Q3 2016 EARNINGS

Q3 2016 SALES

$17.8B

INCREASE ▲ 4.2% 

Excluding acquisitions/divestitures and hepatitis C sales, on an operational basis

WORLDWIDE SALES

INCREASE ▲ 5.9%

ADJUSTED DILUTED EARNINGS PER SHARE*

$1.68

INCREASE ▲ 12.8%

WORLDWIDE CONSUMER SALES

$3.3B

Excluding acquisitions/divestitures, on an operational basis, worldwide sales decreased 0.4%.*

Sales were driven by:

- LISTERINE
- Aveeno
- Imodium
- nicorette

WORLDWIDE PHARMACEUTICAL SALES

$8.4B

Excluding acquisitions/divestitures and hepatitis C sales, on an operational basis, worldwide sales increased 10.7%.*

Sales were driven by:

WORLDWIDE MEDICAL DEVICES SALES

$6.2B

Excluding acquisitions/divestitures, on an operational basis, worldwide sales increased 3.1%.*

Sales were driven by:

- ELECTROPHYSIOLOGY
- ENDOSCOPES
- ENERGY
- APEX™ CONTACT LENSES
- ORTH RECONSTRUCTION
- U.S. THROMBOLYSIS PRODUCTS

*Our third-quarter results reflect the success of our new product launches and the strength of our core businesses, driven by strong growth in our Pharmaceuticals business. With a number of regulatory approvals, several new drug application submissions and new breakthrough therapy designations from the FDA, we are increasingly confident in our pipeline expectation of filing 10 new pharmaceutical products between 2015 and 2019, each with revenue potential over $1 billion. Our broad-based business model, strategic investments and talented colleagues position us well for continued leadership in health care.

Alex Gorsky
Chairman & Chief Executive Officer, Johnson & Johnson

Caution Concerning Forward-Looking Statements: This document contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding future operating and financial performance. You are cautioned not to rely on these forward-looking statements, which are based on current expectations of future events. For important information about the risks and uncertainties that could cause actual results to vary materially from the assumptions, expectations, and projections expressed in any forward-looking statements, review the "Notes to Investors: Concerning Forward-Looking Statements" included in the Johnson & Johnson earnings release issued on October 18, 2016, as well as the Johnson & Johnson Annual Report on Form 10-K for the fiscal year ended January 3, 2016. Johnson & Johnson does not undertake to update any forward-looking statement as a result of new information or future events or developments.
Joseph J. Wolk
Vice President
Investor Relations
Cautionary 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 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 delayed, 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 these presentations 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.

Cautionary 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 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.

**Immunology**

REMICADE® and SIMPONI®/SIMPONI ARIA® marketing partners are Schering-Plough (Ireland) Company, a subsidiary of Merck & Co., Inc. and Mitsubishi Tanabe Pharma Corporation, sirukumab developed in collaboration with GlaxoSmithKline, guselkumab licensed from MorphoSys AG.

**Neuroscience**

INVEGA SUSTENNA®/XEPLION®/INVEGA TRINZA®/TREVICTA® includes technology licensed from Alkermes, Inc., JNJ-922 (Orexin-2 antagonist) developed in collaboration with Minerva Neurosciences, Inc.

**Infectious Diseases & Virology**

OLYSIO® developed in collaboration with Medivir AB, odalasvir licensed from Achillion Pharmaceuticals, Inc., PREZCOBIX®/REZOLSTA® fixed-dose combination, darunavir + C/F/TAF and rilpivirine +F/TAF FDC developed in collaboration with Gilead Sciences, Inc., rilpivirine + dolutegravir FDC in collaboration with ViIV Healthcare UK, JNJ-872 (VX-787) licensed from Vertex, Pharmaceuticals, Inc.

**Cardiovascular/Metabolism**

INVOKANA®/INVOKAMET®/VOKANAMET®/INVOKAMET® XR fixed-dose combination licensed from Mitsubishi Tanabe Pharma Corporation, XARELTO® co-developed with Bayer HealthCare AG.

**Oncology**

IMBRUVICA® developed in collaboration and co-marketed in the U.S. with Pharmacycics, LLC, an AbbVie company, ZYTIGA® licensed from BTG International Ltd., VELCADE® developed in collaboration with Millennium: The Takeda Oncology Company, DARZALEX® licensed from Gennmab A/S, YONDELIS® licensed from Pharma Mar, S.A., PROCIT®/EPREX® licensed from Amgen Inc., erdafitinib (JNJ-493/FGFR inhibitor) discovered in collaboration with Astex Pharmaceuticals, Inc., imetelstat licensed from Geron Corporation, JNJ-809/ADU741 and JNJ-757 licensed from Aduro Biotech, Inc.

**Global Public Health**

Monovalent Ebola Vaccine developed in collaboration with Bavarian Nordic A/S and has received direct funding and preclinical services from the National Institute of Allergy and Infectious Diseases (NIAID), part of NIH, under Contract Numbers HHSN22200800056C, and HHSN22201000006I and HHSN222201200003I, respectively. This program is also receiving funding from the IMI2 Joint Undertaking under EBOVAC1 (grant nr. 115854), EBOVAC2 (grant nr. 115861), EBOMAN (grant nr. 115850) and EBODAC (grant nr. 115847). This IMI2 Joint Undertaking receives support from the European Union’s Horizon 2020 research and innovation program and the European Federation of Pharmaceutical Industries and Associations. MVA-BN licensed from Bavarian Nordic A/S.
<table>
<thead>
<tr>
<th>TOTAL COMPANY</th>
<th>3Q 2016</th>
<th>3Q 2015</th>
<th>Reported</th>
<th>Operational*</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$9.4</td>
<td>$8.8</td>
<td>6.7</td>
<td>6.7</td>
</tr>
<tr>
<td>Europe</td>
<td>3.8</td>
<td>3.8</td>
<td>0.8</td>
<td>3.2</td>
</tr>
<tr>
<td>Western Hemisphere (ex U.S.)</td>
<td>1.4</td>
<td>1.5</td>
<td>(4.6)</td>
<td>(1.3)</td>
</tr>
<tr>
<td>Asia-Pacific, Africa</td>
<td>3.2</td>
<td>3.0</td>
<td>5.4</td>
<td>1.4</td>
</tr>
<tr>
<td>International</td>
<td>8.4</td>
<td>8.3</td>
<td>1.5</td>
<td>1.7</td>
</tr>
<tr>
<td>Worldwide (WW)</td>
<td>$17.8</td>
<td>$17.1</td>
<td>4.2</td>
<td>4.3</td>
</tr>
</tbody>
</table>

* Excludes impact of translational currency
### 3rd Quarter 2016 Financial Highlights

$ U.S. Billions, except EPS

<table>
<thead>
<tr>
<th></th>
<th>3Q 2016</th>
<th>3Q 2015</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales</strong></td>
<td>$17.8</td>
<td>$17.1</td>
<td>4.2 Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4.3 Ops*</td>
</tr>
<tr>
<td><strong>GAAP Earnings</strong></td>
<td>4.3</td>
<td>3.4</td>
<td>27.2</td>
</tr>
<tr>
<td><strong>GAAP EPS</strong></td>
<td>1.53</td>
<td>1.20</td>
<td>27.5</td>
</tr>
<tr>
<td><strong>Adjusted Earnings</strong></td>
<td>4.7</td>
<td>4.2</td>
<td>12.2</td>
</tr>
<tr>
<td><strong>Adjusted EPS</strong></td>
<td>1.68</td>
<td>1.49</td>
<td>12.8 Total</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>12.8 Ops*</td>
</tr>
</tbody>
</table>

* Excludes impact of translational currency
** Non-GAAP measure; excludes intangible amortization expense and special items; see reconciliation
Consumer Highlights – 3rd Quarter 2016

Sales: $3.3B: WW (1.6%), U.S. 1.1, Int’l (3.3%)
Ops Change*: WW 0.1%, U.S. 1.1%, Int’l (0.6%)

