



1st Quarter 2015
Earnings Call Presentation

April 14, 2015



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Vice President
Investor Relations

Note on Forward-Looking Statements

These presentations contain “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 and uncertainties inherent in new product development, including uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; the ability of the company to successfully execute strategic plans; impact of business combinations and divestitures; challenges to patents; the impact of patent expirations; significant adverse litigation or government action, including related to product liability claims; changes to applicable laws and regulations, including 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 December 28, 2014, including 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 these presentations speaks only as of the date of these presentations. Johnson & Johnson does not undertake to update any forward-looking statements 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.

1st Quarter 2015 Sales by Geographic Area

\$ U.S. Billions

% Change

TOTAL COMPANY	1Q 2015	1Q 2014	Reported	Operational*
U.S.	\$8.7	\$8.2	5.9%	5.9%
Europe	4.1	4.9	(17.3)	0.3
Western Hemisphere (ex U.S.)	1.6	1.7	(3.3)	9.9
Asia-Pacific, Africa	3.0	3.3	(9.8)	(3.0)
International	8.7	9.9	(12.4)	0.8
Worldwide (WW)	\$17.4	\$18.1	(4.1%)	3.1%

* Excludes impact of currency translation

1st Quarter 2015 Financial Highlights

\$ U.S. Billions, except EPS

	1Q 2015	1Q 2014	% Change
Sales	\$17.4	\$18.1	(4.1) Total 3.1 Ops*
GAAP Earnings	4.3	4.7	(8.6)
GAAP EPS	1.53	1.64	(6.7)
Adjusted Earnings**	4.4	4.7	(5.9)
Adjusted EPS**	1.56	1.63	(4.3) Total 3.7 Ops*

* Excludes impact of currency translation

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

Consumer Highlights – 1st Quarter 2015

Sales: \$3.4B

Ops Change*: WW 3.4%, U.S. 3.8%, Int'l 3.1%

CONSUMER SEGMENT	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH*
Baby Care	\$511	(6.2%)	1.0%
Oral Care	403	(1.9)	5.0
OTC	993	(1.8)	9.6
Skin Care	903	(1.2)	4.6
Women's Health	287	(12.2)	(0.4)
Wound Care/Other	293	(16.0)	(12.1)
Total Consumer	\$3,390	(4.7%)	3.4%

Key Drivers of Operational Performance*

- **Baby Care**

- Driven by U.S. cleansers & lotions

- **Oral Care**

- LISTERINE® new products & successful marketing campaigns OUS

- **OTC**

- Analgesics WW growth driven by US share increases; US adult share was ~12% and pediatric share was ~43%
- New products and re-launches in Digestive Health, Anti-smoking & ROGAINE®

- **Skin Care**

- NEUTROGENA® & AVEENO® driven by market growth and U.S. trade inventory build

- **Women's Health**

- Divestiture of North American sanitary protection & intimate health business
- New products & successful marketing campaigns OUS

- **Wound Care/Other**

- BENECOL® divestiture OUS in November 2014
- Lower U.S. sales of Nutritionals

- **Total Consumer**

- Excl. net impact of Acq./Div.**, WW growth +4.7%, U.S. +5.1%, OUS +4.5%



Neutrogena



Aveeno
ACTIVE NATURALS



Carefree

LISTERINE

BAND-AID
BRAND ADHESIVE BANDAGES



Benadryl

TYLENOL

Motrin_{IB}

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

Pharmaceutical Highlights – 1st Quarter 2015

Sales: \$7.7B

Ops Change*: WW 10.2%, U.S. 16.9%, Int'l 3.7%

PHARMACEUTICAL SEGMENT	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH*
Immunology	\$2,463	5.1%	9.9%
Infectious Diseases	975	(18.8)	(10.2)
Neuroscience	1,618	(1.2)	7.1
Oncology	1,108	8.4	21.2
Cardiovascular / Metabolism / Other **	1,562	20.6	25.1
Total Pharma	\$7,726	3.0%	10.2%

Key Drivers of Operational Performance*

• Immunology

- Strong immunology market growth and increased market share for STELARA® & SIMPONIARIA®
- Combined US export/international sales of REMICADE® declined 2% Strong growth in Canada offset by lower sales to distribution partners

• Infectious Diseases

- Lower sales of hepatitis C products due to competitive launches

• Neuroscience

- Long-acting injectable products growth of +6% WW, +15% U.S.
- CONCERTA® positive impact of reclassification of generic competitor products in U.S.

• Oncology

- ZYTIGA® strong market growth partially offset by share decline in U.S.; OUS increase due to increased penetration and additional country launches

• Oncology (cont.)

