

## Annual Media Conference

4 February 2009

*Jürgen Schwiezer*

*CEO Roche Diagnostics*



## 2008: Diagnostics continues solid growth

*Driven by new products and strategic acquisitions*

- **Sales:** above market growth
- **Operating profit:** impacted by acquisitions & Diabetes Care market
- **Key drivers:**
  - **Strong increase instrument placements across all business areas:** cobas 6000, Accu-Chek Aviva, Genome Sequencer FLX, Benchmark XT
  - **New product launches:** 5 new immunoassays, 3 FDA approvals in Molecular Diagnostics, xCELLigence system, Benchmark Ultra
  - **Strategic acquisitions:** Ventana integration completed; SwissLab GmbH acquired to strengthen lab IT offering



## 2008: Growth driven by Professional Diagnostics, Applied Science and Tissue Diagnostics

Sales CHF m	2007	2008	% change in		USD growth
			CHF	local	
Professional Diagnostics	4,294	4,422	3	9	14
Diabetes Care	3,216	2,971	-8	-1	2
Molecular Diagnostics	1,148	1,122	-2	5	8
Applied Science	692	765	11	19	23
Tissue Diagnostics <sup>1</sup>	-	376	-	23*	26*
<b>Diagnostics Division</b>	<b>9,350</b>	<b>9,656</b>	<b>3</b>	<b>10</b>	<b>15</b>

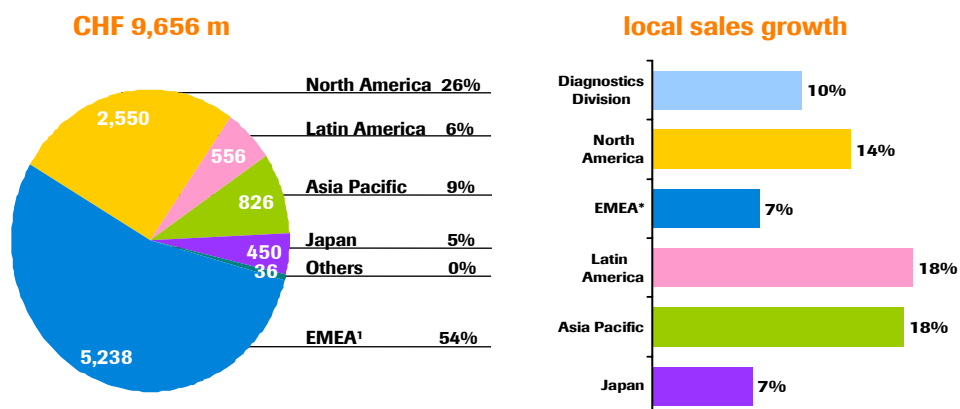
<sup>1</sup> Sales from beginning of February 2008

\* pro-forma stand-alone growth

3



## 2008: Above-market growth, particularly in Japan and emerging markets



<sup>1</sup> Europe, Middle East and Africa

Tissue Diagnostics sales consolidated since beginning of February 2008

4

## 2008: Diagnostics operating performance

*Double-digit sales growth; margin impacted by acquisitions, increased investments & portfolio mix effects*

	2008		Δ	
	CHF million	% sales		2008 vs. 2007 local growth
<b>Sales</b>	<b>9,656</b>	<b>100.0</b>	<b>+306</b>	<b>10%</b>
Royalties & other op inc	139	1.4	-47	-21%
Cost of sales	-4,698	-48.7	-457	COGS & PC <sup>1</sup> : 15% 19%
M & D	-2,474	-25.6	-165	15%
R & D	-941	-9.7	-154	26%
G & A	-495	-5.1	+56	-4%
<b>Operating profit</b>	<b>1,187</b>	<b>12.3</b>	<b>-461</b>	<b>-22%</b>

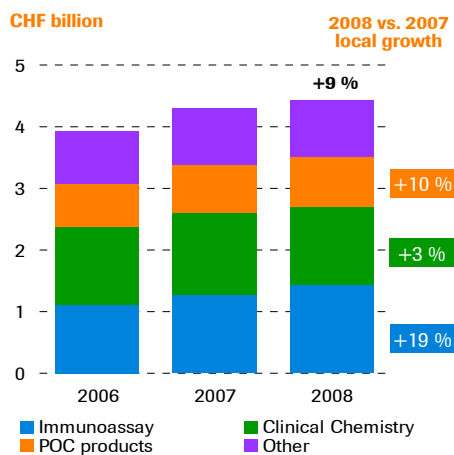
<sup>1</sup> Manufacturing cost of goods sold & period costs

