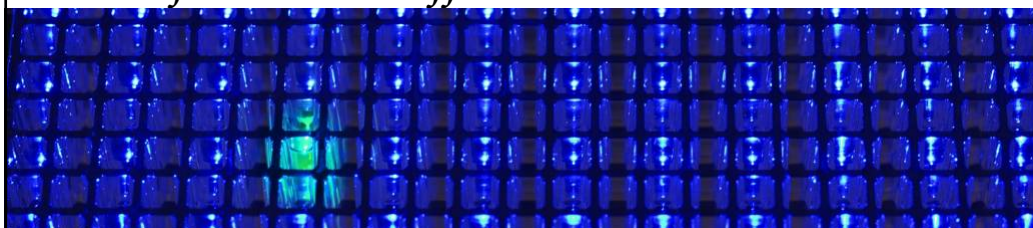


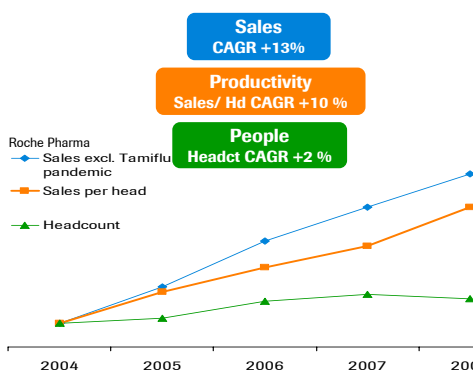
## Annual Media Conference 4 February 2009

*Erich Hunziker*  
*Chief Financial Officer*



## 2008: Excellent operational performance and limited adverse effects in a highly volatile financial environment

### Operational performance



- Excellent operational performance in a challenging environment

### Treasury / Tax / Financial condition

- Redemption on maturity of 2.3 bn CHF of capital market debt
- Over 5 bn invested in acquisitions and increasing shareholding in Chugai
- Lower liquid funds available and lower interest rates reduce financial income
- Limited adverse effect from financial crisis due to conservative approach with limited exposure to equities
- Further improvement of the Roche Group tax rate

## Group operating performance 2008

*Strong performance in a difficult environment*

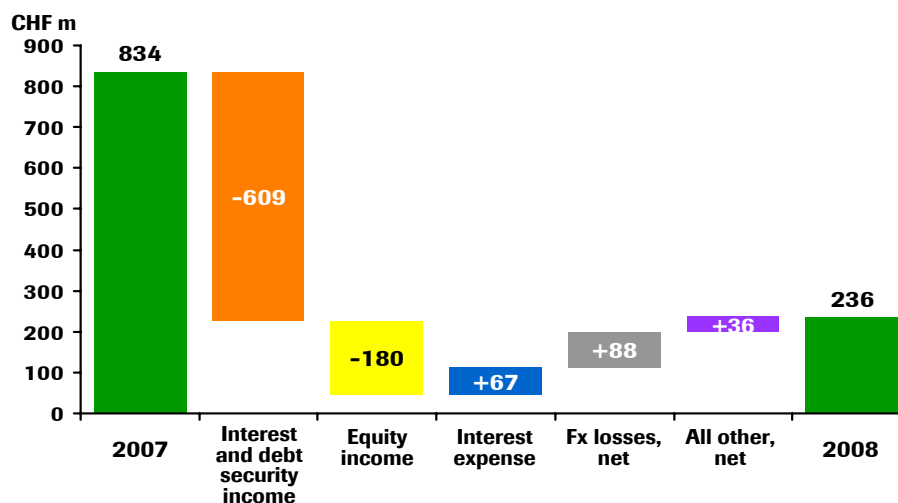
	2008		Δ	2008 vs. 2007 local growth
	CHF million	% sales		
<b>Sales</b>	<b>45,617</b>	<b>100.0</b>	<b>-516</b>	<b>6%</b>
Royalties & other op inc	2,287	5.0	+44	9%
Cost of sales	-13,661	-29.9	+82	6% COGS & PC <sup>2</sup> : 2%
M & D	-9,170	-20.1	+157	5%
R & D	-8,845	-19.4	-460	13%
G & A	-2,332	-5.1	+121	1%
<b>Operating profit<sup>1</sup></b>	<b>13,896</b>	<b>30.5</b>	<b>-572</b>	<b>4%</b>

<sup>1</sup> before exceptional items <sup>2</sup> Manufacturing cost of goods sold & period costs

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## Net financial income 2008

