

Johnson & Johnson

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Note on Non-GAAP Financial Measures

This presentation may 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.

Johnson & Johnson

- 2012 Sales of \$67.2 Billion
- Over 250 operating companies worldwide
- Leadership positions in ethical pharmaceuticals, medical devices and diagnostics and a variety of consumer products

Content Overview

- Strategic Framework
- Historical Performance
- Segment Overview
- First Quarter 2013 Results
- Summary

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Strategic Framework



Strategic Framework

OUR FOUNDATION

Our Credo

Our Aspiration

OUR STRATEGIC PRINCIPLES

Broadly Based
in Human
Health Care

Managed
for the
Long Term

Decentralized
Management
Approach

Our People
and Values

OUR GROWTH DRIVERS

Creating Value
through
Innovation

Global Reach /
Local Focus

Excellence in
Execution

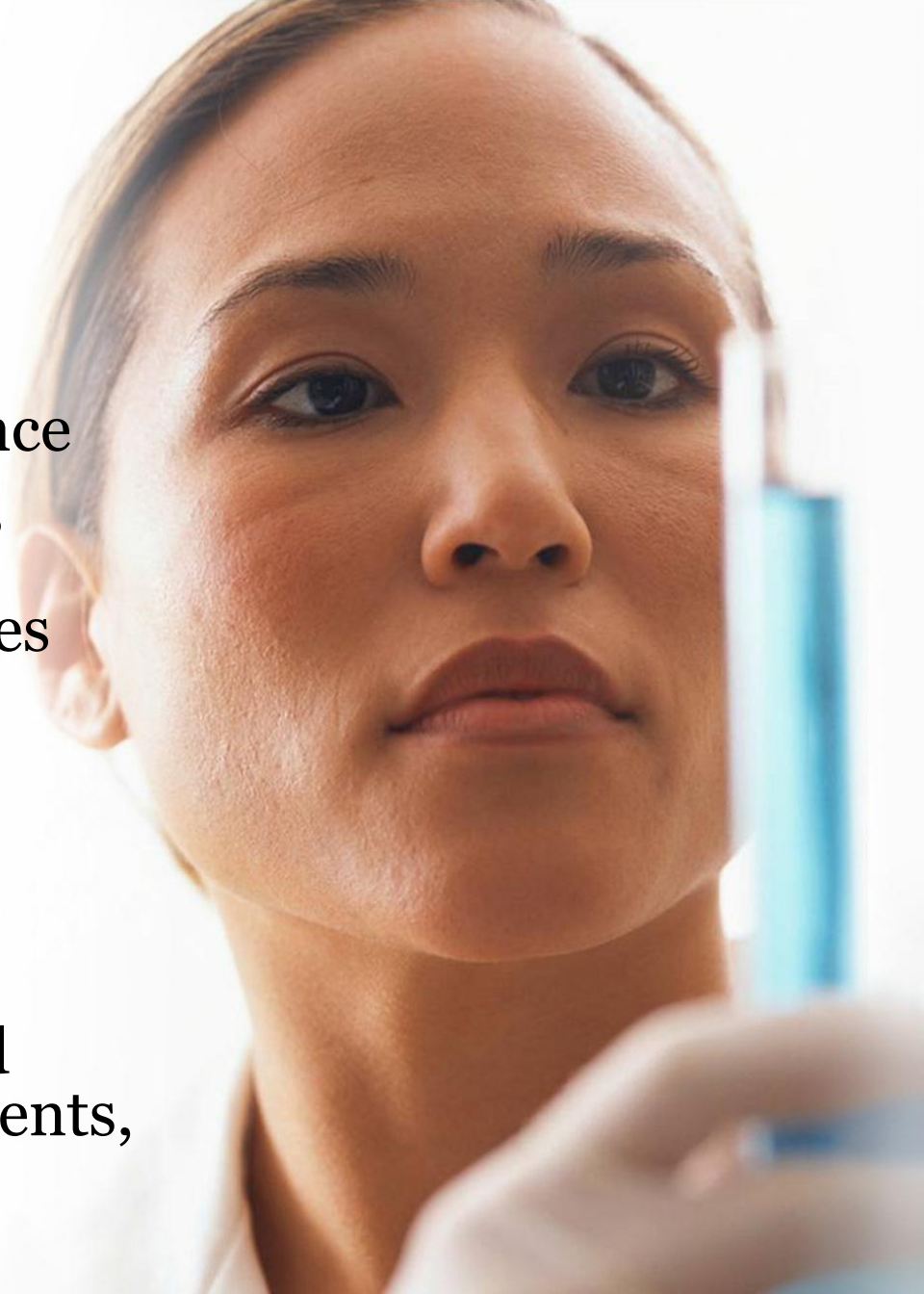
Leading
with Purpose

Our Growth Drivers



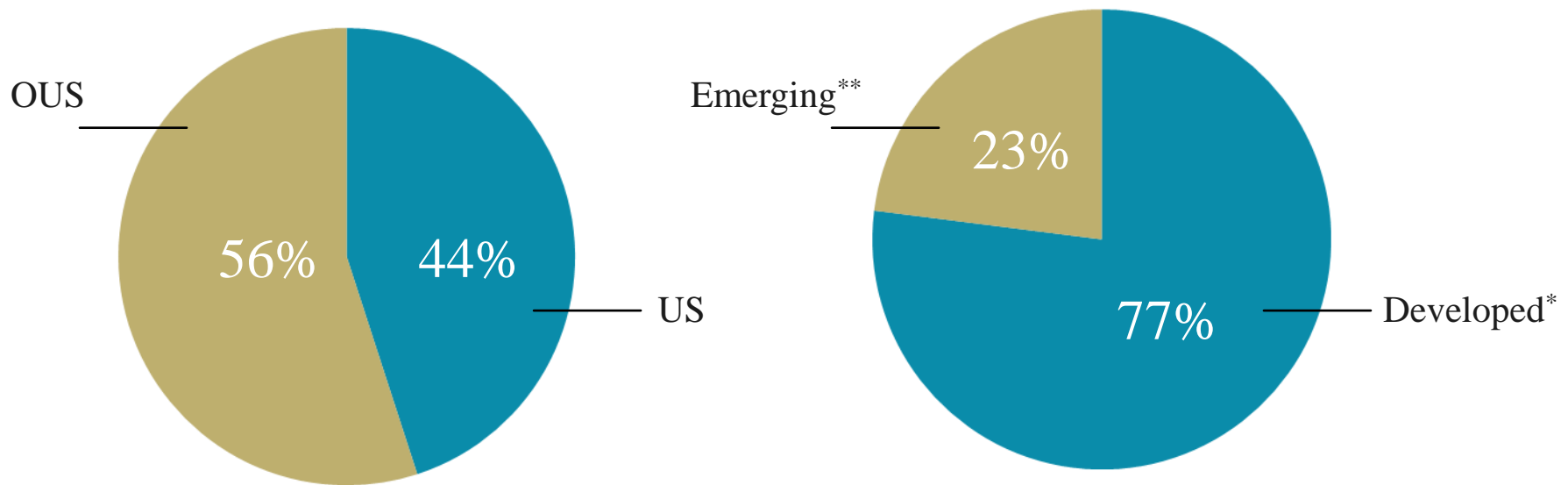
Creating Value Through Innovation

- Our distinct model
 - Accessing the best science
 - Leveraging capabilities, collaborations, and convergent opportunities
- A lifecycle approach
 - Building out platforms, brands, and products
- Broad partnerships
 - Providing solutions and unique offerings to patients, insurers and providers