Key Drivers of Operational Performance*

<table>
<thead>
<tr>
<th>CONSUMER SEGMENT</th>
<th>TOTAL WW SALES $MM</th>
<th>REPORTED % GROWTH</th>
<th>OPERATIONAL % GROWTH*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baby Care</td>
<td>$466</td>
<td>(7.9)</td>
<td>(5.6)</td>
</tr>
<tr>
<td>Oral Care</td>
<td>383</td>
<td>1.3</td>
<td>2.3</td>
</tr>
<tr>
<td>OTC</td>
<td>964</td>
<td>0.1</td>
<td>1.8</td>
</tr>
<tr>
<td>Skin Care</td>
<td>955</td>
<td>10.7</td>
<td>12.2</td>
</tr>
<tr>
<td>Women’s Health</td>
<td>269</td>
<td>(13.2)</td>
<td>(9.9)</td>
</tr>
<tr>
<td>Wound Care/Other</td>
<td>224</td>
<td>(23.8)</td>
<td>(23.8)</td>
</tr>
<tr>
<td>Total Consumer</td>
<td>$3,261</td>
<td>(1.6)</td>
<td>0.1%</td>
</tr>
</tbody>
</table>

* Excludes impact of translational currency  
** Non-GAAP measure; see reconciliation
Pharmaceutical Highlights – 3rd Quarter 2016

Sales: $8.4B: WW 9.2%, U.S. 11.8%, Int’l 5.4%
Ops Change*: WW 9.0%, U.S. 11.8%, Int’l 5.0%

Key Drivers of Operational Performance*

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

<table>
<thead>
<tr>
<th>PHARMACEUTICAL SEGMENT</th>
<th>TOTAL WW SALES $MM</th>
<th>REPORTED % GROWTH</th>
<th>OPERATIONAL % GROWTH*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immunology</td>
<td>$3,084</td>
<td>18.0%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Infectious Diseases</td>
<td>842</td>
<td>(0.7)</td>
<td>(0.3)</td>
</tr>
<tr>
<td>Neuroscience</td>
<td>1,464</td>
<td>(0.8)</td>
<td>(2.2)</td>
</tr>
<tr>
<td>Oncology</td>
<td>1,517</td>
<td>29.7</td>
<td>29.7</td>
</tr>
<tr>
<td>Cardiovascular/Metabolism/Other</td>
<td>1,493</td>
<td>(5.9)</td>
<td>(5.4)</td>
</tr>
<tr>
<td>Total Pharma</td>
<td>$8,400</td>
<td>9.2%</td>
<td>9.0%</td>
</tr>
</tbody>
</table>

Immunology
- Strong U.S. immunology market growth and increased penetration for STELARA® and SIMPONI ARIA®
- U.S. Exports positively impacted by inventory levels
- OUS strength across major regions

Infectious Diseases
- Lower sales of Hepatitis-C products due to competitive launches
- Strong sales of PREZCOBIX® and new product launch of ODEFSEY®

Neuroscience
- WW long-acting injectables grew on strength of INVEGA TRINZA® and XEPLION®
- Lower U.S. sales of INVEGA® due to generic entries

Oncology
- Strong sales of IMBRUVICA® due to increased patient uptake globally; U.S. total share leader for 2nd line CLL, MCL, 1st line CLL and WM
- DARZALEX® continued strong uptake in U.S.; launched in 10 countries in Europe
- ZYTIGA® flat market growth in U.S.; total patient share leader in chemo-naive/chemo-refractory; OUS growth a result of strong sales in Asia Pacific region

Cardiovascular / Metabolism / Other
- INVKANA®/INVKAMET® U.S. decline driven by increased price discounts; TRx share of 6.4% in T2D market
- U.S. XARELTO® driven by continued share growth; 17.5% TRx share of broader oral anticoagulant market

Total Pharmaceutical
- Excluding impact of acq/div and Hepatitis-C sales**, WW growth +10.7%, U.S. +13.0%, and OUS +7.0%
Medical Devices Highlights – 3rd Quarter 2016

Sales: $6.2B: WW 1.1%, U.S. 0.7%, Int’l 0.4%
Ops Change*: 0.7%, U.S. 1.4%, Int’l (0.2%)

Key Drivers of Operational Performance*

**MEDICAL DEVICES SEGMENT** | **TOTAL WW SALES $MM** | **REPORTED % GROWTH** | **OPERATIONAL % GROWTH**
--- | --- | --- | ---
Cardiovascular | $451 | (13.9%) | (15.3%)
Diabetes Care | 427 | (9.1) | (9.2)
Diagnostics | 7 | (56.3) | (55.8)
Orthopaedics | 2,251 | 3.2 | 3.2
Hips | 320 | 3.6 | 4.2
Knees | 355 | 3.5 | 4.1
Trauma | 637 | 4.9 | 4.6
Spine & Other | 939 | 1.8 | 1.6
Surgery | 2,284 | 2.9 | 2.9
Advanced | 884 | 11.2 | 11.3
General | 1,063 | (1.8) | (1.8)
Specialty | 337 | (1.5) | (2.0)
Vision Care | 739 | 8.2 | 5.5

**Total Med Dev** | **$6,159** | **1.1%** | **0.7%**

---

**Cardiovascular**
- WW electrophysiology +16% driven by strong market growth and continued share uptake; launch of THERMOCOOL SMARTTOUCH® Contact Force Sensing Catheter in EMEA
- Impacted by divestiture of Cordis in Q4 2015

**Diabetes Care**
- U.S. SMBG -7% due to price and PY reserve release; ID -10% due to competitive pressures
- OUS – SMBG -13% primarily due to reduction of inventory levels from category slowdown in China

**Diagnostics**
- Divestiture of Ortho-Clinical Diagnostic business in Q2 2014

**Orthopaedics**
- Spine & Other driven by lower inventory levels in prior period partially offset by share losses in Spine; WW Spine +2%, U.S. -1%, OUS +7%
- Hips driven by primary stem platform and market growth
- Knees driven by market growth and continued uptake of ATTUNE® Knee System
- Trauma – Driven by market growth and continued success of TFNA

---

**Surgery**
- Advanced – endocutters +14%, energy +10% and biosurgery +7%
- General – Lower women’s health and urology partially offset by growth in sutures
- Specialty - Competitive pressures in Acclarent, lower sales of ASP due to divestiture, partially offset by strong Mentor sales

**Vision Care**
- U.S. volume growth partially offset by prior period inventory build for OASYS® 1-Day®
- OUS strength across all major regions; BRIC +11%

**Total Medical Devices**
- Excluding impact of acq/div**, WW +3.1%; U.S. +2.3%, OUS +3.9%
- Venezuela negatively impacted operational WW growth by 10 basis points and OUS by 30 basis points

---

* Excludes impact of translational currency ** Non-GAAP measure; see reconciliation
Important Developments in 3rd Quarter 2016

**Pharmaceutical:**
- U.S. Food and Drug Administration (FDA) granted DARZALEX® (daratumumab) Breakthrough Therapy Designation (BTD) for use in combination with standard-of-care regimens for patients with multiple myeloma
- U.S. FDA granted BTD esketamine for major depressive disorder with imminent risk for suicide
- Supplemental Biologics License Application submitted to U.S. FDA for DARZALEX® (daratumumab) in combination with standard-of-care regimens for patients with multiple myeloma who have received at least one prior therapy
- Biologic License Application submitted to U.S. FDA for sirukumab for rheumatoid arthritis
- U.S. FDA approved INVOKAMET® XR (canagliflozin / metformin hydrochloride extended-release) for the treatment of adults with Type 2 diabetes
- U.S. FDA approved STELARA® (ustekinumab) for treatment of adults with moderately to severely active Crohn's disease
- Application submitted to the European Medicines Agency (EMA) for DARZALEX® (daratumumab) in combination with standard-of-care regimens for patients with multiple myeloma who have received at least one prior therapy
- European Marketing Authorization Application submitted for darunavir-based single tablet regimen for treatment of HIV-1
- Committee for Medicinal Products for Human Use issued a positive opinion recommending STELARA® (ustekinumab) for the treatment of moderately to severely active Crohn's disease

**Medical Devices:**
- The company announced a definitive agreement to acquire Abbott Medical Optics
- Acclarent announced the U.S. launch of ACCLARENT AERA™, the first balloon dilation intervention approved by the FDA for Eustachian Tube Dysfunction
Joaquin Duato
Executive Vice President
Worldwide Chairman, Pharmaceuticals
Since our last Pharmaceutical Business Review…

• Our pharmaceutical business remains strong. The vast majority of our growth is driven by volume gains across our market-leading brands.

