



1st Quarter 2016
Earnings Call Presentation

April 19, 2016



Louise Mehrotra

Vice President
Investor Relations

Note on Forward-Looking Statements

This presentation contains “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995 regarding, among other things, future operating and financial performance, product development, market position and business strategy. The viewer is cautioned not to rely on these forward-looking statements. These statements are based on current expectations of future events. If underlying assumptions prove inaccurate or known or unknown risks or uncertainties materialize, actual results could vary materially from the expectations and projections of Johnson & Johnson. Risks and uncertainties include, but are not limited to, economic factors, such as interest rate and currency exchange rate fluctuations; competition, including technological advances, new products and patents attained by competitors; challenges inherent in new product research and development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; challenges to patents; the impact of patent expirations; the ability of the company to successfully execute strategic plans, including restructuring plans; market conditions and the possibility that the on-going share repurchase program may be suspended or discontinued; the impact of business combinations and divestitures; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including tax laws and global health care reforms; trends toward health care cost containment; changes in behavior and spending patterns or financial distress of purchasers of health care products and services; financial instability of international economies and legal systems and sovereign risk; manufacturing difficulties or delays, internally or within the supply chain; product efficacy or safety concerns resulting in product recalls or regulatory action; increased scrutiny of the health care industry by government agencies; and the potential failure to meet obligations in compliance agreements with government bodies. A further list and description of these risks, uncertainties and other factors can be found in Johnson & Johnson’s Annual Report on Form 10-K for the fiscal year ended January 3, 2016, including in Exhibit 99 thereto, and the company’s subsequent filings with the Securities and Exchange Commission. Copies of these filings are available online at www.sec.gov, www.investor.jnj.com, or on request from Johnson & Johnson. Any forward-looking statement made in this presentation speaks only as of the date of this presentation. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.

Note on Non-GAAP Financial Measures

These presentations refer to certain non-GAAP financial measures. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures.

A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures can be found in the accompanying financial schedules of the earnings release and the Investor Relations section of the Company’s website at www.investor.jnj.com.

Strategic Partnerships, Collaborations and Licensing Arrangements

During the course of this morning's presentation, we will discuss a number of products and compounds developed in collaboration with strategic partners or licensed from other companies. Following is an acknowledgement of those relationships.

Neuroscience: INVEGA SUSTENNA[®]/XEPLION[®]/INVEGA TRINZA[®] includes technology licensed from Alkermes, Inc.; RISPERDAL CONSTA[®] developed in collaboration with Alkermes

Cardiovascular/Metabolism: XARELTO[®] co-developed with Bayer HealthCare; INVOKANA[®]/INVOKAMET[®] licensed from Mitsubishi Tanabe Pharma Corporation

Immunology: REMICADE[®] and SIMPONI[®] marketing partners are Schering-Plough (Ireland) Company, a subsidiary of Merck & Co., Inc. and Mitsubishi Tanabe Pharma Corporation; sirukumab developed in collaboration with GlaxoSmithKline PLC

Infectious Diseases & Virology: OLYSIO[®] in US, GALEXOS[®] in Canada and SOVRIAD[®] in Japan developed in collaboration with Medivir AB; PREZCOBIX[®] / REZOLSTA[®] fixed-dose combination and Rilpivirine +F/TAF FDC developed in collaboration with Gilead Sciences, Inc.

Oncology: VELCADE[®] developed in collaboration with Millennium: The Takeda Oncology Company; IMBRUVICA[®] developed in collaboration with Pharmacyclics Inc, an AbbVie company; DARZALEX[®] licensed from Genmab A/S; ZYTIGA[®] licensed from BTG International Ltd.; YONDELIS[®] developed in collaboration with Pharma Mar S.A.

Orthopaedics: MONOVISC[®]/ORTHOVISC[®] licensed from Anika Therapeutics, Inc.

