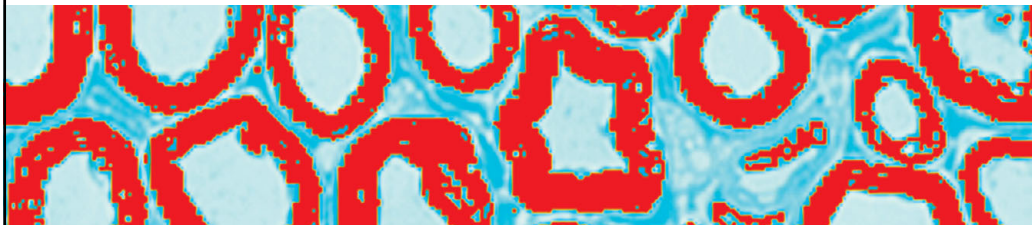


Bringing a successful partnership to the next level

Basle, 21 July 2008



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 document, including 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) developments in financial market conditions, including the market for acquisition financing and other capital markets and fluctuations in currency exchange rates;
- (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 and unexpected side-effects of pipeline or marketed products;
- (6) increased government pricing pressures or changes in third party reimbursement rates;
- (7) interruptions in production;
- (8) loss of or inability to obtain adequate protection for intellectual property rights;
- (9) Litigation;
- (10) the inherent uncertainties involved in negotiations with the special committee of Genentech and that there can be no assurances that a negotiated transaction will ultimately be agreed to or consummated;
- (11) potential difficulties in integrating the businesses of Genentech and Roche, and that some or all of the anticipated benefits of the proposed transaction may not be realized on the schedule contemplated or at all;
- (12) that future dividends are subject to the discretion of the board of directors of Roche and a number of other factors, some of which are beyond the control of Roche;
- (13) the ability of Roche to generate cash flow to, among other things, repay acquisition-related debt as currently contemplated;
- (14) loss of key executives or other employees; and
- (15) adverse publicity and news coverage.

The directors of Genentech who are also employees of Roche will not take part in the consideration of the proposed transaction by the Genentech board and accordingly are not permitted to comment or respond to questions regarding the transaction as representatives of Genentech.

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

All mentioned trademarks are legally protected.

Roche makes an offer to acquire all publicly held shares in Genentech



- Roche makes an all cash offer to acquire all outstanding publicly held shares of Genentech at US\$ 89 per share, for a total investment of US\$ 43.7 billion
- The offer has been presented to Genentech's independent directors, and we expect to enter negotiations shortly in order to secure a recommended deal
- Our offer is both fair and generous and provides an opportunity for all non-Roche shareholders in Genentech to receive an immediate premium for all of their shares:
 - The offer represents a 1-day premium of 8.8% to Genentech's closing price of US\$ 81.82 on July 18th and a 1-month premium of 19.0% to Genentech's closing price of US\$ 74.76 on June 20th 2008
- Roche has no interest in selling its controlling equity stake in Genentech

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Strategic rationale

Key objectives

Enhance ability to innovate

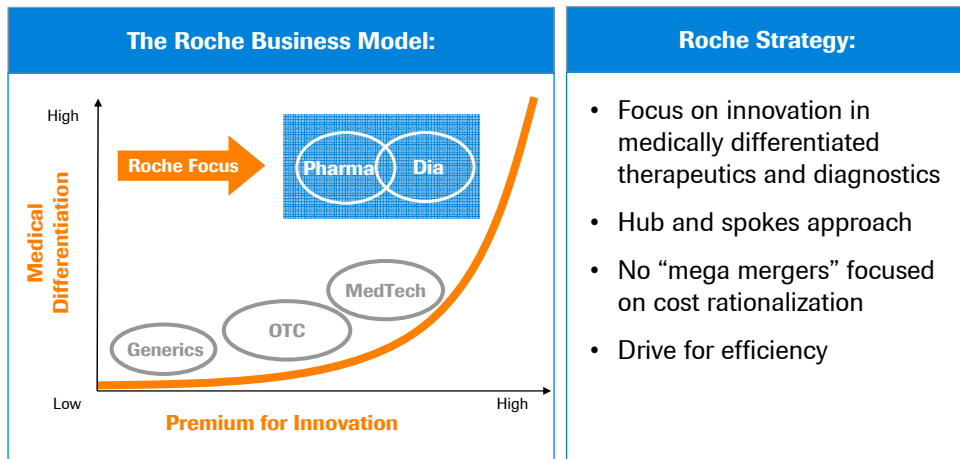
Improve operational efficiency

Financial value proposition

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Strong fit with Roche strategy