• Significant volume growth and line-extension opportunities continue in all therapy areas.

• We have launched DARZALEX®, the first of our 10 NMEs with $1B+ potential, filed sirukumab and plan to file guselkumab by year end.

• We have filed/gained approval of 16 significant line extensions, including INVEGA TRINZA®.

• We remain confident we can deliver strong growth through 2019 in the face of biosimilar competition and market dynamics.
Janssen Has a Strong Foundation for Continued Long-term Growth

Proven R&D Capabilities

#1 in R&D Productive Innovation\(^1\)
4 Consecutive Years

Strong Commercial Execution

11 $1 Billion Products of Which…
10 Are Growing and…
6 Are Growing Double Digits\(^2\)

12 NMEs Launched Since 2011

8 Breakthrough Therapy Designations

#2 In Cumulative Global Sales of Post-2011 Medicines\(^3\)

\(^1\) IDEA Pharma Productive Innovation Index 2016
\(^2\) 12 months ending Q3 2016
\(^3\) IMS Institute
Our Ongoing Wave of Growth
Driving Above Industry Growth 2015-2019

40 Potential Line Extensions
10 With $500M+ Potential¹

A strong foundation driven by volume growth across market-leading brands

10 Potential $1B+ NMEs¹

5 Significant Near-Term Opportunities

- Sirukumab (Rheumatoid Arthritis)
- Apalutamide (Premetastatic Prostate Cancer)
- Imetelstat (Myelofibrosis)
- JNJ-7922 (Orexin-2 Antagonist Primary Insomnia)
- JNJ-3872 (Influenza A)
- Guselkumab (Psoriasis)
- Esketamine (Treatment-Resistant Depression / Risk for Suicide)
- Erdafitinib (FGFR Kinase Inhibitor Solid Tumors)
- AL-8176 (RSV Infections)
- 3DAA (Odalasvir+Simeprevir+AL-335 Hepatitis C)

25+ Potential Selected Next Generation NME Filings

¹ Peak non-risk adjusted sales, including partner sales
5 Significant Near-term Opportunities
with Higher Certainty and Higher Value than Originally Anticipated

A strong foundation driven by volume growth across market-leading brands

40 Potential Line Extensions

Sirukumab
Rheumatoid Arthritis
- Filed in US
- Filed with EMA
- Anticipate 2017 launch

Guselkumab
Psoriasis
- Robust data showing superiority vs. adalimumab presented at EADV
- Anticipated US PsO filing Q4 2016

Apalutamide
Prostate Cancer
- Broad clinical development program
- Combination with ZYTIGA® and recently licensed PARP inhibitor - niraparib

Esketamine
Treatment-Resistant Depression / Risk for Suicide
- Phase 3 ongoing
- Second breakthrough therapy designation awarded in 2016 for MDSI

Multiple Myeloma
- Launched 2015
- Out-performing expectations
- Multi-billion dollar potential

Sirukumab
Rheumatoid Arthritis
- Filed in US
- Filed with EMA
- Anticipate 2017 launch

Guselkumab
Psoriasis
- Robust data showing superiority vs. adalimumab presented at EADV
- Anticipated US PsO filing Q4 2016

Apalutamide
Prostate Cancer
- Broad clinical development program
- Combination with ZYTIGA® and recently licensed PARP inhibitor - niraparib

Esketamine
Treatment-Resistant Depression / Risk for Suicide
- Phase 3 ongoing
- Second breakthrough therapy designation awarded in 2016 for MDSI

Multiple Myeloma
- Launched 2015
- Out-performing expectations
- Multi-billion dollar potential

Sirukumab
Rheumatoid Arthritis
- Filed in US
- Filed with EMA
- Anticipate 2017 launch

Guselkumab
Psoriasis
- Robust data showing superiority vs. adalimumab presented at EADV
- Anticipated US PsO filing Q4 2016

Apalutamide
Prostate Cancer
- Broad clinical development program
- Combination with ZYTIGA® and recently licensed PARP inhibitor - niraparib

Esketamine
Treatment-Resistant Depression / Risk for Suicide
- Phase 3 ongoing
- Second breakthrough therapy designation awarded in 2016 for MDSI

Multiple Myeloma
- Launched 2015
- Out-performing expectations
- Multi-billion dollar potential
Our Ongoing Wave of Growth
Driving Above Industry Growth 2015-2019

40 Potential Line Extensions
10 With $500M+ Potential

A strong foundation driven by volume growth across market-leading brands

10 Potential $1B+ NMEs

25+ Potential Selected Next Generation NME Filings

5 Significant Near-Term Opportunities

Sirukumab  
Rheumatoid Arthritis

Guselkumab  
Psoriasis

Apalutamide  
Premetastatic Prostate Cancer

Esketamine  
Treatment-Resistant Depression / Risk for Suicide

Imetelstat  
Myelofibrosis

Erdafitinib  
FGFR Kinase Inhibitor Solid Tumors

JNJ-7922  
Orexin-2 Antagonist Primary Insomnia

AL-8176  
RSV Infections

JNJ-3872  
Influenza A

3DAA  
Odalasvir+Simeprevir+AL-335 Hepatitis C

40 Potential Line Extensions
10 With $500M+ Potential

1 Peak non-risk adjusted sales, including partner sales
Our US REMICADE® Biosimilar Readiness Plan Is In Place

**Strong advocacy from physicians and patients driving patient stability**
- No biosimilar approved for interchangeability with REMICADE®
- REMICADE® has 22 years of safety data and has treated >2.6M people since 1998

**Well-articulated Patient Assistance Programs differentiating our value proposition**
- Patients with commercial insurance pay $5 per infusion with REMICADE® co-pay card
- 48% of REMICADE® patients with commercial insurance have no co-pay under their medical benefits

**Delivering cost effective option in all channels – both in hospital and clinic**
- Prepared to compete with a new entrant in an already competitive environment
- Developed a range of innovative contracting options that draw on full breadth of the Johnson & Johnson portfolio

---

1 IMS Lifelink, custom 12-month cohort, as of Aug. 2014
### Strong Immunology Portfolio Continues to Grow as Product Mix Evolves Beyond REMICADE®

Near-term Growth Expected to be Driven by 5 Planned Major Line Extensions and 2 NMEs

#### Drivers of Current Success

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ SIMPONI ARIA® – Fastest growing US IV for RA – Higher New to Brand Share than REMICADE®&lt;sup&gt;1&lt;/sup&gt;</td>
<td>▪ STELARA® - #1 Biologic New to Brand Share in the Biologic Derm Market&lt;sup&gt;2&lt;/sup&gt;</td>
<td>▪ SIMPONI® 100 mg Ulcerative Colitis – Growing faster than US market</td>
</tr>
<tr>
<td>▪ SIMPONI® gaining share in international markets&lt;sup&gt;1&lt;/sup&gt;</td>
<td>▪ STELARA® - Market share leadership in key international markets</td>
<td></td>
</tr>
</tbody>
</table>

#### Opportunities for Growth

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>▪ SIMPONI ARIA® PsA and AS US FDA submission planned for 1Q 2017</td>
<td>▪ guselkumab anticipated to file by year end</td>
<td>▪ STELARA® CD recently launched in US</td>
</tr>
<tr>
<td>▪ sirukumab submitted for US FDA and EMA approval for RA</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Evolving Product Mix will Drive Growth Despite Biosimilar Entry

#### Estimated Risk-Adjusted Net Sales

<table>
<thead>
<tr>
<th>2016 Sales Composition</th>
<th>2019 Sales Composition</th>
</tr>
</thead>
<tbody>
<tr>
<td>REMICADE</td>
<td>Other Brands</td>
</tr>
<tr>
<td>40%</td>
<td>60%</td>
</tr>
</tbody>
</table>

