due 2029	
	United States Treasury Bond	8.125% Due 2021	
	United States Treasury Bond	8.000% Due 2021	
	United States Treasury Note	6.500% Due 2005	
	United States Treasury Note	4.750% Due 2008	
	United States Treasury Note	5.875% Due 2004	
	United States Treasury Note	5.750% Due 2010	
	United States Treasury Note	4.875% Due 2012	
	United States Treasury Note	3.250% Due 2004	

\* Represents parties-in-interest

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ALZA CORPORATION TAX DEFERRAL INVESTMENT PLAN  
 EIN 77-00142070 PLAN NO. 002  
 SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES  
 DECEMBER 31, 2003

( a )	( b )	( c )	( d )
-----	-----	-----	-----
Identity of Issue, Borrower, Lessor, or Similar Party	Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	( d )	Co
Agilent Technologies Inc.	Corporate Bond	VAR%Due 12/1/2021	\$
AT&T Corp.	Corporate Bond	3.250%Due 3/15/2031	
Barnes & Noble Inc.	Corporate Bond	5.250%Due 3/15/2009	
Carnival Corp.	Corporate Bond	2.000%Due 4/15/2021	
Cendant Corp.	Corporate Bond	0.000%Due 2/13/2021	
Centerpoint Energy Inc.	Corporate Bond	2.000%Due 9/15/2029	
Comverse Technology Inc.	Corporate Bond	0.000%Due 5/15/2023	
Countrywide	Corporate Bond	0.000%Due 2/8/2031	
Cypress Semiconductor	Corporate Bond	1.250%Due 6/15/2008	
Duke Energy	Corporate Bond	7.200%Due 9/30/2037	
Enterprise Cap Tr III	Corporate Bond	7.250%Due 6/30/2047	
Enterprise Cap Trsti SRA	Corporate Bond	7.440%Due 3/31/2047	
First Data Corp.	Corporate Bond	2.000%Due 3/1/2008	
Gap Inc.	Corporate Bond	5.750%Due 3/15/2009	
General Mills Inc.	Corporate Bond	0.000%Due 10/28/2022	
Hartford Life	Corporate Bond	7.200%Due 6/30/2038	
Inco Ltd.	Corporate Bond	1.000%Due 3/14/2023	
International Game Technology	Corporate Bond	0.000%Due 1/29/2033	
L-3 Communications Hldg.	Corporate Bond	5.250%Due 6/1/2009	
Manpower Inc.	Corporate Bond	0.000%Due 8/17/2021	
* Merrill Lynch	Corporate Bond	7.000%	
Pep Boys-Manny Moe Jack	Corporate Bond	4.250%Due 6/1/2007	
Photronics Inc.	Corporate Bond	4.750%Due 12/15/2006	
Pride International Inc.	Corporate Bond	2.500%Due 3/1/2007	
Providian Finl Corp.	Corporate Bond	4.000%Due 5/15/2008	
Royal Caribbean Cruise	Corporate Bond	0.000%Due 2/2/2021	
Symantec Corp.	Corporate Bond	3.000%Due 11/1/2006	
Telefonos DE Mexico	Corporate Bond	4.250%Due 6/15/2004	
Teva Pharmaceutical Fin Inv	Corporate Bond	0.750%Due 8/15/2021	
Tyco International Group	Corporate Bond	2.750%Due 1/15/2018	
Unit Washington Mutual	Corporate Bond	5.375%	
Universal Health Servicees	Corporate Bond	0.426%Due 6/23/2020	
USD Stmicroelectronics	Corporate Bond	0.000%Due 7/5/2013	
Walt Disney Company	Corporate Bond	2.125%Due 4/15/2023	
	Total Retirement Cash Management Account		22,
* Participant Loans	6% - 10.5%		
	Total		\$ 104,

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\* Represents parties-in-interest

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CONSENT OF MORRIS, DAVIS & CHAN,  
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 333-87736) of Johnson & Johnson pertaining to the ALZA Corporation Tax Deferral Investment Plan of our report dated June 18, 2004 with respect to the financial statements and schedules of the ALZA Corporation Tax Deferral Investment Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2003.

/s/ Morris, Davis & Chan

June 18, 2004  
Oakland, California