

## Lehman Global Healthcare Conference 18 March 2008, Miami

*Kapil Dhingra, VP, Head Oncology DBA*



## Forward-looking statements

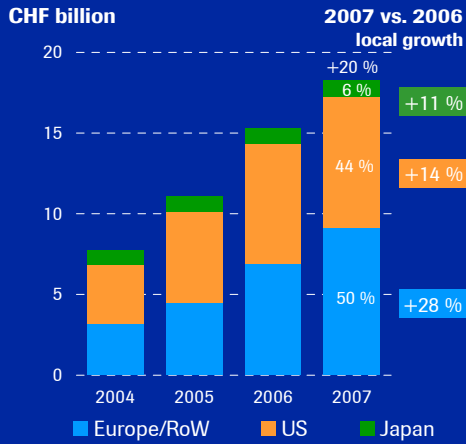
This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as 'believes', 'expects', 'anticipates', 'projects', 'intends', 'should', 'seeks', 'estimates', 'future' or similar expressions or by discussion of, among other things, strategy, 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:

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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.

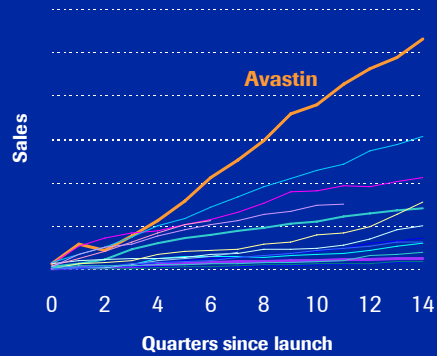
Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Roche's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Roche.

Please see [www.roche.com](http://www.roche.com) for full information on Roche products mentioned.

## Roche Oncology: Strongest growing franchise Avastin: Best growing oncology brand ever



Avastin launch compared to other cancer therapies (US plus top-5 EU markets<sup>1</sup>)



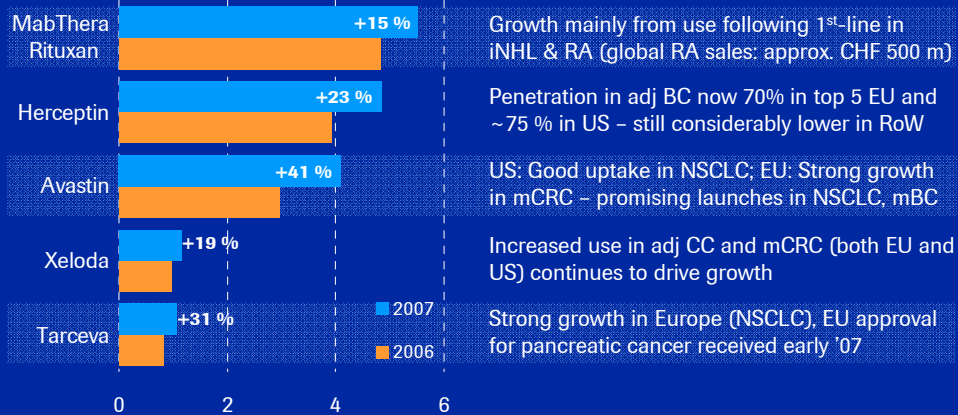
<sup>1</sup> Source: IMS. Products included are Avastin, Alimta, Arimidex, Camptosar, Eloxatine, Erbitux, Femara, Gemzar, Glivec, Herceptin, MabThera/Rituxan, Nexavar, Sutent, Tarceva, Taxotere, Xeloda

## Roche Oncology: Existing and new indications fuelling growth



### Major brands (CHF billion)

local growth



Growth mainly from use following 1<sup>st</sup>-line in iNHL & RA (global RA sales: approx. CHF 500 m)

Penetration in adj BC now 70% in top 5 EU and ~75 % in US – still considerably lower in RoW

