



Half-Year Media Conference

23 July 2003

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Head of the Diagnostics Division



Roche Diagnostics

Continuously outgrowing the IVD market

- **Major product launches to support long-term growth**
 - AmpliChip CYP450 (US), TaqScreen West Nile virus test, OMNI S
- **Acquisitions & alliances to enter new markets**
 - Acquisition of Disetronic
 - GeneChip technology from Affymetrix
 - Broad cancer diagnostics alliance with Epigenomics
- **Restructuring to focus on high value businesses**
 - Divestiture of non clinical drug-of-abuse business and OPTI systems
 - Transfer of the US hematology business back to Sysmex

Strong operational performance

Strategic initiatives and upcoming launches



Diagnostics sales by business areas

H1/03 vs. H1/02

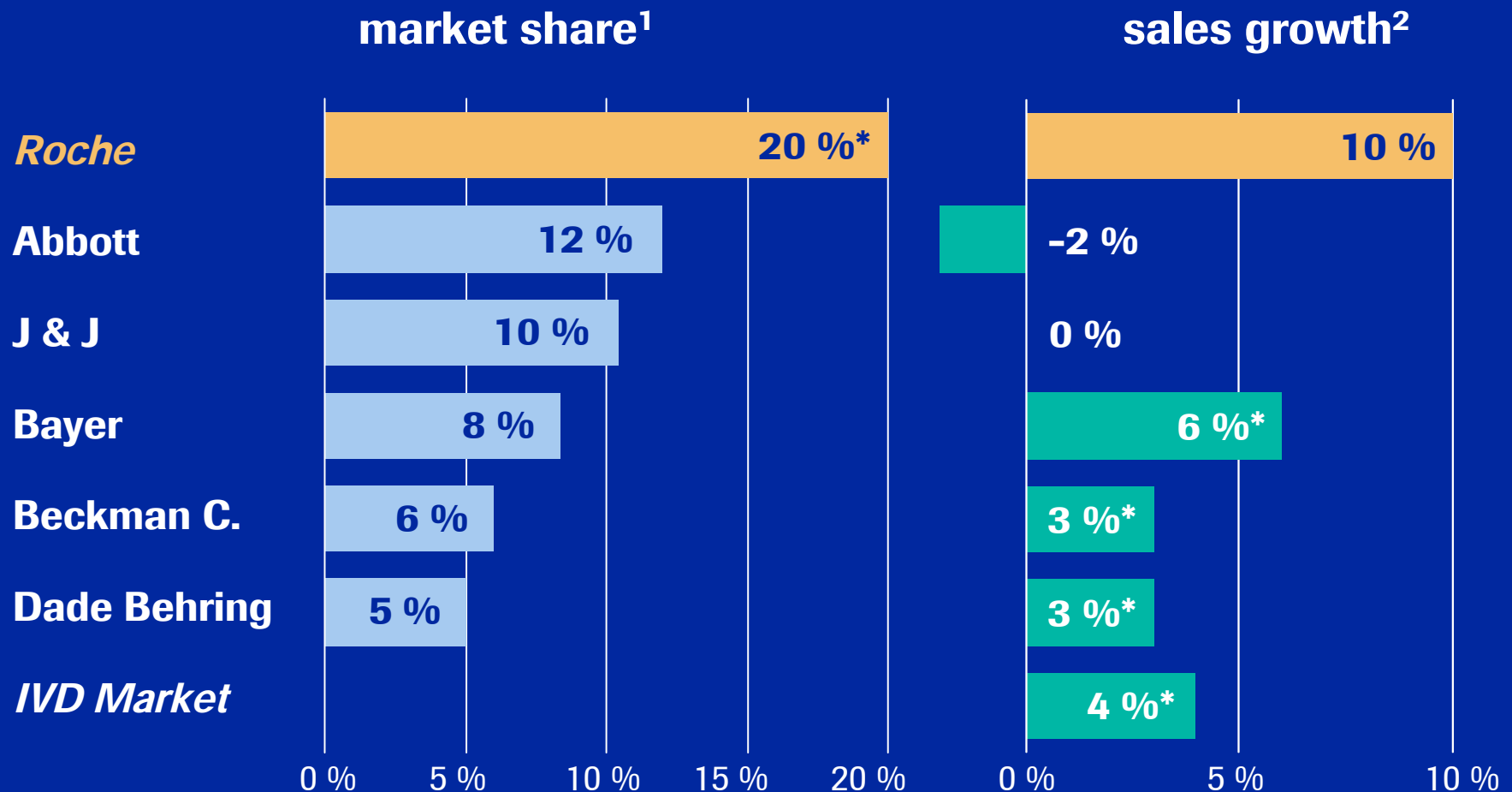
	H1/03 CHF m	H1/02 CHF m	% growth in LC	in CHF
Diabetes Care*	1,280	1,235	14	4
Molecular Diagnostics (ex. industr.bus)	423	389	20	9
Centralized Diagnostics	1,286	1,301	6	-1
Near Patient Testing	271	297	-1	-9
Roche <i>in vitro</i> Diagnostics	3,260	3,222	10	1
Applied Science	251	295	-6	-15
Molecular Diag - industrial business	58	104	-37	-44
Life Science	309	399	-14	-23
Roche Diagnostics	3,569	3,621	7	-1

