

Basel, 24 August 2001

Roche surprised by authorities' declaration

This statement was released by our Affiliate, Roche Brazil, on 23 August 2001

Roche was surprised by the news that the Brazilian authorities have started the process of compulsory licensing of Roche's anti-HIV drug Viracept (Nelfinavir). In the negotiations with the federal government Roche has continuously offered its collaboration with official health care programmes and has decreased the price of Viracept by approximately 35%. Roche has participated in three tender offerings for the drug. Roche has, as demanded by the Ministry of Health, continuously decreased the price of the drug, very close to the level requested. The price for the drug in Brazil is one of the lowest worldwide, and approximately 50% of what it costs in the US.

Roche decreased by 63% since launch the price for other anti-retrovirals, such as Invirase (Saquinavir mesilato), first protease inhibitor sold in Brazil and Fortovase (Saquinavir). With other innovative drugs, Invirase is part of a drug cocktail that revolutionized the treatment of AIDS, thereby reducing the mortality of patients living with AIDS.

According to Roche Brazil's president, Ernest Egli: "We are very disappointed with the sudden interruption of our negotiations with the government, nevertheless we are confident to bring these negotiations to a satisfactory result for all parties involved, and we look forward to meeting the Ministry of Health as already requested a week ago".

Donations

In addition to reducing drug prices, Roche has donated its pediatric version of the drug to the Ministry of Health. In 1999 alone, 3000 units of the drug were donated. In 2001 the quantity was increased to 9000 which represents 43% of what the Ministry intends to buy in the year 2001. With no obligation Roche exchanged free of charge 24300 units of Viracept powder of the Ministry of Health's stock.

Production in Brazil

Roche intends to start the production in Brazil of the drug as of 2002. Depending on the tax situation, this will allow the company to further decrease the price.

Roche will continue to invest in research for new drugs in the fight against AIDS

Roche continuously invests in the research for new treatments in the fight against AIDS. In the year 2002 we hope to bring a new class of drug to the market with a novel mode action.