Source: Internal Estimates

---

1 Internal analysis of IMS GPM total 3-month patient share data, Aug. 2015-Aug. 2016
2 Internal analysis, IMS claims, Aug 2015 YTD – Aug 2016 YTD
STELARA® CD: 1st Biologic for Crohn’s, Targeting IL-12 and IL-23
1st in Wave of New Indications for STELARA®

Positive Market Dynamics
• Large unmet medical need
• CD market expected to grow 50% over next decade

Opportunities for Growth
• Q3 US approval and positive CHMP opinion for the treatment of moderate to severe active Crohn’s disease
• STELARA® UC Phase 3 study expected to complete 2018

Line Extensions Expected to Account for ~35% of Brand Sales by 2019

2016 Sales Composition by Indication
- PsO: 12%
- Rheum: 3%
- GI: 85%

2019 Sales Composition by Indication
- PsO: 34%
- Rheum: 12%
- GI: 54%

Estimated Non Risk-Adjusted Net Sales
Source: Internal Estimates
INVOKANA®

#1 SGLT2 Inhibitor Brand and 3rd Largest Non-Insulin Diabetes Brand Globally
More Prescriptions than all other SGLT2 Inhibitors Combined in US

Drivers of Current Success

- Only SGLT2 inhibitor with demonstrated superiority vs. sitagliptin (Januvia) at 300mg dose
- Strong access position with >70% and >90% preferred access across US Commercial and Medicare Part D plans, respectively
- Recently approved INVOKAMET® XR, combined with INVOKANA® & INVOKAMET® provide a range of solutions to meet patient needs
- >1.3M patients treated to date in the US

Opportunities for Growth

- Ongoing and planned indication-seeking and label expansion studies
  - CANVAS and CANVAS-R: Cardiovascular Outcomes data, mid-2017
  - CREDEENCE: Diabetic Kidney Disease data, 2019
- Cardiovascular Outcomes in a Pre-Diabetes population, planned

---

1 TRx data sourced from IMS NPA weekly, and reflect US market only; data through 8/19/16
2 Jardiance Mol includes Glyxambi; Sales Figures reflect reported NTS by AZ and Lilly. Lilly reports gross margin from collaboration with BI. Estimated NTS reflect a 50/50 share with BI and a 15% Cost of Goods Sold assumption

* By dollar share. IMS
**XARELTO®: Market Leading NOAC in the US**

**New Indications Have Potential To Increase Patient Pool 5x**

**Drivers of Current Success**
- Market leading Novel Oral Anticoagulant (NOAC) with >3.8M patients treated in the US and >24M prescriptions to date
- Highly differentiated clinical profile in highest risk patients
- Most comprehensive real world data generation, with data in >91,000 patients in peer-reviewed publications that continue to demonstrate effectiveness and safety of XARELTO®
- Most affordable and broadly reimbursed with >95% Medicare and Commercial patients on formulary, covered at lowest branded co-pay

**Opportunities for Growth**
- ~54% of patients still using Warfarin presents significant opportunity
- EXPLORER is largest ongoing clinical development program within anticoagulant space, that when complete will have enrolled >275,000 patients
- 10 ongoing indication seeking and label expansion studies\(^2\)
  - 8 in adults spanning low dose long term VTE, heart failure, embolic stroke of undetermined source, coronary artery disease, peripheral arterial disease, medically ill, cancer, and acute coronary syndrome
  - 2 in pediatric populations including VTE and Fontan patients

---

1 IMS NPA Weekly
2 Includes Janssen- and Bayer-led trials
INVEGA TRINZA®: A Growth Catalyst for Entire LAT Franchise

Driving the Future Growth of our Neuroscience Portfolio

Drivers of Current Success

• INVEGA TRINZA® is outpacing growth of both schizophrenia and LAT categories
• LAT share gain of ~1% vs orals since INVEGA TRINZA® launch\(^1\)
• Since US launch in July 2015, INVEGA TRINZA® has treated 15,800 patients\(^2\)
• Leading 6 month persistency rate for INVEGA TRINZA®\(^3\)
• ~3,000 (approx. 25%) of INVEGA® SUSTENNA® prescribers have prescribed INVEGA TRINZA®\(^4\)
• INVEGA SUSTENNA® new Rx has grown 26% in the 13 months since INVEGA TRINZA® launch vs 13 months prior\(^2\)

Opportunities for Growth

• INVEGA TRINZA® is fastest growing US LAT\(^1\)
• Significant unmet need remains: LAT’s only 11% of all US patient days of therapy\(^1\)
• EMEA launches starting in June 2016: Germany, UK, Benelux, Nordics, Ireland and Spain

US LAT Patient Days on Therapy (PDOT) Share\(^1\)

LATs Share of Schizophrenia

<table>
<thead>
<tr>
<th></th>
<th>Invenga Sustenna</th>
<th>Invega Trinza</th>
<th>PPLAT</th>
<th>Abilify Maintena</th>
<th>Aristada</th>
<th>Risperdal Const\a</th>
</tr>
</thead>
<tbody>
<tr>
<td>PDOT % Share</td>
<td>1.5%</td>
<td>2.0%</td>
<td>4.5%</td>
<td>2.5%</td>
<td>4.0%</td>
<td>3.5%</td>
</tr>
</tbody>
</table>

1 IMS Monthly SOB Report, April 2016, SCZ & SCA Indications
2 IMS Monthly Source of Business, August 2016
3 IMSPersistency Study Dec 2013, IMS Refill Rate study for Invega Trinza Feb 2016
4 IMS National Prescription Audit Sept 30, 2016
HIV: Celebrating 10 Years of Innovation for Patients
Darunavir STR Continues Legacy of Innovation

Drivers of Current Success
- 6 marketed brands, 3 in pipeline
- Class leadership across darunavir and rilpivirine benefiting >1m people living with HIV
- ~20% growth/year since 2010 and cumulative sales above $15B
- COMPLERA® is the leading NNRTI with sales growth of 60%/year since 2012
- Currently treat 25% of patients in developed markets

Opportunities for Growth
- Darunavir STR reduces adherence burden through one daily pill
- Rilpivirine FDC includes Gilead’s TAF vs. TDF and the dolutegravir/rilpivirine combo will be the first 2 drug STR ever approved
IMBRUVICA®: Oncology is a Key Growth Engine for the Company
New Products and Line Extensions Over Next 4 Years Expected to Drive Portfolio Growth

Drivers of Current Success
• 6 US approvals in 3 years
• Strong commercial execution delivering record breaking global oncology launch
• Achieved share leadership in Total Patient CLL L1
• Remains both new and total patient share leader in all other approved indications
• Best-in-class market access with reimbursement in 41 countries

Opportunities for Growth
• 7 new filings ahead. 4 LEs with $500m+ potential
• New registrations have potential access to >30,000 additional patients annually in the US alone
• Exploring new innovative combinations
  • Ibrutinib + venetoclax
  • Ibrutinib + obinutuzumab
  • Ibrutinib + venetoclax + obinutuzumab

Note: Corrected slide post call 10/24/2016
DARZALEX® : #1 Prescribed Therapy in L4+ Multiple Myeloma

Strong Growth Potential as DARZALEX® Moves Into Earlier Lines of Therapy

Drivers of Current Success

- First-in-class anti CD-38 monoclonal antibody now approved in US, EU and Canada
- Established leadership share within L4+ setting in US
- Positioned to become standard-of-care therapy in multiple myeloma:
  - Differentiated efficacy, tolerability and durability of response
  - Robust clinical development plan
- >10,000 patients treated worldwide

Opportunities for Growth

- Anticipated approval in L2 patient population in combination with lenalidomide/dexamethasone or VELCADE®/dexamethasone (filed in August, received Breakthrough Therapy Designation)
  - CASTOR and POLLUX studies published in New England Journal of Medicine
- 5 ongoing phase 3 trials leading to potential filings
- Subcutaneous formulation under development
- Early work outside of multiple myeloma including solid tumors underway

1 IMS Health’s BrandImpact Multiple Myeloma Report – August 2016
2 Janssen Estimate through 8/19/16
### 40 Potential Line Extension Filings Planned by 2019

