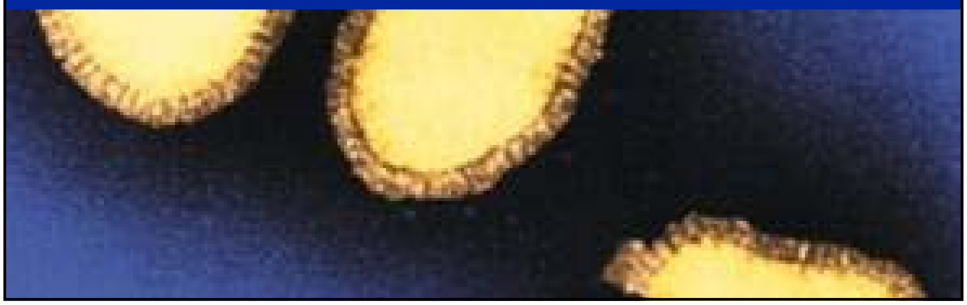
Outgrowing the market

William M. Burns
CEO Division Roche Pharma
March 2006



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Strong operational performance

Key growth drivers

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2005: Record sales and record profit
Pharmaceuticals Division

- Pharma organic growth four times faster than world market
  - top ten products +32 %,
  - top twenty products +31 %
- Strong operating profit development and improved quality of earnings
- Successful launch of seven new products/indications
- Outstanding clinical data
- Built the base for entry into a new therapeutic franchise of Autoimmune diseases

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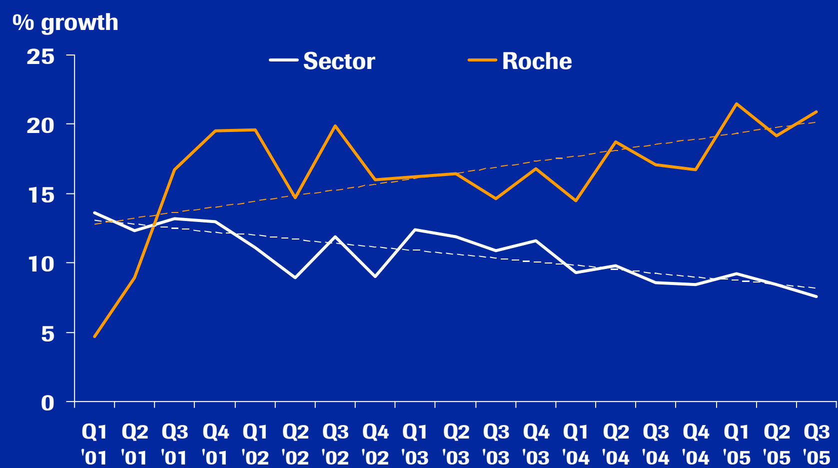
Leading growth rate in the specialty sector based on differentiated medicines

Roche



Source: IMS

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Making a difference for patients
- and boding well for future growth

Roche

	Product	Indication	Benefit
Oncology	**Avastin**	NSCLC (1st line)	23% reduction in risk of death
		metastatic breast cancer (1st line)	50% reduction in risk of cancer progression
	Herceptin	Early-stage breast cancer (four large trials)	Around 50% reduction in risk of disease recurrence
	MabThera/ Rituxan	iNHL relapsed maintenance	>17 months prolongation of progression free survival, 50% reduction in risk of death
	Tarceva	Pancreatic cancer (1st line)	19% reduction in risk of death
	Xeloda	Pancreatic cancer (1st line)	20% reduction in risk of death
RA	**Actemra**	Rheumatoid arthritis	ACR 70 of 47% vs 6% in the control
	MabThera/ Rituxan	Rheumatoid arthritis	ACR 70 of 12% vs 1% in the control