1st Quarter 2016 Sales by Geographic Area

\$ U.S. Billions, except EPS

% Change

| TOTAL COMPANY | 1Q 2016 | 1Q 2015 | Reported | Operational* |
|---------------------------------|---------------|---------------|--------------|--------------|
| U.S. | \$9.3 | \$8.7 | 7.2 | 7.2 |
| Europe | 3.9 | 4.1 | (4.8) | (0.8) |
| Western Hemisphere (ex U.S.) | 1.3 | 1.6 | (18.8) | (0.6) |
| Asia-Pacific, Africa | 3.0 | 3.0 | (0.7) | 3.0 |
| International | 8.2 | 8.7 | (6.0) | 0.6 |
| Worldwide (WW) | \$17.5 | \$17.4 | 0.6 | 3.9 |

* Excludes impact of translational currency

1st Quarter 2016 Financial Highlights

\$ U.S. Billions, except EPS

| | 1Q 2016 | 1Q 2015 | % Change |
|---------------------|---------|---------|------------------------|
| Sales | \$17.5 | \$17.4 | 0.6 Total 3.9 Ops* |
| GAAP Earnings | 4.3 | 4.3 | (0.6) |
| GAAP EPS | 1.54 | 1.53 | 0.7 |
| Adjusted Earnings** | 4.7 | 4.4 | 6.1 |
| Adjusted EPS** | 1.68 | 1.56 | 7.7 Total 10.3 Ops* |

* Excludes impact of translational currency

** Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation

Consumer Highlights – 1st Quarter 2016

Sales: \$3.2B

Ops Change*: WW (0.2%), U.S. (0.1%), Int'l (0.3%)

| CONSUMER SEGMENT | TOTAL WW SALES \$MM | REPORTED % GROWTH | OPERATIONAL % GROWTH* |
|-----------------------|---------------------|-------------------|-----------------------|
| Baby Care | \$451 | (11.7%) | (3.0%) |
| Oral Care | 385 | (4.5) | 1.1 |
| OTC | 1,019 | 2.6 | 7.3 |
| Skin Care | 862 | (4.5) | (0.7) |
| Women's Health | 251 | (12.5) | (0.9) |
| Wound Care/Other | 227 | (22.5) | (19.7) |
| Total Consumer | \$3,195 | (5.8%) | (0.2%) |

Key Drivers of Operational Performance*

- **Baby Care**
 - Venezuela devaluation impact ~2% WW. Soft sales in China & competitive pressure
- **Oral Care**
 - Venezuela devaluation impact ~6% WW. LISTERINE® Successful marketing campaigns & new products
- **OTC**
 - Analgesics growth WW +18%; U.S. +19%; OUS +16%
U.S. adult \$ share ~14%
U.S. pediatric \$ share ~46%
 - U.S. includes seasonal and new product inventory build for upper respiratory & analgesics
 - OUS growth impacted by 4th quarter distributor inventory build & mild flu season
- **Skin Care**
 - U.S. negatively impacted by timing of shipments
 - OUS new products offset by soft sales in China
- **Women's Health**
 - Venezuela devaluation impact ~10% WW.
 - OUS new products & sales momentum
- **Wound Care/Other**
 - Excluding divestitures +~3%
- **Total Consumer**
 - Excl. net impact of Acq./Div.**, WW growth +1.9%, U.S. +4.1%, OUS +0.5%
 - Venezuela devaluation negatively impacted operational WW growth by ~200 basis points and OUS by ~320 basis points

Johnson's

Neutrogena

Clean Clear

Aveeno
ACTIVE NATURALS

LE PETIT MARSEILLAIS
Baby Diapers

Carefree

LISTERINE

BAND-AID
BRAND ADHESIVE BANDAGES

ZYRTEC

Benadryl

TYLENOL

Motrin_{ib}

* Excludes impact of translational currency ** Non-GAAP measure; see reconciliation

Pharmaceutical Highlights – 1st Quarter 2016

Sales: \$8.2B

Ops Change*: WW 8.5%, U.S. 12.9%, Int'l 2.6%

| PHARMACEUTICAL SEGMENT | TOTAL WW SALES \$MM | REPORTED % GROWTH | OPERATIONAL % GROWTH* |
|--------------------------------------|---------------------|-------------------|-----------------------|
| Immunology | \$2,910 | 18.1% | 20.5% |
| Infectious Diseases | 776 | (20.4) | (18.2) |
| Neuroscience | 1,549 | (4.3) | (1.4) |
| Oncology | 1,354 | 22.2 | 26.3 |
| Cardiovascular/ Metabolism/ Other | 1,589 | 1.7 | 3.6 |
| Total Pharma | \$8,178 | 5.9% | 8.5% |