* including CHF 31 million from Disetronic, as of May 2003

LC = local currencies



Roche continues to expand market leadership



¹ source: company reports, Boston Biomedical Consultants, Roche analysis June 2003

² in local currencies, excludes life science research market

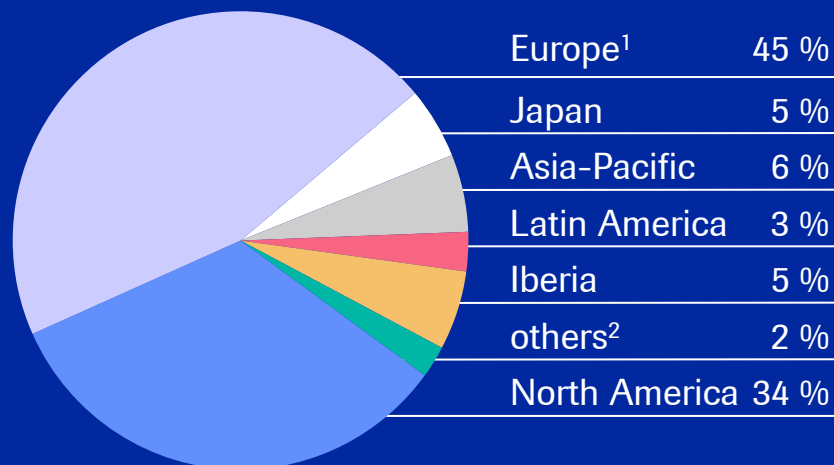
* estimate (not all data published yet)