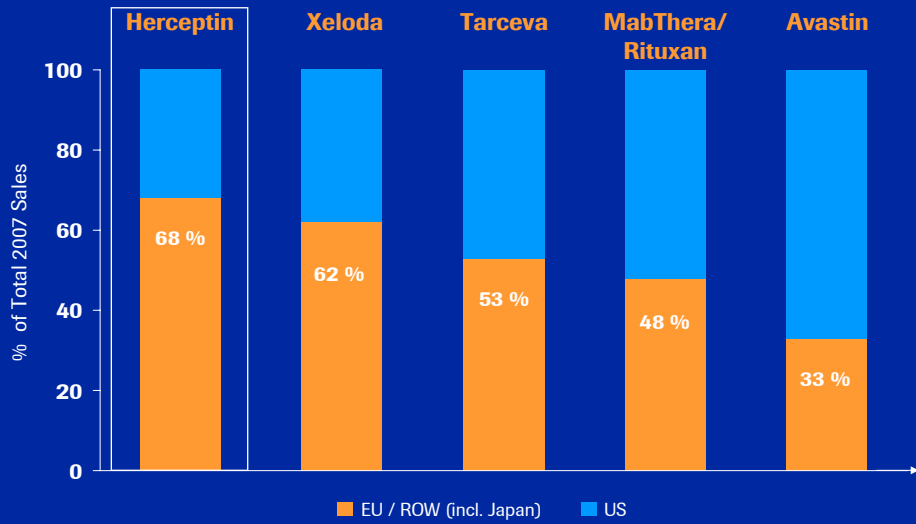
US: Good uptake in NSCLC; EU: Strong growth in mCRC – promising launches in NSCLC, mBC

Increased use in adj CC and mCRC (both EU and US) continues to drive growth

Strong growth in Europe (NSCLC), EU approval for pancreatic cancer received early '07

## Major growth opportunities outside the US

*Herceptin leading the way*



## MabThera/Rituxan

Herceptin, pertuzumab, trastuzumab-DM1

Avastin

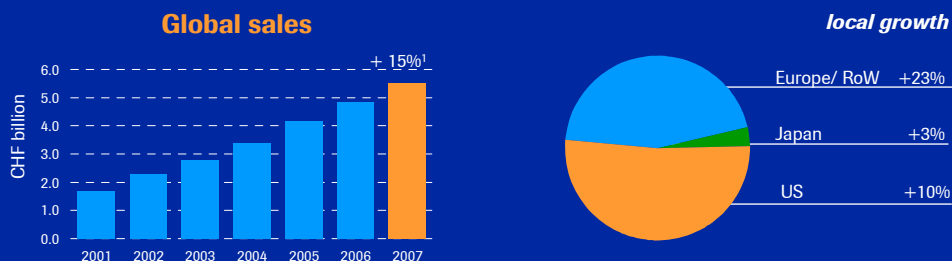
Xeloda, Tarceva

Our integrated approach

Summary

## MabThera/Rituxan

### Strong double-digit growth continues



- Sales of CHF 5.516 billion
- Oncology:
  - US: growth from increased use following 1st line therapy in iNHL - adoption in other areas stable
  - Top 5 EU: adoption in relapsed iNHL maintenance use strongly increased (from 16% to 61%) - adoption rates in other areas flat to slightly increased from already high levels
- RA: Increasing adoption in US and EU
  - Global RA sales of approx. CHF 500 mn (of which USD 240-260 mn in US)

<sup>1</sup> Growth in local currencies

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## 2<sup>nd</sup> and 3<sup>rd</sup>-generation anti-CD20 antibodies in place

### Opportunities for improvement

#### 2<sup>nd</sup> gen. anti-CD20 (ocrelizumab)

Fully humanized

#### Potential clinical benefits

- Less immunogenicity
- Better tolerability
- Shorter infusion time

#### 3<sup>rd</sup> gen. anti-CD20 (R7159)

Fc engineered (glycosylations)

- Increased CD20 binding and apoptosis
- Increased ADCC (antibody dependent cell-mediated toxicity)
- Reduced CDC (complement dependent cell toxicity)

#### Potential clinical benefits

- Improved efficacy
- Less infusion reactions

In phase III in RA, and SLE  
LN to start soon  
Phase II in RRMS to start 2008

In phase I for oncology/hematology

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MabThera/Rituxan

Herceptin, pertuzumab, trastuzumab-DM1

Avastin

Xeloda, Tarceva

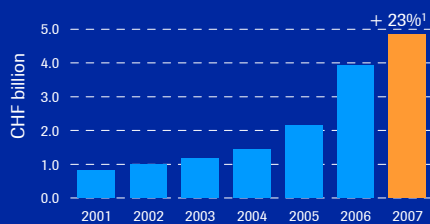
Our integrated approach

Summary

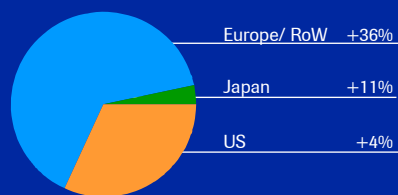
## Herceptin

*Adjuvant usage keeps increasing in EU/RoW*

**Global sales**



**local growth**



- Sales of CHF 4.852 billion
- US market penetration (Q4 '07)
  - adjuvant: approximately 75%
  - 1st line metastatic: approx. 70%, stable
- Top 5 EU market penetration (Q4 '07)
  - adjuvant: approx. 70%, up from 40% at YE 2006
  - 1st line metastatic: approx. 80%, stable

