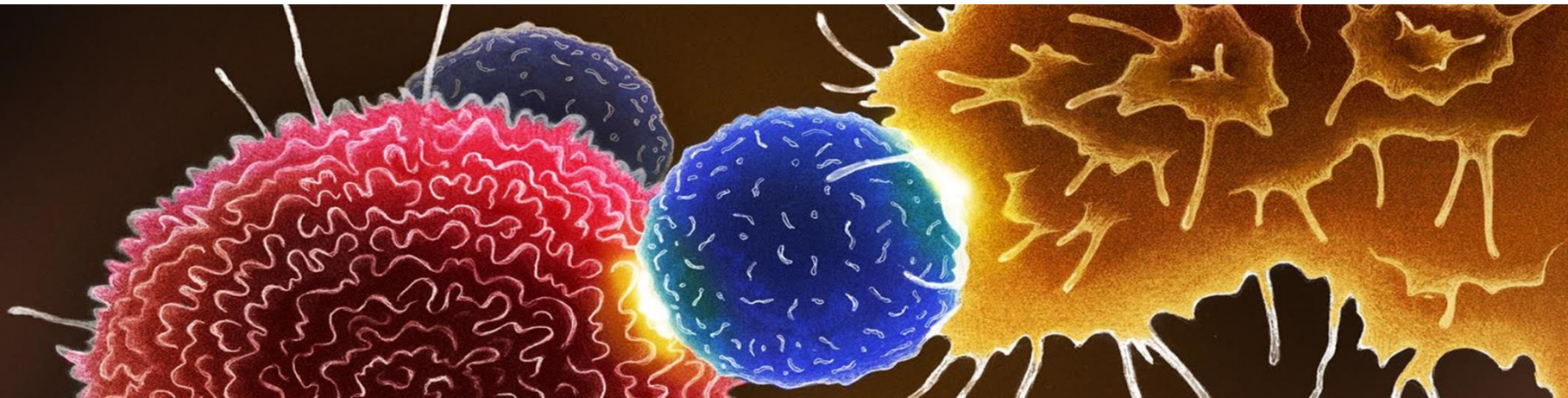

Improving the standard of care

Alan Hippe

CFO Roche

London, November 2015



This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as ‘believes’, ‘expects’, ‘anticipates’, ‘projects’, ‘intends’, ‘should’, ‘seeks’, ‘estimates’, ‘future’ or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

- 1 pricing and product initiatives of competitors;
- 2 legislative and regulatory developments and economic conditions;
- 3 delay or inability in obtaining regulatory approvals or bringing products to market;
- 4 fluctuations in currency exchange rates and general financial market conditions;
- 5 uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products;
- 6 increased government pricing pressures;
- 7 interruptions in production;
- 8 loss of or inability to obtain adequate protection for intellectual property rights;
- 9 litigation;
- 10 loss of key executives or other employees; and
- 11 adverse publicity and news coverage.

Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Roche’s earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Roche.

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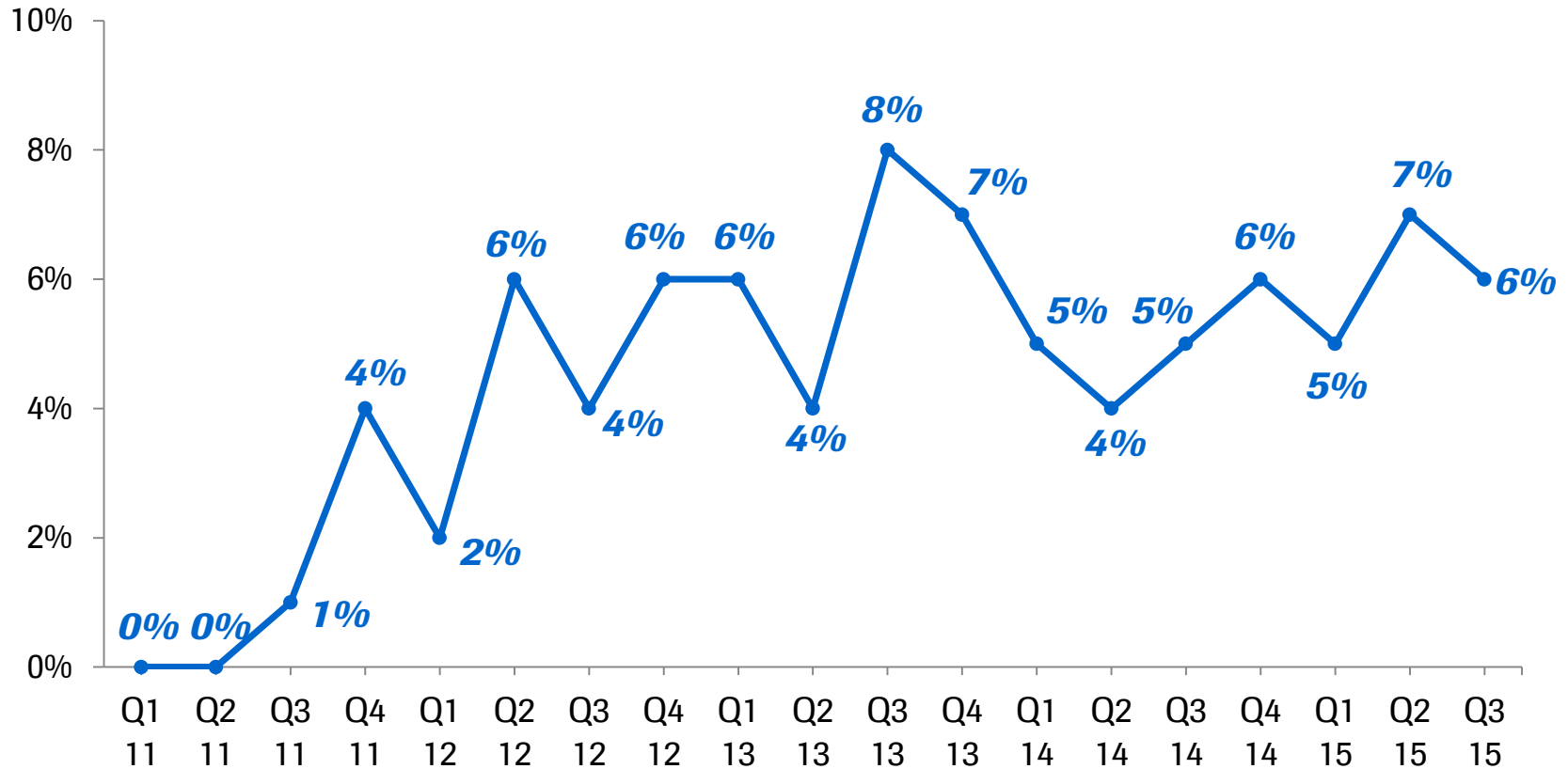
Performance update

