



Roche
Annual results 2006 – Roadshow Zurich
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February 12, 2007





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- 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.

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Roche in 2006: Fulfilling our commitments

Growing top and bottom line

2006 guidance

		Market growth	FY 2006	
• Above-market sales growth in local currencies	Pharma	~6 %	21 %	✓
	Diagnostics	4-5 %	5 %	✓
• Double-digit local sales growth	Pharma		21 %	✓
	Group		17 %	✓
• Target for Core EPS growth to be above sales growth (CHF)	Core EPS growth		26 %	✓
	Sales growth		18 %	

Pharma market growth: IMS YTD Oct 06; Diagnostics market growth estimate

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2006: Industry-leading growth



CHF bn	2005	2006	% change in		USD growth
			CHF	local	
Pharmaceuticals	27.3	33.3	22	21	21
Diagnostics	8.2	8.7	6	5	5
Roche Group	35.5	42.0	18	17	18

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2006: Strong sales drive bottom line growth



CHF +6.5 billion organic sales, net income up 34 %

CHF bn	2005	2006	Change		
			CHF bn	%	loc %
Sales	35.5	42.0	6.5	+18	+17
Operating profit¹	9.2	11.7	2.5	+28	+27
<i>as % of sales</i>	25.9	27.9			
Net income	6.9	9.2	2.3	+34	
<i>as % of sales</i>	19.3	21.8			
Core EPS	7.84	9.86		+26	

¹ before exceptional items

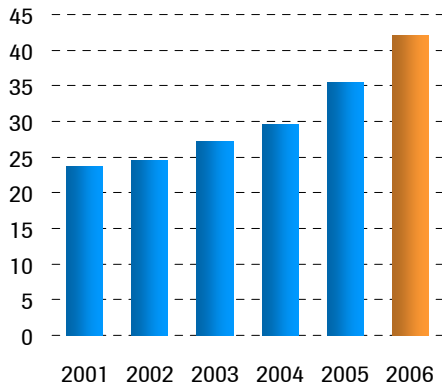
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Focus on differentiated products paying off

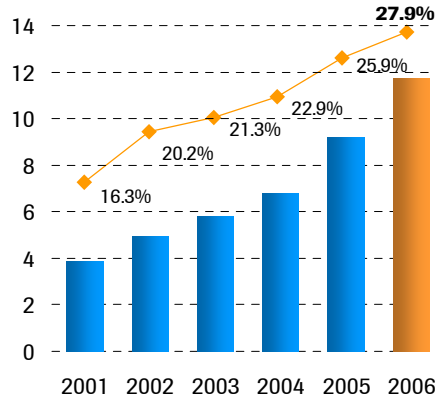
Sales doubling, operating profits tripling



Group sales¹ (CHF bn)



Group operating profit² (CHF bn)



¹ Pharmaceuticals and Diagnostics

² before exceptional items

Major initiatives over the past 5 years

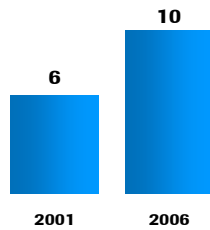
Strengthened business base and focused activities



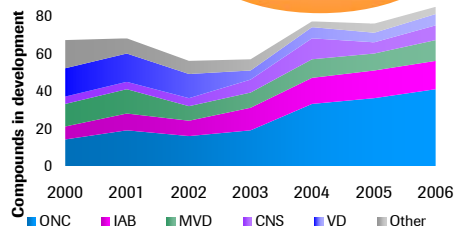
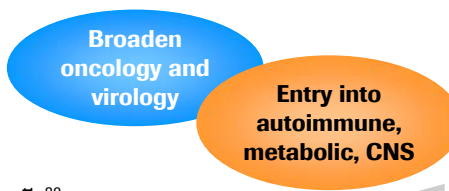
Focus on medically differentiated products

	2001	2006
Top 10 as % of pharma sales	56 %	67 %
Key products % of pharma sales	27 %	59 %

Group products/franchises > CHF 1 bn



Building new therapeutic franchises and focus R&D efforts



ONC: Oncology; IAB: Inflammation / Autoimmune / Bone; MVD: Metabolic and Vascular Diseases; CNS: Central Nervous System; VD: Viral Diseases



Ensuring appropriate structure for future growth

Reorganising from a strong position

- Roche continuously outgrowing the market - sales doubled in 4 years
- Roche has built an industry-leading pipeline and became the leader in Biotech
- Company organization and focus needs to reflect the ongoing and expected changes with respect to
 - Internal challenges (complexity, etc.)
 - External environment (peer structure, reimbursement, etc.)