<sup>1</sup> Growth in local currencies

## Attacking the HER2 pathway from multiple angles



*Pertuzumab moving forward, trastuzumab-DM1 in phase II*

	<b>Herceptin</b>	<b>Pertuzumab</b>	<b>Trastuzumab-DM1</b>
<b>Mechanism</b>	Specifically targeting HER2  Inhibits HER2-mediated signaling	First in class HER dimerization inhibitor  Inhibits multiple HER-mediated pathways	Binds to HER2 and delivers intracellularly a potent cytotoxic agent in a targeted manner
<b>Phase of development</b>	Approved for adjuvant and mBC (HER2+)	Phase III CLEOPATRA FPI Q1 2008	Phase II FPI Q3 2007
<b>Efficacy data</b>	Survival benefit In adjuvant and metastatic HER2+ BC	18% response rate 39% clinical benefit rate	Promising phase I data presented at various conferences
<b>Newsflow</b>	Unprecedented benefit – standard of care	Phase II final results in 2008	Partnered with Genentech

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## Trastuzumab-DM1



*Very promising early data (Phase I)*

### Anti-tumor activity (24 pts evaluated)

- Six objective responses observed, all at dose levels  $\leq$  maximum tolerated dose
- Twelve of the 15 patients in the 3.6 mg/kg group have had a response of stable disease (SD), or partial response
- 5 of the sustained SDs have duration ranging from 130+ to 260+ days
- The median progression-free survival for the entire study population (N=24) was 5.6 months

### Adverse events

- Thrombocytopenia: Grade 4 (DLT) in 2 of 3 patients at 4.8 mg/kg
- Other AEs (all Gr 1-2): Most common were transaminase, fatigue, constipation, arthralgias, headache
- No unexpected cardiotoxicity has been observed so far

Krop et al, ECCO 2007 and Krop, I.E., et al, SABCS December 2007

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## Trastuzumab-DM1

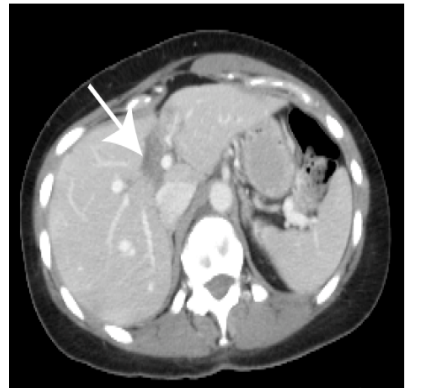
*Very promising early data (Phase I)*



CT liver scan image at baseline



CT liver scan image at end of cycle 2



M. Beeram, et al, ASCO 2007 and Krop, I.E., et al, SABCS December 2007

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**MabThera/Rituxan**

**Herceptin, pertuzumab, trastuzumab-DM1**

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**Avastin**

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**Xeloda, Tarceva**

**Our integrated approach**

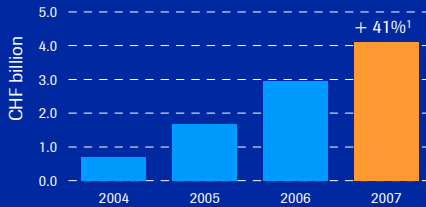
**Summary**

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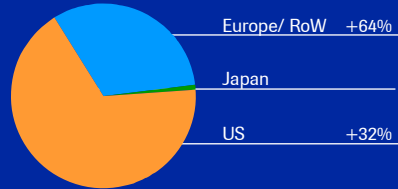
# Avastin

Four new indications approved in EU

## Global sales



## Local growth



- Sales of CHF 4.106 billion
- Penetration rate, 1st line mCRC (major EU markets): approx. 60% of on-label market (as of YE2007)
- Launch in 1st line mBC and mNSCLC in EU progressing well
- EU approval in mRCC at the end of 2007: launch in Q1 2008
- Key clinical news flow in 2008: AVADO (reported positive 02-08) and RIBBON-1 (1st line mBC, 2H-08e)

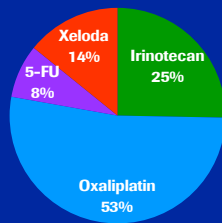
<sup>1</sup> Growth in local currencies

# Expanding the market for Avastin and Xeloda in mCRC

Avastin to be combined with any chemo in any line of treatment

## Avastin

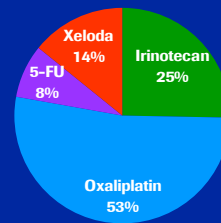
Prior EU label:  
5-FU or 5-FU + irinotecan



