



Unique & Compelling Value Proposition

January 26, 2017

# Today's Speakers



Alex Gorsky



Jean-Pierre Garnier



Joaquin Duato



Paul Stoffels



Jean-Paul Clozel



Dominic Caruso

# 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, the potential transaction between Johnson & Johnson and Actelion Ltd. 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 and Actelion. Risks and uncertainties include, but are not limited to: satisfaction of closing conditions for the transaction, including clearance by relevant merger control authorities and the receipt of regulatory approvals for the transaction; the possibility that the transaction will not be completed in the expected timeframe or at all; the potential that the expected benefits and opportunities of the transaction, if completed, may not be realized or may take longer to realize than expected; challenges inherent in product research and development, including the uncertainty of clinical success and obtaining regulatory approvals; uncertainty of commercial success for new and existing products; economic conditions, including currency exchange and interest rate fluctuations; competition, including technological advances, new products and patents attained by competitors; changes to applicable laws and regulations, including tax laws and domestic and foreign health care reforms; adverse litigation or government action; changes in behavior and spending patterns or financial distress of purchasers of health care products and services; and trends toward health care cost containment. In addition, if and when the transaction is consummated, there will be risks and uncertainties related to the ability of the Johnson & Johnson family of companies to successfully integrate the products, employees/operations and clinical work of Actelion, as well as the ability to ensure continued performance or market growth of Actelion's products. A further list and description of these risks, uncertainties and other factors and the general risks associated with the respective businesses of Johnson & Johnson and Actelion can be found in Johnson & Johnson's publicly available filings with the U.S. Securities and Exchange Commission, and Actelion's publicly available filings on its website. Copies of these filings, as well as subsequent filings, are available online at [www.sec.gov](http://www.sec.gov), [www.jnj.com](http://www.jnj.com), [www.actelion.com](http://www.actelion.com) or on request from Johnson & Johnson or Actelion. Neither Johnson & Johnson nor Actelion undertakes 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](http://www.investor.jnj.com).

