



The future challenges of Healthcare

Dr. Erich Hunziker
CFO – F. Hoffmann La Roche Ltd.

JPMorgan CEO Conference

Rome, May 13, 2005



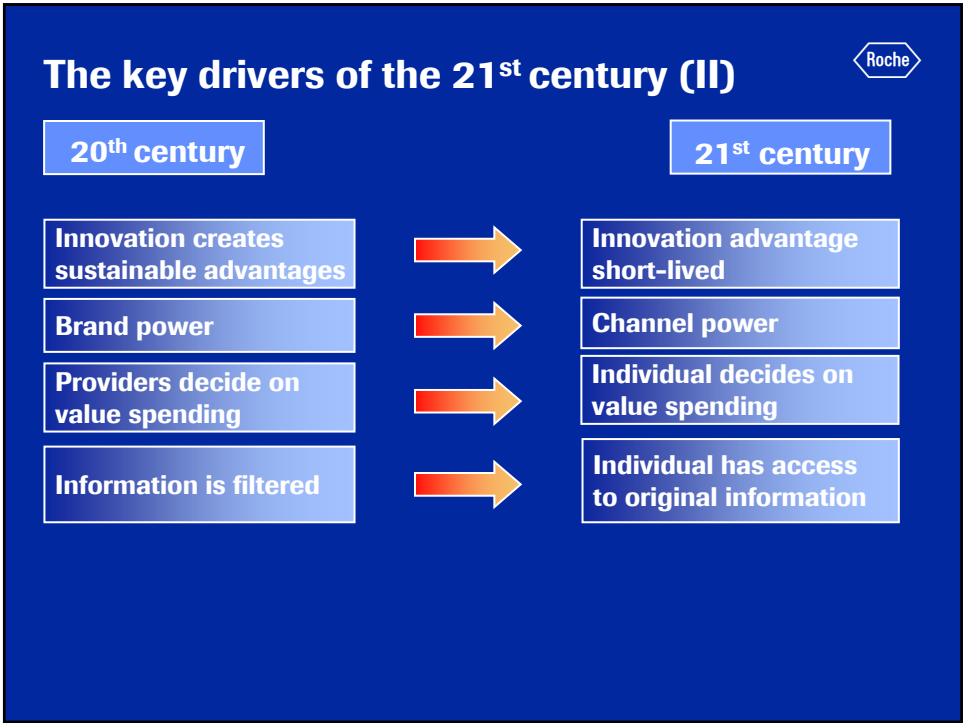
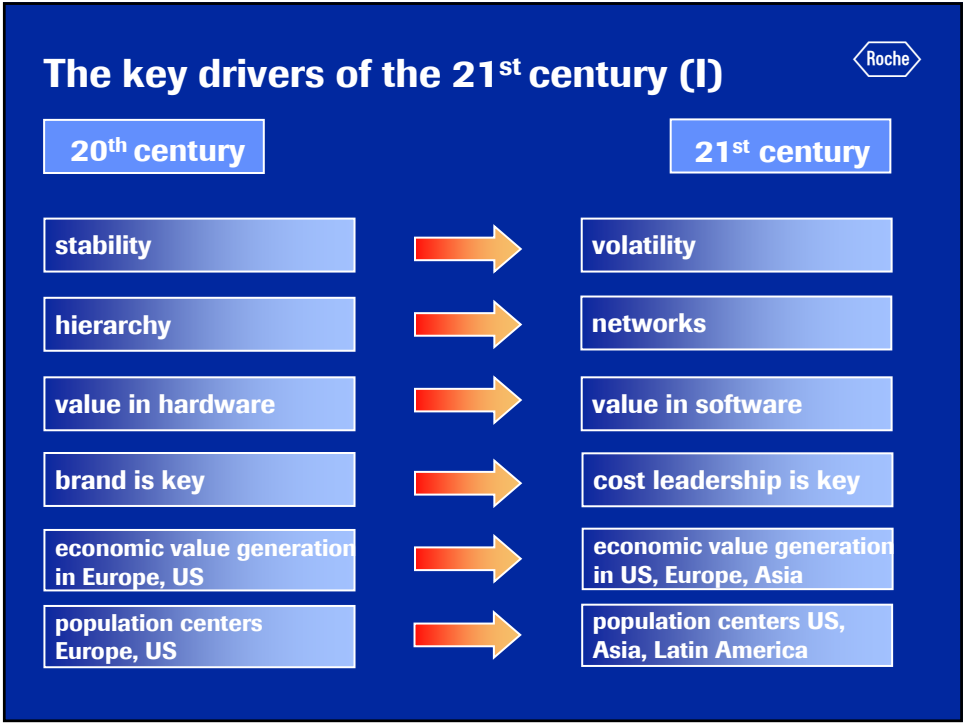
This presentation contains certain forward-looking statements.

