

## Merrill Lynch Conference February 5, 2008, New York

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## Forward-looking statements

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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## Group

## Pharma

## Summary

## Roche in 2007: Delivered on targets as committed

		Market growth	FY 2007	
<b>Targets for 2007</b>				
• Above-market sales growth in local currencies	Pharma	6 %	11 %	✓
	Diagnostics	5 %	6 %	✓
• Double-digit local sales growth	Pharma		11 %	✓
	Group		10 %	✓
• Target for Core EPS growth to be above sales growth (CHF)	Core EPS growth		20 %	✓
	Sales growth		10 %	

## 2007: Double-digit growth with and without Tamiflu<sup>1</sup>



	incl. Tamiflu <sup>1</sup>			excl. Tamiflu <sup>1</sup>		
	H1/07	H2/07	2007	H1/07	H2/07	2007
<b>Pharmaceuticals Division</b>	<b>18</b>	<b>6</b>	<b>11</b>	<b>15</b>	<b>11</b>	<b>13</b>
Roche Pharma	16	4	9	12	12	12
Genentech	28	12	19	28	12	19
Chugai	7	-1	3	-1	4	1
<b>Diagnostics Division</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>6</b>	<b>6</b>
<b>Roche Group</b>	<b>15</b>	<b>6</b>	<b>10</b>	<b>13</b>	<b>10</b>	<b>11</b>

<sup>1</sup> Tamiflu corporate and government pandemic sales; all figures in %

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## 2007: Additional CHF 4 billion organic sales; Net income up 25%; Core EPS growth twice sales growth



CHF billion	2006	2007	Change		
			CHF billion	%	loc %
<b>Sales</b>	<b>42.0</b>	<b>46.1</b>	<b>4.1</b>	<b>+10</b>	<b>+10</b>
<b>Operating profit</b>	<b>11.7</b>	<b>14.5</b>	<b>2.7</b>	<b>+23</b>	<b>+22</b>
<i>as % of sales</i>	<i>27.9</i>	<i>31.4</i>			
<b>Net income</b>	<b>9.2</b>	<b>11.4</b>	<b>2.3</b>	<b>+25</b>	
<i>as % of sales</i>	<i>21.8</i>	<i>24.8</i>			
<b>Core EPS</b>	<b>9.86</b>	<b>11.85</b>		<b>+20</b>	

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## Our objectives for 2008



### Sales

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- High single-digit local currency sales increase for Roche Group (excl. Tamiflu pandemic<sup>1</sup>)
- Above-market sales growth<sup>1</sup> in both divisions

### Core EPS

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- Core earnings per share target<sup>2</sup> at least at record 2007 level despite significant increase in R&D investment and considerably lower Tamiflu pandemic sales

### Shareholder return

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- Continuous increase in dividend pay-out ratio over the next 3 years

<sup>1</sup> Excluding government and corporate stockpiling orders of Tamiflu for pandemic use  
<sup>2</sup> At constant exchange rates

Barring unforeseen events

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## Group

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## Pharma

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## Summary



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## 2007: Highlights in Pharma



### Double-digit growth in sales and profits

- Pharma sales (+11 % in LC), Roche Pharma Q4: +14 % (excl. Tamiflu)
- Operating profit margin improved by 3.8 % pts to 35.5 %

### Major progress for key marketed assets

- Avastin launched in advanced breast and lung cancer (EU), approved in renal cell carcinoma (EU)
- Approval of Avastin in 1st and later lines mCRC (EU) – not restricted by chemo choice
- Mircera launched in EU

### Major pipeline progress

- Actemra filed in EU / US
- Ocrelizumab moved into phase III in lupus (SLE and LN), and into phase II in MS
- Pertuzumab phase III in metastatic breast cancer starting soon
- CETP inhibitor: decision to move into phase III
- GLP-1: phase II data encouraging

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## A review of 2007 – Pharmaceuticals



### Guidance met – significant pipeline progress

Major clinical data	Compound	Phase	Indication	Data	Status YE'07
	R1503 (p38 kinase inh.)	II	Rheumatoid arthritis	Final	Terminated
	R1658 (CETP inh.)	II	Dyslipidemia	Final	✓
	R1440 (GKA)	II	Type 2 Diabetes	Final	Backup prioritized
	R1626 (polymerase inh.)	II	HCV	Final	✓
	pertuzumab	II	Solid tumors	Final	✓ (mBC)
	MabThera	II	RRMS	Full data	✓
	Actemra	III	Rheumatoid arthritis	Final	✓ (4 ph. 3 trials)
	CellCept	III	Lupus nephritis	Final	Preliminary data
	Avastin	III	NSCLC (Avastin in Lung)	Final	✓
	Avastin	III	RCC (AVOREN)	Full data	✓
	Xeloda	III	Adjuvant CC (NO16968)	Final '07/ '08	Data in 2008
	Xeloda	III	mCRC 2nd line (NO16967)	Full data	✓