Global Reach/Local Focus

2012 Johnson & Johnson Sales: \$67.2 Billion



* Developed = US; Canada; Australia; Western Europe; and Japan

** Emerging = all other remaining countries

Meeting Needs of Emerging Markets

- Capitalizing on our broad base of product offerings
- Selectively acquiring and developing local products
- Optimizing infrastructure
- Training institutes
- Localized health care solutions



Excellence in Execution

An Enterprise Approach

Operational Excellence

- Optimizing Enterprise Supply Chain
- Enhancing R&D productivity
- Best-in-class new product launches
- Creating Go-to-Market Models



Excellence in Execution

An Enterprise Approach

Portfolio Management

- Decisions focused on accelerating our growth
- Investing for the long term
- Exited/divested certain businesses

Leading with Purpose

- **Expanding Access to Care**
 - Generic versions of Prezista available to help address HIV epidemic in world's poorest countries
- **Transforming Patient Lives and Communities**
 - Monetary & product contributions of ~\$900MM that address major health-related issues in more than 50 countries
- **HEALTHY FUTURE – 2015 Sustainability Goals**
 - Great progress towards sustainability goals



Leading with Purpose

Our Credo

“...our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services.”

“We are responsible to our employees, the men and women who work with us throughout the world.”

“We are responsible to the communities in which we live and work and to the world community as well.”

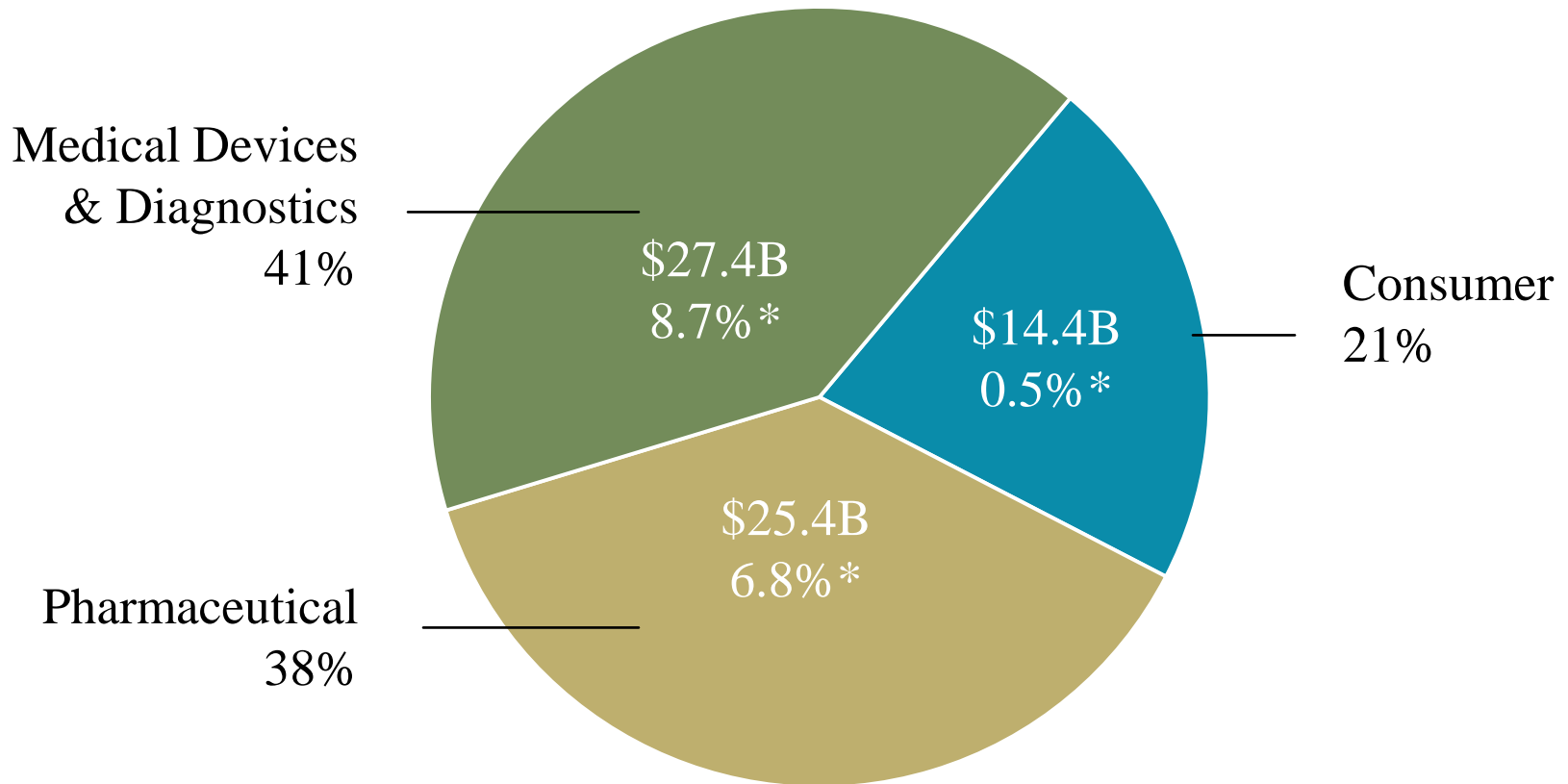
“Our final responsibility is to our stockholders. Business must make a sound profit. We must experiment with new ideas. Research must be carried on, innovative programs developed and mistakes paid for.”