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 strategy, goals, plans or intentions.

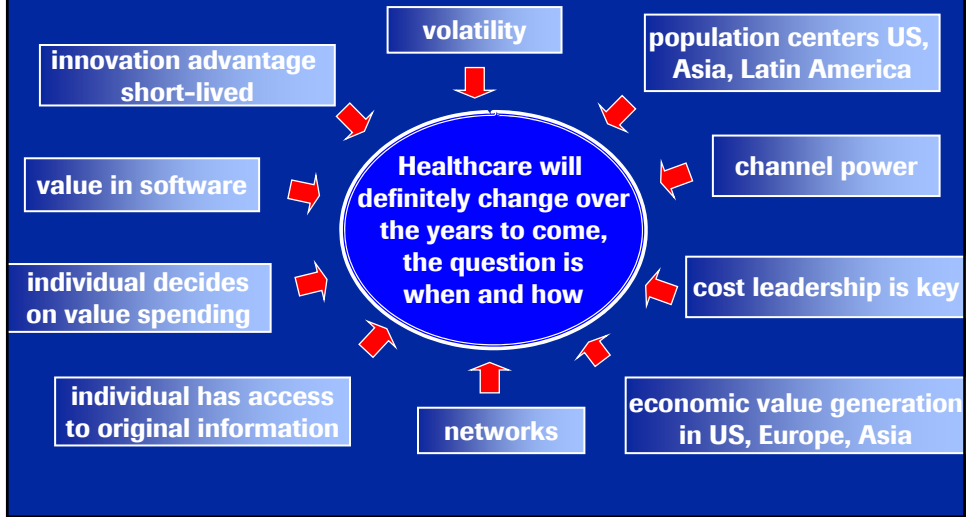
Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation among others:

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;
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 or news coverage

For marketed products discussed in this presentation, please see full prescribing information on our website – www.roche.com



How relevant are these drivers for the healthcare industry?



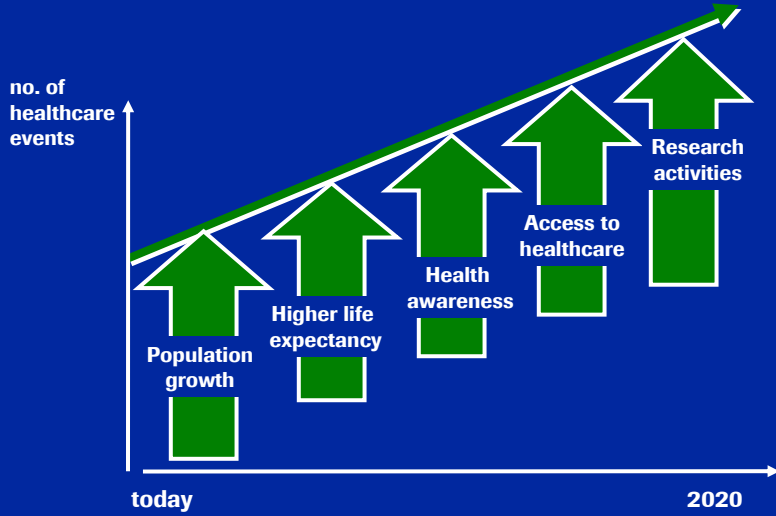
No change from the past: Health remains a basic need of mankind