Growth from existing and new products

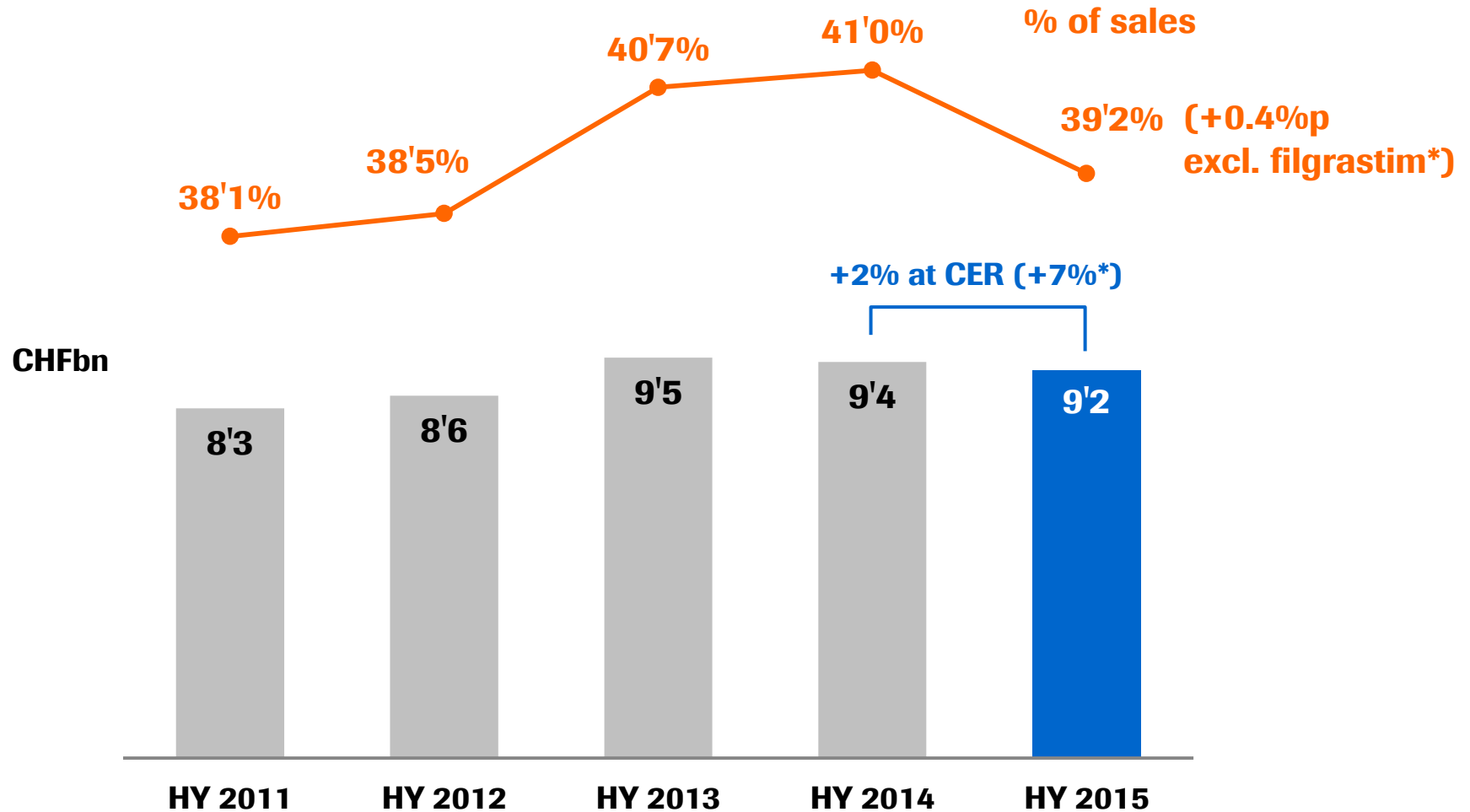
Productivity and efficiency

Outlook

Q3 2015: Sales growth