Key Drivers of Operational Performance*

• Immunology

- Strong U.S. immunology market growth and increased penetration of SIMPONI ARIA®. Gross to net adjustment impacted STELARA® growth by +16% & REMICADE® by +3%
- OUS - Strong results in all major regions
- REMICADE® OUS direct market sales +17%

• Infectious Diseases

- Lower sales of hepatitis C products due to competitive launches

• Neuroscience

- Long-acting injectable products growth WW +14%
- U.S. +20% - Uptake of INVEGA TRINZA®;
- OUS +8% – Success of XEPLION®
- Lower sales of INVEGA® due to generic entry

• Oncology

- Strong sales of IMBRUVICA® due to increased patient uptake, additional country launches; U.S. share leader 2nd line CLL & MCL
- Rapid uptake of DARZALEX®
- ZYTIGA® strong U.S. market growth partially offset by share decline; OUS strong sales in Asia Pac/Africa offset by lower sales in Europe due to increased competition

• Cardiovascular / Metabolism / Other

- INVOKANA®/INVOKAMET® TRx share 6.1% in defined U.S. T2D market and ~12% TRx share with endocrinologists
- XARELTO® continued novel oral anticoagulant U.S. market leadership; 16.6% TRx share of broader oral anticoagulant market

• Total Pharmaceutical

- Excl. net impact of Acq/Div and Hep C sales**, WW growth +12.3%, U.S. +16.2% and OUS +7.1%



* Excludes impact of translational currency ** Non-GAAP measure; see reconciliation



Medical Devices Highlights – 1st Quarter 2016

Sales: \$6.1B

Ops Change*: WW 0.5%, U.S. 2.2%, Int'l (1.0%)

| MEDICAL DEVICES SEGMENT | TOTAL WW SALES \$MM | REPORTED % GROWTH | OPERATIONAL % GROWTH* |
|-------------------------|---------------------|-------------------|-----------------------|
| Cardiovascular | \$443 | (16.3%) | (14.4%) |
| Diabetes | 429 | (11.4) | (8.2) |
| Diagnostics | 28 | N/M | N/M |
| Orthopaedics | 2,341 | 0.6 | 3.0 |
| Hips | 342 | 2.7 | 5.4 |
| Knees | 389 | 3.5 | 5.7 |
| Trauma | 642 | (2.1) | 0.4 |
| Spine & Other | 968 | 0.5 | 2.8 |
| Surgery | 2,228 | (1.2) | 2.3 |
| Advanced | 816 | 6.0 | 9.7 |
| General | 1,070 | (5.6) | (2.1) |
| Specialty | 342 | (3.1) | (0.1) |
| Vision Care | 640 | 1.4 | 4.1 |
| Total Med Dev | \$6,109 | (2.4%) | 0.5% |

Key Drivers of Operational Performance*

- **Cardiovascular**
 - WW electrophysiology +19%; strong market growth, new product launches & increased penetration for both ultrasound and diagnostic catheters
 - Impacted by divestiture of Cordis business in 4Q 2015
- **Diabetes**
 - U.S. impacted by negative price and competitive pump launches
 - OUS impacted by category softness in Europe partially offset by strength of VIBE
- **Diagnostics**
 - Divestiture of Ortho-Clinical Diagnostics in June 2014
- **Orthopaedics**
 - Hips – driven by primary stem platform
 - Knees – strong sales of ATTUNE® Knee System
 - Trauma – success of TFNA nail
 - Spine & Other - ORTHOVISC® /MONOVISC® strong contributor to growth; WW Spine +2, U.S. +6%, OUS (4%),
- **Orthopaedics (cont.)**
 - OUS negatively impacted by a reduction in inventory levels primarily in China and timing of tenders
 - Pricing pressure across major categories partially offset by mix for Trauma & Spine
- **Surgery**
 - Advanced – endocutters +10%, biosurgicals +8%, energy +8%
 - General – Lower sales of women's health & urology
 - Specialty – growth driven by Mentor partially offset by lower growth for ASP due to divestiture
- **Vision Care**
 - Share growth due to success of new products
 - Growth in U.S. impacted by 4th quarter trade inventory build
- **Total Medical Devices**
 - Excl. net impact of Acq./Div.**, WW growth +3.0%, U.S. +3.3%, OUS +2.8%