"Healthcare events" dominate or at least influence the life of most people

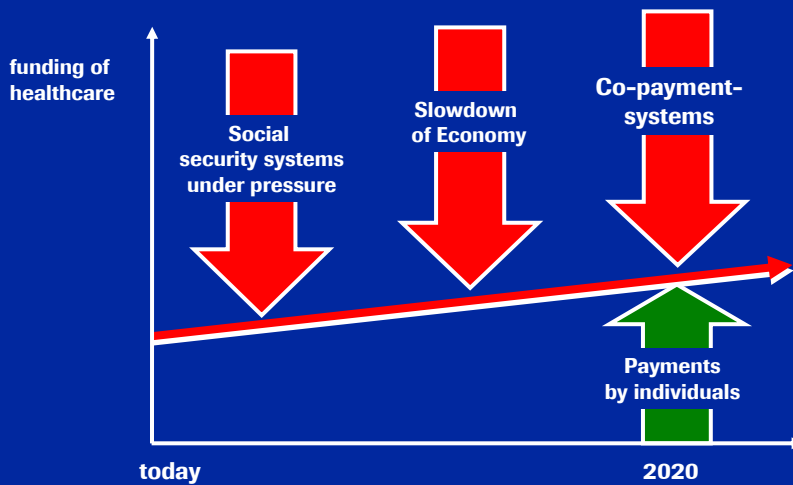
No change from the past:

There is a big increase in demand for healthcare



Will become even tougher:

There are not enough funds to pay for all demands

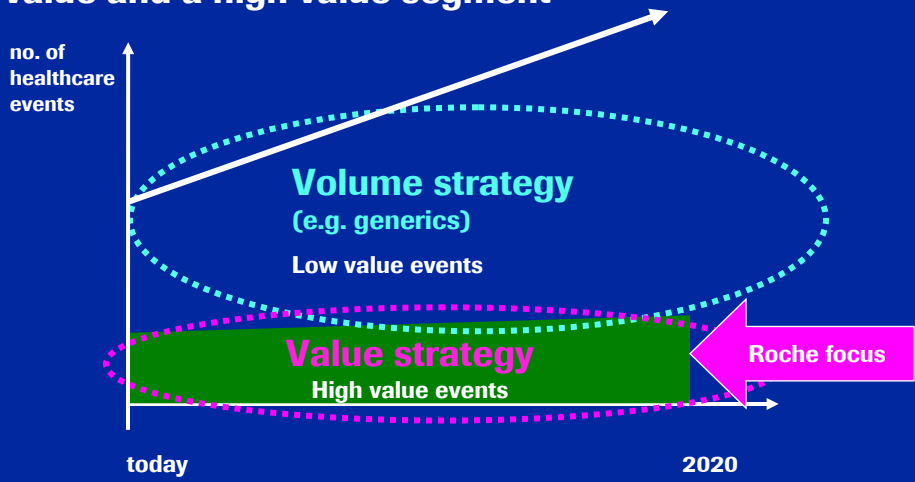


Cost pressure a reality today and even tougher in the future

The Roche assessment



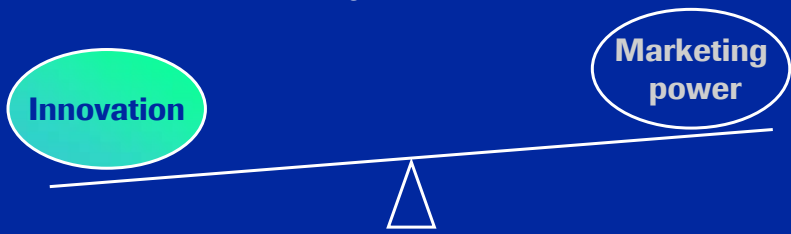
The healthcare market will split into a low value and a high value segment



