



1st Quarter 2014
Earnings Call Presentation

Dominic Caruso
Vice President, Finance & Chief Financial Officer

Louise Mehrotra
Vice President, Investor Relations

“Safe Harbor” Statement

These presentations contain “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. 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 development, including obtaining regulatory approvals; challenges to patents; significant adverse litigation or government action; impact of business combinations; financial distress and bankruptcies experienced by significant customers and suppliers; changes to governmental laws and regulations and domestic and foreign health care reforms; trends toward health care cost containment; increased scrutiny of the health care industry by government agencies; changes in behavior and spending patterns of purchasers of health care products and services; financial instability of international economies and sovereign risk; disruptions due to natural disasters; manufacturing difficulties or delays; and product efficacy or safety concerns resulting in product recalls or regulatory action. 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 29, 2013, including Exhibit 99 thereto. Copies of this Form 10-K, as well as subsequent 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 on which it is made. 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 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 presentations, 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[®] includes technology licensed from Alkermes, Inc.; RISPERDAL[®] CONSTA[®] developed in collaboration with Alkermes, Inc. NUCYNTA[®] and NUCYNTA[®] ER were licensed from Grunenthal and co-developed by Janssen and Grunenthal

Cardiovascular/Metabolism: XARELTO[®] co-developed with Bayer HealthCare; INVOKANA[®] 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; ASP015K licensed from Astellas Pharma Inc.

Infectious Diseases & Virology: OLYSIO[™] in US, GALEXOS[™] in Canada and SOVRIAD[™] in Japan (simeprevir) developed in collaboration with Medivir AB; INCIVO[®] developed by Janssen in collaboration with Vertex Pharmaceuticals

Oncology: VELCADE[®] developed in collaboration with Millennium: The Takeda Oncology Company; IMBRUVICA[™] (ibrutinib) developed in collaboration with Pharmacyclics, Inc.; daratumumab licensed from Genmab A/S; ZYTIGA[®] licensed from BTG International Ltd.; YONDELIS[®] developed in collaboration with Pharma Mar S.A.

1st Quarter 2014 Sales by Geographic Area

\$ US Billions

% Change

TOTAL COMPANY	1Q 2014	1Q 2013	Reported	Operational
U.S.	\$8.2	\$8.0	2.2%	2.2%
Europe	4.9	4.5	9.0	6.6
Western Hemisphere (ex U.S.)	1.7	1.8	(4.9)	7.1
Asia-Pacific, Africa	3.3	3.2	3.6	10.3
International	9.9	9.5	4.5	7.9
Worldwide	\$18.1	\$17.5	3.5%	5.3%

1st Quarter 2014 Financial Highlights

% Change

TOTAL COMPANY	1Q 2014	1Q 2013	Reported	Operational
Sales	\$18.1B	\$17.5B	3.5%	5.3%
GAAP Earnings	\$4.7B	\$3.5B	35.2%	
GAAP EPS	\$1.64	\$1.22	34.4%	
Adjusted Earnings*	\$4.4B	\$4.1B	7.8%	
Adjusted EPS*	\$1.54	\$1.44	6.9%	

* Non-GAAP measure; excludes special items

Consumer Highlights

1st Quarter 2014 Sales: \$3.6 B

Ops Change: WW (0.6%) , US (2.9%), Int'l 0.7%

Consumer Segment	Total Worldwide (WW) Sales \$MM	Reported % Growth	Operational % Growth
Baby Care	\$545	(3.4%)	1.7%
Oral Care	411	2.0	4.7
OTC	1,011	(3.1)	(1.2)
Skin Care	914	1.3	2.7
Women's Health	327	(18.5)	(13.4)
Wound Care/Other	349	(3.6)	(2.6)
Total Consumer	\$3,557	(3.2%)	(0.6%)