* Excludes impact of translational currency

** Non-GAAP measure; see reconciliation





Dominic Caruso

Executive Vice President,
Chief Financial Officer

Important Developments in 1st Quarter 2016

Pharmaceutical:

- U.S. Food and Drug Administration (FDA) approval of IMBRUVICA[®] (ibrutinib) for first-line treatment of chronic lymphocytic leukemia
- Committee for Medicinal Products for Human Use (CHMP) issued a positive opinion recommending a conditional marketing authorization for DARZALEX[®] (daratumumab) for relapsed refractory multiple myeloma
- CHMP issued a positive opinion recommending a marketing authorization for TREVICTA[®] (paliperidone palmitate a 3-monthly injection) for the maintenance treatment of schizophrenia
- Entered into a worldwide collaboration and license agreement with TESARO, Inc. for exclusive rights to the investigational compound niraparib in prostate cancer*

Medical Devices:

- Completion of the acquisition of NeuWave Medical Inc.*
- LifeScan announced strategic collaboration with WellDoc Corporation to advance mobile care solutions for Type 2 diabetes patients

* Q2 2016 event

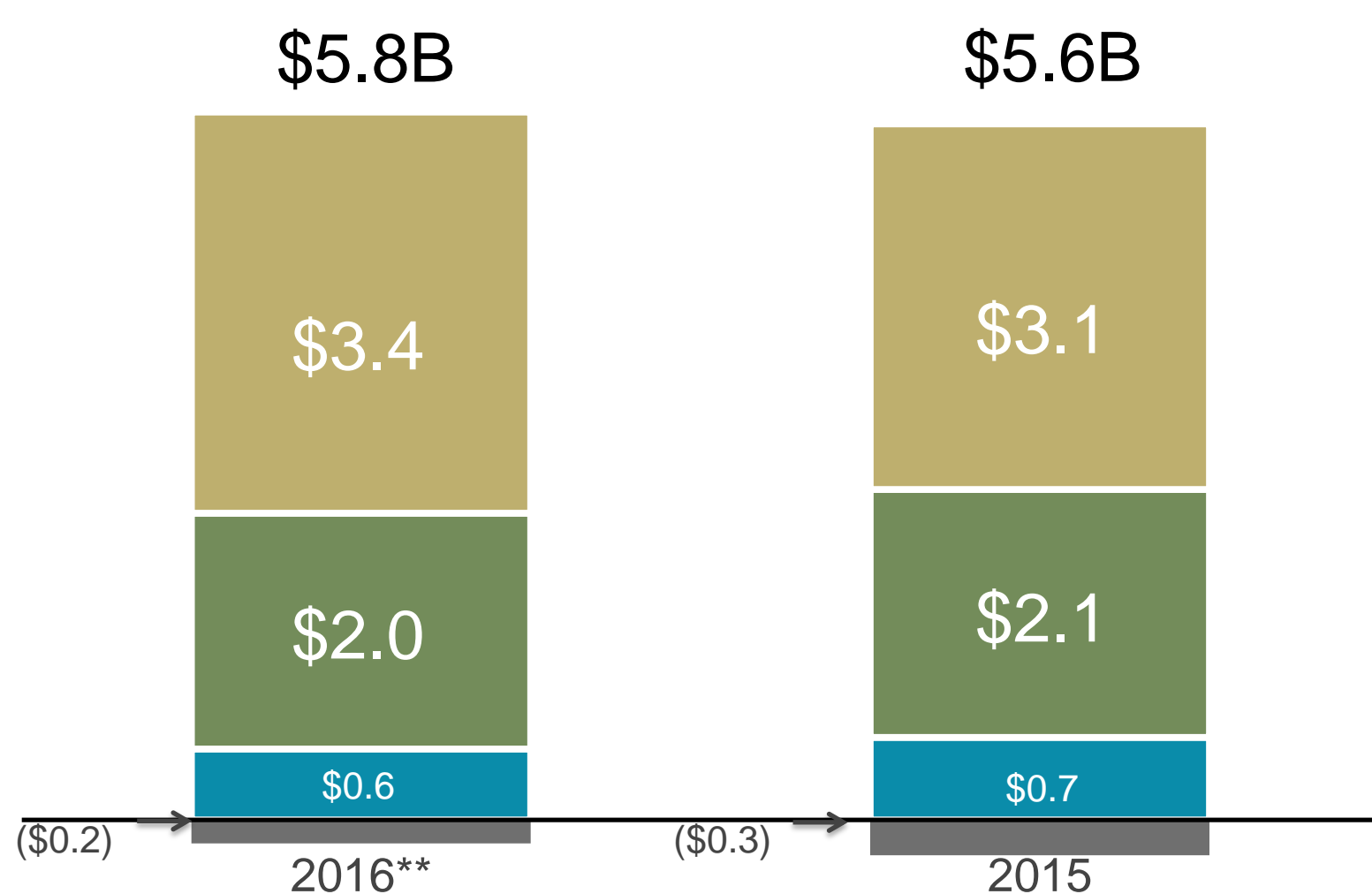
1st Quarter 2016 Condensed Consolidated Statement of Earnings