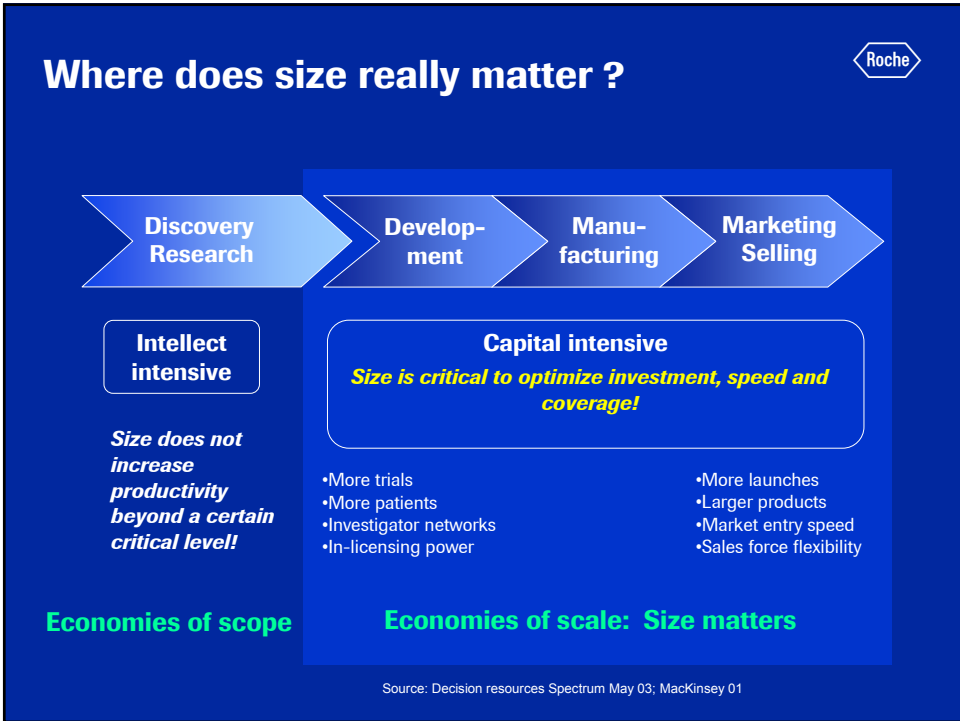
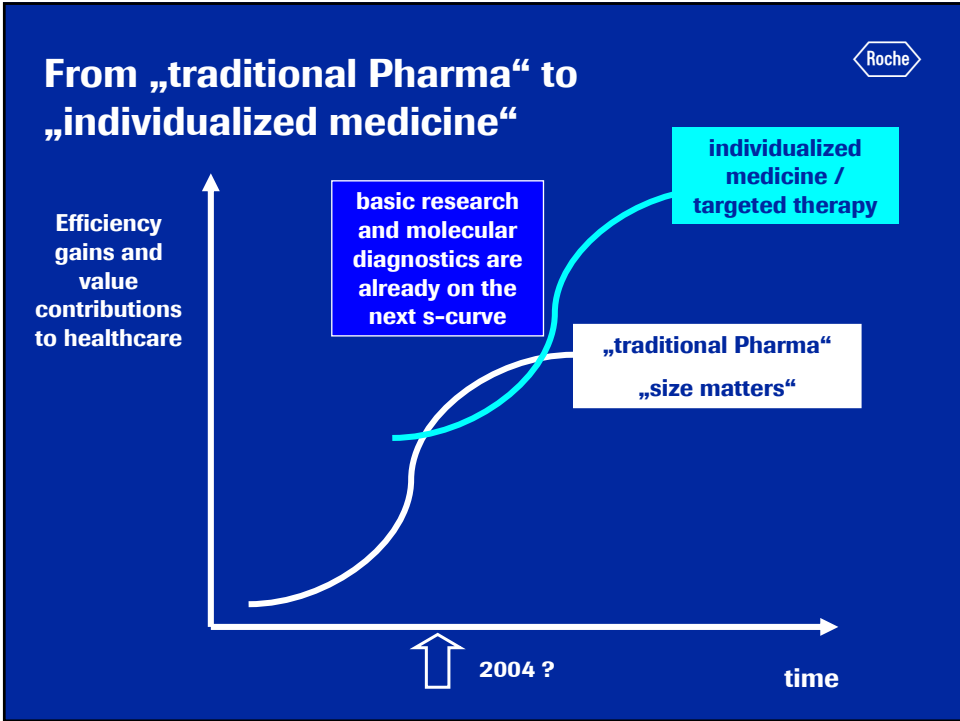
Roche strategic choice: Innovation is key !