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Historical Performance

2012 Sales by Segment

2012 Twelve Month Sales: \$67.2 Billion
\$ US Billions

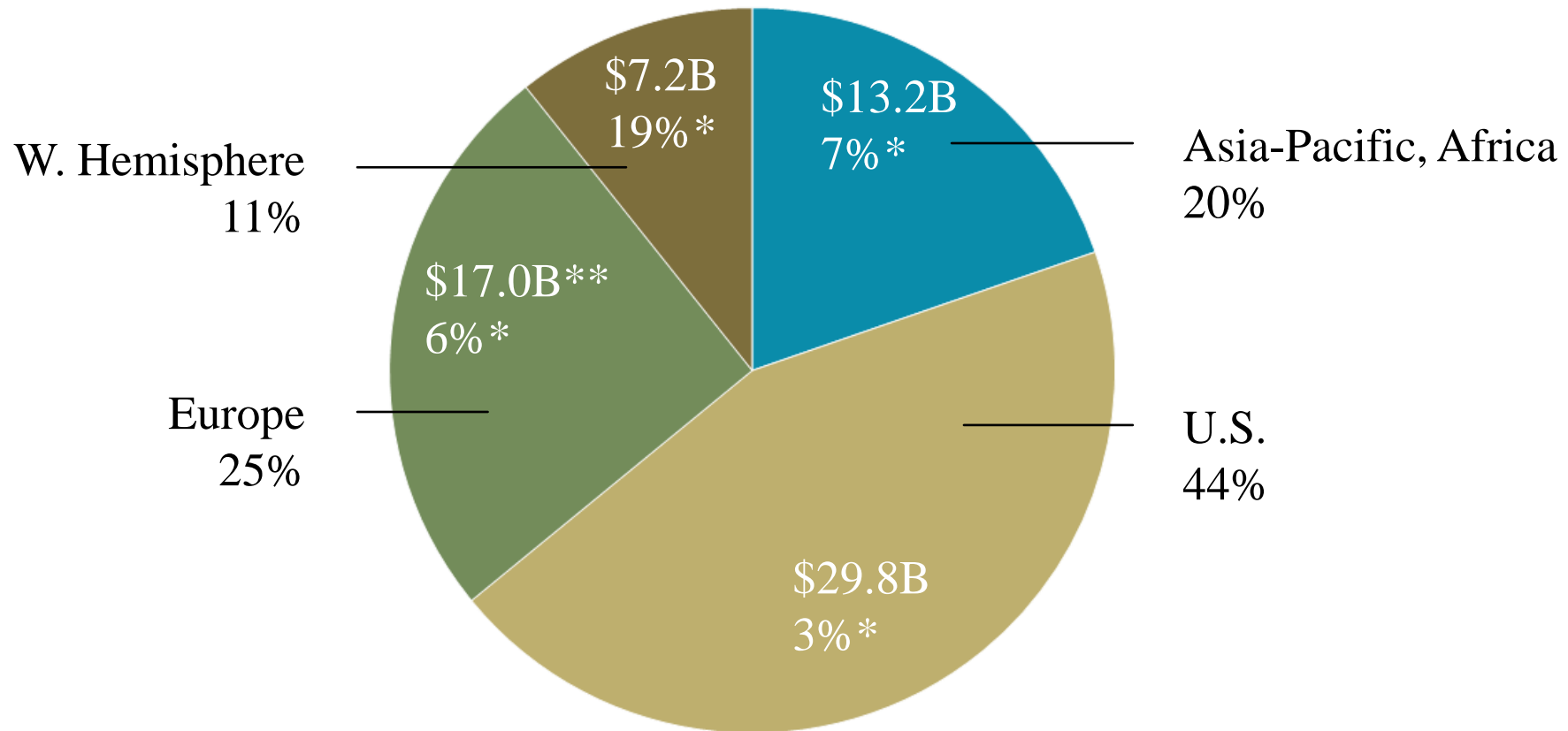


* Operational change

Note: Inclusive of Synthes June – December, excluding the net impact of the Synthes acquisition MD&D Operational sales change is 0.8%

2012 Sales by Region

2012 Twelve Month Sales: \$67.2 Billion
\$ US Billions



* Operational change

** Rounded for visual accuracy

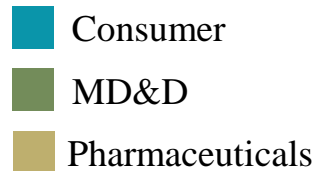
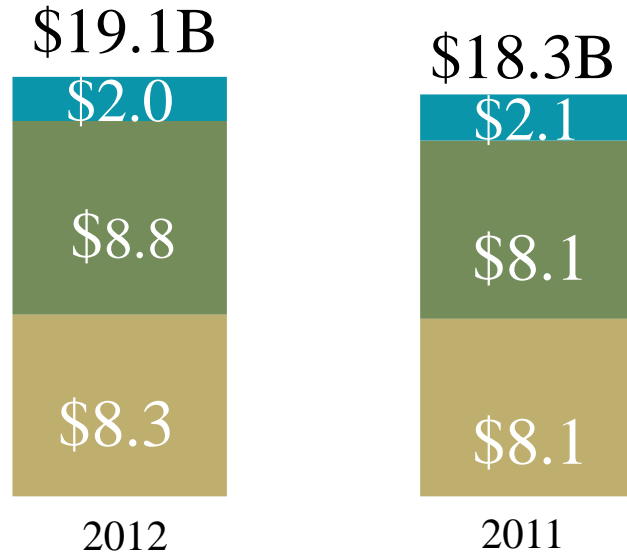
Note: Inclusive of Synthes June – December, excluding the net impact of the Synthes acquisition MD&D Operational sales change is 0.8%

2012 Performance Highlights

A photograph of a male doctor with glasses and a goatee, wearing a white lab coat over a blue shirt and tie. He is sitting at a desk, looking towards the right side of the frame. A patient's head and shoulder are visible in the foreground on the right, partially obscuring the view. The background is a bright, out-of-focus window.

- Delivered on financial commitments
- Advanced near-term priorities
 - Restoring reliable supply of our OTC products
 - Successfully integrating Synthes
 - Building on the strong momentum in pharmaceuticals
- Strengthened our focus on the future
 - Investing in innovation
 - Progressing enterprise initiatives
 - Expanding our global presence

2012 Segment Pre-Tax Profit*



	Pre-Tax Profit % to Sales	
	2012	2011
Consumer	13.5%	14.1%
MD&D	32.3%	31.3%
Pharmaceuticals	32.9%	33.4%
Total	28.5%	28.2%

* Non-GAAP measure; excludes special items

2012 Cash Flow

Free Cash Flow*	\$12.5B
Net Cash/(Debt) Position	\$4.9B

*One of Only 4 U.S. Industrial Companies
With Triple A Credit Rating*

* Non-GAAP financial measure; defined as operating cash flow less capital spending

Consistent Performance

29 Consecutive years of Adjusted Earnings increases¹

50 Consecutive years of Dividend increases

<u>Year</u>	<u>Reported Sales Growth</u>	<u>Operational Sales Growth</u>	<u>Adjusted Net Earnings Growth¹</u>
100	+10.1%	+10.4%	+10.0%
50	+10.5	+10.8	+14.1
20	+8.3	+8.5	+11.7
10	+6.4	+5.1	+8.3
5	+1.9	+1.8	+3.5
1	+3.4	+6.1	+3.4

¹ Non-GAAP; excludes In-process R&D and other special items

Total Shareholder Return

As of 12/31/2012

	1 YEAR	5 YEAR	10 YEAR
<i>Johnson & Johnson</i>	10.8%	4.4%	5.5%
S&P 500	16.0%	1.7%	7.1%
S&P Pharmaceutical	14.4%	5.7%	4.5%
S&P H/C Equipment	17.3%	1.1%	5.6%
Dow Jones Index	10.2%	2.6%	7.3%

Note: Data Source – Bloomberg

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Segment Overview

Consumer Segment Overview

- Worldwide annual sales in 2012 of \$14.4 billion
- Principal products in:
 - Over-the-Counter Pharmaceuticals and Nutritionals
 - Skin Care
 - Baby Care
 - Wound Care
 - Oral Care
 - Women's Health