for fifth consecutive year



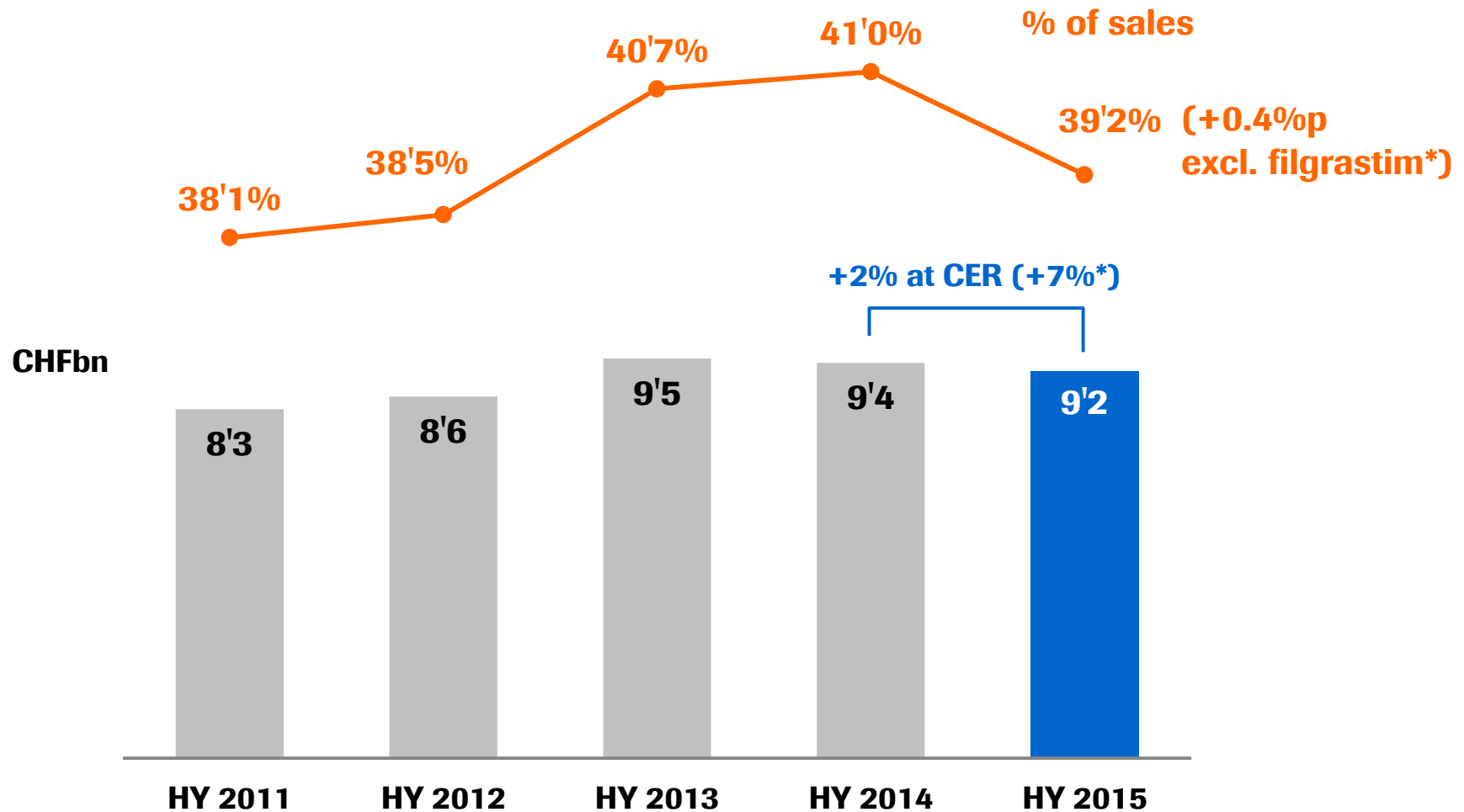
HY 2015: Strong underlying Group core operating profit & margin