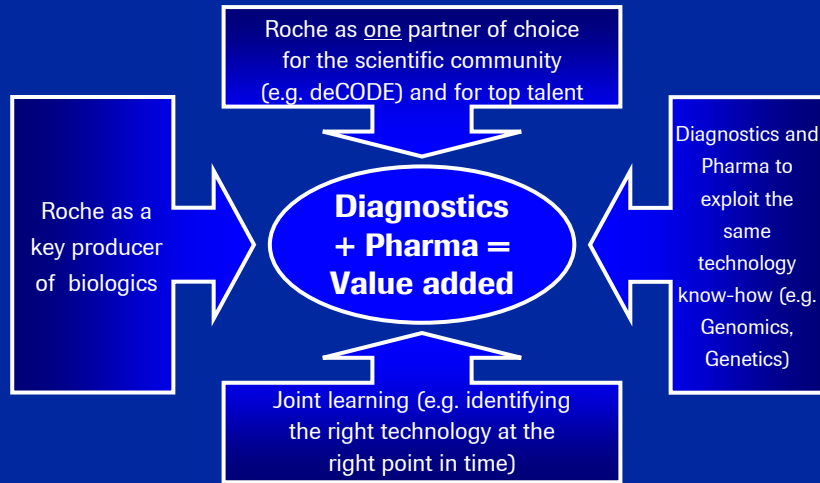
Only if we create relevant proven benefit for the customer
= medically differentiated products
we will be able to create high value returns



- 1. Innovative products continue to command high prices and reimbursement,
- 2. Selling "average /me-too" products by sheer marketing power becomes more and more difficult



A unique Roche advantage: two high tech businesses joining forces where it adds value