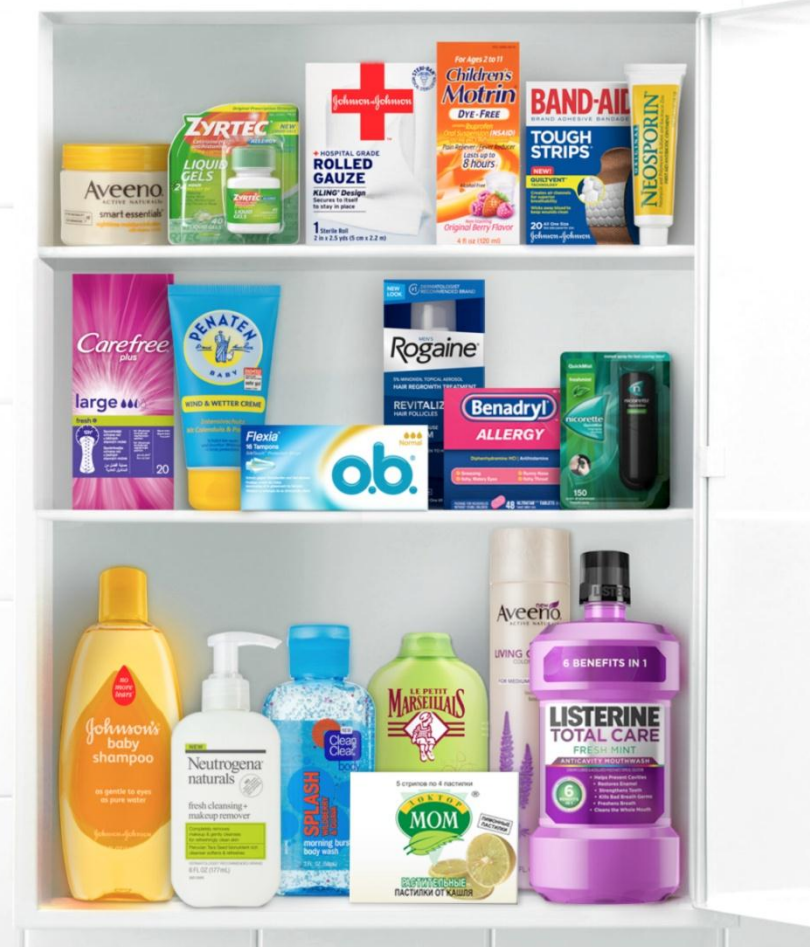
Consumer Highlights

2012 Sales: \$14.4 Billion

Ops Change: 0.5%

#6 Largest Consumer Health Care Company*

- Continue to restore reliable supply of McNeil OTC products
- Focused portfolio management
- Continued expansion in emerging markets
 - Market specific products
 - Iconic brands



* 12 months rolling sales through Q3 2012

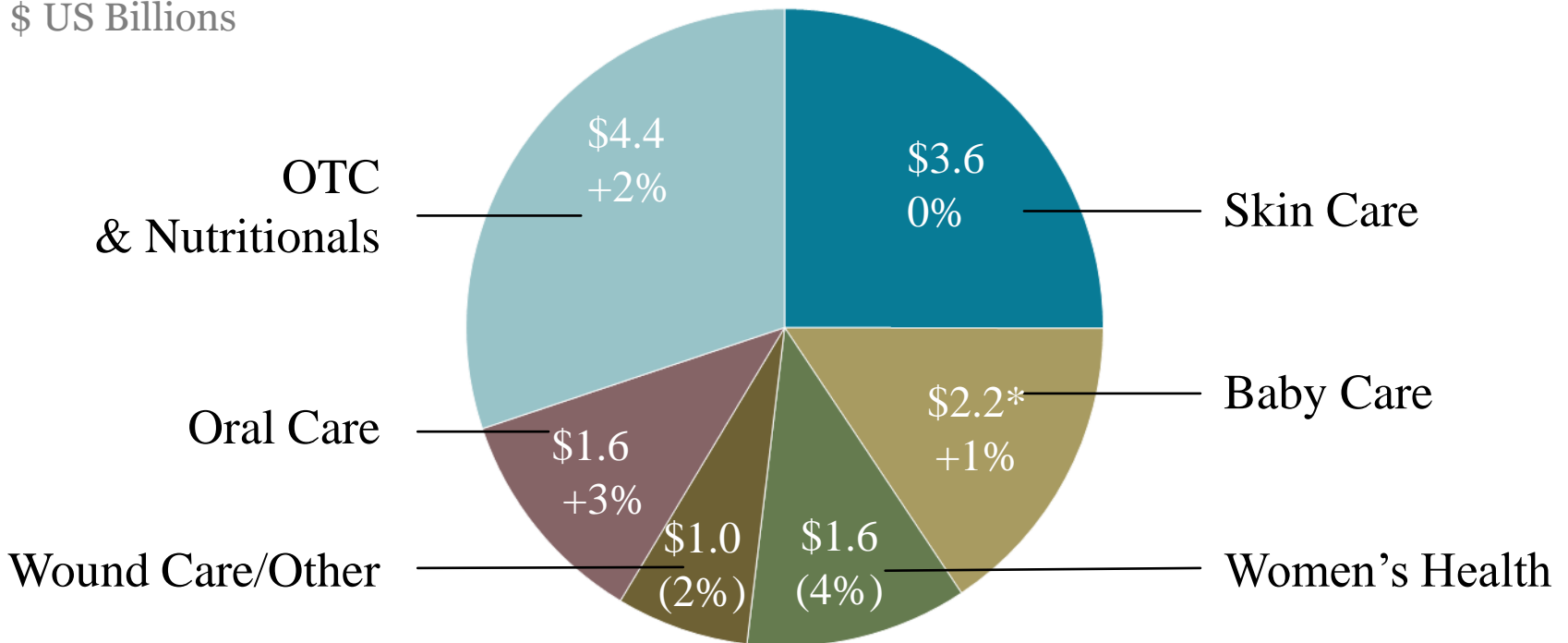
Consumer Segment

Sales & Operational Change – Twelve Months 2012

2012 Sales: \$14.4 Billion

2012 Ops Change: 0.5%

\$ US Billions



Growth rates represent operational YOY Change

* Rounded for visual accuracy

Medical Devices & Diagnostics Segment Overview

- Worldwide annual sales in 2012 of \$27.4 billion
- Largest medical device company in the world
- Global presence in medical, surgical and diagnostic categories
- Eight large franchises
- 80% of sales coming from #1 or #2 market position

MD&D Highlights

2012 Sales: \$27.4 Billion

Ops Change: 8.7%

#1 Worldwide MD&D Business

- Building on our market leadership
- #1 or #2 Leadership positions in over 80% of key platforms
- Strong double-digit growth in emerging markets
- Pipeline advancement
- Disciplined portfolio approach
- Adapting businesses to changing market
- Investing for long-term sustainable growth

Note: Excluding the net impact of the Synthes acquisition MD&D Operational sales change = 0.8%