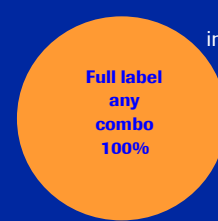
New EU label:  
Any fluoropyrimidine combination



## Xeloda

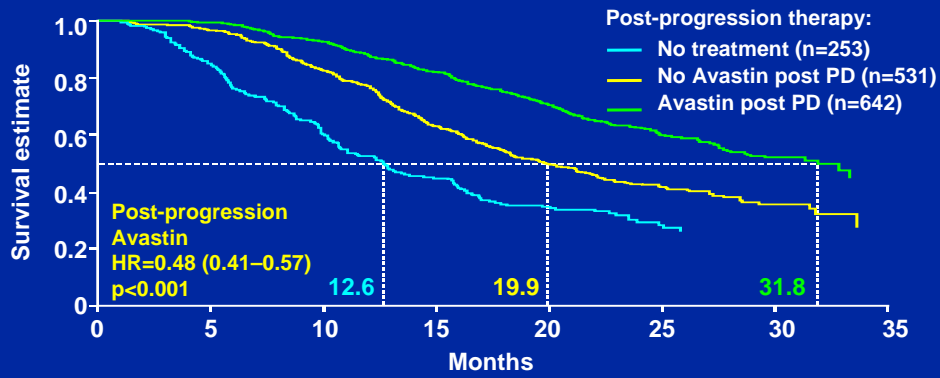


New EU label:  
Any combo, including with Avastin



Source: Synovate Healthcare 2005

## BRiTE trial: Impact of continuing Avastin beyond progression

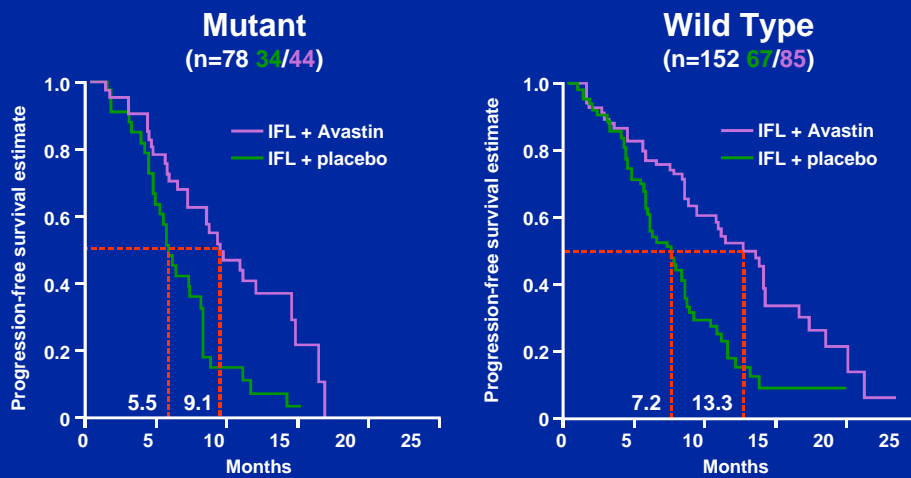


Promising survival data merit testing in future randomized trials

Grothey, et al. ASCO 2007

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## Avastin improves survival independent of *K-ras* mutation status



Based on Ince et al. JNCI 2005

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## Avastin in adjuvant colon cancer

Key phase III trials fully recruited



### NSABP C-08

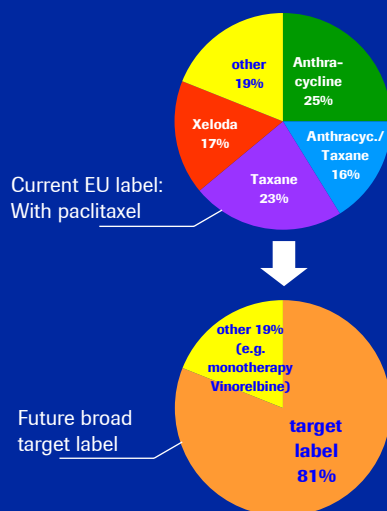
### AVANT

<b>Treatment regimen</b>	FOLFOX-6 ± Avastin	FOLFOX-4 ± Avastin XELOX + Avastin
<b>Number of patients</b>	2,700	3,450
<b>Recruitment duration</b>	Q3 2004 until Q4 2006	Q4 2004 until Q2 2007
<b>Efficacy analysis</b>	First interim look: Q2 2007 Subsequently every 6 months Next interim look: Q2 2008	Event-driven analysis
<b>Filing</b>	2010 (or earlier)	2010 (or earlier)