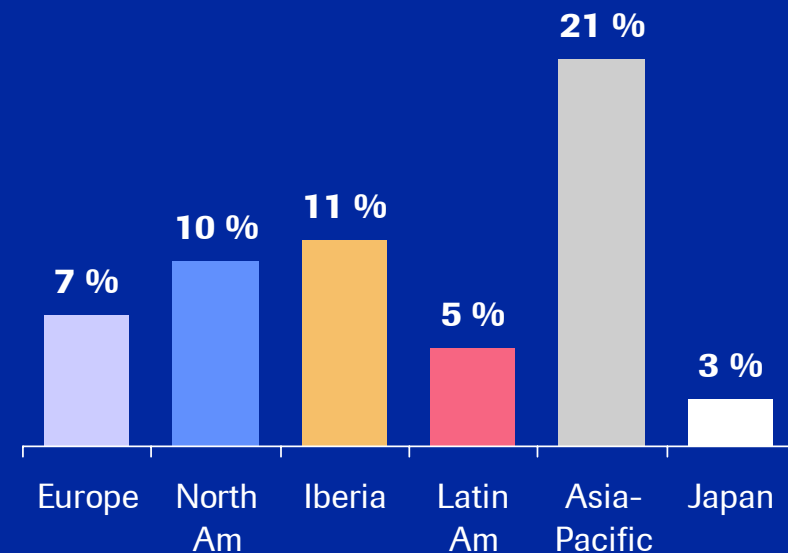
Diagnostics sales in H1/03

Above local market growth in all regions

CHF 3,569 million



local sales growth



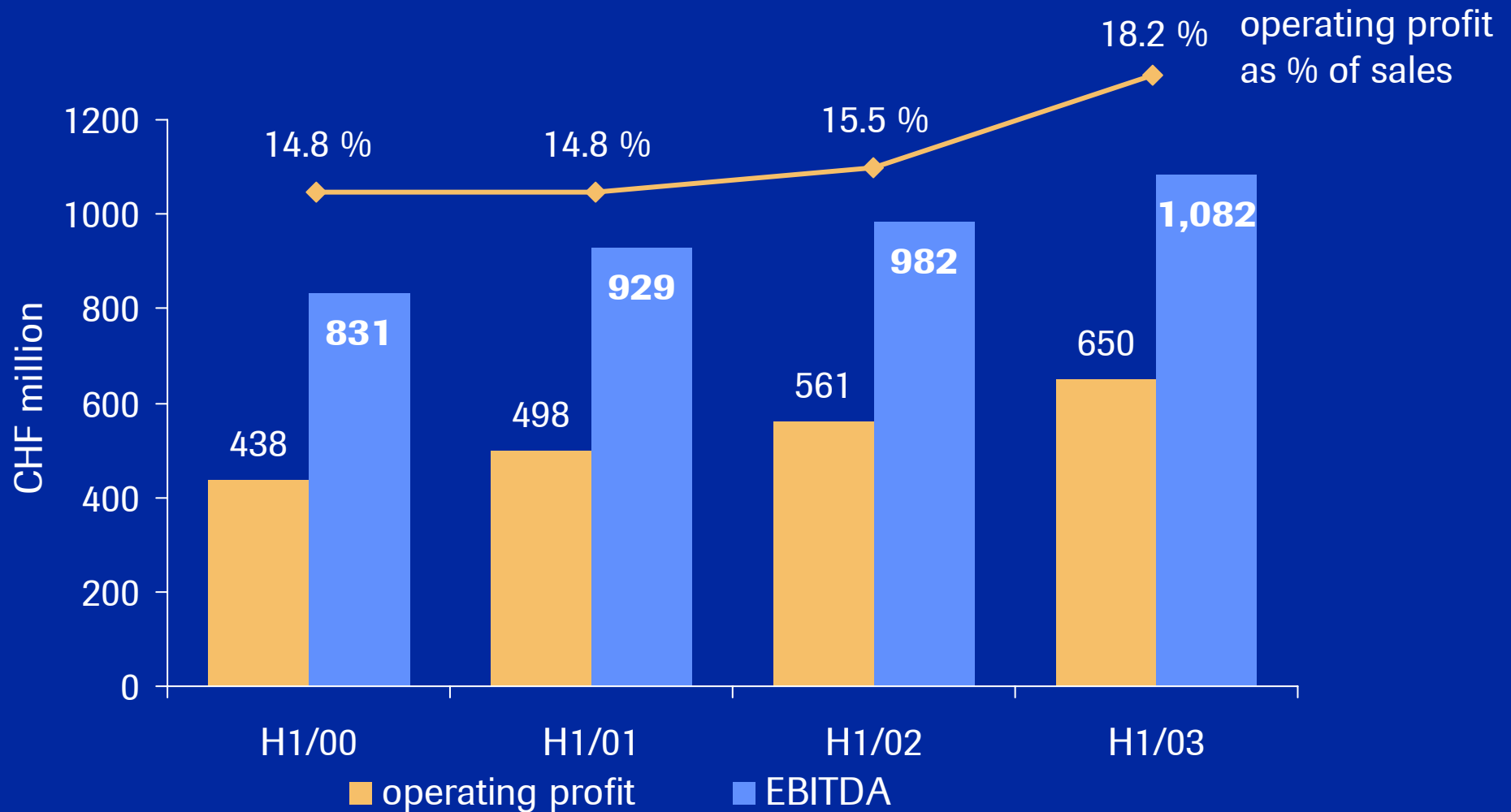
¹ Europe, Middle East and Africa (excl. Iberia)