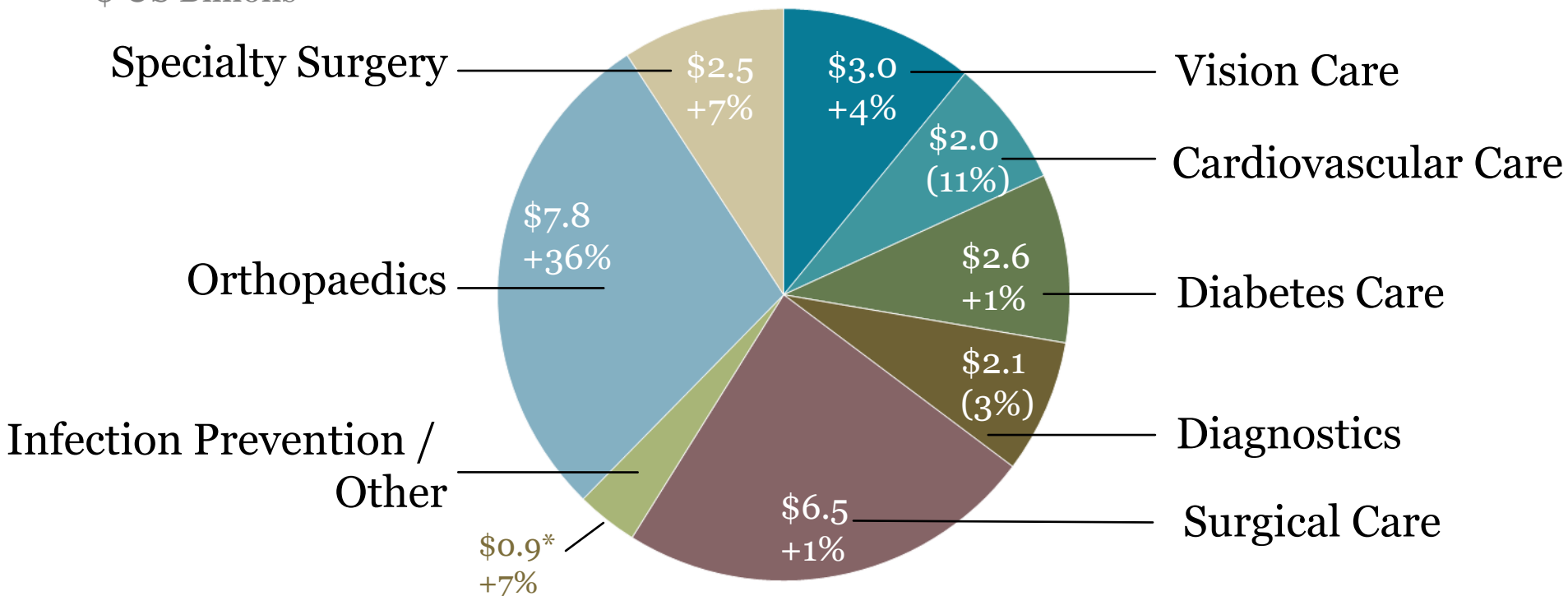
Medical Devices & Diagnostics Segment

Sales & Operational Change – Twelve Months 2012

2012 Sales: \$27.4 Billion

2012 Ops Change: 8.7%

\$ US Billions



Growth rates represent operational YOY Change

* Rounded for visual accuracy

Note: Excluding the net impact of the Synthes acquisition, MD&D Operational change = 0.8%

Pharmaceutical Segment Overview

- Worldwide annual sales in 2012 of \$25.4 billion
- Over 100 drugs marketed in approximately 150 countries
- Seven products with revenues over \$1 billion
- Robust R&D pipeline
- Key licensing & strategic partnerships

Pharmaceutical Highlights

2012 Sales: \$25.4 Billion

Ops Change: 6.8%

#8 Worldwide Market Rank*

#6 Global Biotech Market Rank**

- Strong launch execution of recently approved products
 - Fastest growing Europe & Japan¹
 - US leader in new product sales¹
- Significant pipeline advancements
 - 10 NME approvals since 2009²

* WW Pharm – IMS Health, Audited Q3 2012

** Biotech Source: IMS Health, MIDAS, MAT September 2012

¹ IMS Midas; ² Source: GRPI



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1st Quarter

Financial Highlights

Financial Highlights

1Q 2013 vs. 1Q2012

TOTAL COMPANY	1Q13	1Q12	% CHANGE	
			TOTAL	OPS
Sales	\$17.5B	\$16.1B	8.5%	9.8%
Adjusted Earnings*	\$4.1B	\$3.8B	8.0%	
Diluted EPS*	\$1.44	\$1.37	5.1%	

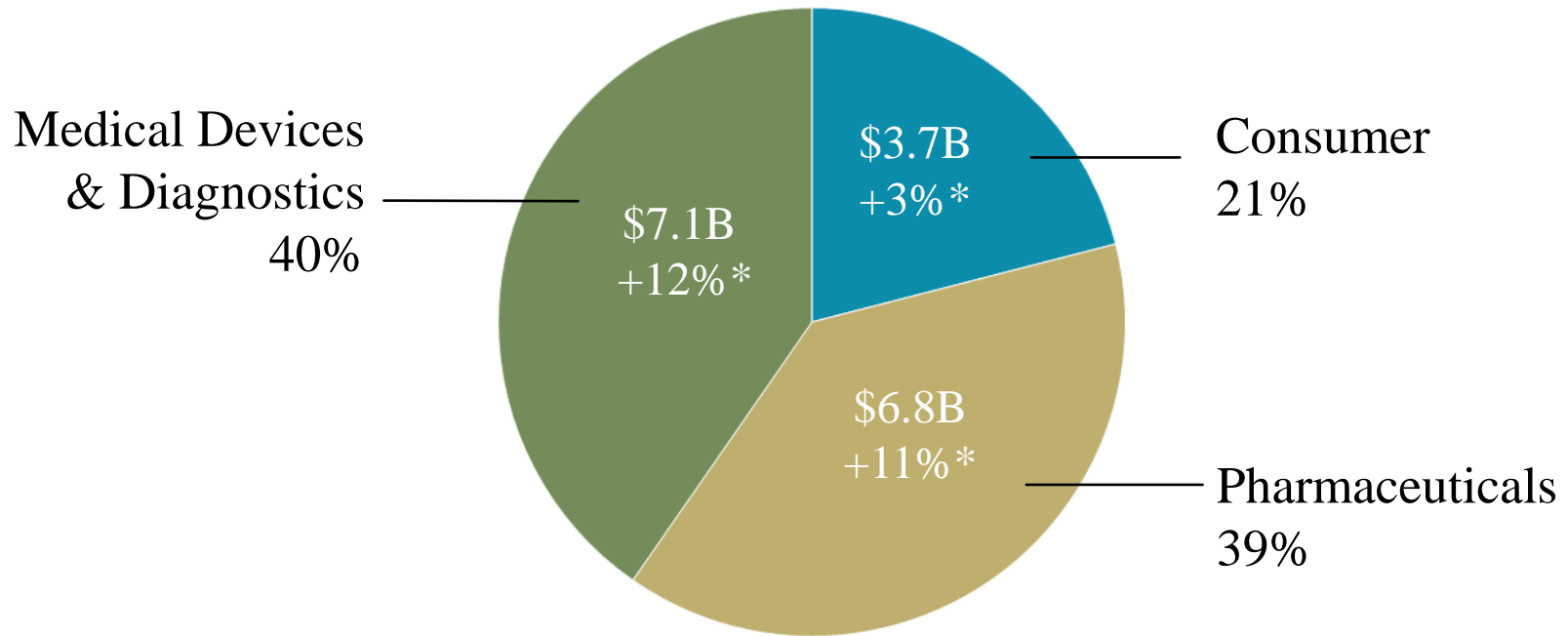
* Non-GAAP measure; excludes special items

Note: Excluding the net impact of the Synthes acquisition, WW Operational sales change = 4.1%