- Strong sales of IMBRUVICA® - new indications and additional country launches

• Cardiovascular / Metabolism / Other**

- XARELTO® continued novel oral anticoagulant U.S. market leadership with 57% market share; 15% share of broader oral anticoagulant market
- INVOKANA®/INVOKAMET™ achieved ~5% in defined U.S. T2D market and ~12% share with endocrinologists

• Total Pharmaceutical

- Excluding Hep C sales, WW growth ~+13%, U.S. ~+24% and OUS ~+3%



* Excludes impact of currency translation

** Previously referred to as Other



Medical Devices Highlights – 1st Quarter 2015

Sales: \$6.3B

Ops Change*: WW (4.6%), U.S. (6.1%), Int'l (3.3%)

MEDICAL DEVICES SEGMENT	TOTAL WW SALES \$MM	REPORTED % GROWTH	OPERATIONAL % GROWTH*
Cardiovascular	\$529	(2.2%)	6.4%
Diabetes	484	(5.5)	4.2
Diagnostics	30	(93.2)	(91.8)
Orthopaedics	2,328	(3.8)	2.1
Specialty Surgery/Other	833	(4.7)	1.8
Surgical Care	1,423	(5.6)	2.3
Vision Care	631	(17.1)	(9.0)
Total Med Dev	\$6,258	(11.4%)	(4.6%)

Key Drivers of Operational Performance*

• Cardiovascular

- Electrophysiology +12%; driven by strong growth of THERMOCOOL SMARTTOUCH® Contact Force Sensing Catheter

• Diabetes

- Strong double digit growth driven by the launch of ANIMAS® VIBE™ in U.S. and expanded pediatric indications OUS

• Diagnostics

- Divestiture of Ortho-Clinical Diagnostics in June 2014

• Orthopaedics

- Hips +3% WW: Primary stem platform sales major contributor
- Knees +1% WW: Successful launch of ATTUNE® Knee System partially offset by lower estimated market growth in Europe
- Trauma +3% WW driven by 7% growth OUS due to strong volume growth including a tender

• Orthopaedics (cont.)

- Orthovisc/Monovisc strong contributor to growth
- Pricing pressure across major categories

• Specialty Surgery/Other

- WW Biosurgery of +7% driven by OUS growth of +11% & WW Energy +4% due to new products and increased penetration

• Surgical Care

- Strong suture growth and new products in the ECHELON FLEX™ family partially offset by lower sales in Women's Health

• Vision Care

- Continuing impact of competitive pricing dynamics coupled with the impact of buying patterns

• Total Medical Devices

- Excl. net impact of Acq./Div.**, WW growth +1.3%, U.S. +1.1%, OUS +1.5%



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





Dominic Caruso

Vice President, Finance

&

Chief Financial Officer

Important Developments in 1st Quarter 2015

Pharmaceuticals:

- U.S. label update approved for ZYTIGA[®] to include statistically significant overall survival results in chemotherapy-naïve men with metastatic castration-resistant prostate cancer
- The U.S. Food and Drug Administration (FDA) has approved IMBRUVICA[®] (ibrutinib) as the first therapy indicated specifically for patients with Waldenström's macroglobulinemia
- PREZCOBIX[™] (darunavir/cobicistat) approved in the U.S. for the treatment of human immunodeficiency virus (HIV-1) in combination with other antiretroviral agents for treatment-naïve and treatment-experienced adults with no darunavir resistance-associated substitutions
- VELCADE[®] (bortezomib) received an additional indication approval by the European Commission, in combination with rituximab, cyclophosphamide, doxorubicin and prednisone for the treatment of adult patients with previously untreated mantle cell lymphoma (MCL) who are unsuitable for blood stem-cell transplantation
- Acquired XO1 Limited, a privately-held biopharmaceutical company founded to develop the anti-thrombin antibody ichorcumab
- Completed divestiture of U.S. license rights to NUCYNTA[®] (tapentadol), NUCYNTA[®] ER (tapentadol) extended-release tablets and NUCYNTA[®] (tapentadol) oral solution to Depomed, Inc. for \$1.05 billion*

Medical Devices:

- Received binding offer from Cardinal Health to acquire the Cordis business for an aggregate value of \$1.99 billion; the proposed transaction would be expected to close towards the end of 2015
- EVARREST[®] Fibrin Sealant Patch gained an additional indication approval by the FDA as an adjunct to hemostasis for control of bleeding during adult liver surgery
- Executed a definitive agreement to enter into a strategic collaboration with Google, Inc., working with their Life Sciences team on advancing surgical robotics to benefit surgeons, patients and health care systems