² local sales growth -35 %



Operating profit

Firmly advancing towards goal of >20 % by 2006





Key developments by business areas

Diabetes Care

Sales (in CHF m) : 1,280

Local Growth : 14 %

- Disetronic consolidated as of May
- Improved “SuperFast” strip launched
- Accu-Chek Compact, Active & Advantage continually gaining market share
- US market weak 1st half (+5-6 % market growth)



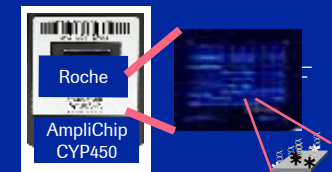
Accu-Chek Compact

Molecular Diagnostics (excl. industrial business)

Sales (in CHF m) : 423

Local Growth : 20 %

- License agreement with Affymetrix
- Co-operation with Epigenomics
- Strong growth in blood screening & CT/NG
- New products (US): AmpliChip CYP450 microarray, TaqScreen West Nile virus
- Industrial business affected by downturn in biotech research



AmpliChip CYP450



Key developments by business areas

Centralized Diagnostics

Sales (in CHF m) : 1,286

Local Growth : 6 %

- Gaining market share
- ProBNP assay increasing market penetration of Elecsys
- Transfer of US hematology business back to our partner Sysmex
- Instrument consolidating on track



Modular
ANALYTICS SWA

Near Patient Testing

Sales (in CHF m) : 271

Local Growth : -1 %

- Launch of OMNI S fueling growth in blood gas market
- OPTI systems and non-clinical drug-of-abuse (DAT) divested to improve profitability
- NPT (excl. DAT + OPTI): 6 % local growth



OMNI S

Applied Science

Sales (in CHF m) : 251

Local Growth : -6 %

- Focus on future market in Genomics and Proteomics
- Sales affected by downturn in biotech and pharma research
- Launch of matriXarray in Q3/03 as a basic research tool for life science market



LightCycler



Strong operational performance

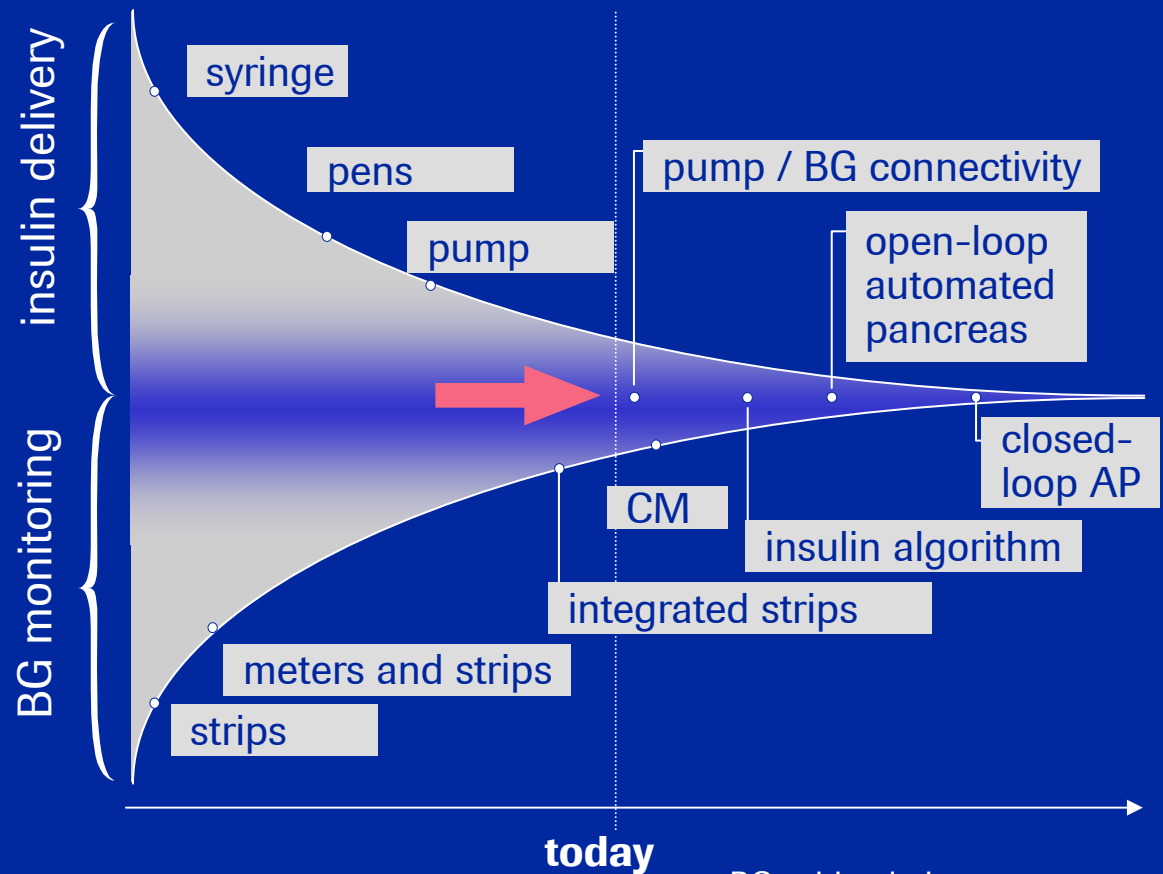
Strategic initiatives and upcoming launches