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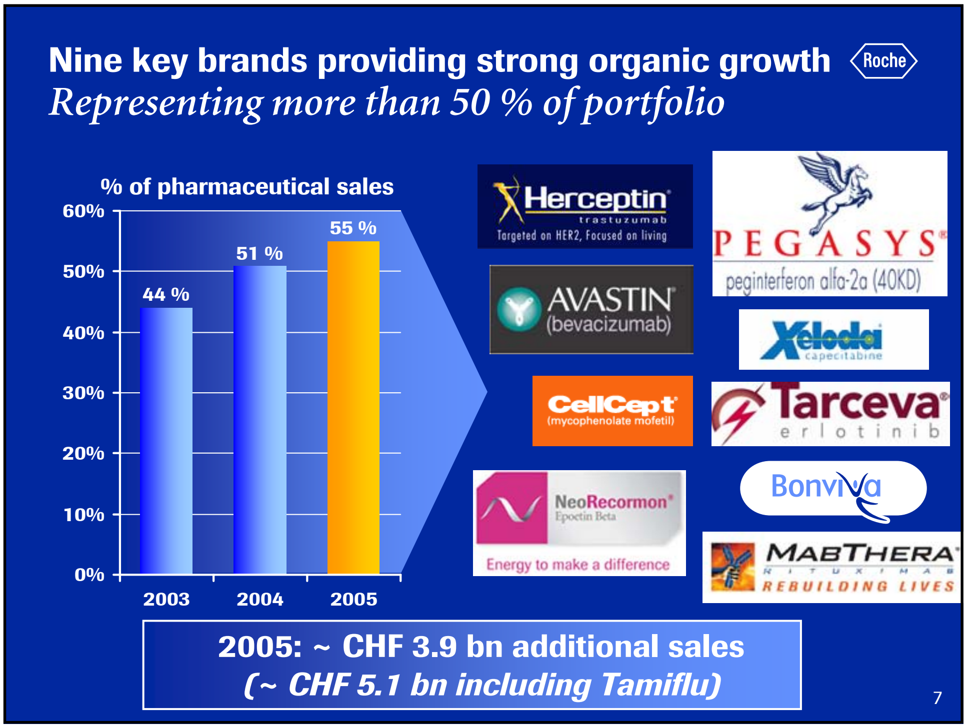

Nine key brands providing strong organic growth
Roche
Representing more than 50 % of portfolio
% of pharmaceutical sales
60%
50%
40%
30%
20%
10%
0%
44 %
51 %
55 %
2003
2004
2005
Herceptin
trastuzumab
Targeted on HER2, Focused on living
PEGASYS
peginterferon alfa-2a (40KD)
AVASTIN
(bevacizumab)
Xeloda
capecitabine
CellCept
(mycophenolate mofetil)
Tarceva
erlotinib
Bonviva
NeoRecormon
Epoetin Beta
Energy to make a difference
MABTHERA
RITUXIMAB
REBUILDING LIVES
2005: ~ CHF 3.9 bn additional sales
(~ CHF 5.1 bn including Tamiflu)
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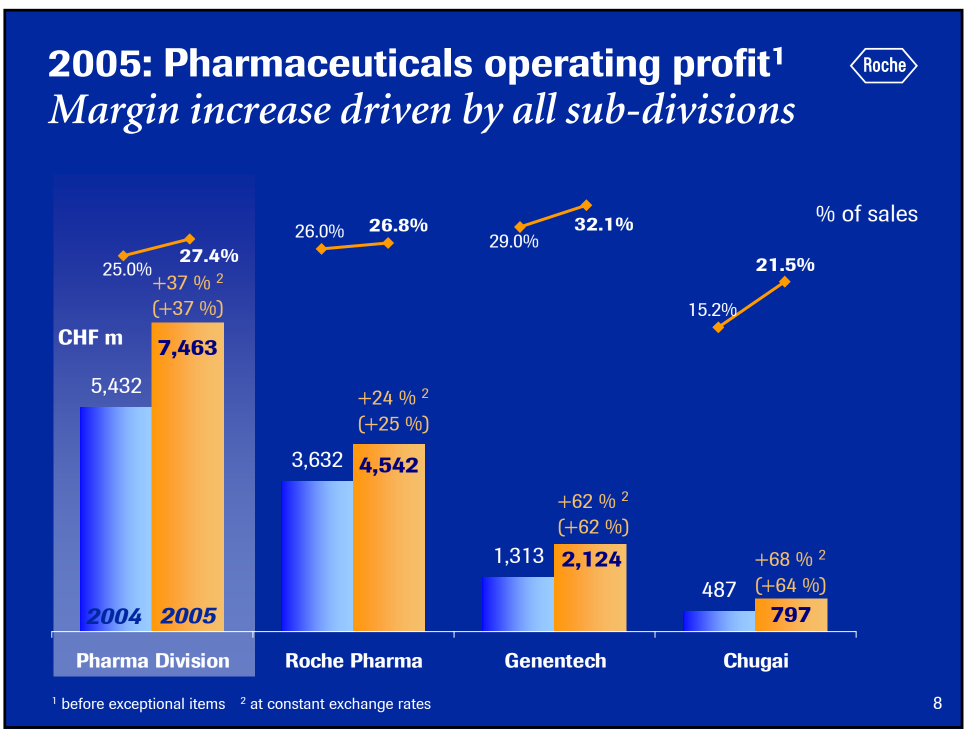