CER=Constant Exchange Rates

* Excluding sale of filgrastim rights in 2014 at CER

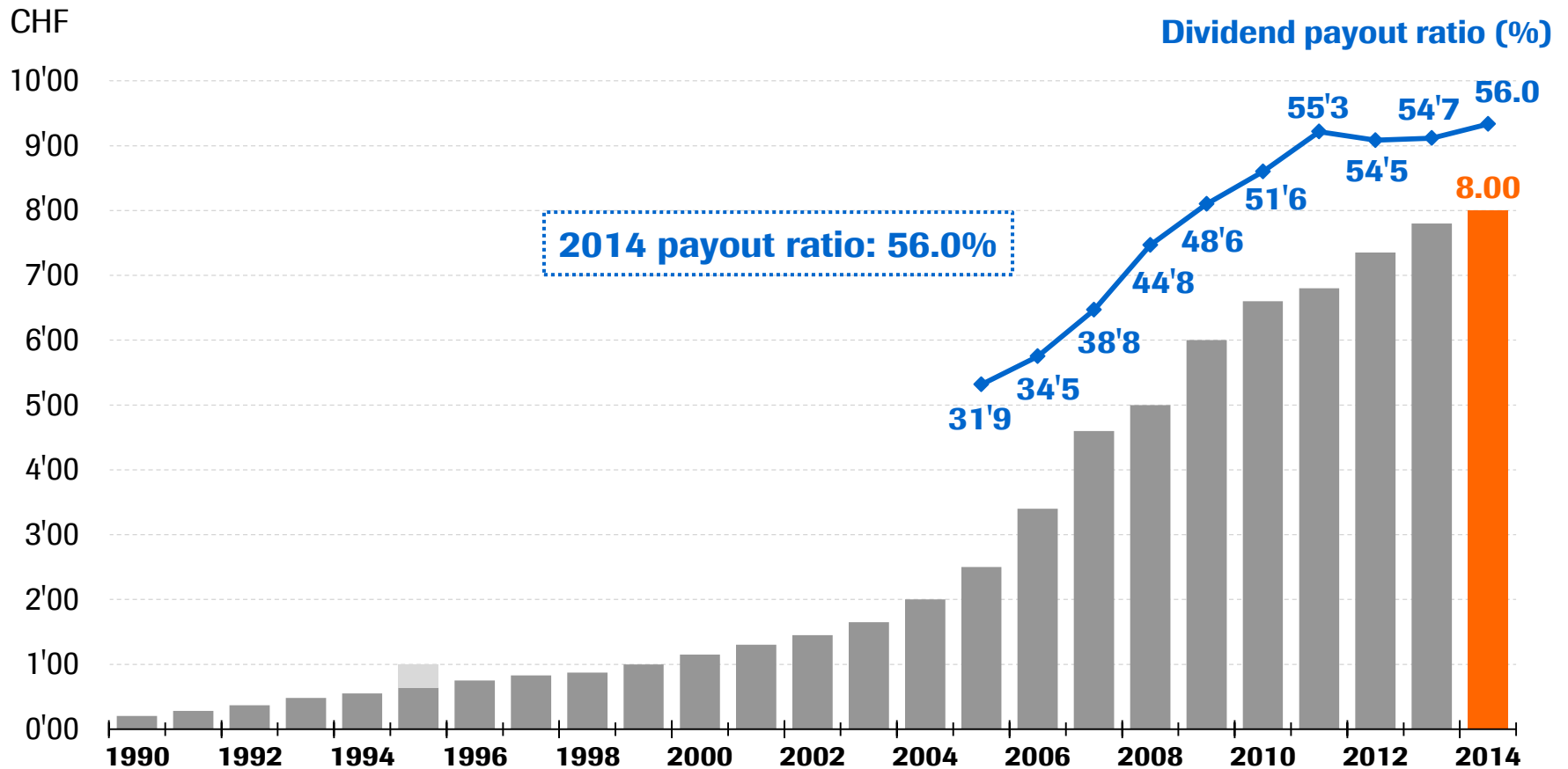
HY 2015: Strong underlying Group core operating profit & margin



CER=Constant Exchange Rates

* Excluding sale of filgrastim rights in 2014 at CER

2014: Dividend and payout ratio further increased



Payout ratio calculated as dividend per share divided by core earnings per share (diluted); Note: For 1995, a special dividend was paid out to mark F. Hoffmann-La Roche's 100th anniversary in 1996

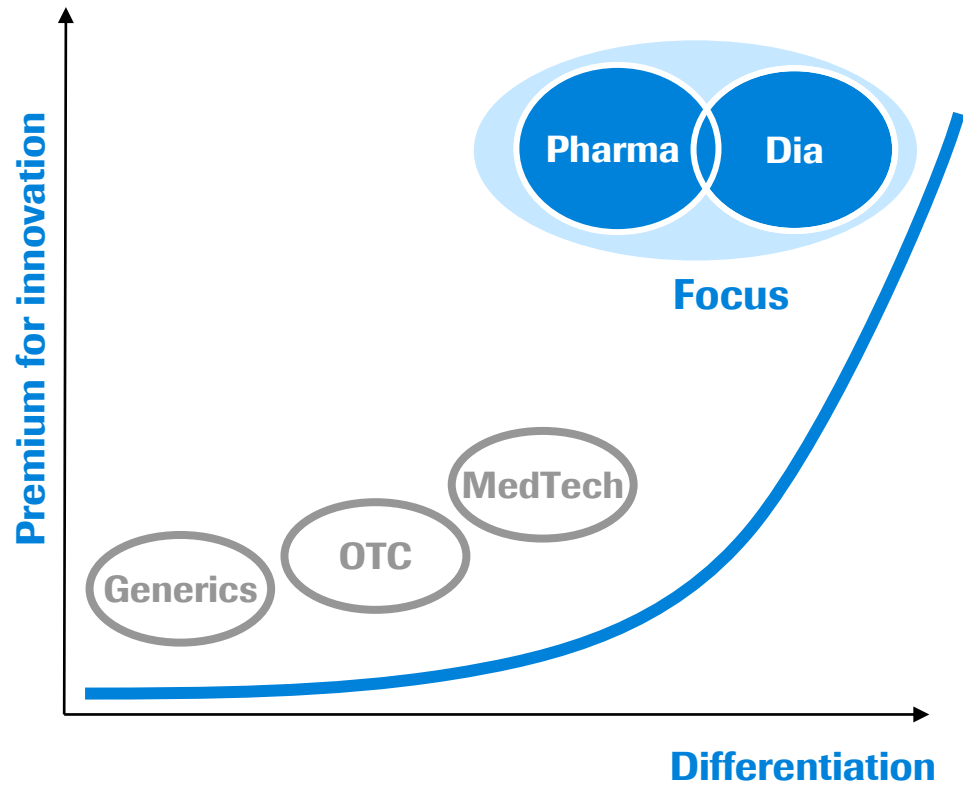
Performance update

Growth from existing and new products

Productivity and efficiency

Outlook

Roche strategy: Focused on medically differentiated therapies



Regulators:

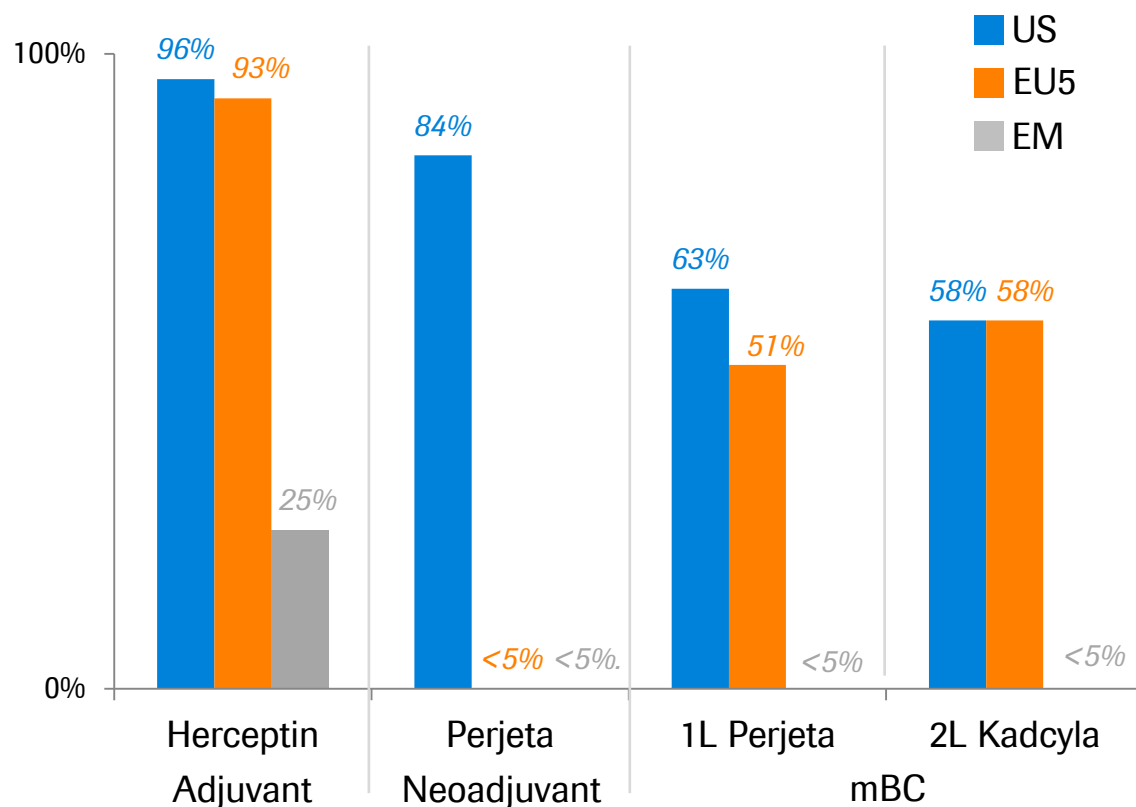
Optimised benefit / risk ratio

Payors:

Optimised benefit / cost ratio

HER2 franchise: Significant growth opportunities in current indications

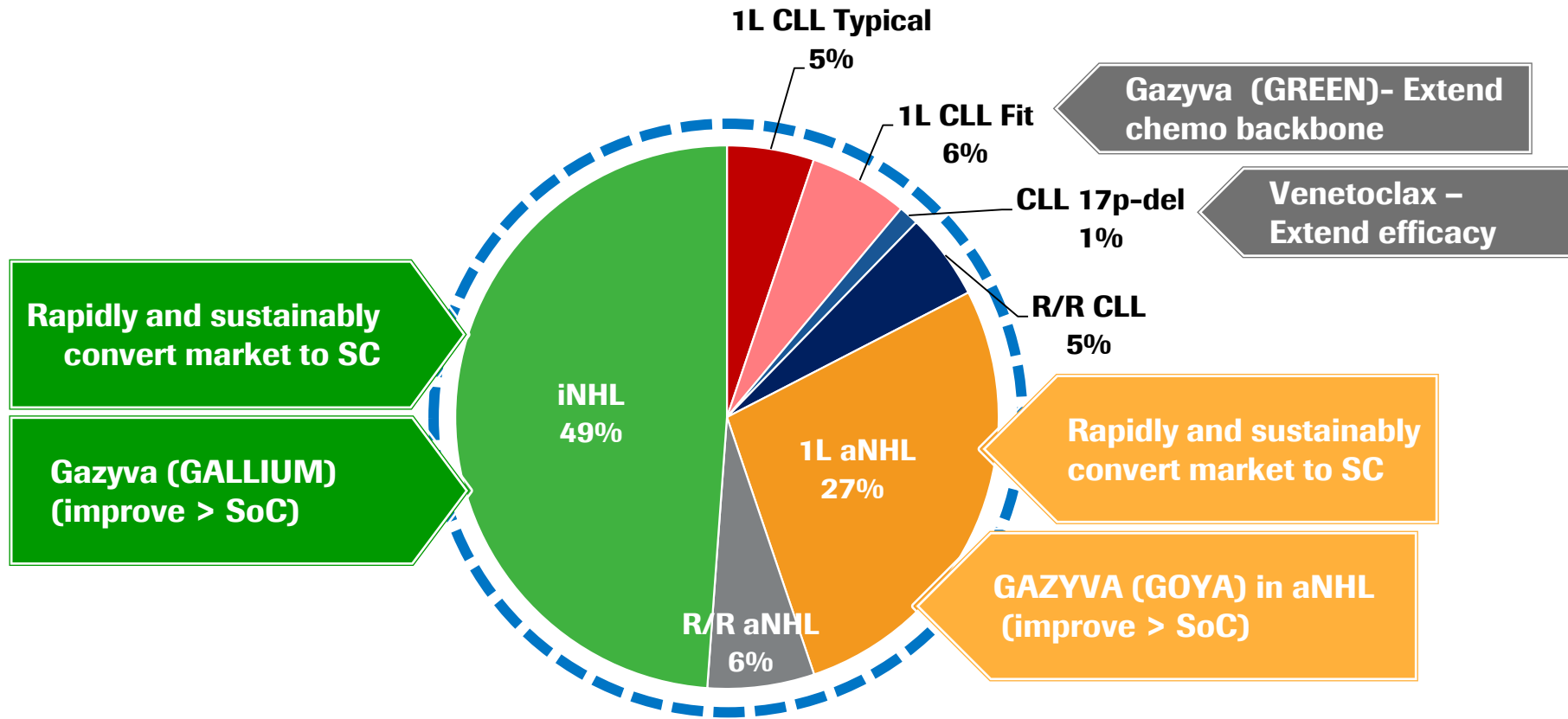
Patient shares



Growth

- Increased patient share
- Longer treatment duration
- Emerging markets







Anti-CD20: Multiple approaches across the franchise












Broad development program for venetoclax as add on and in new tumour types

Franchise strategies for long term growth

New indications and longer duration

Growth opportunity	Indication	Global peak sales potential
HER2 Potential and new indications	Perjeta adjuvant (APHINITY)	
	Herceptin SC*	
CD20 Potential and new indications	Gazyva aNHL (GOYA)	
	Gazyva iNHL (GALLIUM)	
	MabThera SC*	
	Venetoclax	



 Small: up to CHF 0.5 bn
 

 medium= CHF 0.5 to CHF 1bn
 

 large > CHF1bn

*Sales replacing current IV products; SC=subcutaneous; iNHL=indolent non-hodgkin's lymphoma; aNHL=aggressive NHL

Multiple major pivotal trials reading out near term

Significant filing and launch activities ahead

Year	Molecule	Indication	Market opportunity	Incremental infrastructure
2015	Alectinib	ALK+ NSCLC	●●○	Low to medium
	Cotellic/Zelboraf	Melanoma	●○○	Low
	Venetoclax	Hematology (CLL 17p del)*	●●●	Low
2016	Ocrelizumab	Multiple Sclerosis	●●●	Medium
	Atezolizumab	NSCLC, bladder (2/3L)	●●●	Medium
	Lebrikizumab	Asthma, AD, IPF, COPD	●●●	Large
	APHINITY	Adj HER2+ breast cancer	●●●	Low
	GOYA	NHL (aggressive)	●●●	Low
2017	ACE 910	Hemophilia A	●●●	Low to medium
	Lampalizumab	Geographic atrophy	●●●	Low to medium
	GALLIUM	NHL (indolent)	●●●	Low
	Atezolizumab+chemo	NSCLC (1L)	●●●	Low
2018	Taselisib (PI3Ki)	HER2-/HR+ breast cancer	●●●	Low to medium
	Idasanutlin (MDM2)	Acute myeloid leukemia	●●●	Low to medium

■ Oncology
 ■ Neuroscience
 ■ Ophthalmology
 ■ Immunology

●○○ Small: up to CHF 0.5 bn
 ●●○ medium= CHF 0.5 to CHF 1bn
 ●●● large > CHF1bn

NSCLC=non-small cell lung cancer; CLL=chronic lymphocytic leukemia; AD=atopic dermatitis; IPF=idiopathic pulmonary fibrosis; COPD=chronic obstructive pulmonary disease; NHL=non-hodgkin's lymphoma; * first indication

Performance update

Growth from existing and new products

Productivity and efficiency

Outlook

We are also driving operational efficiencies

Select examples Technical Operations

Network efficiencies

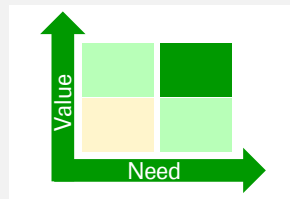
Improve capacity planning across the network & align to future needs



Optimize utilization & increase reliability

Complexity reduction

Remove >40% of all presentations by streamlining the EP¹ portfolio (<0.1% sales impact²)