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## Expanding the market for Avastin in breast cancer

Large opportunity – strong commitment



Source: Genactis MBC study Q4 2005

### US accelerated approval on February 22

- Full FDA review of AVADO, RIBBON I trials required for accelerated approval to be converted into a full approval

### Further phase III studies to report in '08

- AVADO (docetaxel +/- Avastin): Reported positive 02-08; data at ASCO 08
- RIBBON-1 (var. chemos +/- Avastin): Data expected H2 2008

### Phase III adjuvant trials started

- E5103 (HER2-), initiated Q4 2007
- BEATRICE (HER2-, ER-, PR-): initiated Q4 2007
- BETH (HER2+) combo with Herceptin to start H1 2008

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## Avastin for adjuvant therapy of breast cancer

Large opportunity – major phase III trials started

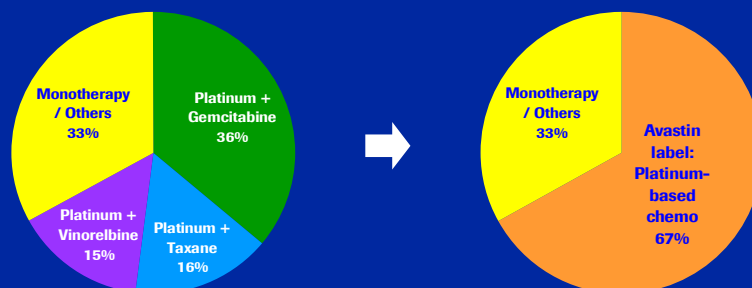


	Phase II E2104	Phase III E 5103	Phase III BEATRICE	Phase III BETH
Patient population	HER2-negative	HER2-negative	HER2-, ER-, PR-negative	HER2-positive
Number of patients	226	4950	2530	~3600
Design	Anthracyclines + Avastin followed by paclitaxel + Avastin ( 2 arms)	AC +/- Avastin followed by paclitaxel +/- Avastin (3 arms)	Antracycline or taxane-based chemo +/- Avastin	Chemo + Herceptin +/- Avastin
Primary endpoint	Safety	Disease-free survival	Disease-free survival	Disease-free survival
Status	Initial safety results presented at SABCS 2007	FPI Q4 2007	FPI Q4 2007	Expect FPI H1 2008

**Incidence: 320,000 cases <sup>1)</sup>**

<sup>1)</sup> US and top 5 EU

## Avastin launching with best-possible label in 1<sup>st</sup>-line NSCLC market in Europe<sup>1</sup>



**Avastin in combo with all current standards (platinum)**

Source: Synovate Healthcare, MAT Q3 2007; <sup>1</sup> in non-squamous NSCLC

## Avastin still early in its journey

### Realizing full potential across tumor types

Tumor	Early/adjvant (Potential for cure)	Advanced/metastatic (Extending life)	
		1 <sup>st</sup> -line of treatment	2 <sup>nd</sup> -line of treatment
Colon/ rectal	Phase III (AVANT, NSABP C-08, E5202, E5204)	<b>Launched</b> [EU, US, JP; broad label in 1st and subsequent lines]	
Lung (NSCLC)	Phase III (E1505)	<b>Launched</b> [EU majority of chemos, US carboplatin/paclitaxel]	Phase III (BETA Lung w/Tarceva)
Breast (HER2-)	Phase III (BEATRICE, E5103)	<b>Launched</b> [EU, US paclitax] <b>Phase III</b> (RIBBON-1)	Phase III (RIBBON-2, incl. w/Xeloda)
Breast (HER2+)	Phase III (BETH w/Herceptin)	Phase III (AVEREL w/Herceptin)	-
Kidney (RCC)	-	<b>Launched</b> [EU; with interferon]	

**Avastin also trialed in gastric, ovarian, prostate, aNHL, and brain (GBM)**

(Trial names) [Approval status]. More trials are ongoing than listed above.