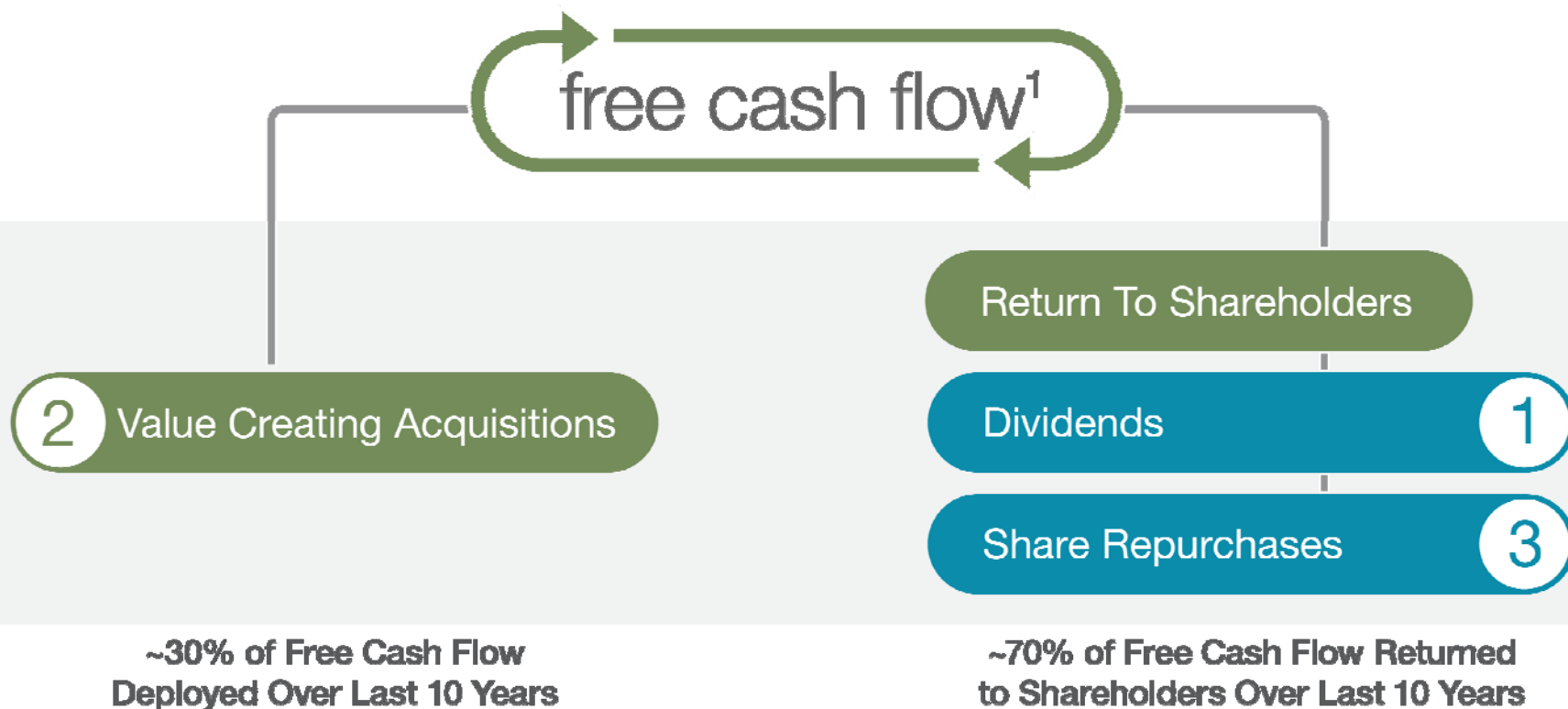




Alex Gorsky  
Chairman of the Board  
&  
Chief Executive Officer



# Deploying Capital Aligned with Our Framework



# Unique & Compelling Value Proposition for Actelion Shareholders

Highly attractive transaction with upside potential



All-cash tender offer for \$280 per share, payable in U.S. dollars (CHF 280.08 per share as of 1/25/17)



Ownership interest in new, standalone R&D company

**Johnson & Johnson**

 **ACTELION**

# Significant Value Creation for Johnson & Johnson

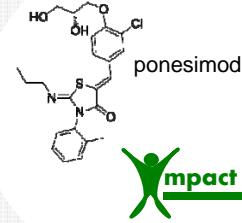
Right transaction, right time, right partner



Expected to accelerate near- and long-term revenue and earnings growth rates and be immediately accretive to Johnson & Johnson adjusted EPS



Expands and complements Janssen portfolio with leading, differentiated in-market medicines for pulmonary arterial hypertension (PAH)



Reinforces Janssen's already robust late-stage pipeline



Johnson & Johnson's global presence and commercial capabilities extend Actelion products' geographic and commercial reach



Additional value from Johnson & Johnson ownership interest in R&D NewCo

Johnson & Johnson





신조

우리의 목적은 우리의 상품과 서비스의 수요자인 의사, 간호사, 환자, 그리고 그들의 요구에 부응하기 위해 우리의 상품은 항상 최고로 만들어야 한다. 우리는 적절한 상 품가격을 유지하기 위하여 불가피하게 처리하여야 한다. 우리의 제품을 취급하는 사업자도 청결할 수 있도록 하여야 한다.

우리의 목적은 전 세계 어디에서나 우리와 같이 근무하는 직원에게 대한 책임이다. 모든 직원은 각자가 한 개인의 가치를 높이는 노력을 감행하여야 한다. 우리의 제품을 취급하는 사업자도 청결할 수 있도록 하여야 한다.

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我們的信條

我們相信我們首先要對醫生、護士和病人負責。對父母親以及產品和接受我們服務的人負責。為了滿足他們的需求，我們必須不斷地努力降低我們的成本，以提供高品質的。我們必須不斷地努力降低我們的成本，以提供高品質的。我們必須不斷地努力降低我們的成本，以提供高品質的。

我們必須對世界各處和我們一起共事的男女同仁負責，負責他們的尊嚴，負責他們的福利。我們必須維護他們的尊嚴，負責他們的福利。我們必須維護他們的尊嚴，負責他們的福利。

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# Unser Credo

## 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 sound profit. We must experiment with new ideas. Research must be carried on, 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.

### Johnson & Johnson

# Nosso Credo

## Nosso Credo

Nossa principal responsabilidade é com os médicos, enfermeiras e pacientes, com as mães e pais e todos os demais que utilizam nossos produtos e serviços. Para responder a suas necessidades, tudo o que fazemos deve ser de primeira qualidade. Nós devemos lutar constantemente por reduzir nossos custos a fim de manter preços razoáveis. Os pedidos dos clientes devem ser atendidos rapidamente e com precisão. Nossos fornecedores devem ter a oportunidade de conseguir uma justa e adequada remuneração.