Focus resources on key value driver

Continuous process improvement

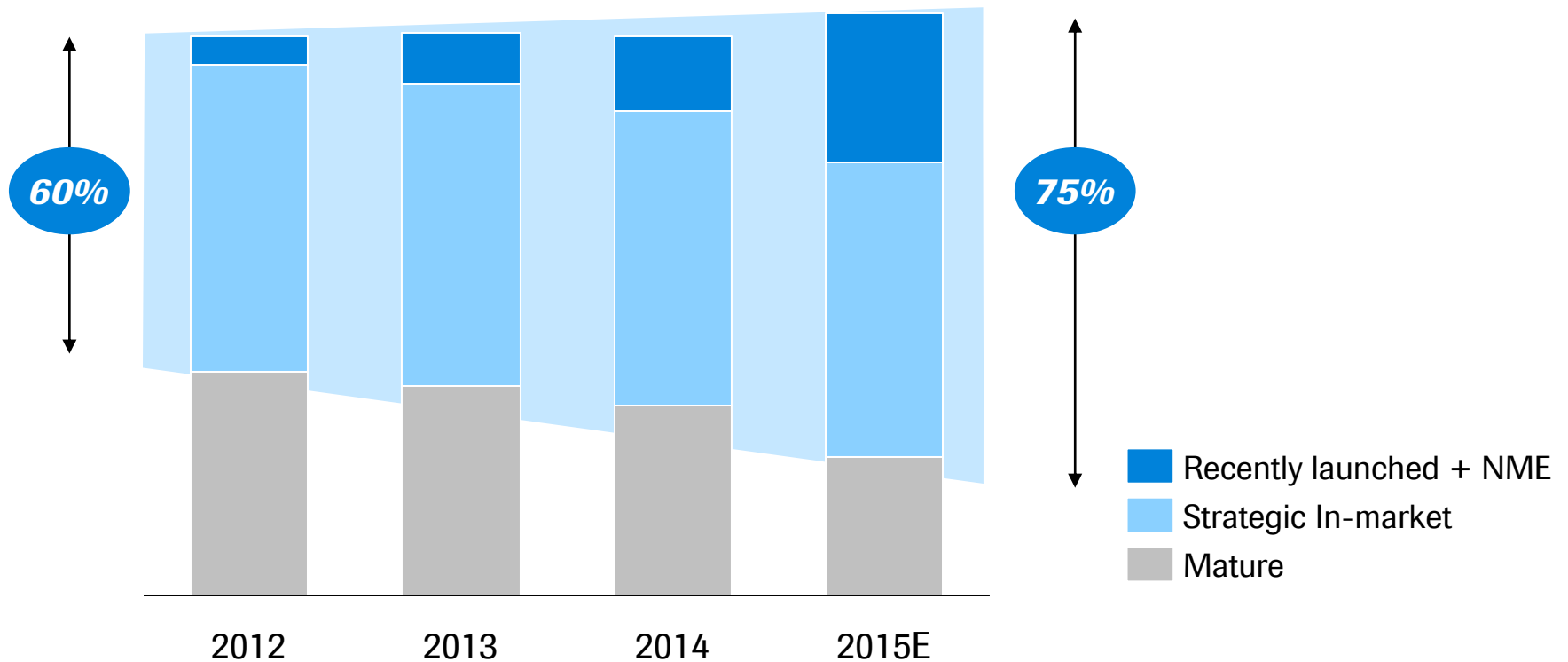
Implement lean principles, e.g. to decrease end-to-end cycle time by up to 50%³



Do the same with less

Resources shifted to new & strategic products... ...while overall spend only increases slightly

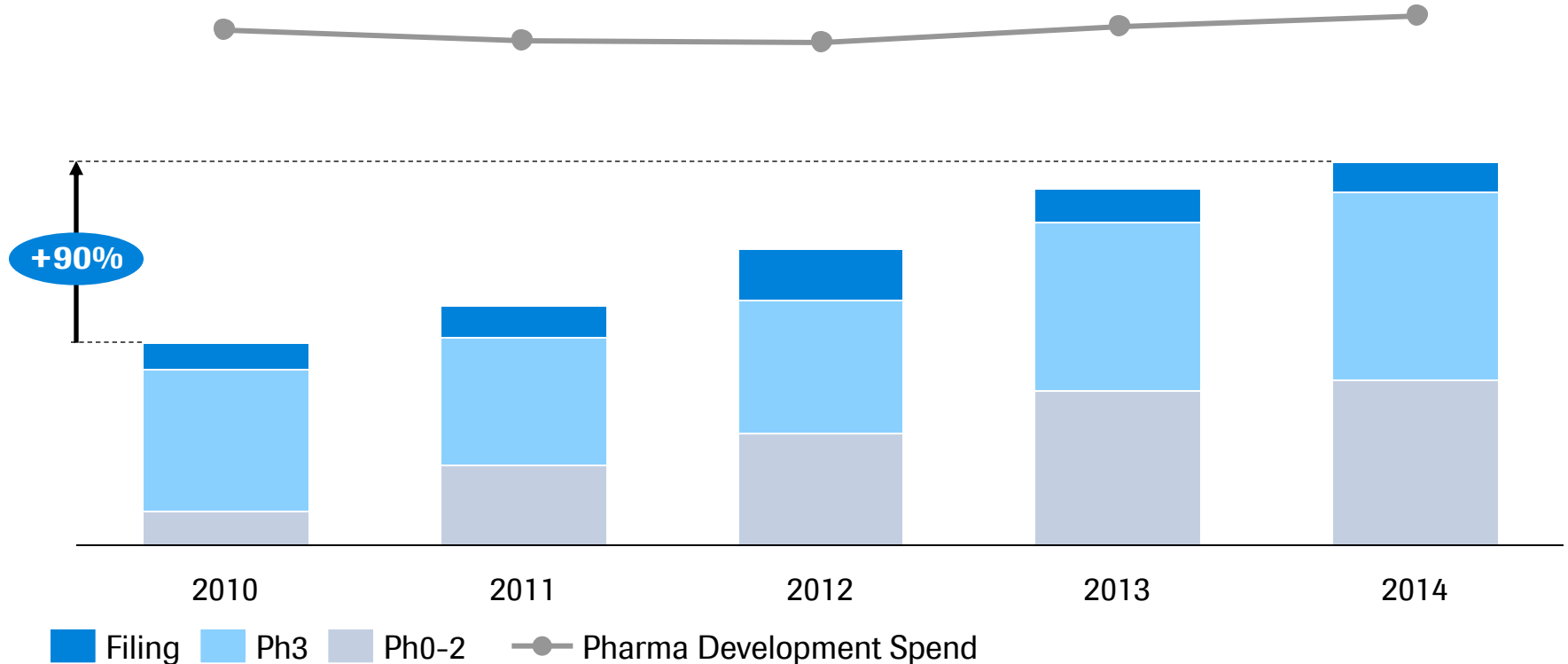
Product Marketing and Medical Costs (2012 – 2015)



Achievements: Productivity

Doubled number of projects at same costs

Late stage development costs & number of projects



Excludes Chugai, pRED and gRED, Medical Affairs and PTD
 Source: Roche internal development data

Performance update

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2015 outlook: Guidance upgraded