MabThera/Rituxan

Herceptin, pertuzumab, trastuzumab-DM1

Avastin

Xeloda, Tarceva

Our integrated approach

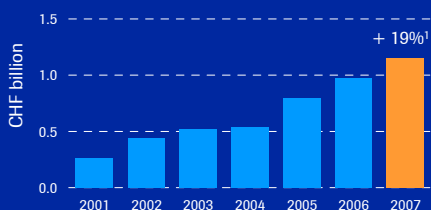
Summary



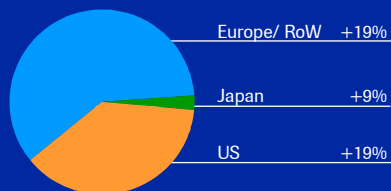
## Xeloda

*Continuously gaining share*

### Global sales



### local growth



- Sales of CHF 1.151 billion
- Rollout in EU for gastric cancer (approved in EU in March 2007)
- Positive 5-year follow-up overall survival data in adjuvant colon cancer (X-ACT study) presented at ECCO
- Xeloda mCRC label extension approval in EU expected early February 2008

<sup>1</sup> Growth in local currencies

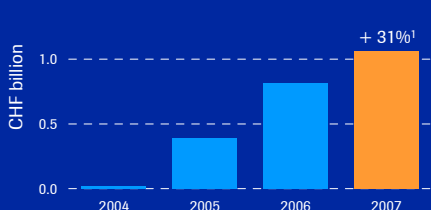
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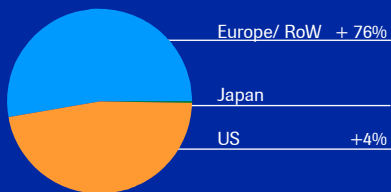
## Tarceva

*Annual sales of more than CHF 1bn for the first time*

### Global sales



### local growth



- Sales of CHF 1.062 billion
- Market penetration in NSCLC, top 5 EU: 2nd line: 25-30%, 3rd line: approx. 45%
- Successful launch in metastatic pancreatic cancer (EU approval in January 2007)

<sup>1</sup> Growth in local currencies

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## Xeloda/Tarceva



*Expanding to new indications and combinations*

### Main Indication

### Study name

### Status

#### XELODA

**Adjuvant CC** Combo with Avastin  
XELOX vs. 5FU/LV

**AVANT  
NO16968**

Recruitment completed Q2'07  
Recruitment completed, final  
analysis event driven ('08/'09)

**Adjuvant BC** AC -> T vs. AC -> TX

**NO17629**

Recruitment completed in  
Jan '06, final analysis event driven

#### TARCEVA

**NSCLC 1st l. maint.** Combo with chemotherapy  
Combo with Avastin

**SATURN  
ATLAS**

Init. Q4'05, expect to compl. H1'08  
Init. Q4'05, expect to compl. H1'08

**NSCLC 2nd line** Combo with Avastin

**BETA Lung**

Init. Q2'05, expect to compl. H2'08

**Adjuvant NSCLC**

**RADIANT**

Initiated Q3'06

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## The future: Combination of targeted therapies



*Roche in lead*

	NSCLC			Breast Cancer				Pancreatic
<b>Study</b>	ATLAS (Phase III)	BETALung (Phase III)	Phase II	AVEREL (Phase III)	Pegram (Phase II)	Phase III	Phase II	AVITA (Phase III)
<b>Patient population</b>	1 <sup>st</sup> line maintenance non-squam.	2nd line	2nd line	1st line	1st line	Adjuvant	2nd line	1st line
<b>Treatment regimen</b>	CT + Avastin - > Avastin ± Tarceva	Tarceva ± Avastin	Avastin + Tarceva vs. Avastin + CT vs. CT	Herceptin + Taxotere ± Avastin	Herceptin + Avastin	Herceptin + Avastin tbd	Herceptin + Omnitarg	Gemcita- bine/ Tarceva ± Avastin
<b>Status</b>	Started Q4'05	Started Q2'05	Presented ASCO '06 SABC '06	Started Q3 '06	Presented SABC '06	Planned	Ongoing	Started H1'06