Nós somos responsáveis com nossos empregados, homens e mulheres como pessoas. Devemos respeitar sua dignidade e oferecer-lhes condições de trabalho limpas, seguras e satisfatórias. Devemos estar conscientes das maneiras de ajudar nossos empregados a cumprir suas responsabilidades familiares. Os empregados devem sentir-se livres para fazer sugestões e reclamações. Deve haver igual oportunidade de emprego, desenvolvimento e promoção para os qualificados. Devemos fornecer uma administração competente, e suas ações devem ser justas e éticas.

Nós somos responsáveis com as comunidades em que vivemos e trabalhamos e com a comunidade mundial. Devemos ser bons cidadãos — apoiar boas obras e caridades e pagar nossos impostos razoáveis. Devemos manter em bom estado a propriedade que nos é concedida, protegendo o meio ambiente e os recursos naturais.

Nossa responsabilidade final é com nossos acionistas. O negócio deve proporcionar um lucro razoável. Devemos experimentar novas ideias. Devemos fazer pesquisas, desenvolver programas inovadores e pagar por erros. Devemos comprar novo equipamento, fornecer novas instalações e lançar novos produtos. Devemos criar reservas para tempos difíceis. Quando operamos de acordo com estes princípios, os acionistas devem obter uma justa e adequada remuneração.





Jean-Pierre Garnier  
Chairman of the Board



Joaquin Duato  
Executive Vice President &  
Worldwide Chairman,  
Pharmaceuticals



# Overview of Actelion

## Leader in the science and medicine of Pulmonary Arterial Hypertension

- Founded in 1997
- Based in Allschwil, Switzerland
- Significant advances in the scientific understanding and development of new therapies for pulmonary arterial hypertension
- Portfolio of PAH treatments covers the spectrum of disease, from WHO Functional Class (FC) II through to FC IV, with oral, inhaled and intravenous medications



Johnson & Johnson



# PAH is a Life-threatening and Often Misunderstood Condition



Normal artery



Artery showing vasoconstriction

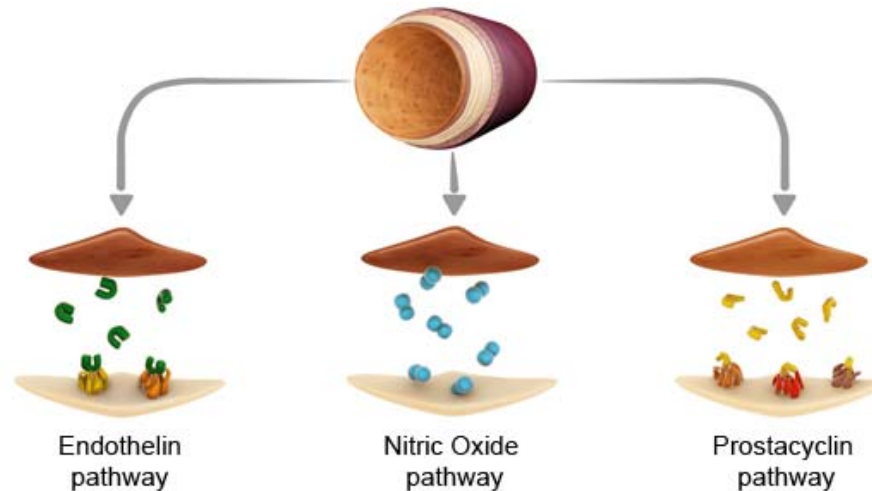


Diseased artery showing tissue thickening and fibrosis

- Pulmonary arterial hypertension is a disease of the blood vessels carrying blood from the heart to the lungs – the pulmonary arteries
- When PAH develops, blood circulating through these vessels becomes restricted, and the right side of the heart is put under increasing strain to pump blood through the lungs
- PAH affects a significant number of people, with more than 100,000 patients diagnosed in the US and other major markets.
- The symptoms of PAH range from mild breathlessness through to severe restrictions on exercise capacity, and eventually heart failure.