(Unaudited; Dollars and Shares in Millions Except Per Share Figures)

| | FIRST QUARTER | | | | |
|---|---------------|---------------------|-----------|---------------------|-----------------------------------|
| | 2016 | | 2015 | | Percent Increase (Decrease) |
| | Amount | Percent to Sales | Amount | Percent to Sales | |
| (Unaudited; in Millions Except Per Share Figures) | | | | | |
| Sales to customers | \$ 17,482 | 100.0 | \$ 17,374 | 100.0 | 0.6 |
| Cost of products sold | 5,329 | 30.5 | 5,282 | 30.4 | 0.9 |
| Selling, marketing and administrative expenses | 4,688 | 26.8 | 4,847 | 27.9 | (3.3) |
| Research and development expense | 2,013 | 11.5 | 1,899 | 10.9 | 6.0 |
| Interest (income) expense, net | 77 | 0.4 | 119 | 0.7 | |
| Other (income) expense, net | (39) | (0.2) | (348) | (2.0) | |
| Restructuring | 120 | 0.7 | - | - | |
| Earnings before provision for taxes on income | 5,294 | 30.3 | 5,575 | 32.1 | (5.0) |
| Provision for taxes on income | 1,002 | 5.7 | 1,255 | 7.2 | (20.2) |
| Net earnings | 4,292 | 24.6 | 4,320 | 24.9 | (0.6) |
| Net earnings per share (Diluted) | \$ 1.54 | | \$ 1.53 | | 0.7 |
| Average shares outstanding (Diluted) | 2,795.4 | | 2,826.0 | | |
| Effective tax rate | 18.9 % | | 22.5 % | | |
| Adjusted earnings before provision for taxes and net earnings ⁽¹⁾ | | | | | |
| Earnings before provision for taxes on income | \$ 5,801 | 33.2 | \$ 5,630 | 32.4 | 3.0 |
| Net earnings | \$ 4,689 | 26.8 | \$ 4,418 | 25.4 | 6.1 |
| Net earnings per share (Diluted) | \$ 1.68 | | \$ 1.56 | | 7.7 |
| Effective tax rate | 19.2 % | | 21.5 % | | |

⁽¹⁾ See Reconciliation of Non-GAAP Financial Measures.

1Q 2016 – Adjusted Income Before Tax by Segment*



| | 2016 | 2015 |
|-----------------|-------|-------|
| Pharmaceutical | 41.0% | 40.7% |
| Medical Devices | 33.5% | 32.9% |
| Consumer | 18.7% | 20.0% |
| Total | 33.2% | 32.4% |

- Pharmaceutical
- Medical Devices
- Consumer
- Expenses Not Allocated to Segments

* Non-GAAP measure; excludes amortization expense and special items; see reconciliation at www.investor.jnj.com