2005: Pharmaceuticals operating profit¹
Roche
Margin increase driven by all sub-divisions
% of sales
25.0%
27.4%
26.0%
26.8%
29.0%
32.1%
15.2%
21.5%
CHF m
+37 % ²
(+37 %)
5,432
7,463
+24 % ²
(+25 %)
3,632
4,542
+62 % ²
(+62 %)
1,313
2,124
+68 % ²
(+64 %)
487
797
2004
2005
Pharma Division
Roche Pharma
Genentech
Chugai
¹ before exceptional items ² at constant exchange rates
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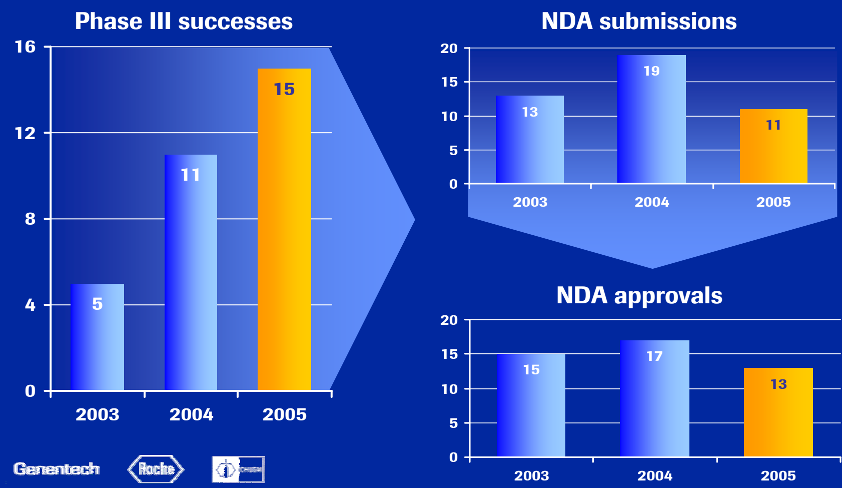
A powerhouse in R&D
Flow of new launches fuelling organic growth