# Leading Franchise of Differentiated, Innovative Products Treating PAH

Attractive portfolio of in-market products



- Over **65,000 Patients** currently treated with an Actelion medication
- Over US \$2 billion in sales in 2015 from in-market products

# OPSUMIT®

Offers opportunities for expansion in ERA class



- Opsumit (macitentan) is an orally available Endothelin receptor antagonist (ERA)
- Opens narrow blood vessels between the heart and lungs
- Demonstrated long-term outcomes in delaying disease progression
- Excellent safety profile
- Once daily dosing
- Approved for the treatment of PAH in over 35 countries, including the United States in October 2013, the European Union in December 2013 and Japan in March 2015



# UPTRAVI®

## Offers opportunities for expansion in ERA class

- Uptravi® (selexipag) is an orally available, selective IP receptor agonist, targeting and activating the prostacyclin pathway
- Indicated for treatment of PAH to delay diseases progression and reduce the risk of hospitalization
- Strong clinical results and positive post-marketing experience
- Potential to drive earlier use and combination treatment with ERA
- Approved for the treatment of PAH in the United States in December 2015 and the European Union in May 2016



# Johnson & Johnson Capabilities to Expand Value of Existing and Future Products



Global Presence



Proven  
Commercial  
Capabilities



R&D and  
Medical Expertise



Paul Stoffels, MD  
Executive Vice President,  
Chief Scientific Officer



# Promising Late Stage Pipeline

Ponesimod	Cadazolid	ACT-132577 (Option)
<ul style="list-style-type: none"> <li>• In Phase 3 development for relapsing Multiple Sclerosis (MS)</li> <li>• 1 in 5 MS patients experience relapse</li> <li>• Offers unique properties vs. current standard of care</li> <li>• Potential for greater flexibility and patient control</li> </ul>	<ul style="list-style-type: none"> <li>• Novel antibiotic in Phase 3 development for <i>C. difficile</i> associated with diarrhea</li> <li>• Designated by FDA as a fast-tracked development program and a qualified infectious disease product</li> </ul>	<ul style="list-style-type: none"> <li>• In Phase 2 development for resistant hypertension</li> </ul>



Jean-Paul Clozel  
Actelion Ltd. Chief Executive Officer  
& Founding Member

# R&D NewCo Recipe for Success

- Science conquering uncharted territories
- Entrepreneurial – non-hierarchical – risk taking
- Engaged & passionate people
- Challenge conventional wisdom
- “Can do” and “get it done” mentality
- Hands-on management



Johnson & Johnson

 ACTELION



# Unique Pipeline Characteristics

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Products  
discovered  
internally