1Q 2013 Sales by Segment

1Q 2013 Sales: \$17.5 Billion

\$ US Billions



* Operational YOY change

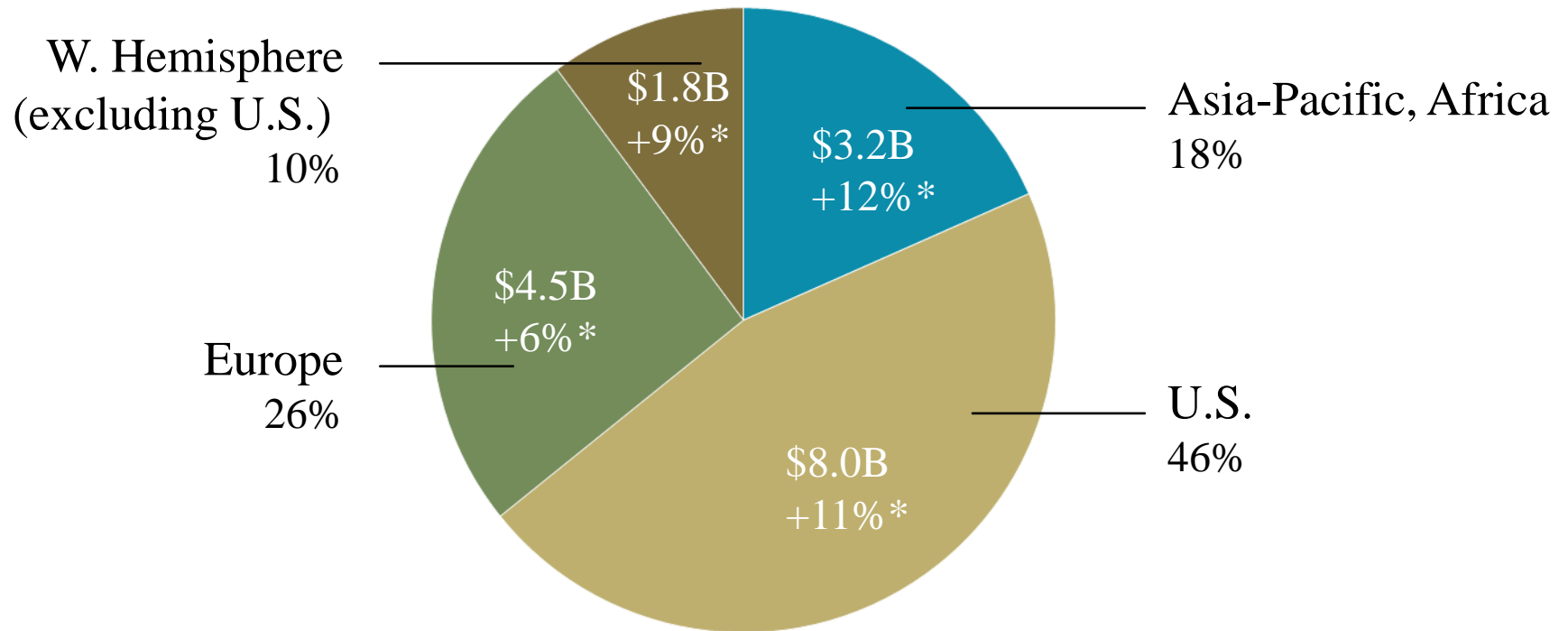
Note: sum of parts does not equal total due to rounding

Note: Excluding the net impact of the Synthes acquisition, MD&D Operational change = (2.4%)

1Q 2013 Sales by Region

1Q 2013 Sales: \$17.5 Billion

\$ US Billions



* Operational YOY change

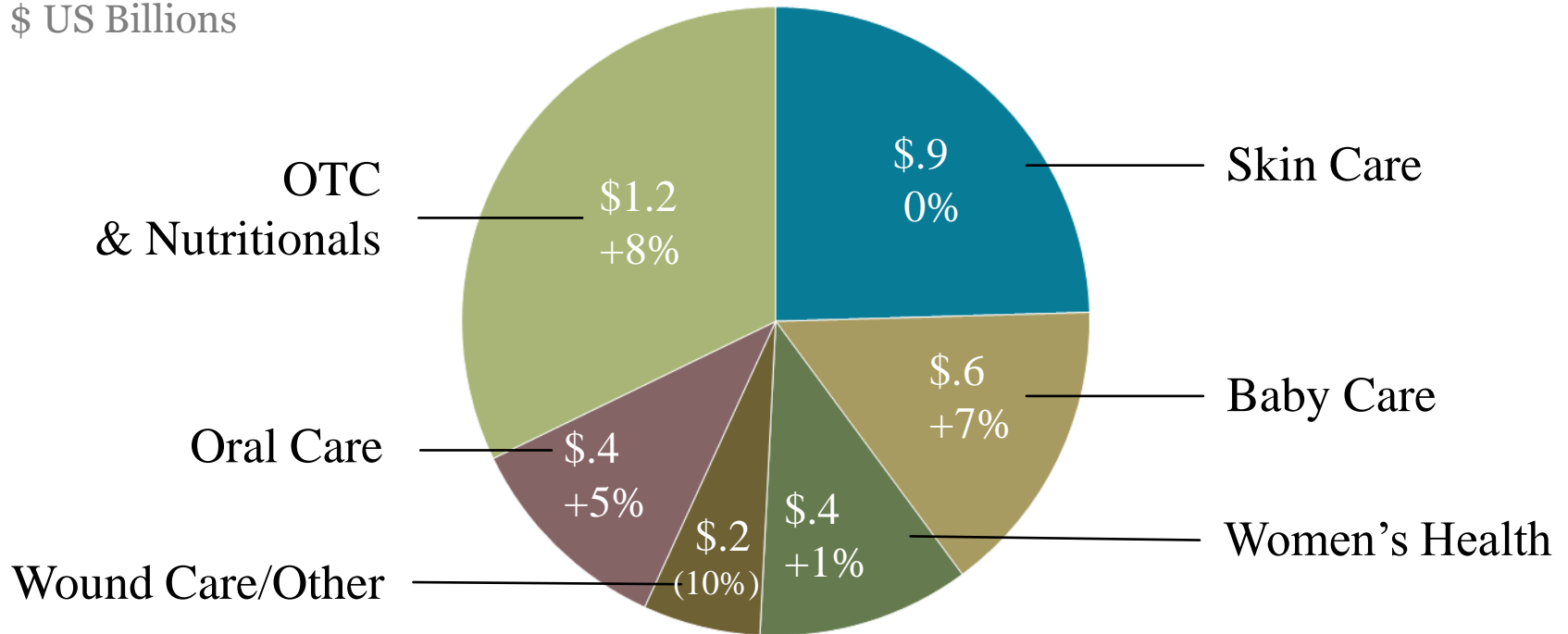
Consumer Segment

Sales & Operational Change – 1Q 2013

1Q 2013 Sales: \$3.7 Billion

1Q 2013 Ops Change: 3%

\$ US Billions



Growth rates represent operational YOY change

1Q 2013 Consumer Sales (+3%)

Key Drivers:

- OTC/Nutritionals (+8%)
 - TYLENOL® and MOTRIN® analgesics and upper respiratory over-the-counter medicines
- Baby Care (+7%)
 - Wipes, hair care, cleansers and powders
- Oral Care (+5%)
 - Strong sales of LISTERINE® mouthwash due to continued success of new product launches