** Estimated as of 4/19/16.

2016 Guidance

| | APRIL 2016 | JANUARY 2016 |
|-----------------------------------|-------------------------------|-------------------------------|
| Net Interest Expense | \$450 - \$550 million | \$450 - \$550 million |
| Net Other Income* | \$1.1 - \$1.2 billion | \$1.1 - \$1.2 billion |
| Pre-tax Operating Margin** | > 200 basis point improvement | > 200 basis point improvement |
| Effective Tax Rate* | 19.0% - 20.0% | 19.5% - 20.5% |

* Non-GAAP measure; excludes intangible amortization expense and special items

** Sales less: COGS, SM&A and R&D expenses

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2016 Guidance – Sales

| APRIL 2016 | ESTIMATED OPERATIONAL* | ESTIMATED CURRENCY | ESTIMATED REPORTED** |
|---|----------------------------------|--------------------|----------------------------------|
| Sales Change vs. PY | \$71.9B - \$72.6B 2.5% - 3.5% | (\$0.7B) (1.0%) | \$71.2B - \$71.9B 1.5% - 2.5% |
| <i>Net Impact: Acq./Div. and Hep C</i> | 2.0 – 2.5% | | |
| Sales ex. Acq./Div. & Hep C Change vs. PY | 4.5% - 6.0% | | |

| JANUARY 2016 | ESTIMATED OPERATIONAL* | ESTIMATED CURRENCY | ESTIMATED REPORTED** |
|---|----------------------------------|--------------------|----------------------------------|
| Sales Change vs. PY | \$71.9B - \$72.6B 2.5% - 3.5% | (\$1.1B) (1.5%) | \$70.8B - \$71.5B 1.0% - 2.0% |
| <i>Net Impact: Acq./Div. and Hep C</i> | 2.0 - 2.5% | | |
| Sales ex. Acq./Div. & Hep C Change vs. PY | 4.5% - 6.0% | | |

* Excludes the impact of translational currency

** Euro Average Rate: Apr 2016 = \$1.13

2016 Guidance – EPS

| APRIL 2016 | ESTIMATED OPERATIONAL** | ESTIMATED CURRENCY | ESTIMATED REPORTED*** |
|-----------------------------|--------------------------------|--------------------|--------------------------------|
| Adjusted EPS* Change vs. PY | \$6.56 - \$6.71 5.8% - 8.2% | (\$0.03) (0.5%) | \$6.53 - \$6.68 5.3% - 7.7% |

| JANUARY 2016 | ESTIMATED OPERATIONAL** | ESTIMATED CURRENCY | ESTIMATED REPORTED*** |
|-----------------------------|--------------------------------|--------------------|--------------------------------|
| Adjusted EPS* Change vs. PY | \$6.53 - \$6.68 5.3% - 7.7% | (\$0.10) (1.6%) | \$6.43 - \$6.58 3.7% - 6.1% |

* Non-GAAP measure; excludes intangible amortization expense and special items

** Excludes the impact of translational currency

*** Euro Average Rate: Apr 2016 = 1.13

2016 Guidance – Sales and EPS Summary

| APRIL 2016 | ESTIMATED OPERATIONAL ¹ | ESTIMATED CURRENCY | ESTIMATED REPORTED ² |
|---|------------------------------------|--------------------|----------------------------------|
| Sales Change vs. PY | \$71.9B - \$72.6B 2.5% - 3.5% | (\$0.7B) (1.0%) | \$71.2B - \$71.9B 1.5% - 2.5% |
| Sales ex. Acq./Div. & Hep C Change vs. PY ³ | 4.5% - 6.0% | | |
| Adjusted EPS ⁴ Change vs. PY | \$6.56 - \$6.71 5.8% - 8.2% | (\$0.03) (0.5%) | \$6.53 - \$6.68 5.3% - 7.7% |
| Pre-tax Operating Margin ⁵ | > 200 basis point improvement | | |

¹ Excludes the impact of translational currency

² Euro Average Rate: Apr 2016 = 1.13

³ Excludes Acq./Div & Hep C impact of 2.0% to 2.5%

⁴ Non-GAAP measure; excludes intangible amortization expense and special items

⁵ Sales less: COGS, SM&A and R&D expenses

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Save the Date

**Consumer and Medical Device
Business Review**

Wednesday, May 18, 2016

Hyatt Regency, New Brunswick