Filings	Compound	Indication	Status YE'07
	Avastin	mCRC 1st line combo extension (EU)	✓
	Avastin	RCC (EU)	✓
	Xeloda	mCRC 1st/2nd line combo (US / EU)	✓
	Actemra	Rheumatoid arthritis (US / EU)	✓
CellCept	Lupus nephritis (US / EU)	Will not be filed	

<b>Divisional sales growth</b>
<b>Double-digit growth in local currencies</b>

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## Pharma continues to significantly outgrow the market CHF 3.5 billion additional organic sales



### Sales CHF million

	2006	2007	% change in		USD growth
			CHF	local	
Roche Pharma	20,666	22,970	11	9	16
Genentech	9,125	10,414	14	19	19
Chugai	3,503	3,399	-3	3	1
<b>Pharmaceuticals</b>	<b>33,294</b>	<b>36,783</b>	<b>10</b>	<b>11</b>	<b>15</b>

### Growth in %

Pharmaceuticals Division	incl. Tamiflu <sup>1</sup>			excl. Tamiflu <sup>1</sup>		
	H1/07	H2/07	2007	H1/07	H2/07	2007
Pharmaceuticals Division	18	6	11	15	11	13
Roche Pharma	16	4	9	12	12	12
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<sup>1</sup> Government and corporate pandemic

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## 2007: Pharma operating performance Operating profit growth twice sales



	2007		2007 vs. 2006	2007 vs. 2006 local growth
	CHF million	% sales		
<b>Sales</b>	<b>36,783</b>	<b>100.0</b>	<b>+3,489</b>	<b>11%</b>
Royalties & other op inc	2,057	5.6	+848	76%
Cost of sales	-9,502	-25.8	-470	8% COGS & PC <sup>1</sup> : +5 %
M & D	-7,018	-19.1	-159	3%
R & D	-7,598	-20.6	-1,008	18% Excl. impairment: +17 %
G & A	-1,680	-4.6	-203	17% Administration: +8 %
<b>Operating profit</b>	<b>13,042</b>	<b>35.5</b>	<b>+2,497</b>	<b>22%</b>

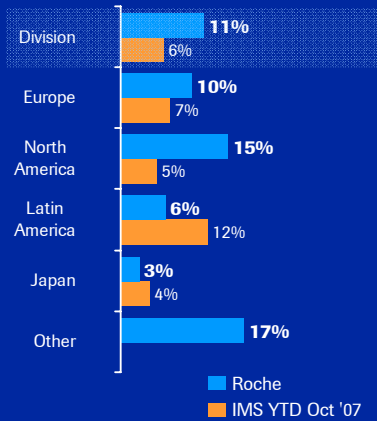
<sup>1</sup> Manufacturing costs of goods sold & period costs

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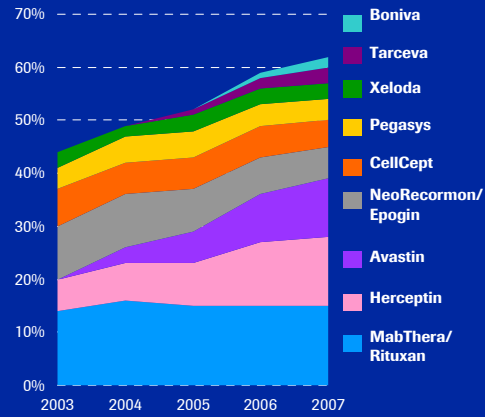
## 2007: Outgrowing the market in all geographies



### Local sales growth



### % Key products of total pharmaceutical sales



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## Pharmaceuticals objectives for 2008



### Rich clinical news flow ahead

Major clinical data	Compound	Phase	Indication / data	Timing
	Avastin	III	mBC (AVADO)	H1 2008
	Avastin	III	mBC (RIBBON-1)	H2 2008
	Avastin+Tarceva	III	2nd line NSCLC (BETA lung) interim	Event-driven
	Tarceva	III	1st line NSCLC (SATURN)	H2 2008
	MabThera	III	RA, DMARD-IR	Q1 2008
	MabThera	III	SLE (EXPLORER)	H1 2008
	MabThera	III	PPMS (OLYPMUS)	H1 2008
	MabThera	III	CLL 1 <sup>st</sup> line ph. III data interim	Q1 2008
	MabThera	III	CLL relapsed ph. III data interim	Event-driven
	Xeloda	III	Adjuvant CC (NO16968) interim	Event-driven
	Actemra	III	RA (AMBITION, RADIATE) full data	2008
	GLP-1	IIb	Type 2 diabetes full data	2008
	DPP-IV	II	Type 2 diabetes	H2 2008