**10 with $500M+ Potential***

### $500m+ Line Extensions

<table>
<thead>
<tr>
<th>Medicine/Indication</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Crohn’s Disease</strong></td>
<td>- Axial Spondyloarthritis</td>
</tr>
<tr>
<td></td>
<td>- Ulcerative Colitis</td>
</tr>
<tr>
<td><strong>Psoriatic Arthritis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>CHF</strong></td>
<td></td>
</tr>
<tr>
<td><strong>CLL 2nd Line</strong></td>
<td>- DLBCL Frontline</td>
</tr>
<tr>
<td></td>
<td>- CLL Young &amp; Fit</td>
</tr>
<tr>
<td><strong>Psoriatic Arthritis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Ankylosing Spondylitis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>VTE Pr Med III</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ESUS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PAD</strong></td>
<td></td>
</tr>
<tr>
<td><strong>MCL Fl Maint</strong></td>
<td></td>
</tr>
<tr>
<td><strong>MCL Fl Combo</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Graft vs Host Dis</strong></td>
<td></td>
</tr>
<tr>
<td><strong>TMC114 HIV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>DRV/C/F/TAF STR</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Rilpivirine and Dolutegravir FDC</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Psoriatic Arthritis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Ankylosing Spondylitis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>VTE Pr Med III</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ESUS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PAD</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Rilpivirine and Dolutegravir FDC</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Psoriatic Arthritis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Ankylosing Spondylitis IV</strong></td>
<td></td>
</tr>
<tr>
<td><strong>VTE Pr Med III</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ESUS</strong></td>
<td></td>
</tr>
<tr>
<td><strong>PAD</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Rilpivirine and Dolutegravir FDC</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Note:** This is not a complete list. Only selected indications are shown for these products.

*Peak non-risk adjusted sales, including partner sales

**Note:** Corrected slide post call 10/18/2016
Our Ongoing Wave of Growth
Driving Above Industry Growth 2015-2019

40 Potential Line Extensions
10 With $500M+ Potential

A strong foundation driven by volume growth across market-leading brands

1 Peak non-risk adjusted sales, including partner sales

25+ Potential Selected Next Generation NME Filings

10 Potential $1B+ NMEs

5 Significant Near-Term Opportunities

- Sirukumab (Multiple Myeloma)
- Guselkumab (Psoriasis)
- Apalutamide (Premetastatic Prostate Cancer)
- Esketamine (Treatment-Resistant Depression / Risk for Suicide)
- Imetelstat (Myelofibrosis)
- Erdafitinib (FGFR Kinase Inhibitor Solid Tumors)
- JNJ-7922 (Orexin-2 Antagonist Primary Insomnia)
- AL-8176 (RSV Infections)
- JNJ-3872 (Influenza A)
- 3DAA (Odalasvir+Simeprevir+AL-335 Hepatitis C)

40 Potential Line Extensions
10 With $500M+ Potential

1 Peak non-risk adjusted sales, including partner sales

2015-2019
2020-2024
William N. Hait, M.D., Ph.D.
Global Head, Research & Development
Janssen Pharmaceutical Companies of Johnson & Johnson
Our R&D Strategy is Delivering

Driving Innovation and Long-Term Growth

• Delivering valuable products to patients with serious unmet medical needs, sustaining leadership in the pharmaceutical industry
• Deep internal scientific expertise and industry-leading external innovation
• Efficiencies produce savings to re-invest in pipeline
• Strategic focus creates enviable track record
• Delivering against 2015-2019 NME and LE filing expectations
• Cadence of significant clinical data
• Janssen one of the most productive and most respected in the pharmaceutical industry
Strategic Focus Creates Extraordinary Track Record

Organizational Structure and Streamlined Processes Drive Value

- **5 Therapeutic Areas** (TAs) span drug discovery through launch and life cycle management
  - Seamless organization, efficient phase transitions, ensures dedication to major unmet medical needs where there is compelling, translatable science
- **11 Disease Area Strongholds**, biotech-like teams embedded in TAs
- Rigorous, triennial review by External Scientific Advisory Board
- **Substantial research capabilities** through Centers of Excellence
- **Prioritization** of late development aligns resources with most promising assets
- Industry-leading success in **phase transitions** and **speed to market**
We Continue to Deliver

Industry-Leading Success and Corporate Citizenship

Balanced investment across TAs delivers consistent, impressive results

• **12 new products** since 2011
• **Most FDA approvals** 2011-2016\(^1\)
• **Leader in productivity**\(^2\), breakthrough therapy designations
• IDEA Pharma’s **Innovation Leader**\(^3\)
• **Most admired** pharmaceutical company\(^4\)

Commitment to Global Public Health

• SIRTURO®
• Single-pill HIV combinations\(^5\)
• Ebola Vaccine\(^5\)
• Chewable mebendazole\(^5\)

1 fda.gov \hspace{2mm} 2 IMS Institute analysis of innovator products launched in or after 2011 \hspace{2mm} 3 IDEA Pharma Productive Innovation Index, 2016 \hspace{2mm} 4 Fortune Magazine \hspace{2mm} 5 Not yet approved
# Delivering Against NME Filing Targets

NME Filings Planned 2015-2019 Each With $1B+ Potential*

<table>
<thead>
<tr>
<th>Compound</th>
<th>Current Phase</th>
<th>Anticipated Filing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DARZALEX®</strong></td>
<td>Approved 2015</td>
<td>2015</td>
</tr>
<tr>
<td>Multiple myeloma double refractory</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sirukumab</strong></td>
<td>Registration Filed</td>
<td>2016</td>
</tr>
<tr>
<td>Rheumatoid arthritis</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Guselkumab</strong></td>
<td>Phase 3</td>
<td>2016</td>
</tr>
<tr>
<td>Psoriasis</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Apalutamide (ARN-509)</strong></td>
<td>Phase 3</td>
<td>2017</td>
</tr>
<tr>
<td>Pre-metastatic prostate cancer</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Erdafitinib (FGFR inhibitor)</strong></td>
<td>Phase 2</td>
<td>2018</td>
</tr>
<tr>
<td>Solid tumors</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Esketamine</strong></td>
<td>Phase 3</td>
<td>2018</td>
</tr>
<tr>
<td>Treatment-resistant depression</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Imetelstat</strong></td>
<td>Phase 2</td>
<td>2018</td>
</tr>
<tr>
<td>Myelofibrosis</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>JNJ-1575 (AL-8176)</strong></td>
<td>Phase 2</td>
<td>2019</td>
</tr>
<tr>
<td>Respiratory syncytial virus</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>JNJ-4178 (3DAA)</strong></td>
<td>Phase 2</td>
<td>2019</td>
</tr>
<tr>
<td>Hepatitis C virus</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>JNJ-3872 (VX-787)</strong></td>
<td>Phase 2</td>
<td>2019</td>
</tr>
<tr>
<td>Influenza</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>JNJ-7922 (Orexin-2 antagonist)</strong></td>
<td>Phase 2</td>
<td>2019</td>
</tr>
<tr>
<td>Primary insomnia</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Peak non-risk adjusted sales, including partner sales
Line Extensions Pipeline Creates Significant Value

LE Filings Planned 2015-2019 Each With $500M+ Potential*

<table>
<thead>
<tr>
<th>Compound</th>
<th>Current Phase</th>
<th>Anticipated Filing Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>IMBRUVICA®</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CLL 2nd Line</td>
<td>Approved 2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>STELARA®</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Crohn's disease</td>
<td>Approved 2016</td>
<td>2015</td>
</tr>
<tr>
<td><strong>DARZALEX®</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relapsed refractory MM</td>
<td>Registration Filed</td>
<td>2016</td>
</tr>
<tr>
<td>Darunavir</td>
<td>Registration Filed^</td>
<td>2016</td>
</tr>
<tr>
<td>HIV STR with C/F/TAF</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EDURANT®</strong></td>
<td>Phase 3</td>
<td>2017</td>
</tr>
<tr>
<td>HIV single tablet regimen with dolutegravir</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DARZALEX®</strong></td>
<td>Phase 3</td>
<td>2018</td>
</tr>
<tr>
<td>Frontline MM (non-transplant)</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IMBRUVICA®</strong></td>
<td>Phase 3</td>
<td>2018</td>
</tr>
<tr>
<td>Diffuse large B cell Lymphoma frontline combo</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IMBRUVICA®</strong></td>
<td>Phase 3</td>
<td>2018</td>
</tr>
<tr>
<td>Follicular lymphoma relapsed/refractory</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>IMBRUVICA®</strong></td>
<td>Phase 3</td>
<td>2019</td>
</tr>
<tr>
<td>CLL (young/fit) frontline combination</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>DARZALEX®</strong></td>
<td>Phase 3</td>
<td>2019</td>
</tr>
<tr>
<td>Frontline MM (transplant)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Peak non-risk adjusted sales, including partner sales
^ Registration filed in EU; US filing in 2017
Progress since May 2015 Pharmaceutical Business Review