All growth %'s noted are operational growth

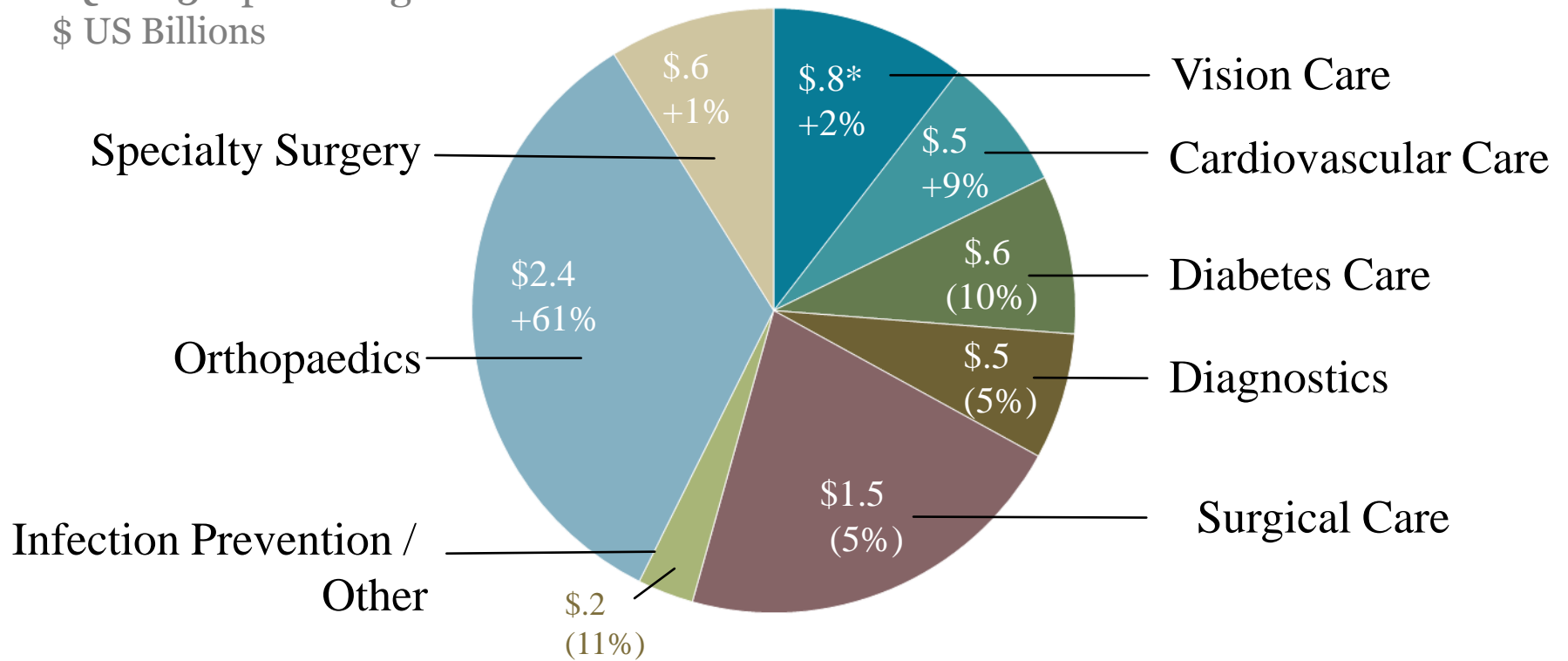
Medical Devices & Diagnostics Segment

Sales & Operational Change – 1Q 2013

1Q 2013 Sales: \$7.1 Billion

1Q 2013 Ops Change: 12%

\$ US Billions



Growth rates represent operational YOY Change

* Rounded for visual accuracy

Note: Excluding the net impact of the Synthes acquisition, MD&D Operational change = (2.4%)

1Q 2013 Medical Devices & Diagnostics Sales (+12%)

Key Drivers:

- Cardiovascular Care (+9%)
 - Strong results for Biosense Webster and endovascular products
- Vision Care (+2%)
 - 1-Day ACUVUE® TRUEYE and 1-Day ACUVUE® MOIST® disposable contact lenses
- Orthopaedics (+61%)
 - Addition of Synthes acquisition

All growth %'s noted are operational growth

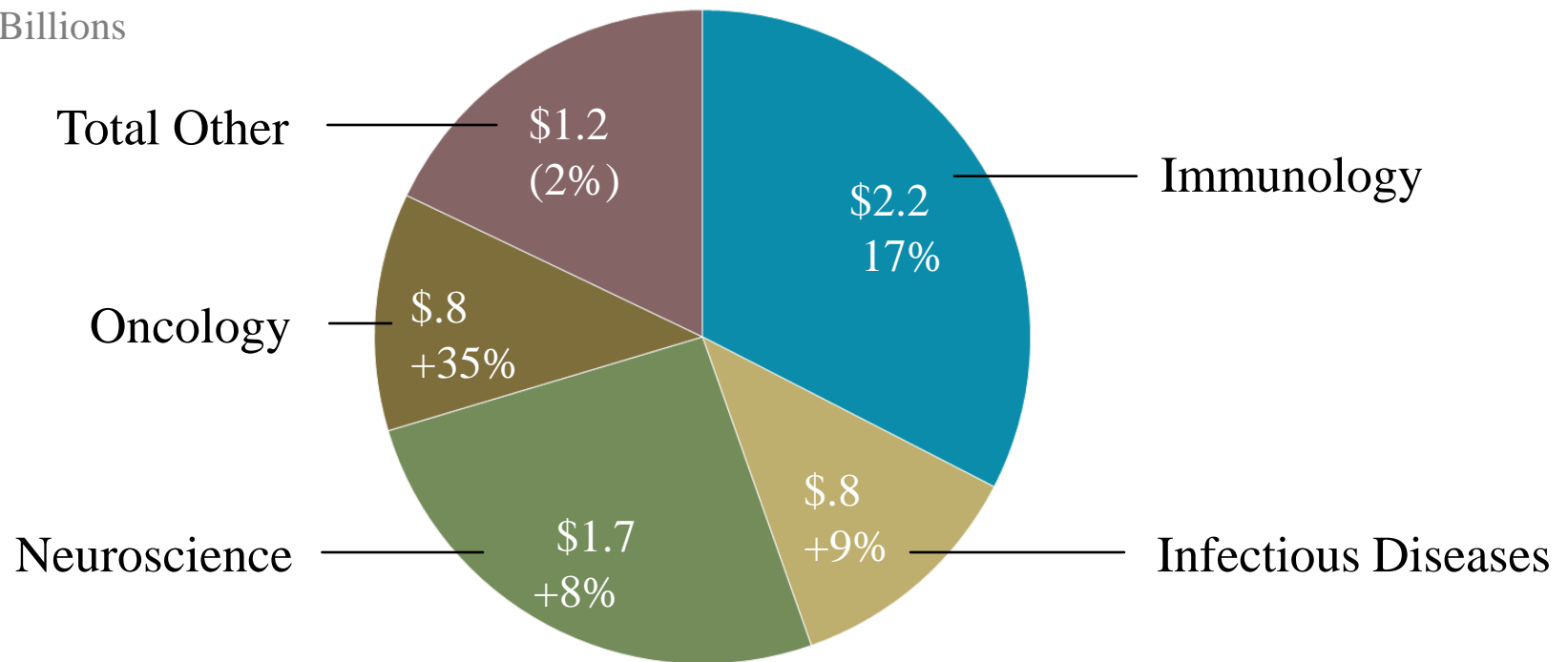
Pharmaceutical Segment

Sales & Operational Change – 1Q 2013

1Q 2013 Sales: \$6.8 Billion

1Q 2013 Ops Change: 11%

\$ US Billions



Growth rates represent operational YOY change

1Q 2013 Pharmaceutical Sales (+11%)

Key Growth Products:

% Change

- SIMPONI[®] for rheumatoid arthritis > 100%
- Invega[®] Sustenna[®] /Xeplion[®] for treatment of schizophrenia in adults + 76%
- STELARA[®] for psoriasis + 57%
- PREZISTA[®] for treatment for HIV + 14%
- REMICADE[®] for immune mediated inflammatory diseases + 6%

Recently Launched Products:

- XARELTO[®] an oral anticoagulant > 100%
- ZYTIGA[®] for metastatic, castration-resistant prostate cancer + 72%
- INCIVO[®] for treatment of Hepatitis C virus + 25%

All growth %'s noted are operational growth

2013 and Beyond...

