NEWS RELEASE

Johnson & Johnson and IBM Announce Plans to Collaborate on Advanced Solutions Designed to Transform Healthcare Delivery

4/13/2015

Johnson & Johnson and IBM Announce Plans to Collaborate on Advanced Solutions Designed to Transform Healthcare Delivery

New Brunswick, N.J. and Armonk, N.Y. (April 13, 2015) - Johnson & Johnson (NYSE:JNJ) and IBM (NYSE: IBM) today announced plans to collaborate around a new generation of intelligent virtual coaching solutions and applications designed to transform the patient experience and deliver improved health outcomes. The companies intend to finalize the terms of a definitive agreement by the end of the second quarter.

The planned collaboration is intended to provide healthcare systems with holistic virtual coaching and rehabilitation solutions striving to transform the patient experience and healthcare delivery model by creating an integrated view of patient care.

Johnson & Johnson and IBM's newly-formed Watson Health unit intend to use advanced data analysis and insights to help develop personalized patient engagement and coaching solutions that span consumer wellness and chronic condition management. Through the collaboration, Johnson & Johnson would also leverage IBM's relationship with Apple, Inc. to deliver new iPhone® and iPad® applications, providing a seamless user experience and intuitive design.

"Johnson & Johnson is committed to harnessing the power of technology and our unique capabilities to solve the most significant challenges in health care," said Sandi Peterson, Johnson & Johnson Group Worldwide Chairman. "This relationship with IBM would enable us to work with health systems in new ways that build on a more integrated view of patient care to improve outcomes. By combining behavioral science with predictive analytics, we

would aim to develop targeted interventions and intelligent coaching solutions that improve the quality and speed of recovery."

As a first step, Johnson & Johnson envisions the launch of next-generation health and wellness coaching solutions centered on preoperative and postoperative patient care for joint replacement and spine surgeries. These mobile solutions would build on the Patient Athlete&#8482 program, recently launched by the Depuy Synthesis Companies of Johnson & Johnson and the Johnson & Johnson Human Performance Institute, the industry leader in applying sport science principles and holistic energy management training to drive sustained behavior change.

These mobile solutions would draw on data, analytics and insights from the IBM Watson Health Cloud and Watson cognitive technology - including predictive analytics, machine learning, and health care provider connectivity -- to improve clinical and financial results. The companies are also exploring ways to harness Watson Health's diverse data sets to create new models that will better predict patient responses to various medical interventions.

"Healthcare providers and hospital systems are actively trying to make their approach to care more consumer-centric and to understand their patients in new ways," said John E. Kelly III, IBM senior vice president, solutions portfolio and research. "Combining Watson's deep cognitive insights with the consumer expertise and broad health care and life sciences portfolio of Johnson & Johnson, creates a unique combination that can help solve some of the world's biggest health and wellness challenges."

"We are enthusiastic about the potential of addressing some of health care's most challenging issues by applying the key insights from the first phase of our collaboration to additional surgical areas and the management of chronic conditions," said Len Greer, president of Johnson & Johnson Health and Wellness Solutions. "Combining our deep expertise in behavior modification - rooted in connecting behavior with individual purpose and motivation - with advanced technology, data analytics and digital coaching, we believe can create a differentiated, cost-effective and sustainable model of care that would be unprecedented in the industry."

About Johnson & Johnson

Caring for the world, one person at a time, inspires and unites the people of Johnson & Johnson. We embrace research and science - bringing innovative ideas, products and services to advance the health and well-being of people. Our approximately 126,500 employees at more than 265 Johnson & Johnson operating companies work with partners in health care to touch the lives of over a billion people every day, throughout the world.

About IBM

IBM and its vast ecosystem of clients, partners and medical researchers are accelerating the development of a new generation of data-driven applications and solutions built on IBM Health Cloud and IBM Watson cognitive solutions to advance health and wellness. For more information, please visit ibm.com/watsonhealth.

Join the conversation #IBMWatsonHealth.

Cautions Concerning Forward-Looking Statements

This press release contains "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995 regarding a potential collaboration. The reader 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 IBM. Risks and uncertainties include, but are not limited to: the possibility that a definitive agreement will not be executed or, if executed, not executed in the expected timeframe; the potential that the expected benefits and opportunities may not be realized or may take longer to realize than expected; challenges inherent in new product development and the uncertainty of commercial success for new products and services; competition, including technological advances and new products attained by competitors; changes to applicable laws and regulations, including global health care reforms; changes in behavior and spending patterns or financial distress of purchasers of health care products and services; and trends toward health care cost containment. A further list and description of these risks, uncertainties and other factors can be found in Johnson & Johnson's Annual Report on Form 10-K for the fiscal year ended December 28, 2014, including in Exhibit 99 thereto, and IBM's Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and the companies' subsequent filings. Copies of these filings are available online at www.sec.gov, **www.jnj.com**, www.ibm.com or on request from Johnson & Johnson or IBM. Neither Johnson & Johnson nor IBM undertakes to update any forward-looking statement as a result of new information or future events or developments.