Disetronic integration

Continue leadership in diabetes care market

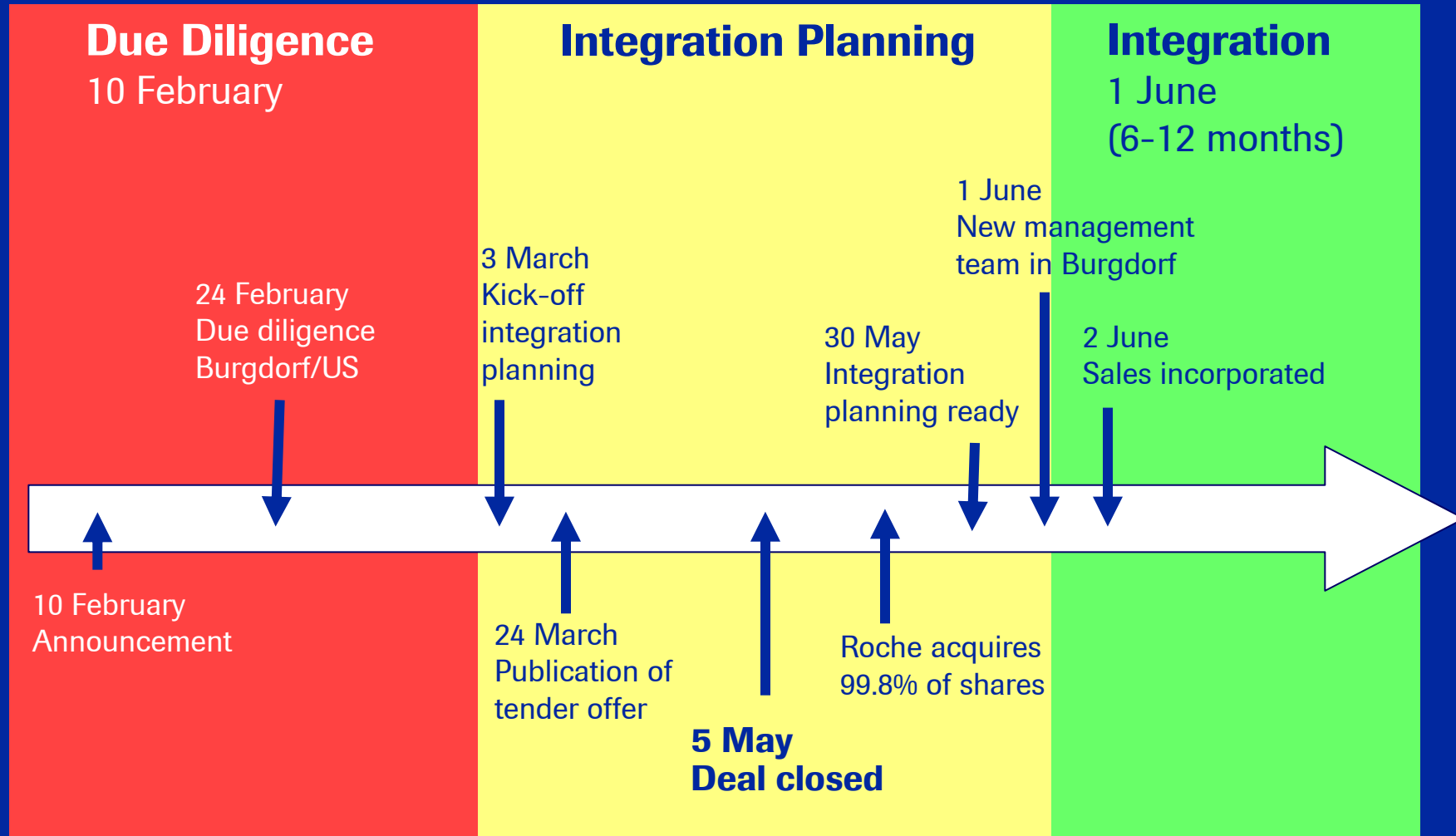
- Leverage the Accu-Chek brand
- New growth by entering insulin pump market
- Greater access to high frequency testers
- Be first to create an automated pancreas, combining monitoring and insulin delivery