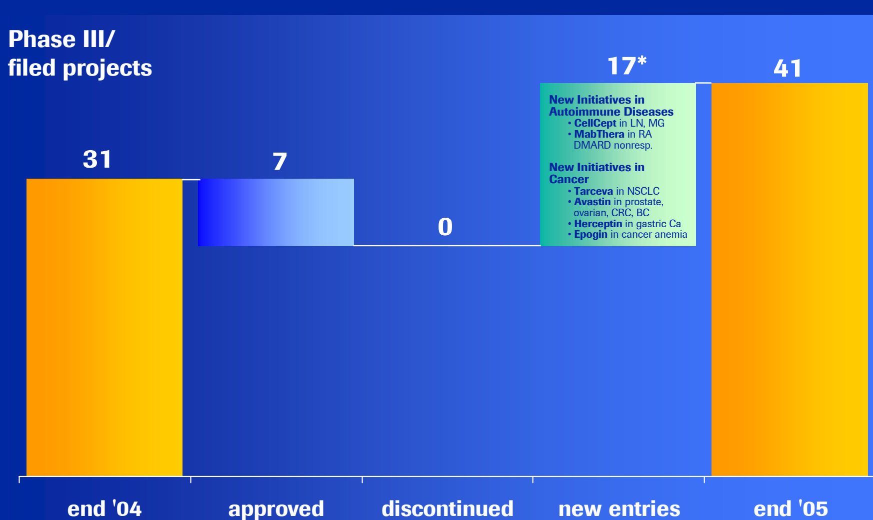
Roche



Genentech Roche

An industry leading late stage pipeline
Again strengthened

Roche



* Including three projects previously combined and now listed as seven single indications

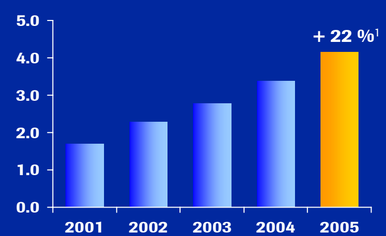
Strong operational performance

Key growth drivers

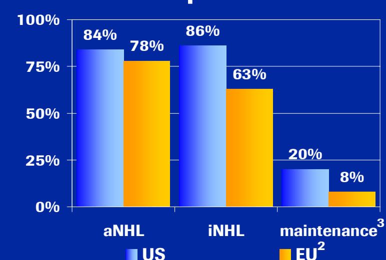
MabThera / Rituxan in oncology

Sales well above CHF 4 bn and growth continues

CHF bn **Global sales**



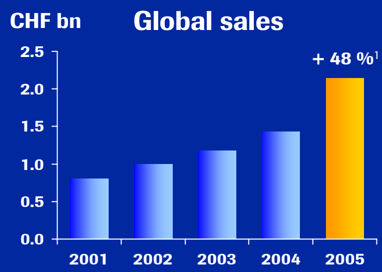
Overall penetration

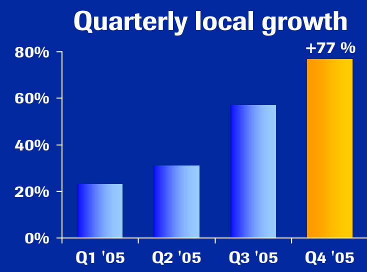


- Sales of CHF 4.2 bn in 2005
- Increasing penetration rates in EU/ RoW fuelling growth
- Outstanding data in iNHL maintenance
  - overall survival benefit shown for the first time
- iNHL maintenance filed in Q4 '05 (EU) as planned

[1] local growth [2] five key countries [3] treated patients receiving MabThera maintenance

Herceptin
Outstanding clinical data in adj BC accelerate growth





- Sales now well above CHF 2 bn
- Adjuvant BC filed EU and US in Q1 '06 as planned
- TAnDEM data[2] expected in 2006
- Phase III in gastric cancer enrolling

[1] local growth [2] 1st line mBC Arimidex ± Herceptin

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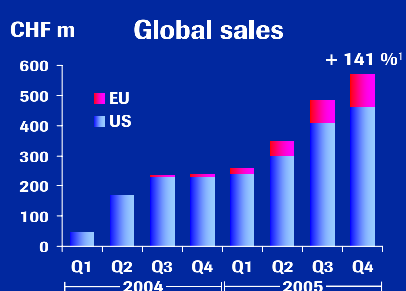
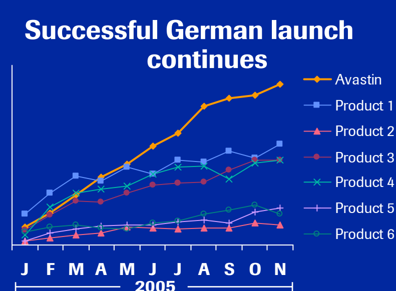
Avastin
EU/ RoW contribution steadily increasing