#### Potential patient benefits

- Higher efficacy
- Individualized treatment
- Better tolerability

**Roche setting the standard of care  
in combined targeted therapies**

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MabThera/Rituxan

Herceptin, pertuzumab, trastuzumab-DM1

Avastin

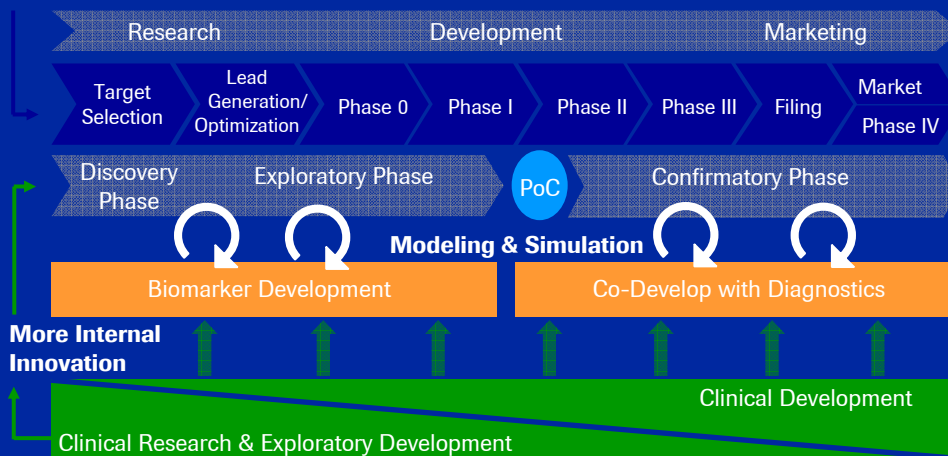
Xeloda, Tarceva

**Our integrated approach**

Summary

## Our approach: Integration of biomarkers across development

### External & Internal Innovation





## Investing in our future

### *Ventana closes gap in tissue-based cancer testing*

- **Leader in tissue-based diagnostics**
  - Large installed base in pathology labs
  - Strong US presence
- **Estimated financials 2007\***
  - Revenue '07: USD 296-300 million
  - Operating Margin '07: ~17.5 %
- **Located in Tucson, Arizona**
  - ~1000 employees



\* Source: Ventana Q3 News release, Ventana Q2 Earnings and Future Guidance Presentations



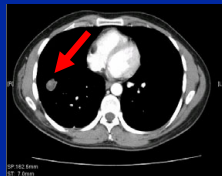
## Investing in our future: Companion Diagnostics

### *Strong oncology drug portfolio, combined with diagnostics capabilities uniquely positions Roche to lead in PHC*

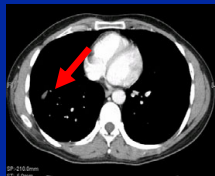
		Roche Oncology Pipeline		Roche Capabilities		Ventana Capabilities
				PCR	Elecsys/ Others	IHC/ ISH
Late Development/ Market	Herceptin			█		█
	Tarceva			█		█
	MabThera/ Rituxan			█		█
	Pertuzumab			█	█	
Early Development	R7204			█		█
	R7112			█	█	█
	R1507			█		█
	R7160				█	█
	R7159				█	

## Example: IGF1-R inhibitor – impressive responses in phase I

*Serendipity finding investigating multiple tumor types*

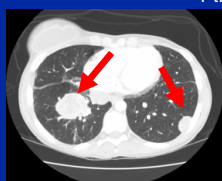


Baseline June 19, 2006

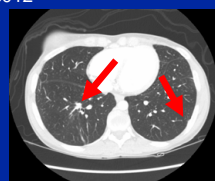


Restaging Week 25  
Dec 29, 2006

Pt. 8012



Baseline Dec 8, 2006



Restaging Week 6  
Jan 25, 2007

### Unique features

- Selective to IGF pathway which is a key factor in tumor growth

### Drivers for value

- IGF pathway linked to many tumor types
- Speed: Sarcoma collaborative groups to allow exclusive focused trial and rapid market access

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**MabThera/Rituxan**

**Herceptin, pertuzumab, trastuzumab-DM1**

**Avastin**

**Xeloda, Tarceva**

**Our integrated approach**

**Summary**

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## Oncology in 2008

### Preparing for new market opportunities

#### Breast cancer (BC)

- Phase III data (AVADO, RIBBON-1) to broaden Avastin label for combination with all major chemotherapies
- HER2+ mBC
  - Phase III for pertuzumab to start in Q1
  - Trastuzumab-DM1 in phase II
- Avastin adjuvant trials started: Large potential new market opportunity

#### Metastatic colorectal cancer (mCRC)

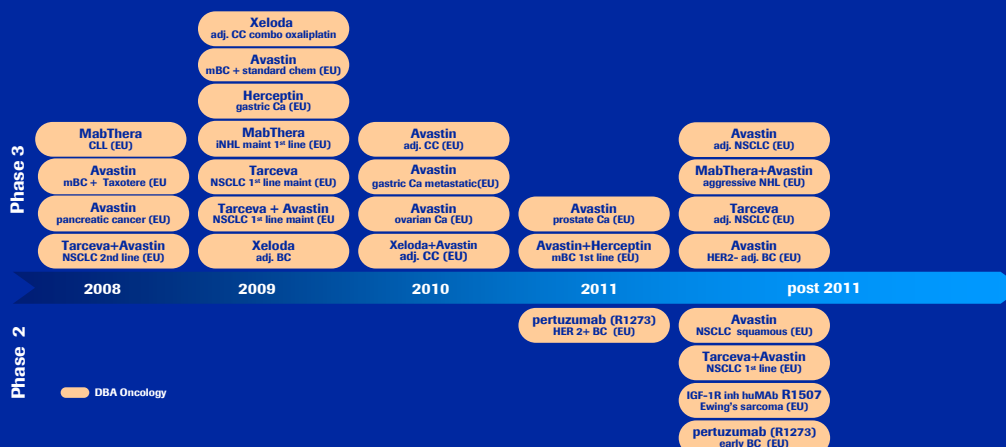
- Launch of Avastin and Xeloda in 1st and later lines – not restricted by chemo choice (incl. oxaliplatin) (EU)