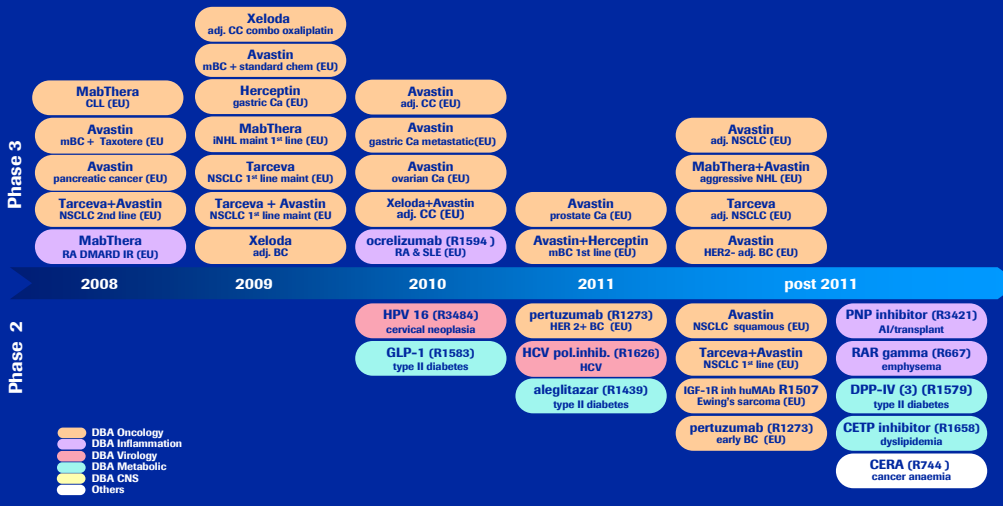
Filings	Compound	Indication
	Avastin	mBC (AVADO)
	Avastin+Tarceva	NSCLC 2nd line (BETA lung)
	MabThera	RA, DMARD IR and CLL

### Divisional sales growth

Above-market excluding pandemic Tamiflu

barring unforeseen events 14

# Major Roche managed projected submissions over the next years



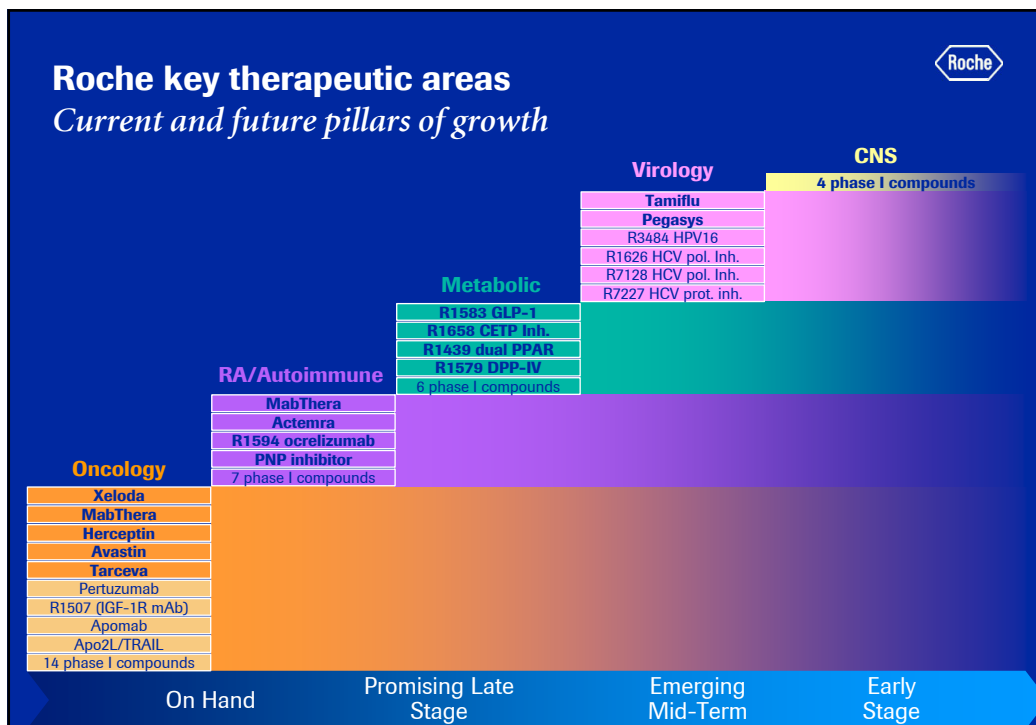
Status as of December 31, 2007. Unless stated otherwise, submissions will occur in US and EU.

Group

Pharma

Summary





## Roche in brief

*Unique high-tech healthcare investment*

- **Clear and focused strategy**
  - Medically-differentiated products; poised to become leader in Personalized Healthcare
  - Unique innovation network w/ownership in Genentech and Chugai
- **Attractive risk profile**
  - Low generic risk; lowest among Euro / global large-cap players<sup>1</sup>
  - 42 Phase III projects; many additional indications
- **Assets in place for sustained success**
  - World leader in Oncology, emerging Rheumatology & Autoimmune franchises
  - Promising Metabolism/diabetes Phase II/III; earlier-stage compounds in Virology, CNS
- **Industry-leading organic growth & value creation**
  - '07: Sales +10%, Core EPS +20%

**Unique high-tech healthcare investment**

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*We Innovate Healthcare*