We are committed to:

- Patients, employees, communities, shareholders
- Achieving our financial targets
- Focusing on our near-term priorities
- Implementing our long-term growth drivers

我們的信條

Our Credo

We believe our first responsibility is to the doctors, nurses and patients, to mothers and fathers and all others who use our products and services. In meeting their needs everything we do must be of high quality. We must constantly strive to reduce our costs in order to maintain reasonable prices. Customers' orders must be serviced promptly and accurately. Our suppliers and distributors must have an opportunity to make a fair profit.

We are responsible to our employees, the men and women who work with us throughout the world. Everyone must be considered as an individual. We must respect their dignity and recognize their merit. They must have a sense of security in their jobs. Compensation must be fair and adequate, and working conditions clean, orderly and safe. We must be mindful of ways to help our employees fulfill their family responsibilities. Employees must feel free to make suggestions and complaints. There must be equal opportunity for employment, development and advancement for those qualified. We must provide competent management, and their actions must be just and ethical.

We are responsible to the communities in which we live and work and to the world community as well. We must be good citizens — support good works and charities and bear our fair share of taxes. We must encourage civic improvements and better health and education. We must maintain in good order the property we are privileged to use, protecting the environment and natural resources.

Our final responsibility is to our stockholders. Business must make a profit. We must experiment with new ideas. Research must be encouraged. Innovative programs developed and mistakes paid for. New equipment must be purchased, new facilities provided and new products launched. Reserves must be created to provide for adverse times. When we operate according to these principles, the stockholders should realize a fair return.

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Reconciliation of Non-GAAP Measures

2012 Operating Profit



Reconciliation of Segment Pre-Tax Profit (Dollars in Millions)

	<u>Full Year 2012</u>	<u>Full Year 2011</u>
Adjusted earnings before provision for taxes on income	\$ 18,214	\$ 17,353
Interest expense	468	480
Other expenses not allocated to segments	468	474
Segment Pre-Tax Profit as adjusted	<u>\$ 19,150</u>	<u>\$ 18,307</u>
<u>Adjustments allocated to segments:</u>		
Net litigation loss	\$ (1,218)	\$ (3,310)
In-process research and development	(1,163)	(14)
Intangible asset write-downs and other adjustments	(909)	-
Synthes integration/transaction costs	(795)	(41)
DePuy ASR™ Hip program	(110)	(521)
Restructuring	-	(656)
Segment Pre-Tax Profit as reported	<u>\$ 14,955</u>	<u>\$ 13,765</u>

Reconciliation of Non-GAAP Measures

2012 Free Cash Flow



Free Cash Flow (Dollars in Billions)

	Full Year <u>2012</u>	Full Year <u>2011</u>	'12 vs. '11 <u>% change</u>
Net Cash flows from operating activities	\$ 15.4	14.3	
Additions to property, plant and equipment	<u>(2.9)</u>	<u>(2.9)</u>	
Free Cash Flow	\$ <u>12.5</u>	<u>11.4</u>	9.6%

Reconciliation of Non-GAAP Measures

2012 Net Earnings and EPS

Johnson & Johnson and Subsidiaries Reconciliation of Non-GAAP Financial Measures

<i>(Dollars in Millions Except Per Share Data)</i>	Fourth Quarter		% Incr. / (Decr.)	Twelve Months		% Incr. / (Decr.)
	2012	2011		2012	2011	
Earnings before provision for taxes on income - as reported	\$ 3,100	318	874.8 %	\$ 13,775	12,361	11.4 %
Net litigation loss (gain)	471	2,656		1,229	3,310	
In-process research and development	55	14		1,163	14	
Synthes integration/transaction costs and currency related	406	277		1,028	491	
Intangible asset write-downs and other adjustments	-	-		909	-	
DePuy ASR™ Hip program	83	412		110	521	
Restructuring	-	(20)		-	656	
Earnings before provision for taxes on income - as adjusted	<u>\$ 4,115</u>	<u>3,657</u>	<u>12.5 %</u>	<u>\$ 18,214</u>	<u>17,353</u>	<u>5.0 %</u>
Net Earnings attributable to Johnson & Johnson - as reported	\$ 2,567	218	1,077.5 %	\$ 10,853	9,672	12.2 %
Net litigation loss (gain)	371	2,239		1,052	2,745	
In-process research and development	59	11		743 (1)	11	
Synthes integration/transaction costs and currency related	306	338		899	477	
Intangible asset write-downs and other adjustments	-	-		701	-	
DePuy ASR™ Hip program	73	336		97	426	
Restructuring	-	(13)		-	536	
Net Earnings attributable to Johnson & Johnson - as adjusted	<u>\$ 3,376</u>	<u>3,129</u>	<u>7.9 %</u>	<u>\$ 14,345</u>	<u>13,867</u>	<u>3.4 %</u>
Diluted Net Earnings per share attributable to Johnson & Johnson - as reported	\$ 0.91	0.08	1,037.5 %	\$ 3.86	3.49	10.6 %
Net litigation loss (gain)	0.13	0.81		0.37	0.99	
In-process research and development	0.02	-		0.27	-	
Synthes integration/transaction costs and currency related	0.11	0.12		0.32	0.17	
Intangible asset write-downs and other adjustments	-	-		0.25	-	
DePuy ASR™ Hip program	0.02	0.12		0.03	0.16	
Restructuring	-	-		-	0.19	
Diluted Net Earnings per share attributable to Johnson & Johnson - as adjusted	<u>\$ 1.19</u>	<u>1.13</u>	<u>5.3 %</u>	<u>\$ 5.10</u>	<u>5.00</u>	<u>2.0 %</u>

(1) Amount includes third quarter in-process research and development charge of \$679M related to bapineuzumab IV offset by \$339M reported as net loss attributable to noncontrolling interest

The Company believes investors gain additional perspective of underlying business trends and results by providing a measure of earnings before provision for taxes on income, net earnings and diluted net earnings per share that excludes special items in order to evaluate ongoing business operations.

Reconciliation of Non-GAAP Measures

2013 Q1 Net Earnings and EPS

Johnson & Johnson and Subsidiaries
Reconciliation of Non-GAAP Financial Measures

<i>(Dollars in Millions Except Per Share Data)</i>	First Quarter		% Incr. / (Decr.)
	2013	2012	
Earnings before provision for taxes on income - as reported	\$ 4,261	5,045	(15.5) %
Litigation expenses	529	-	
Synthes integration/transaction costs and currency related	258	(117)	
In-process research and development	64	-	
Other	(42)	-	
Earnings before provision for taxes on income - as adjusted	<u>\$ 5,070</u>	<u>4,928</u>	<u>2.9 %</u>
Net Earnings - as reported	\$ 3,497	3,910	(10.6) %
Litigation expenses	391	-	
Synthes integration/transaction costs and currency related	183	(106)	
In-process research and development	42	-	
Other	(6)	-	
Net Earnings - as adjusted	<u>\$ 4,107</u>	<u>3,804</u>	<u>8.0 %</u>
Diluted Net Earnings per share - as reported	\$ 1.22	1.41	(13.5) %
Litigation expenses	0.14	-	
Synthes integration/transaction costs and currency related	0.06	(0.04)	
In-process research and development	0.02	-	
Other	-	-	
Diluted Net Earnings per share - as adjusted	<u>\$ 1.44</u>	<u>1.37</u>	<u>5.1 %</u>

The Company believes investors gain additional perspective of underlying business trends and results by providing a measure of earnings before provision for taxes on income, net earnings and diluted net earnings per share that excludes special items in order to evaluate ongoing business operations.