Key Drivers of Operational Performance

- **Baby Care**
 - Strong growth of ELSKER™ baby products and hair care products
- **Oral Care**
 - LISTERINE® new product launches and successful marketing campaigns
- **OTC**
 - US launch of ZYRTEC® Dissolve Tabs
 - Lower sales of cold and flu products due to weaker flu season
- **Skin Care**
 - AVEENO® & DABAO® new product launches supported by robust marketing campaigns
- **Women's Health**
 - Divestiture of North American sanitary protection business
- **Wound Care/Other**
 - Lower sales of nutritional products
- **Total Consumer**
 - ~ 1% WW growth excluding the net impact of acquisitions/divestitures



Pharmaceutical Highlights

1st Quarter 2014 Sales: \$7.5 B
 Ops Change: WW 12.2%, US 7.7%, Int'l 16.9%

Pharm Segment	Total Worldwide (WW) Sales \$MM	Reported % Growth	Operational % Growth
Immunology	\$2,343	6.3%	7.8%
Infectious Diseases	1,200	47.2	48.0
Neuroscience	1,638	(6.1)	(4.0)
Oncology	1,022	28.7	30.2
Other	1,295	6.9	7.6
Total Pharmaceutical	\$7,498	10.8%	12.2%

Key Drivers of Operational Performance

- Immunology**
 - 2013 positively impacted by Managed Medicaid Adjustment (MMA) Excluding the MMA impact, WW growth was ~12%
 - Strong immunology market growth and increased market share for STELARA® & SIMPONI®
- Infectious Diseases**
 - Strong sales of recently launched OLYSIO™/SOVRIAD™
 - Strong sales for PREZISTA® & EDURANT®
 - Lower sales of INCIVO® due to competitive pressures
- Neuroscience**
 - Excluding the impact of the 2013 MMA, WW growth was ~1%
 - Long acting injectable products growth of over 11%
 - Lower sales of CONCERTA® due to continued generic competition
- Oncology**
 - ZYTIGA® - market growth & increased market share
 - VELCADE® - strong patient share; launch of subcutaneous formulation
- Other**
 - Strong sales for XARELTO® & INVOKANA®
 - Lower sales of ACIPHEX® due to generic competition
- Total Pharmaceutical**
 - Excluding the impact of the 2013 MMA, WW growth was over 15%



MD&D Highlights

1st Quarter 2014 Sales: \$7.1 B

Ops Change: WW 1.8%, US (1.6%), Int'l 4.6%

MD&D Segment	Total Worldwide (WW) Sales \$MM	Reported % Growth	Operational % Growth
Cardiovascular	\$541	5.5%	7.2%
Diabetes	512	(14.7)	(13.7)
Diagnostics	443	(7.1)	(5.4)
Orthopaedics	2,421	1.5	2.7
Specialty Surgery/Other	874	4.2	6.4
Surgical Care	1,508	0.0	1.9
Vision Care	761	2.8	6.8
Total MD&D	\$7,060	0.0%	1.8%

Key Drivers of Operational Performance

- **Cardiovascular**
 - Biosense Webster +15% WW due to catheter launches & market expansion
- **Diabetes**
 - Lower price primarily related to competitive bidding impact in the US
- **Diagnostics**
 - Lower sales of donor screening and immunodiagnostic products
- **Orthopaedics**
 - Hips +2% WW: Primary stem platform sales
 - Knees +3% WW: Attune® Fixed Bearing Knee
 - Trauma +7% WW: Market growth
Note: 2013 was impacted by a nail recall
 - Continued pricing pressure across major categories
- **Specialty Surgery/Other**
 - New product launches and market growth for WW Biosurgery and Energy outside the US
 - Strong sales of Infection Prevention and MENTOR® products
- **Surgical Care**
 - New products and suture sales outside the US
 - Lower WW sales of Women's Health & Urology
- **Vision Care**
 - Retail inventory build anticipated to reverse in 2nd quarter

ETHICON
PART OF THE **Johnson & Johnson** FAMILY OF COMPANIES

Biosense Webster.
PART OF THE **Johnson & Johnson** FAMILY OF COMPANIES

MENTOR®
Make life more beautiful™

DePuy Synthes
COMPANIES OF **Johnson & Johnson**

LIFESCAN **Animas**
CORPORATION
PART OF THE **Johnson & Johnson** FAMILY OF COMPANIES

Johnson & Johnson
Vision Care, Inc.