- Sales of CHF 1.7 bn in 2005
- Reimbursement obtained in record time in many European countries
- Promising uptake in Germany, France and Spain
- Preparing for filing in NSCLC and mBC in Europe and US
- Six new major phase III trials initiated in 2005

[1] local growth

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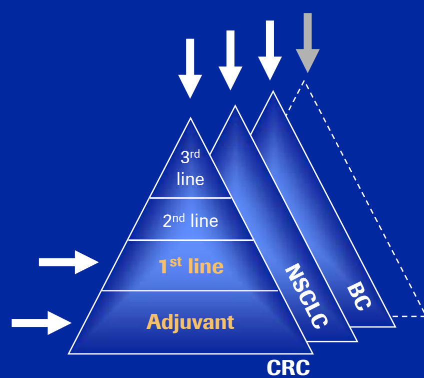
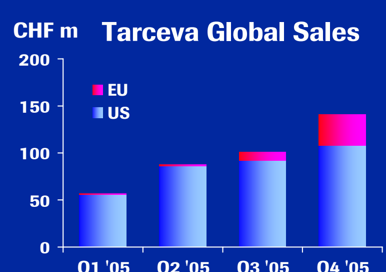
Avastin: A unique development approach
All main cancer types, including early intervention, in parallel



Establish Avastin as a backbone therapy for all major tumors

Xeloda and Tarceva successfully entering new markets

- Sales of CHF 796 m in 2005
- Launched for adj CC mono in EU and US
- Overall survival shown in 1st line pancreatic cancer
- Filing of 1st line mCRC combo planned this year



- Sales of CHF 387 m in 2005
- EU approval in 2nd/3rd line NSCLC lung cancer in Sept '05
- Launched in Germany, UK (private market), France
- Approved for pancreatic cancer in US, filed in EU in October

[1] local growth

Continuing strong growth from market leaders

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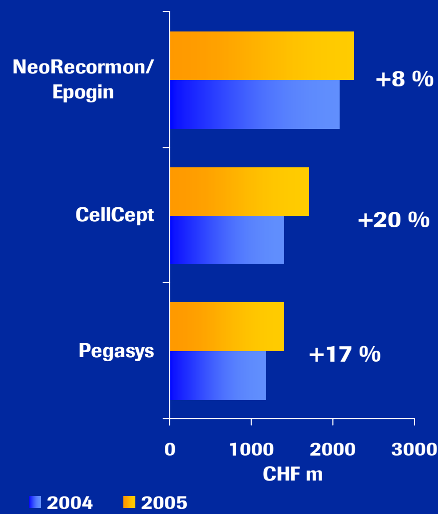

NeoRecormon/ Epogin

- Growth particularly from pre-dialysis and oncology

CellCept

- > 95% of MPA market
- Phase III studies ongoing in autoimmune diseases[1]

Pegasys

- Main growth contribution EU/ RoW
- Copegus exclusivity expired in US
  - EU from 2008 - 2012
- Promising first data of REPEAT trial

all growth rates are local [1] partnered with Aspreva

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Boniva

Converting the market from once-weekly to once-monthly

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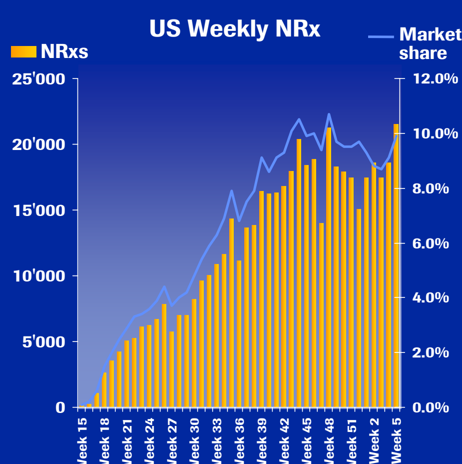