Furthers our strategy and focus



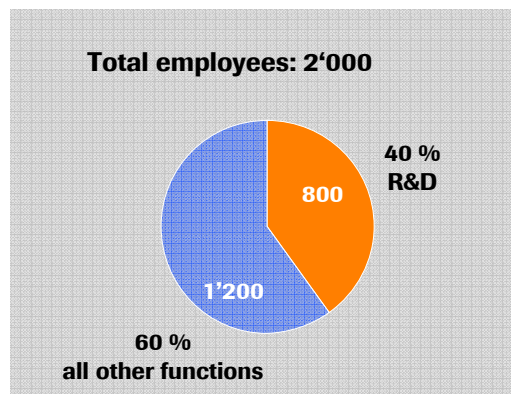
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Genentech in 1990

A research focused emerging biotech company...



Robert A. Swanson & Herbert W. Boyer
Co-founders of Genentech



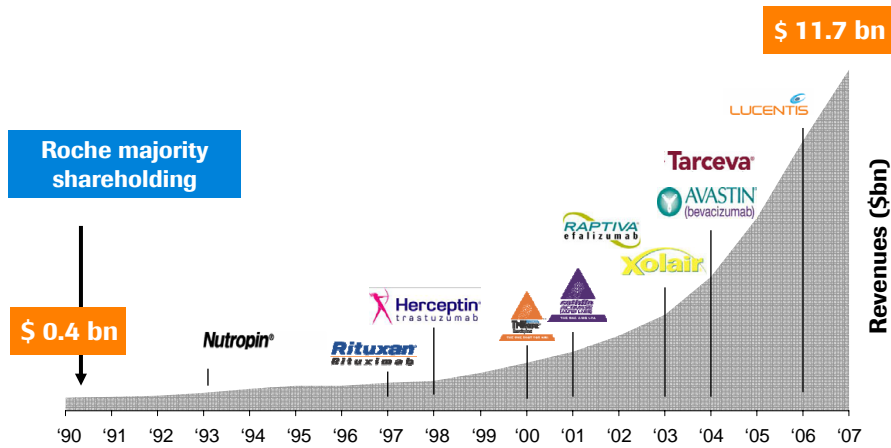
Source: Roche estimate

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Genentech: the journey between 1990-2008



Strong revenue growth driven by medical breakthroughs



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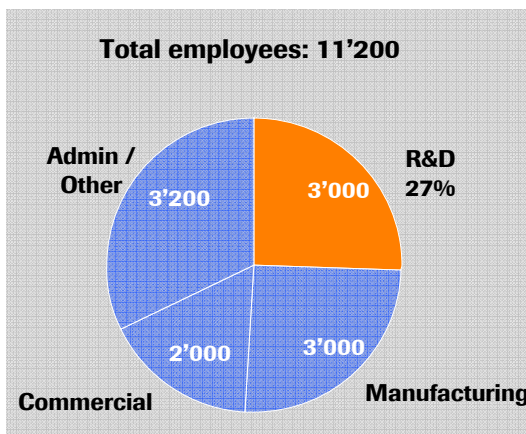
Genentech today



... a fully integrated pharmaceutical company



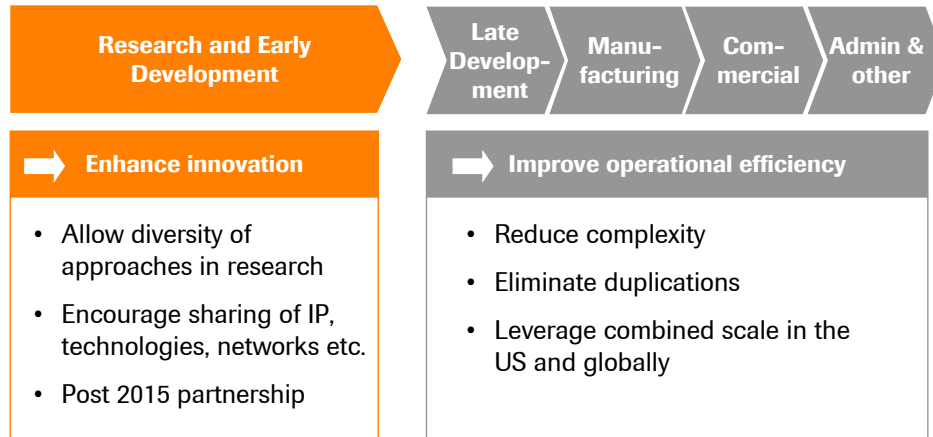
Genentech campus in South San Francisco



Source: Genentech filings, Roche estimates

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Key objectives of combining Genentech and Roche ...building a leading organization