On track to deliver

- 10 NME filings with $1B+ potential planned 2015-2019
- ~40 LE filings planned 2015-2019

Filings and approvals since May 2015

- 4 New Products filed/approved by end 2016
  - YONDELIS®  Soft tissue sarcoma 2nd line; approved 2015
  - DARZALEX®  MM double refractory; filed 2015; approved 2015
  - Sirukumab  Rheumatoid arthritis; filed 2016
  - Guselkumab  Psoriasis; on track for filing 4Q 2016

- 16 Significant LE Products filed/approved
  - SIMPONI®  Axial SpA (EU); approved 2015
  - SIMPONI®  Polyarticular JIA (EU); approved 2016
  - STELARA®  Pediatric psoriasis (EU); approved 2015
  - STELARA®  Crohn’s disease; filed 2015; approved 2016
  - EDURANT®  Pediatric HIV; approved 2015
  - ODEFSEY®  HIV STR with R/F/TAF; filed 2015; approved 2016
  - Darunavir  HIV STR with C/F/TAF; filed 2016
  - TREVICTA®  Schizophrenia 3 month (EU); filed 2015; approved 2016
  - INVOKAMET® XR  FDC w/ metformin extended release (XR); filed 2015; approved 2016
  - INVOKAMET®  Initial therapy FDC w/ metformin; filed 2015; approved 2016
  - IMBRUVICA®  Waldenstrom’s macroglobulinemia (EU); approved 2015
  - IMBRUVICA®  CLL Frontline; filed 2015; approved 2016
  - IMBRUVICA®  CLL 2nd line; filed 2015; approved 2016
  - IMBRUVICA®  MCL relapsed (EU); filed 2015; approved 2016
  - IMBRUVICA®  Marginal Zone Lymphoma; filed 2016
  - DARZALEX®*  Relapsed refractory MM; filed 2016

* Breakthrough Therapy Designation
IMBRUVICA® – Unprecedented First-line Results in CLL

Improved Progression-free and Overall Survival

**Progression-free Survival**

- **Median time, months:**
  - Ibrutinib: NE
  - Chlorambucil: 18.9
- **Hazard ratio (95% CI):**
  - Ibrutinib: 0.16 [0.09-0.28]
  - Chlorambucil: NE
- **Log-rank P value:**
  - <0.0001

**Overall Survival**

- **Median time, months:**
  - Ibrutinib: NE
  - Chlorambucil: NE
- **Hazard ratio (95% CI):**
  - Ibrutinib: 0.16 (0.05-0.56)
  - Chlorambucil: NE
- **Log-rank P value:**
  - 0.0010
DARZALEX® – Impressive Results in Relapsed Refractory Myeloma

CASTOR Study

Median PFS: 7.2 months

HR: 0.39 (95% CI, 0.28-0.53); P<0.0001

PFS – Progression Free Survival
DaraVelDex - Daratumumab, Bortezomib and Dexamethasone
DaraRevdex - Daratumumab, Lenalidomide and Dexamethasone

POLLUX Study

Median PFS: not reached

HR: 0.37 (95% CI, 0.27-0.52); P <0.0001

PFS – Progression Free Survival
VelDex - Bortezomib and Dexamethasone
Revdex - Lenalidomide and Dexamethasone
Apalutamide (ARN-509) – Unequivocal Anti-Tumor Activity in Non-Metastatic CRPC

- Phase 2 data
- Data were published online in Euro Urology 26 May 2016 by M.R. Smith and colleagues

PSA: prostate specific antigen
CRPC: castrate resistant prostate cancer
Major Progress in Immuno-Oncology

• Four Critical Areas
  • Vaccines
  • Checkpoint inhibitors
  • T-cell redirection
  • Myeloid MOAs

• 15 IO assets in development
  • Eight assets in the clinic

• Important additional DARZALEX® MOA
  • Depletion of CD38+ myeloid and lymphoid cells
    • CD38+ super-suppressor T-regs
  • Activation of CD8, CD4 helper and cytotoxic T-cells
Guselkumab (Anti-IL-23 Human mAb) – for Moderate to Severe Plaque Psoriasis

- Potential to provide unique value to patients:
  - High levels of complete and durable skin clearance (52.6% achieved IGA 0 by Wk 24)
  - Less intensive dosing regimens vs. anti-IL-17 class
  - Potential for similar safety profile vs. long-term blockade of IL-12 + 23 with STELARA®

- First Ph3 data at EADV: significant efficacy, superior to adalimumab
- Anticipated filing for PsO 4Q 2016
- Plans to advance into Ph3 for Psoriatic Arthritis

**VOYAGE 1: Ph3 Psoriasis Study Results**

Patients achieving PASI 90 through Week 48 (%)

Adalimumab: 80 mg at Week 0, followed by 40 mg at Week 1 and q2w thereafter through Week 48
Source: Blauvelt, A, et al. EADV 2016. Late breaker
Esketamine – Ameliorates Suicidality
Second FDA Breakthrough Therapy Designation Granted

Total Score Change from Baseline to 4 Hours (Primary Endpoint) and ~ 24 Hours

<table>
<thead>
<tr>
<th>Time</th>
<th>Placebo+SoC (N=31)</th>
<th>Esketamine 84 mg+SoC (N=35)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Day 1: 4H</td>
<td>-20</td>
<td>-10</td>
</tr>
<tr>
<td>Day 2: ~24H</td>
<td>-5</td>
<td>-15</td>
</tr>
</tbody>
</table>

** two-sided p<0.05

Change from Baseline in Total Score Over Double-Blind Phase

<table>
<thead>
<tr>
<th>Time (Days)</th>
<th>Placebo+SoC (N=31)</th>
<th>Esketamine 84 mg+SoC (N=35)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0</td>
<td>-5</td>
</tr>
<tr>
<td>1</td>
<td>-5</td>
<td>-15</td>
</tr>
<tr>
<td>2</td>
<td>-10</td>
<td>-25</td>
</tr>
<tr>
<td>3</td>
<td>-15</td>
<td>-30</td>
</tr>
<tr>
<td>4</td>
<td>-20</td>
<td>-35</td>
</tr>
<tr>
<td>8</td>
<td>-25</td>
<td>-40</td>
</tr>
<tr>
<td>11</td>
<td>-30</td>
<td>-45</td>
</tr>
<tr>
<td>15</td>
<td>-35</td>
<td>-50</td>
</tr>
<tr>
<td>18</td>
<td>-40</td>
<td>-55</td>
</tr>
<tr>
<td>22</td>
<td>-45</td>
<td>-60</td>
</tr>
<tr>
<td>25</td>
<td>-50</td>
<td>-65</td>
</tr>
</tbody>
</table>

* two-sided p-value<0.2, ** two-sided p-value<0.05

SoC – Standard of Care
MADRS - Montgomery-Åsberg Depression Rating Scale
LS Mean Change – Least Squares Mean Change
Protocol pre-specified 2-sided significance level of 0.20
Based on LOCF data and analyzed using an analysis of covariance model with treatment, analysis center, and SoC as fixed effects and baseline value as a covariate

Phase 2 data
JNJ-4178 (HCV 3DAA) – Six Week Treatment Potential Demonstrated in Phase 2a

100% SVR12 After 6 Weeks of Dosing in GT1 Non-cirrhotic Patients

- **JNJ-4178** (triple combo of simeprevir, odalasvir & AL-335) generally well tolerated and delivered:
  - 100% SVR 12 after 8 weeks of dosing (40/40)
  - 100% SVR 12 after 6 weeks of dosing (20/20)