*Decline due to lower liquid funds, lower interest rates and financial crisis*

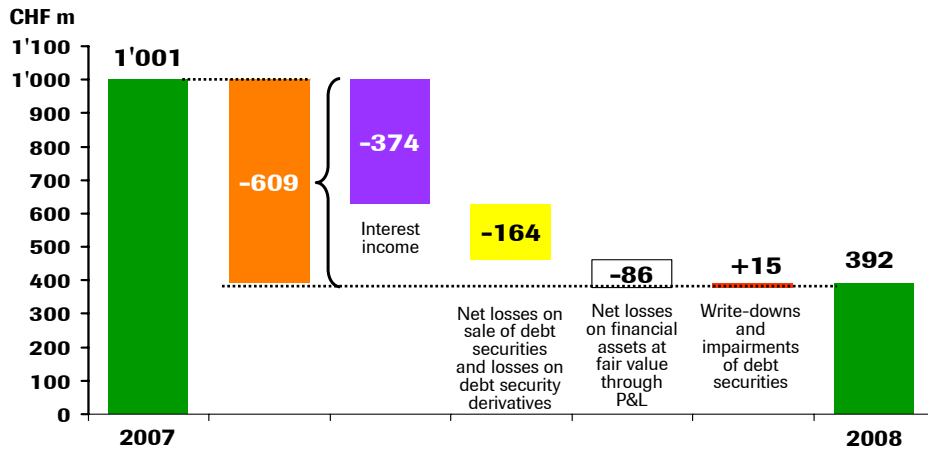


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## Interest and debt security income 2008



*Decline due to lower liquid funds, lower interest rates and financial crisis*

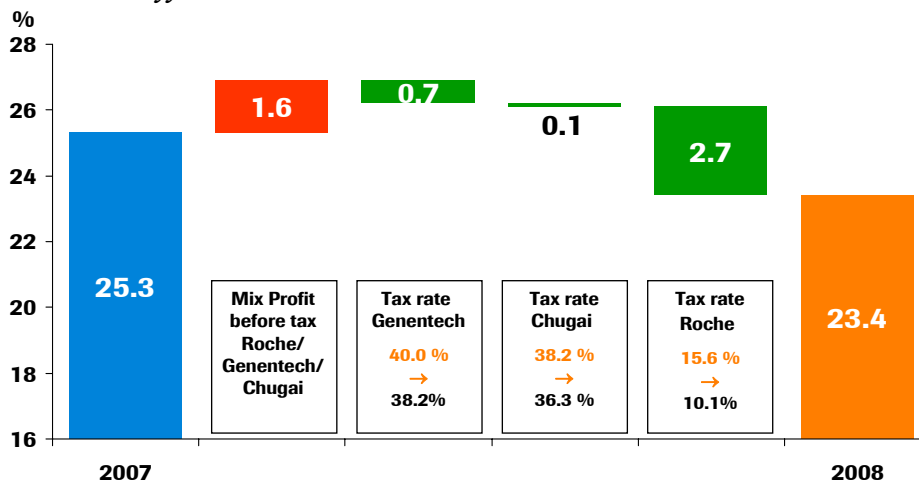


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## Group tax rate 2008



*Considerable decline driven by a lower Roche tax rate & one-time effects*



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## Group results 2008



*Core EPS at constant exchange rates increased*

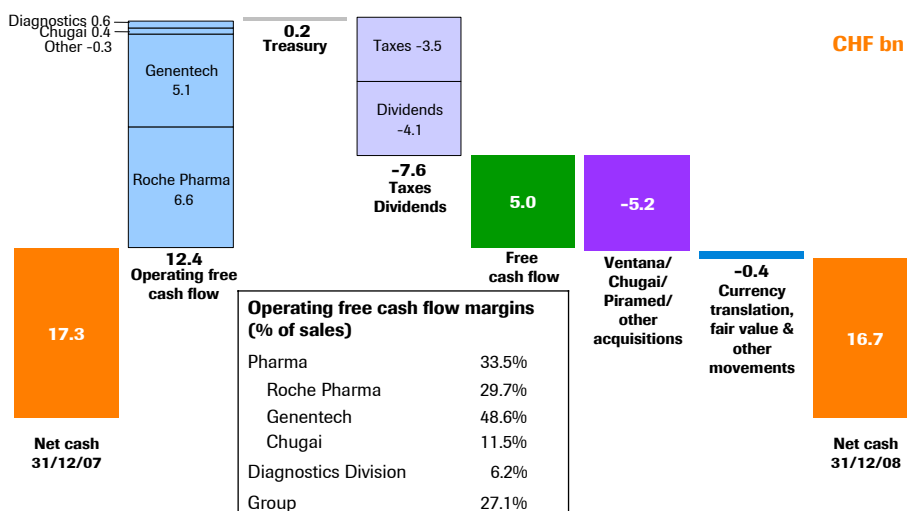
CHF million	2007	2008	% change	
			CHF	local
<b>Sales</b>	46,133	<b>45,617</b>	-1	+6
<b>Operating profit before exceptional items</b>	14,468	<b>13,896</b>	-4	+4
<i>% of sales</i>	31.4	<b>30.5</b>	<b>-0.9 p</b>	
<b>Operating profit</b>	14,468	<b>13,924</b>	-4	+4
<i>% of sales</i>	31.4	<b>30.5</b>	<b>-0.9 p</b>	
<b>Net financial result</b>	834	<b>236</b>	-72	
<b>Taxes</b>	-3,867	<b>-3,317</b>	-14	
<i>Tax rate in %</i>	25.3	<b>23.4</b>	<b>-1.9 p</b>	
<b>Net income</b>	11,437	<b>10,844</b>	-5	
<i>% of sales</i>	24.8	<b>23.8</b>	<b>-1.0 p</b>	
<b>Core EPS (CHF)</b>	11.85	<b>11.04</b>	-7	+2