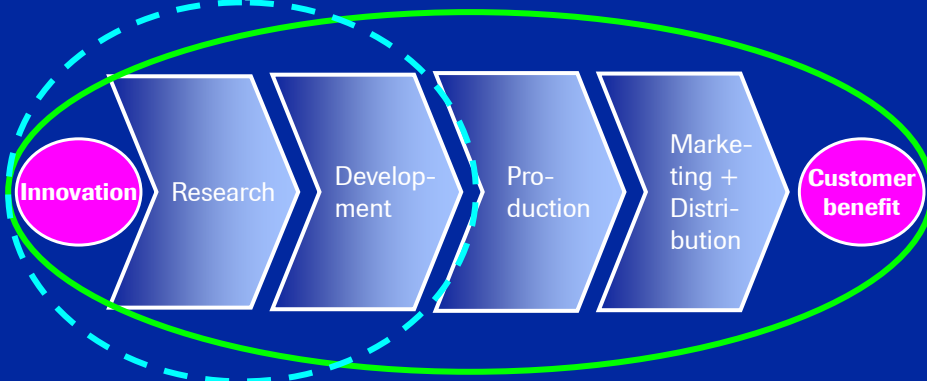


We are open to innovation generated by third parties

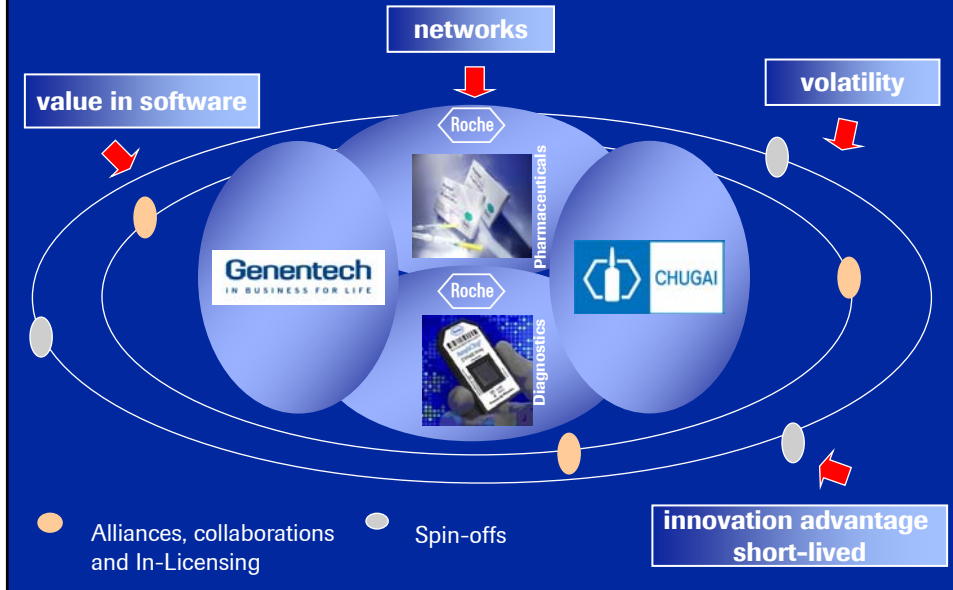


"Biotech" companies

"Pharmaceutical" companies



The unique Roche innovation cosmos

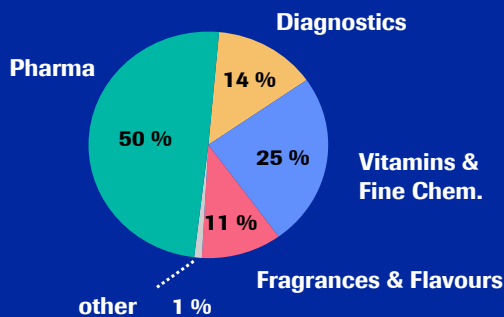


Roche is actively shaping its future

... by building new futures for non-core businesses



Starting point 1990 ...
CHF 9.7 billion



Sales and spin-off's

- Kontron
- Medi-Physics
- Feeds
- Gynecological products
- RBL
- ABX
- Medi-Lab
- Rolic
- DePuy (1998)**
- MFA
- Novuspharma
- Fragrances & Flavours;**
- Givaudan (2000)**
- Basilea
- BioXell
- Vitamins & Fine**
- Chemicals (2003)**
- RCH (2004)**