* Q2 2015 event announced in April, 2015

1st Quarter 2015 Condensed Consolidated Statement of Earnings

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

	2015		2014		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 17,374	100.0	\$ 18,115	100.0	(4.1)
Cost of products sold	5,282	30.4	5,455	30.1	(3.2)
Selling, marketing and administrative expenses	4,847	27.9	5,183	28.6	(6.5)
Research and development expense	1,899	10.9	1,831	10.1	3.7
In-process research and development	-	-	18	0.1	
Interest (income) expense, net	119	0.7	118	0.7	
Other (income) expense, net	(348)	(2.0)	86	0.5	
Earnings before provision for taxes on income	5,575	32.1	5,424	29.9	2.8
Provision for taxes on income	1,255	7.2	697	3.8	80.1
Net earnings	4,320	24.9	4,727	26.1	(8.6)
Net earnings per share (Diluted)	\$ 1.53		\$ 1.64		(6.7)
Average shares outstanding (Diluted)	2,826.0		2,874.7		
Effective tax rate	22.5 %		12.9 %		
Adjusted earnings before provision for taxes and net earnings ⁽¹⁾					
Earnings before provision for taxes on income	\$ 5,630	32.4	\$ 5,928	32.7	(5.0)
Net earnings	\$ 4,418	25.4	\$ 4,693	25.9	(5.9)
Net earnings per share (Diluted)	\$ 1.56		\$ 1.63		(4.3)
Effective tax rate	21.5 %		20.8 %		

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

2015 Guidance

	APRIL 2015	JANUARY 2015
Net Interest Expense	\$450 - \$550 million	\$450 - \$550 million
Net Other Income*	\$2.0 - \$2.1 billion	\$1.5 - \$1.6 billion
Effective Tax Rate*	21% - 22%	20% - 21%

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

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2015 Guidance – Sales

APRIL 2015	ESTIMATED OPERATIONAL AT CONSTANT CURRENCY	ESTIMATED CURRENCY	ESTIMATED REPORTED*
Sales % Change vs. PY	\$75.0B - \$76.0B 1.0% - 2.0%	(\$5.0B) (7.0%)	\$70.0B - \$71.0B (6.0%) – (5.0%)
<i>Net Impact: Acq./Div. and Hep C</i>	4.5%		
Sales ex. Acq./Div. & Hep C % Change vs. PY	5.5% - 6.5%		

JANUARY 2015	ESTIMATED OPERATIONAL AT CONSTANT CURRENCY	ESTIMATED CURRENCY	ESTIMATED REPORTED*
Sales % Change vs. PY	\$75.0B - \$76.0B 1.0% - 2.0%	(\$4.0B) (5.5%)	\$71.0B - \$72.0B (4.5%) – (3.5%)
<i>Net Impact: Acq./Div. and Hep C</i>	4.5%		
Sales ex. Acq./Div. & Hep C % Change vs. PY	5.5% - 6.5%		

* Euro Average Rate: April 2015 = 1.10; January 2015 = 1.18

2015 Guidance – EPS

APRIL 2015	ESTIMATED OPERATIONAL AT CONSTANT CURRENCY	ESTIMATED CURRENCY	ESTIMATED REPORTED**
Adjusted EPS* % Change vs. PY	\$6.64 - \$6.79 3.9% - 6.3%	(\$0.60) (9.4%)	\$6.04 - \$6.19 (5.5%) - (3.1%)

JANUARY 2015	ESTIMATED OPERATIONAL AT CONSTANT CURRENCY	ESTIMATED CURRENCY	ESTIMATED REPORTED**
Adjusted EPS* % Change vs. PY	\$6.54 - \$6.69 2.3% - 4.7%	(\$0.42) (6.6%)	\$6.12 - \$6.27 (4.3%) - (1.9%)

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

** Euro Average Rate: April 2015 = 1.10; January 2015 = 1.18

2015 Guidance – Sales and EPS Summary

APRIL 2015	ESTIMATED OPERATIONAL AT CONSTANT CURRENCY	ESTIMATED CURRENCY	ESTIMATED REPORTED**
Sales % Change vs. PY	\$75.0B - \$76.0B 1.0% - 2.0%	(\$5.0B) (7.0%)	\$70.0B - \$71.0B (6.0%) - (5.0%)
Adjusted EPS* % Change vs. PY	\$6.64 - \$6.79 3.9% - 6.3%	(\$0.60) (9.4%)	\$6.04 - \$6.19 (5.5%) - (3.1%)

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

** Euro Average Rate: April 2015 = 1.10

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Save the Date

**Pharmaceutical
Business Review**

Wednesday, May 20, 2015
Hyatt Regency, New Brunswick