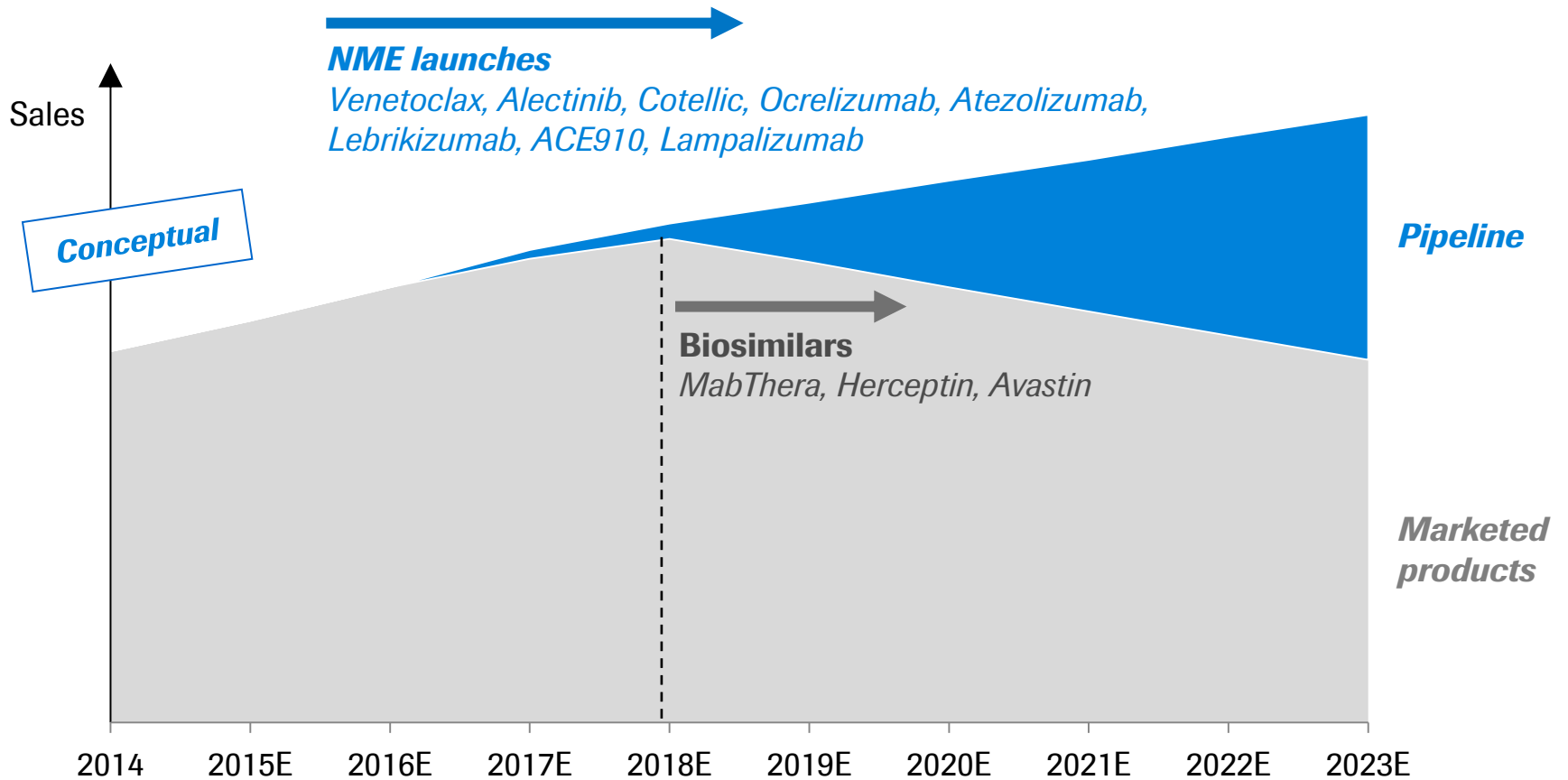
Group sales growth ¹	Mid-single digit
Core EPS growth ¹	Ahead of sales growth ²
Dividend outlook	Further increase dividend in Swiss francs

¹ At constant exchange rates (CER)

² Excluding sale of filgrastim rights in 2014

Positive outlook

Strong pipeline mitigates biosimilar impact



Newsflow in H2 2015



Vienna, 25 -29 Sep



- atezolizumab (+chemo)
 - NSCLC: POPLAR , BIRCH, P1b chemo combo update
 - Bladder: P2 (2L cohort)
- alectinib
 - ALK+ NSCLC: P2 update
- CEA-IL2v FP; IDOi
 - solid tumors: P1 updates



Barcelona, 7-10 Oct



- ocrelizumab
 - RMS: P3 OPERA I/II
 - PPMS: P3 ORATORIO



San Francisco, 18-21 Nov

- atezolizumab + Zelboraf
 - mM: P1
- Cotellic + Zelboraf
 - BRAF+mM: coBRIM OS data



San Antonio, 19-22 Nov

- atezolizumab
 - GBM: P1



American Society of Hematology
Helping hematologists conquer blood diseases worldwide

Orlando, 5-8 Dec

- venetoclax
 - R/R CLL 17p del: P2
- venetoclax combinations
 - AML: P1 + chemo
 - NHL: P1 + Rituxan+benda
 - CLL: P1 + Gazyva
- Gazyva + chemo
 - NHL: P3 GADOLIN update
 - CLL: P3 GREEN update



San Antonio, 8-12 Dec

- Atezolizumab + chemo
 - TNBC: P1b abraxane combo

Doing now what patients need next