#### Chronic lymphocytic leukemia (CLL)

- Positive data in 1<sup>st</sup>-line: MabThera to enter a new market in Europe

## Major Roche-managed projected submissions

### Oncology only





## Roche R&D pipeline today Oncology only

phase I (34 NMEs + 1 AI)	phase II (19 NMEs + 12 AIs)	phase III (2 NMEs + 40 AIs)	Registration (2 NMEs + 5 AIs)
R547 solid tumors	R435 Avastin NSCLC squamous	R105 MabThera CLL 1st line	R340 * Xeloda mCRC combo 1 <sup>st</sup> line
R1530 solid tumors	R435 Avastin NSCLC mCNS treat	R105 MabThera CLL relapsed	R340 * Xeloda mCRC combo 2 <sup>nd</sup> line
R4733 solid tumors	R1273 pertuzumab mBC HER2+	R105 MabThera iNHL maint 1st line	R435 Avastin mBC combo Taxol 1 <sup>st</sup> line
R7112 oncology	R1273 pertuzumab EBC HER2+	R105 MabThera+Avastin NHL aggr	R435 * Avastin mCRC 1st combo oxaliplatin
R7159 NHL	R1273 pertuzumab ovarian cancer	R340 Xeloda adj OC combo oxaliplatin	R435 ** Avastin RCC
R7204 malignant melanoma	R1415+R435 Tarceva+Avastin NSCLC 1st line	R340 Xeloda adj OC combo Avastin	
GEN anti-cMET - cancer therapy	R1507 Ewing's sarcoma	R340 Xeloda adj BC	
GEN hedgehog ant - solid tumors	R3502 T-DM1 - mBC	R435 Avastin adj OC	
GEN anti-CD20 3rd gen - hem malign	GEN CD40 Ab - diff large B Cell lymph	R435 Avastin prostate ca	
GEN IAP antag - cancer therapy	GEN Apomab - sarcoma	R435 Avastin pancreatic cancer	
GEN MEK inh - cancer therapy	GEN Apomab - cancer	R435 Avastin ovarian cancer 1 <sup>st</sup> line	
GEN ABT-263 - sol tumors & hem malign	GEN Apo2L/TRAIL - cancer	R435 Avastin mBC combo Taxotere 1 <sup>st</sup> L	
GEN CD40 Ab - NHL/MM/rel large B-CL	GEN ABT-869 - solid tumors	R435 Avastin mBC combo std chemos 1 <sup>st</sup> L	
CHU CRC	GEN Avastin glioblastoma recurr	R435 Avastin mBC combo Herceptin 1 <sup>st</sup> L	
	GEN Avastin extensive SCLC	R435 Avastin adj NSCLC	
	GEN Avastin relapsed MM	R435 Avastin mgastic cancer	
	ARQ Avastin solid tumors	R435 Avastin adj BC HER2+	
		R597 Herceptin mgastic cancer HER2+	
		R1415 Tarceva NSCLC maint 1 <sup>st</sup> L	
		R1415 Tarceva adj NSCLC	
		R1415+R435 Tarceva+Avastin NSCLC maint 1st L	
		R1415+R435 Tarceva+Avastin NSCLC 2nd line	
		GEN Avastin ovarian cancer 2nd line	
		GEN Avastin GIST recurr	
		GEN Avastin adj rectal cancer	
		GEN Avastin mBC 2nd line	

\* CPMP positive opinion granted Dec 2007  
\*\* approved in EU, US to file in 2008

■ NME  
■ Additional Indication  
■ DBA Oncology

R-No Roche managed  
GEN Genentech managed  
CHU Chugai managed  
ARQ ArQule opt-in

Status as of December 31, 2007

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## 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

<sup>1</sup> Vontobel research 05-11-07 "Big Pharma..." and CitiBank research 21-11-07 "European Strategy..."

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*We Innovate Healthcare*