Acclarent®



Dominic Caruso
Vice President, Finance & Chief Financial Officer

Important Developments in 1st Quarter 2014

Pharmaceuticals:

- Simeprevir received positive opinion from Committee for Medicinal Products for Human Use (“CHMP”) for the treatment of adults with chronic hepatitis C in the European Union
- Siltuximab received positive CHMP opinion for the treatment in adults with Multicentric Castleman's Disease, a very rare blood disorder
- SIRTURO® received conditional approval in the European Union for the treatment in adult patients with multi-drug resistant tuberculosis
- VOKANAMET™ receives positive CHMP opinion recommending approval in the European Union for the treatment of adults with type 2 diabetes
- IMBRUVICA™ was approved in the U.S. for patients with chronic lymphocytic leukemia who have received at least one prior therapy

MD&D:

- Announced FDA approval for THERMOCOOL® SMARTTOUCH® Catheter, the first catheter ablation therapy in the U.S. to feature direct contact force technology for treatment of patients suffering from drug-resistant paroxysmal atrial fibrillation
- Accepted binding offer from The Carlyle Group to acquire Ortho-Clinical Diagnostics; expected to close mid-year

Consumer:

- A definitive agreement was announced to sell the global rights to the K-Y™ brand to Reckitt Benckiser Group PLC; expected to close mid-year

1st Quarter 2014 Condensed Consolidated Statement of Earnings

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

	2014		2013		Percent Increase (Decrease)
	Amount	Percent to Sales	Amount	Percent to Sales	
Sales to customers	\$ 18,115	100.0	\$ 17,505	100.0	3.5
Cost of products sold	5,455	30.1	5,554	31.7	(1.8)
Selling, marketing and administrative expenses	5,183	28.6	5,223	29.8	(0.8)
Research and development expense	1,831	10.1	1,784	10.2	2.6
In-process research and development	18	0.1	64	0.4	
Interest (income) expense, net	118	0.7	104	0.6	
Other (income) expense, net	86	0.5	515	3.0	
Earnings before provision for taxes on income	5,424	29.9	4,261	24.3	27.3
Provision for taxes on income	697	3.8	764	4.3	(8.8)
Net earnings	\$ 4,727	26.1	\$ 3,497	20.0	35.2
Net earnings per share (Diluted)	\$ 1.64		\$ 1.22		34.4
Average shares outstanding (Diluted)	2,874.7		2,858.8		
Effective tax rate	12.9 %		17.9 %		
Adjusted earnings before provision for taxes and net earnings (1)					
Earnings before provision for taxes on income	\$ 5,560	30.7	\$ 5,070	29.0	9.7
Net earnings	\$ 4,426	24.4	\$ 4,107	23.5	7.8
Net earnings per share (Diluted)	\$ 1.54		\$ 1.44		6.9
Effective tax rate	20.4 %		19.0 %		

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

2014 Guidance

	As of April 2014	As of January 2014
Net Interest Expense	\$400-\$500 million	\$400-\$500 million
Net Other Income*	\$600-\$700 million	\$600-\$700 million
Effective Tax Rate*	19.0%-20.0%	18.5%-19.0%

* Excludes special items

2014 Guidance

		Estimated Operational at Constant Currency	Estimated Reported*
Sales % Change vs. PY	April	\$74.9B - \$75.7B 5.0% - 6.0%	\$74.5B - \$75.3B 4.5% - 5.5%
	January	\$73.9B - \$74.7B 3.7% - 4.7%	\$73.5B - \$74.3B 3.2% - 4.2%
<hr/>			
Adjusted EPS** % Change vs. PY	April	\$5.74 - \$5.84 4% - 6%	\$5.80 - \$5.90 5% - 7%
	January	\$5.70 - \$5.80 3% - 5%	\$5.75 - \$5.85 4% - 6%

* Euro Average Rate: April = 1.38; January = 1.37

** Non-GAAP measure; excludes special items

Johnson & Johnson