- US weekly NRx market share of 10 % by week 5
- Currently launching in European markets
- Boniva I.V. injection US approval and CHMP positive opinion received in Jan '06

Source: IMS Health - Weekly Rx Audit - NPA

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Tamiflu
Building up production capacity to meet demand

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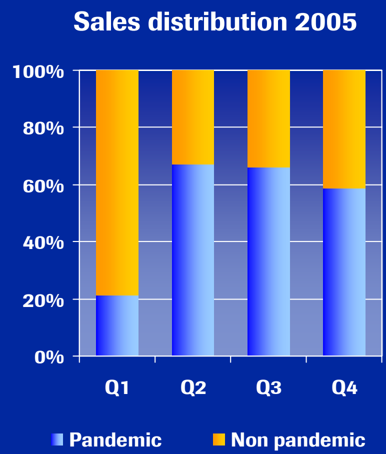

- Sales of CHF 1.6 bn (+ 370 %[1])
  - pandemic sales of CHF 792 m
- New agreement with Gilead
- Strong late flu season 04/05 and early flu season 05/06 in Japan
- Orders from over 60 countries for pandemic supplies
  - delivery spread over 2005-2007
- Additional capacity online late '06

Estimated pandemic sales of CHF 1.1 – 1.2 bn in 2006

[1] local growth

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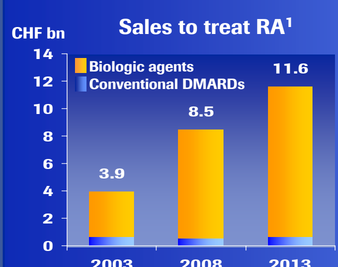
2006: Roche in Rheumatoid Arthritis
The first products in the autoimmune franchise

Roche

RA



MabThera

- Anti-TNF inadequate responders (REFLEX)
  - filed in US and EU
- DMARD inadequate responders
  - phase III initiated (3 trials), filing in 2007

Actemra

- Phase III completed in Japan, on track (5 trials) in RoW
- Japanese filing in 2006, filing in US and EU in 2007

AI diseases

Phase I	Phase II	Phase III		Filed
R1541 (IBD)	R1503 (RA)	MabThera (RA DMARD)	MabThera (PPMS) *GNE*	MabThera (RA TNF)
R1295 (RA)	R1594 (RA)	Actemra (RA)	MabThera (ANCA av) *GNE*	
R3421 (AI)	MabThera (RRMS) *GNE*	Actemra (sJIA)	MabThera (SLE) *GNE*	
BR3-FC (RA) *GNE*	MabThera (LN) *GNE*	CellCept (LN)		
		CellCept (MG)		

[1] Source : Decision Resources March 2005, US/Top 5 EU/Japan

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Our objectives for 2006 – Pharmaceuticals

Another busy year…

Major clinical data

Compound	Phase	Indication	Data
R744 (CERA)	III	Renal anemia (correction)	Final
CellCept	III	Lupus nephritis (Induction phase)	Final
Herceptin	III	mBC combo hormonal (TAnDEM)	Final
Xeloda	III	mCRC 2nd line	Final
Avastin	III	NSCLC 1st line (AVAIL)	Interim
Avastin / Xeloda	III	mCRC 1st line combo extension	Final
R1658	II	Dyslipidemia	Final
R873	IIa	MED	Final
Avastin / Tarceva	II	NSCLC 2nd line	Final
R1594	II	RA	Final

Filings

Compound	Indication
R744 (CERA)	Renal anemia
Avastin	NSCLC 1st line
Avastin	mBC 1st line
Avastin	mCRC 1st line combo extension
Herceptin	Adjuvant BC
Herceptin	mBC combo hormonal
Xeloda	mCRC 1st line combo

Divisional sales growth

Double-digit growth in local currencies

barring unforeseen events

Our mid term priorities

- Secure growth from assets on hand over the next years
- Deliver on our strong late stage pipeline with 41 phase III projects in Pharma
- Continue to drive productivity across the organization