- **Dose and schedule selected for full development**
  - Phase 2 studies continuing to enable Phase 3
  - Phase 2b OMEGA-1 in patients without compensated cirrhosis chronically infected with HCV GT 1, 2, 4, 5, 6
  - Expanded Phase 2a in patients with or without compensated cirrhosis
  - Single tablet FDC planned for Phase 3 (QD)

- **Short treatment potential demonstrated in most common HCV genotype subtype (GT1)**
  - ~70% HCV GT1 prevalence in the G7 market
  - Millions of patients remain untreated

Source: "Short duration treatment with AL-335 and odalasvir (ODV), with or without simeprevir (SMV), in treatment-naïve patients with hepatitis C virus (HCV) genotype (GT) 1 infection" poster, EASL/AASLD Special Conference, Paris, 23 September 2016
Cardiovascular and Metabolism

Realizing the Full Potential of INVOKANA® and XARELTO®

• INVOKANA®
  Phase 3
  • Cardiovascular outcomes
  • Diabetic kidney disease
  • Cardiovascular outcomes in pre-diabetes

• XARELTO®
  Phase 3
  • Congestive heart failure
  • Embolic stroke of undetermined source
  • Venous thromboembolism in medically ill
  • Infrainguinal revascular peripheral arterial disease
  • VTE prevention in cancer patients
  Phase 2
  • ACS dual therapy

1 Planned
Summary

Driving Innovation and Long-Term Growth

- Executing a clearly defined innovation strategy
- Delivering against 2015-2019 NME and LE filing expectations
- Producing a cadence of transformational innovations
- Providing extraordinary results
  - Leader in productivity, approvals, Breakthrough Therapy Designations
  - One of the fastest growing top-10 pharmaceutical companies
  - Most FDA approvals in last five years (2011-2016)
  - 10 planned NME filings 2015-2019 each with $1B+ potential
  - ~40 planned line-extension filings 2015-2019, 10 with $500MM+ potential
- Continuing to take pride in delivering years of life saved and better quality of life for “our first responsibility”--- doctors, nurses and patients who use our products
## Innovation Across Key Therapeutic Areas

### NME and LE Filings Planned 2015-2019

<table>
<thead>
<tr>
<th>ONCOLOGY</th>
<th>IMMUNOLOGY</th>
<th>NEUROSCIENCE</th>
<th>INFECTIOUS DISEASES &amp; VACCINES</th>
<th>CARDIOVASCULAR &amp; METABOLISM</th>
</tr>
</thead>
<tbody>
<tr>
<td>DARZALEX®</td>
<td>Guselkumab</td>
<td>Esketamine</td>
<td>Monovalent Ebola virus</td>
<td>INVOKAMET®</td>
</tr>
<tr>
<td>• Multiple myeloma double refractory^</td>
<td>• Psoriasis</td>
<td>• Treatment-resistant depression</td>
<td>• FDC with metformin extended release (XR), including initial therapy (US)^</td>
<td>• FDC with metformin extended release (XR), including initial therapy (US)^</td>
</tr>
<tr>
<td>• Relapsed refractory MM*</td>
<td>• PsA</td>
<td>• Major depressive disorder at imminent risk for suicide</td>
<td>• Influenza A</td>
<td>• Congestive heart failure</td>
</tr>
<tr>
<td>• Frontline MM non-transplant</td>
<td>• Rheumatoid arthritis</td>
<td>JNJ-7922 (Orexin-2 antagonist)</td>
<td>JNJ-1575 (AL-8176)</td>
<td>• Embolic stroke of undetermined source (ESUS)</td>
</tr>
<tr>
<td>• Frontline MM transplant</td>
<td>STELARA®</td>
<td>• Primary insomnia</td>
<td>JNJ-4178 (3DAA)</td>
<td>• Peripheral arterial disease</td>
</tr>
<tr>
<td>Apalutamide (ARN-509)</td>
<td>• Pediatric psoriasis^</td>
<td></td>
<td>• Hepatitis C virus</td>
<td>• Medically ill</td>
</tr>
<tr>
<td>• Pre-metastatic prostate cancer</td>
<td>• Crohn’s disease^</td>
<td></td>
<td>EDURANT®</td>
<td></td>
</tr>
<tr>
<td>• Chemo-naïve prostate cancer</td>
<td>• Ankylosing spondylitis</td>
<td></td>
<td>• Pediatric HIV^</td>
<td></td>
</tr>
<tr>
<td>• ZYTIGA® combo</td>
<td>• N/Axial SpA</td>
<td></td>
<td>• HIV STR with F/TAF</td>
<td></td>
</tr>
<tr>
<td>Erdafitinib (FGFR inhibitor)</td>
<td>• Marginal Zone Lymphoma*</td>
<td></td>
<td>• RSV infection</td>
<td></td>
</tr>
<tr>
<td>• Urothelial cancer</td>
<td>• MCL frontline maintenance</td>
<td></td>
<td>JNJ-4178</td>
<td></td>
</tr>
<tr>
<td>Imetelstat</td>
<td>• Follicular lymphoma relapsed refractory (NHL combination)</td>
<td></td>
<td>(3DAA)</td>
<td></td>
</tr>
<tr>
<td>• Myelofibrosis relapse/refractory</td>
<td>• DLBCL frontline combo</td>
<td></td>
<td>• RSV infection</td>
<td></td>
</tr>
<tr>
<td>• MDS low/intermediate risk</td>
<td>• Marginal Zone Lymphoma*</td>
<td></td>
<td>JNJ-1575</td>
<td></td>
</tr>
<tr>
<td>• Myelofibrosis frontline</td>
<td>• MCL relapsed (EU)^</td>
<td></td>
<td>(AL-8176)</td>
<td></td>
</tr>
<tr>
<td>Niraparib</td>
<td>• Frontline CLL Combo</td>
<td></td>
<td>JNJ-4178</td>
<td></td>
</tr>
<tr>
<td>• Prostate cancer</td>
<td>• Waldenstrom’s Macroglobulinemia R/R combo</td>
<td></td>
<td>(3DAA)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• cGVHD</td>
<td></td>
<td>• RSV infection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>YONDELIS®</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Soft tissue sarcoma (US)^</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Relapsed ovarian cancer (US)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>ZYTIGA®</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Hormone-naïve metastatic prostate cancer (EU)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

^ Approved  * In registration  New Molecular Entities  Line Extensions
Dominic Caruso  
Executive Vice President,  
Chief Financial Officer
### 3Q 2016 Condensed Consolidated Statement of Earnings

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

<table>
<thead>
<tr>
<th></th>
<th>2016 Amount</th>
<th>Percent to Sales</th>
<th>2015 Amount</th>
<th>Percent to Sales</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to customers</td>
<td>17,820</td>
<td>100.0</td>
<td>17,102</td>
<td>100.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Cost of products sold</td>
<td>5,486</td>
<td>30.8</td>
<td>5,224</td>
<td>30.5</td>
<td>5.0</td>
</tr>
<tr>
<td>Selling, marketing and admin.</td>
<td>4,772</td>
<td>26.8</td>
<td>5,081</td>
<td>29.7</td>
<td>(6.1)</td>
</tr>
<tr>
<td>Research and development expense</td>
<td>2,178</td>
<td>12.2</td>
<td>2,154</td>
<td>12.6</td>
<td>1.1</td>
</tr>
<tr>
<td>In-process research and development</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Interest (income) expense, net</td>
<td>95</td>
<td>0.5</td>
<td>91</td>
<td>0.5</td>
<td></td>
</tr>
<tr>
<td>Other (income) expense, net</td>
<td>(54)</td>
<td>(0.2)</td>
<td>420</td>
<td>2.5</td>
<td></td>
</tr>
<tr>
<td>Restructuring</td>
<td>62</td>
<td>0.3</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Earnings before provision for taxes on income</td>
<td>5,281</td>
<td>29.6</td>
<td>4,122</td>
<td>24.1</td>
<td>28.1</td>
</tr>
<tr>
<td>Provision for taxes on income</td>
<td>1,009</td>
<td>5.6</td>
<td>764</td>
<td>4.5</td>
<td>32.1</td>
</tr>
<tr>
<td>Net earnings</td>
<td>4,272</td>
<td>24.0</td>
<td>3,358</td>
<td>19.6</td>
<td>27.2</td>
</tr>
<tr>
<td>Net earnings per share (Diluted)</td>
<td>1.53</td>
<td></td>
<td>1.20</td>
<td></td>
<td>27.5</td>
</tr>
<tr>
<td>Average shares outstanding (Diluted)</td>
<td>2,785.4</td>
<td></td>
<td>2,807.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>19.1 %</td>
<td></td>
<td>18.5 %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Adjusted earnings before provision for taxes and net earnings