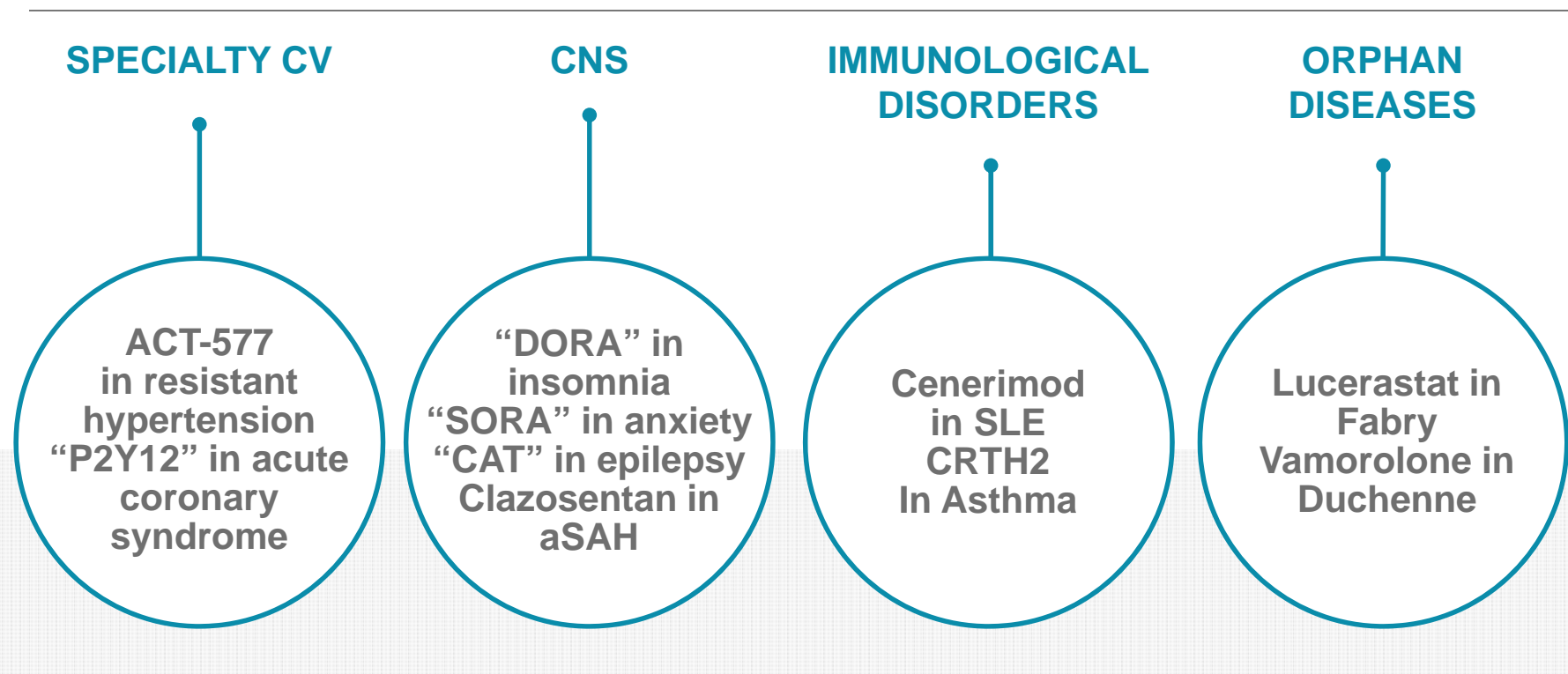
Highly  
innovative -  
only **first**  
or **best** in  
class

Shifting the  
treatment  
paradigm

Address  
high unmet  
medical  
needs

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# Differentiated Pipeline





Dominic Caruso  
Executive Vice President,  
Chief Financial Officer



# Transaction Creates Significant Shareholder Value

- Johnson & Johnson to launch an all-cash tender offer for 100% of the outstanding shares of Actelion for \$280 per share, or CHF 280.08 per share as of 1/25/17
- Actelion to spin off its drug discovery operations and early-stage clinical development assets into a newly created Swiss biopharmaceutical company
  - Actelion shareholders to receive one share of R&D NewCo for each Actelion share as stock dividend
  - Johnson & Johnson will initially hold 16% of the shares of R&D NewCo and have rights to an additional 16% of R&D NewCo equity through a convertible note

The transaction has been unanimously approved  
by the Boards of Directors of both companies



# Accelerates Revenue Growth



Accelerates Johnson & Johnson's near- and long-term top line growth by 1% above current consensus



Expect ongoing growth and revenue synergies for Actelion's market-leading products, resulting from combined capabilities

# Accretive Impact on EPS

Long-Term Growth Rate	+1.5% to 2% above consensus estimates
Immediately Accretive	+\$0.35 to \$0.40 in first full year
Drivers	<ul style="list-style-type: none"><li>• Well-run business with impressive operating margins enhanced by synergies</li><li>• Convertible loan structure with potential for upside</li><li>• Flexibility for incremental R&amp;D investment</li></ul>



# Additional Financial Details



Transaction allows for deployment of OUS cash



Johnson & Johnson expects to maintain its AAA-credit rating



After-tax charges related to the cost of the transaction expected to be \$500 million to \$600 million in 2017

– Will be reflected as special charges

# Roadmap to Completion

- Transaction is expected to close by the end of the second quarter of 2017, subject to regulatory approvals
- Johnson & Johnson intends to file a prospectus and commence the tender offer in mid-February
  - Transaction is conditioned upon tender of at least 67% of all Actelion shares that are issued and outstanding at the end of the offer period
  - Tender offer is conditioned on the completion of the separation
- Actelion to convene an Extraordinary General Meeting (EGM) for shareholders to approve the distribution of shares of R&D NewCo
- Actelion CEO has committed to tender all Actelion shares he owns into the offer and to vote his shares in favor of the transaction at the EGM

Johnson & Johnson