Proactively addressing what we believe will be gaps in the future will enhance our long-term business performance.

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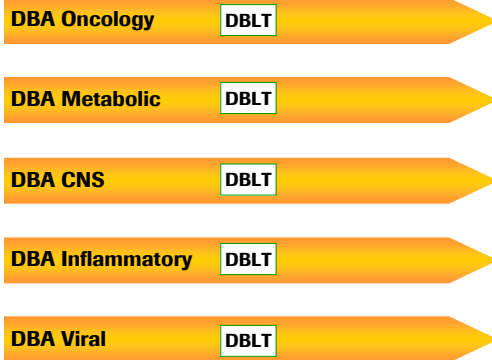


New pharma model: Disease Biology Areas (DBAs)

Alignment and focus

Disease Biology Areas (DBAs)

Idea \longleftrightarrow Market



- Initial focus on five DBAs
- Decisions made by Disease Biology Leadership Teams (DBLTs) against measurable metrics
- **Up to Proof of Concept:** DBLTs manage compound progression within respective DBA
- **After Proof of Concept:** DBLTs responsible for conducting scientific/ medical reviews and providing options to Pharma Leadership Team

- Clear focus
- More independent and flexible disease areas
- Faster and simpler decision processes

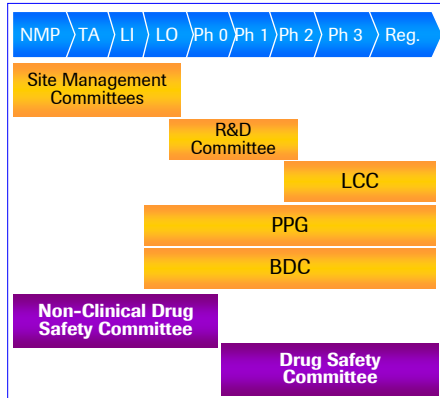
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Streamlined decision making throughout drug lifecycle

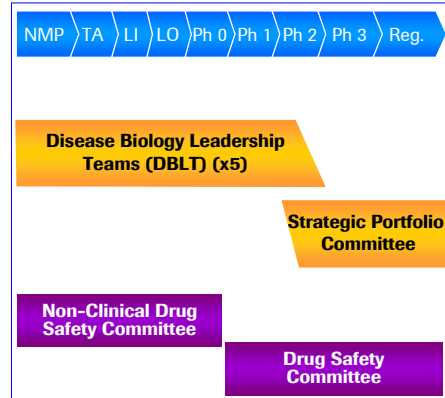
Simpler, more transparent oversight



Today's model



New model



Decision Making Committees

Decision Making Committees & Peer Reviews

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Sustained productivity

File 15 new Pharma products/ indications in the near term



2007-2008

Roche Pharma

- To launch >18 new indications/ in new markets (including 2 NMEs)
- To run more than 38 phase III projects
 - comprising >45 major phase III clinical trials
- To make more than 10 go/ no-go decisions to enter phase III

Roche Diagnostics

- Leverage full Diabetes Care product portfolio now available in the US
- Expand IT solutions

Our key priorities

- Personalized Healthcare
- Maximize existing oncology assets
- Build on current success in virology and anemia
- Establish new franchises
 - autoimmune
 - metabolic
 - CNS

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Our growth objectives for 2007



Sales

- Double-digit sales growth¹ for Roche Group and Pharmaceuticals Division
- Above-market sales growth in both divisions

Core EPS target

- Core earnings per share growth in line with sales growth

¹ in local currencies

barring unforeseen events

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We Innovate Healthcare