Disetronic integration

On track



Disetronic

Next steps

Maintain US business by focusing on disposable products

- glass / plastic cartridges, batteries
- infusion sets / catheters changed every 3-4 days

Drive European business

- pump users are high frequency testers

Quality

- corrective measures to address FDA issues underway
- full resolution expect within 12 months

Launch innovative products

- new generation pump under the Accu-Chek brand H2/04
- integrate pump parameters into Accu-Chek pocket compass software





Roche AmpliChip microarrays

Initial menu of high-value assays

Available June 2003

1. AmpliChip CYP450 (drug metabolism)

Products in development (2004)

2. P53 (cancer)
3. Cystic fibrosis (CF) genotyping
4. HPV (human papillomavirus) genotyping
5. HIV genotyping
6. Colorectal cancer (risk prediction)

Products in development (2006)

7. Leukemia (risk prediction)





New products in 2003

Rapid response to urgent market needs

TaqScreen West Nile virus test* (US)

- Rapid time to clinical trials
(9 months from first FDA request)
- First in the US to fully automate the extraction, amplification, and detection steps
- Broadest coverage of Japanese Encephalitis virus group



TaqScreen WNV

SARS research product

- Used on LightCycler instrument (over 3,500 systems ww)
- Results available within one hour
- Product made available mid July 2003



Corona Virus

* WNV test: for investigational use only



Diagnostic innovations for the future

Upcoming launches in H2/03

Diabetes Care

- Q3/03 Accu-Chek Advantage III Meter
- Q4/03 Safe T-Pro multi-depth
- Q4/03 Accu-Chek Go



Safe T-Pro multi-depth

Molecular Diagnostics

- Q3/03 COBAS TaqMan 48 Generic Master Mix
- Q3/03 CF Linear Array Europe CE Mark (EU)
- Q3/03 COBAS TaqMan 48/ 96 – HIV
- Q3/03 COBAS TaqMan 48/ 96 – HCV
- Q3/03 COBAS TaqMan 48/ 96 – HBV
- Q3/03 LightCycler 3.2 Instrument (CE mark)
- Q4/03 AMPLICOR HPV (US)
- Q4/03 COBAS AmpliScreen HBV Test (EU)
- Q4/03 HCV genotyping test (US)



Cystic Fibrosis



COBAS TaqMan 48



Diagnosics Division

Our growth objectives

2003 and beyond

- Continue to outperform the IVD market with double digit growth (in local currencies) - twice the IVD market growth
- Further improvement in operating profit, aiming for slightly > 20 % by 2006
- More than 10 product launches in H2/03

The Roche logo consists of a white, double-lined hexagonal shape with pointed left and right sides, centered on a solid blue background. The word "Roche" is written in a white, bold, sans-serif font across the center of the hexagon.

Roche