## Business Area review

### Targets and growth drivers

## Professional Diagnostics

*Double-digit growth in immunoassays, 8th consecutive year*



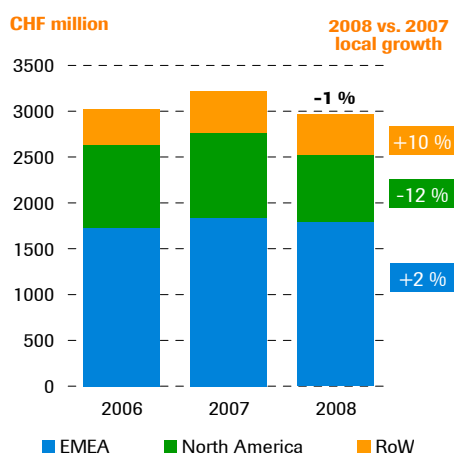
all growth in local currencies

- Strong increase in **cobas** 6000 and **cobas** 4000 instrument placements
- Continued roll-out of new immunoassays
- Acquired Swisslab GmbH; expanding position in IT solutions for laboratory automation and data management

7

## Diabetes Care

*Growth in new portfolio helps offset decline in old products*



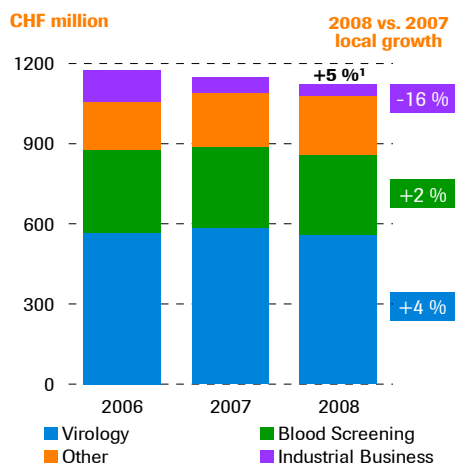
all growth in local currencies

- Double-digit growth of new products
  - Accu-Chek Aviva/Peforma now top-selling platform
  - Accu-Chek Compact Plus roll-out complete
- US impacted by heavy competition and pricing pressures
- Solid growth in Eastern Europe, Latin America and Japan

8

## Molecular Diagnostics

*Returned to growth, significant FDA approvals received*



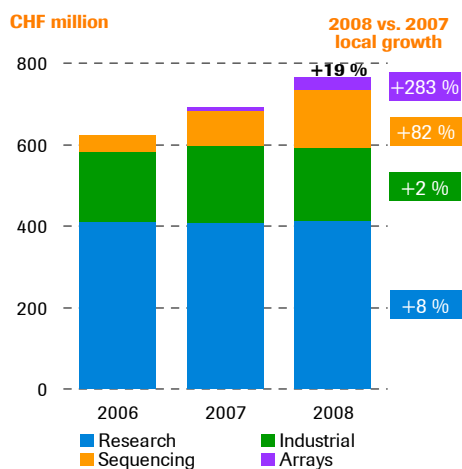
all growth in local currencies

- Automated platforms driving growth in blood screening and virology
  - US strengthened by 3 key FDA approvals
- Recruitment on-track for trial to support US HPV registration
- TheraScreen K-RAS test launched in EU Q4'08

9

## Applied Science

*Three times market growth*



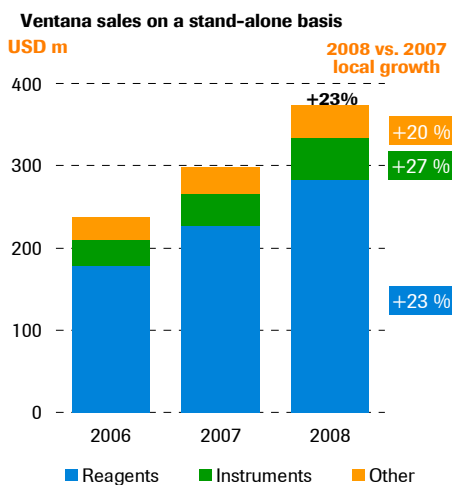
all growth in local currencies

- Leader in placements of ultra-fast long-read sequencing systems, driven by new GS FLX Titanium software and reagents
- Microarrays growth through launch of NimbleGen SeqCap & HD2 arrays
- Launch of xCELLigence system for first entry into real-time cell analysis market

10

## Tissue Diagnostics

### Maintained market out-performance



all growth in local currencies

IHC = Immunohistochemistry

- Ventana integration completed
- Leveraging Roche to expand market in Europe, Latin America and Asia-Pacific
- Advanced staining segment driving growth
  - BenchMark Ultra launched in US Q3'08, EU in Q4'08
  - IHC menu expanded with 10 new cancer antibodies