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## Free cash flow 2008



*Free cash flow of CHF 5 billion used for acquisitions*



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## Net cash maintained on Group level

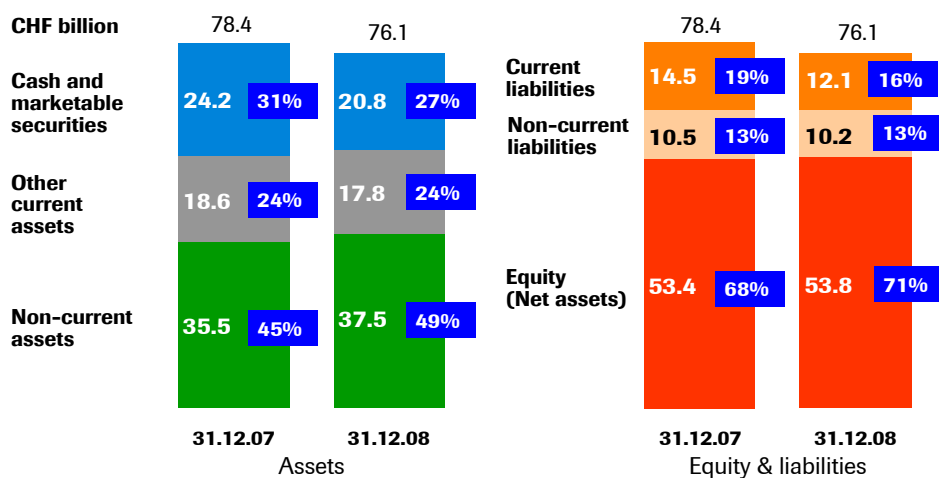


CHF million	31 December 2007	31 December 2008
Cash	3,755	4,915
Marketable securities	20,447	15,856
<b>Liquid funds</b>	<b>24,202</b>	<b>20,771</b>
Long-term debt	-3,834	-2,972
Short-term debt	-3,032	-1,117
<b>Interest-bearing liabilities</b>	<b>-6,866</b>	<b>-4,089</b>
<b>Net Cash</b>	<b>17,336</b>	<b>16,682</b>

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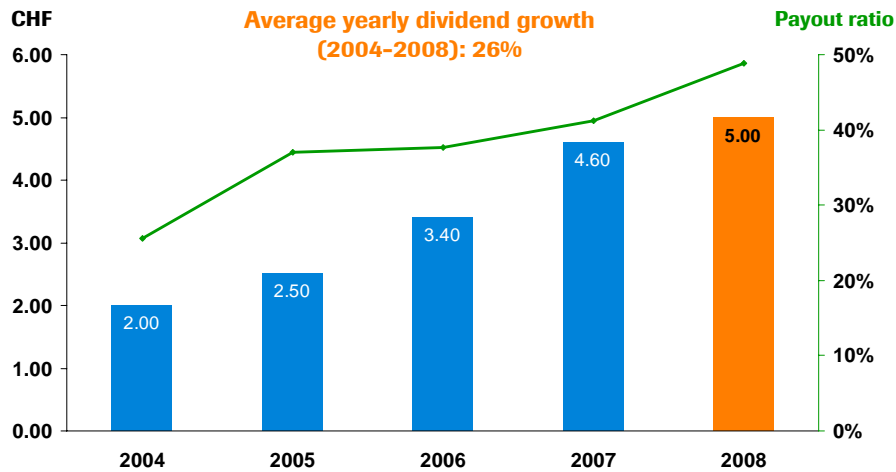
## Balance sheet

*84% long-term financing, 71% equity*



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## Committed to continuously increase pay-out ratio over three years<sup>1</sup>



<sup>1</sup> As announced in relation to the financial results for 2007  
2008 Dividend: Proposed by the Board of Directors.

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## Our objectives for 2009



### Sales

- Above-market sales growth in both divisions
- Mid-single-digit sales growth for divisions and Group, despite a more challenging environment

### Core EPS

- Core Earnings per Share target<sup>1</sup> to remain at the high level of 2008 in spite of increased investments in research and development and expected lower net financial result

<sup>1</sup> Core Earnings per Share target is based on constant exchange rates. This target excludes the impact of the Genentech transaction on Core EPS. We expect that the Genentech transaction will have a positive impact on Core EPS within the first year after closing. Barring unforeseen events

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*We Innovate Healthcare*