Roche is now the most focused global healthcare Group

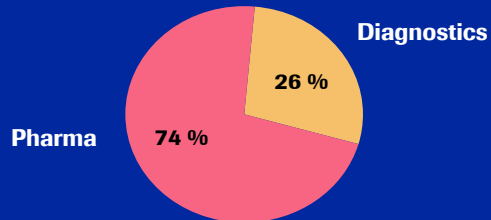


+ Acquisitions

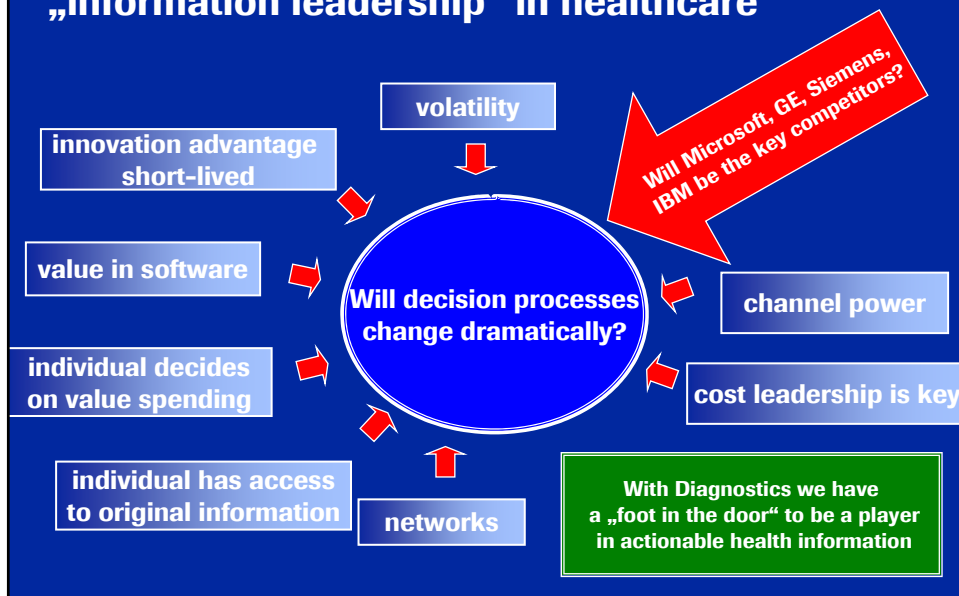
Genentech (1990)
 Nicholas
 FDO
PCR (1991)
 CompuChem
 Fisons
Syntex (1994)
 MFA
 OTC F//RP
 Tastemaker
Boehringer Mannheim (1997)
 AVL
Chugai (2002)
Disetronic (2003)
IGEN (2004)

Result 2003

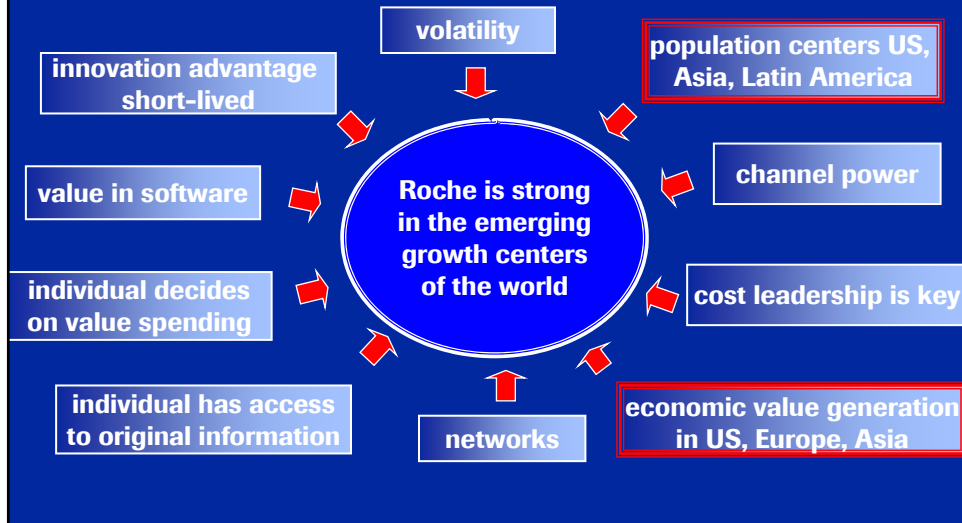
CHF 29.0 billion



A lot is speculated about the fight for „information leadership“ in healthcare



Will Roche be marginalised geographically because we focus on high value business?



Roche has a unique profile for investors



Roche: unique geographic risk diversification



Roche: unique "pillars of value" risk diversification



Future pillars

Roche ambition: to be a unique investment opportunity in the healthcare industry