<table>
<thead>
<tr>
<th></th>
<th>2016 Amount</th>
<th>Percent to Sales</th>
<th>2015 Amount</th>
<th>Percent to Sales</th>
<th>Percent Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings before provision for taxes on income</td>
<td>5,831</td>
<td>32.7</td>
<td>5,212</td>
<td>30.5</td>
<td>11.9</td>
</tr>
<tr>
<td>Net earnings</td>
<td>4,683</td>
<td>26.3</td>
<td>4,172</td>
<td>24.4</td>
<td>12.2</td>
</tr>
<tr>
<td>Net earnings per share (Diluted)</td>
<td>1.68</td>
<td></td>
<td>1.49</td>
<td></td>
<td>12.8</td>
</tr>
<tr>
<td>Effective tax rate</td>
<td>19.7 %</td>
<td></td>
<td>20.0 %</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(1) See Reconciliation of Non-GAAP Financial Measures.
3Q 2016 – Adjusted Income Before Tax by Segment*

*Non-GAAP measure; excludes amortization expense and special items; see reconciliation
**Estimated as of 10/18/16

### Adjusted Income Before Tax (Non-GAAP) by Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 QTD 2016</th>
<th>Q3 QTD 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>39.9%</td>
<td>36.1%</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>32.1%</td>
<td>30.3%</td>
</tr>
<tr>
<td>Consumer</td>
<td>22.6%</td>
<td>25.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>32.7%</td>
<td>30.5%</td>
</tr>
</tbody>
</table>

### Breakdown (in Billions)

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016**</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>$3.3</td>
<td>$2.0</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>$2.0</td>
<td>$1.9</td>
</tr>
<tr>
<td>Consumer</td>
<td>$0.7</td>
<td>$0.8</td>
</tr>
</tbody>
</table>

### Expenses Not Allocated to Segments

- Q3 2016: ($0.2)
- Q3 2015: ($0.3)
3Q YTD 2016 – Adjusted Income Before Tax by Segment*

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

**Estimated as of 10/18/16

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016**</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>$17.7B</td>
<td>$17.1B</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>$10.5</td>
<td>$10.1</td>
</tr>
<tr>
<td>Consumer</td>
<td>$5.9</td>
<td>$5.9</td>
</tr>
<tr>
<td>Total</td>
<td>$2.0</td>
<td>$1.9</td>
</tr>
</tbody>
</table>

% to Sales

<table>
<thead>
<tr>
<th>Segment</th>
<th>Q3 YTD 2016</th>
<th>Q3 YTD 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceutical</td>
<td>41.7%</td>
<td>43.2%</td>
</tr>
<tr>
<td>Medical Devices</td>
<td>31.6%</td>
<td>31.5%</td>
</tr>
<tr>
<td>Consumer</td>
<td>19.7%</td>
<td>18.4%</td>
</tr>
<tr>
<td>Total</td>
<td>32.8%</td>
<td>32.7%</td>
</tr>
</tbody>
</table>
2016 Guidance

<table>
<thead>
<tr>
<th></th>
<th>OCTOBER 2016</th>
<th>JULY 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Interest Expense</strong></td>
<td>$400 - $450 million</td>
<td>$400 - $500 million</td>
</tr>
<tr>
<td><strong>Net Other Income</strong>*</td>
<td>$750 - $850 million</td>
<td>$0.9 - $1.0 billion</td>
</tr>
<tr>
<td><strong>Pre-tax Operating Margin</strong></td>
<td>&gt; 200 basis point improvement</td>
<td>&gt; 200 basis point improvement</td>
</tr>
<tr>
<td><strong>Effective Tax Rate</strong>*</td>
<td>18.0% - 18.5%</td>
<td>18.5% - 19.0%</td>
</tr>
</tbody>
</table>

*Non-GAAP measure; excludes intangible amortization expense and special items
**Sales less: COGS, SM&A and R&D expenses
## 2016 Guidance – Sales

<table>
<thead>
<tr>
<th>OCTOBER 2016</th>
<th>ESTIMATED OPERATIONAL*</th>
<th>ESTIMATED CURRENCY</th>
<th>ESTIMATED REPORTED**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Change vs. PY</td>
<td>$72.2B - $72.9B</td>
<td>3.0% - 4.0%</td>
<td>($0.7B)</td>
</tr>
<tr>
<td><strong>Net Impact: Acq./Div. and Hep C</strong></td>
<td>2.0 – 2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales ex. Acq./Div. &amp; Hep C Change vs. PY</td>
<td>5.0% - 6.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JULY 2016</th>
<th>ESTIMATED OPERATIONAL*</th>
<th>ESTIMATED CURRENCY</th>
<th>ESTIMATED REPORTED**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Change vs. PY</td>
<td>$72.2B - $72.9B</td>
<td>3.0% - 4.0%</td>
<td>($0.7B)</td>
</tr>
<tr>
<td><strong>Net Impact: Acq./Div. and Hep C</strong></td>
<td>2.0 – 2.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales ex. Acq./Div. &amp; Hep C Change vs. PY</td>
<td>5.0% - 6.5%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Excludes the impact of translational currency

**Euro Average Rate: October 2016 = $1.11
# 2016 Guidance – EPS

<table>
<thead>
<tr>
<th>OCTOBER 2016</th>
<th>ESTIMATED OPERATIONAL**</th>
<th>ESTIMATED CURRENCY</th>
<th>ESTIMATED REPORTED***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EPS* Change vs. PY</td>
<td>$6.71 - $6.76</td>
<td>($0.03)</td>
<td>$6.68 - $6.73</td>
</tr>
<tr>
<td></td>
<td>8.2% - 9.0%</td>
<td>(0.5%)</td>
<td>7.7% - 8.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>JULY 2016</th>
<th>ESTIMATED OPERATIONAL**</th>
<th>ESTIMATED CURRENCY</th>
<th>ESTIMATED REPORTED***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EPS* Change vs. PY</td>
<td>$6.66 - $6.76</td>
<td>($0.03)</td>
<td>$6.63 - $6.73</td>
</tr>
<tr>
<td></td>
<td>7.4% - 9.0%</td>
<td>(0.5%)</td>
<td>6.9% - 8.5%</td>
</tr>
</tbody>
</table>

* Non-GAAP measure; excludes intangible amortization expense and special items
** Excludes the impact of translational currency
*** Euro Average Rate: October 2016 = $1.11
## 2016 Guidance – Sales and EPS Summary

<table>
<thead>
<tr>
<th>OCTOBER 2016</th>
<th>ESTIMATED OPERATIONAL*</th>
<th>ESTIMATED CURRENCY</th>
<th>ESTIMATED REPORTED**</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sales Change vs. PY</strong></td>
<td>$72.2B - $72.9B</td>
<td>($0.7B)</td>
<td>$71.5B - $72.2B</td>
</tr>
<tr>
<td></td>
<td>3.0% - 4.0%</td>
<td>(1.0%)</td>
<td>2.0% - 3.0%</td>
</tr>
<tr>
<td><strong>Sales ex. Acq./Div. &amp; Hep C Change vs. PY</strong></td>
<td>5.0% - 6.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Adjusted EPS Change vs. PY</strong></td>
<td>$6.71 - $6.76</td>
<td>($0.03)</td>
<td>$6.68 - $6.73</td>
</tr>
<tr>
<td></td>
<td>8.2% - 9.0%</td>
<td>(0.5%)</td>
<td>7.7% - 8.5%</td>
</tr>
</tbody>
</table>

**Pre-tax Operating Margin**

- > 200 basis point improvement

---

1. Excludes the impact of translational currency
2. Euro Average Rate: October 2016 = $1.11
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