11

## Business Area review

### Targets and growth drivers

12

## Main growth drivers in 2009



### Key 2008 Launches

### Key 2009 Launches\*

<b>Professional Diagnostics</b>	<ul style="list-style-type: none"> <li>cobas c 311 analyzer (EU)</li> <li>Accu-Chek Inform II (EU)</li> <li>IC menu: HCV, RA, sepsis, CMV (EU)</li> </ul>	<ul style="list-style-type: none"> <li>cobas 8000 analyser series (EU)</li> <li>cobas p 501 &amp; cobas p 701 storage/ retrieval modules</li> <li>cobas b 123 bloodgas, electrolytes (EU, US)</li> <li>IC menu: PIGF/SFit1, IL-6, hsTrop T, Trop I (EU)</li> </ul>
<b>Diabetes Care</b>	<ul style="list-style-type: none"> <li>Accu-Chek Compact Plus (roll-out)</li> <li>Accu-Chek Performa (roll-out)</li> </ul>	<ul style="list-style-type: none"> <li>Accu-Chek Aviva/ Performa Nano (EU, US)</li> <li>Accu-Active (EU)</li> <li>Accu-Chek Mobile (EU)</li> <li>Accu-Chek Combo (EU, US)</li> </ul>
<b>Molecular Diagnostics</b>	<ul style="list-style-type: none"> <li>CAP/CTM HCV Test (US)</li> <li>cobas TaqScreen MPX (US, J)</li> <li>cobas TaqMan 48 HBV Test (US)</li> <li>cobas TaqMan 48 CT Test (EU)</li> </ul>	<ul style="list-style-type: none"> <li>CT/NG Test on cobas 4800 (EU)</li> <li>HPV Test on cobas 4800 (EU)</li> <li>MRSA Test (EU, US)</li> <li>TheraScreen EGFR 29 mutation test (EU)</li> </ul>
<b>Tissue Diagnostics</b>	<ul style="list-style-type: none"> <li>BenchMark ULTRA staining system (US)</li> <li>VANTAGE Workflow Management Solution (US)</li> <li>VIAS: Imaging application for <i>HER-2</i> SISH (EU)</li> </ul>	<ul style="list-style-type: none"> <li>BenchMark ULTRA staining system (EU)</li> <li>VANTAGE Workflow Management Solution (EU)</li> <li>Symphony primary staining system (EU)</li> </ul>
<b>Applied Science</b>	<ul style="list-style-type: none"> <li>Real-Time Cell Analyser xCELLigence</li> <li>GS FLX Titanium for DNA sequencing (454)</li> <li>Comprehensive menu of NimbleGen arrays</li> </ul>	<ul style="list-style-type: none"> <li>High-resolution microarray scanner</li> <li>MagNa Pure 96 high-throughput system</li> </ul>

### Divisional sales outlook

**Above-market, mid single-digit growth in local currencies**

\* Subject to appropriate regulatory approvals; US launch may be later

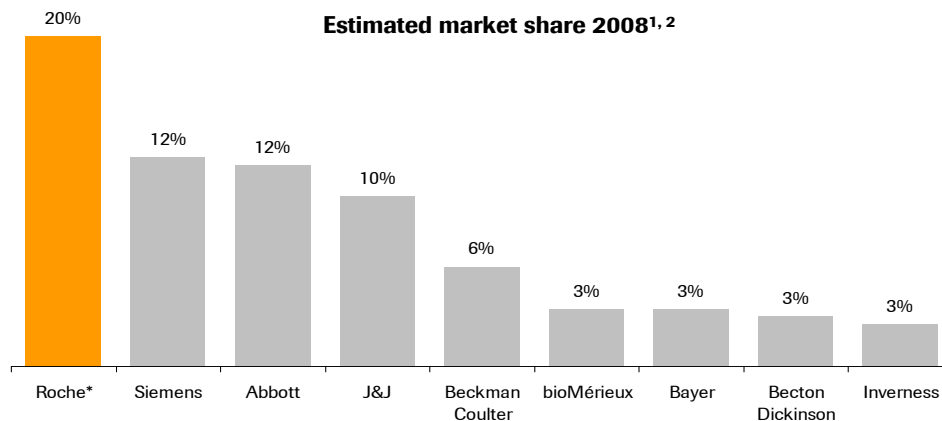
barring unforeseen events

13

## Roche is the #1 in vitro diagnostics company



*Focused on growing above the market through innovative products that offer clear medical value*



1 Source: company reports, Industry consultants, Roche analysis based on peer sales 2008 (BD, Bayer and Inverness 2007 figures)

2 In vitro diagnostics market; excludes Life Science research market; \* Includes Ventana

14



*We Innovate Healthcare*