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Strategic rationale

Key objectives

Enhance ability to innovate

Improve operational efficiency

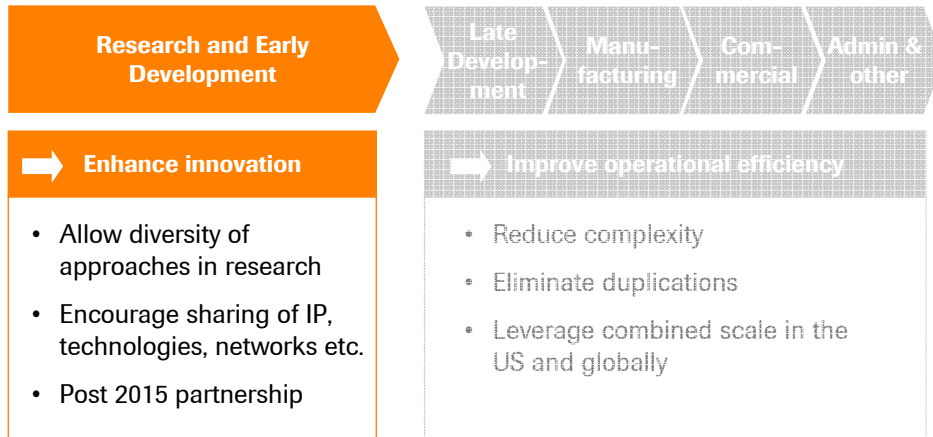
Financial value proposition



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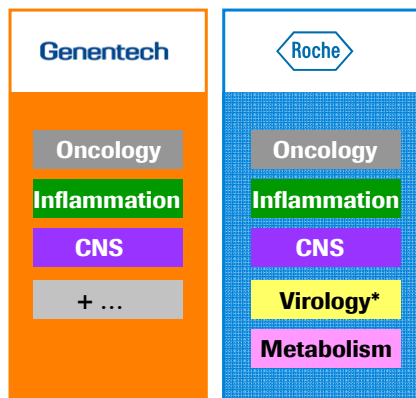
Key objectives of combining Genentech and Roche

...enhance innovation and operational efficiency



Enhance innovation

...by maintaining diversity of approaches



Genentech:

- Keep Founders Research Center independent

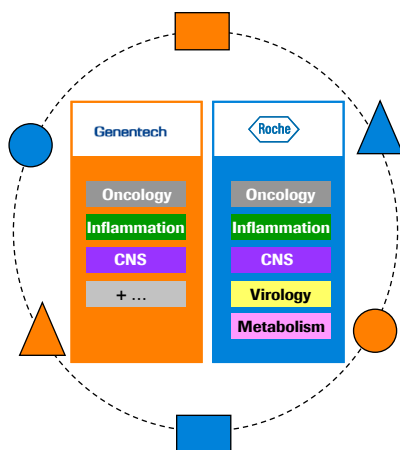
Roche:

- Keep existing Disease Biology Area (DBA) model
- Transfer Palo Alto activities:
 - Virology DBA to South San Francisco
 - Inflammation DBA to Nutley
- No changes outside the US

* Located on Genentech site in South San Francisco

Enhance innovation

...by mutual access to IP, technologies and science network



Examples from Roche network

● IP:

- Biomarkers
- Libraries (small molecules)

▲ Technologies:

- Antibody technology platform (GlycArt)
- Protein therapeutics (Penzberg)
- siRNA (Kulmbach, Alnylam)
- Immunohistochemistry (Ventana tissue diagnostics & companion diagnostics)

■ Partnerships:

- Combined global partnerships >100

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Strategic rationale

Key objectives

Enhance ability to innovate

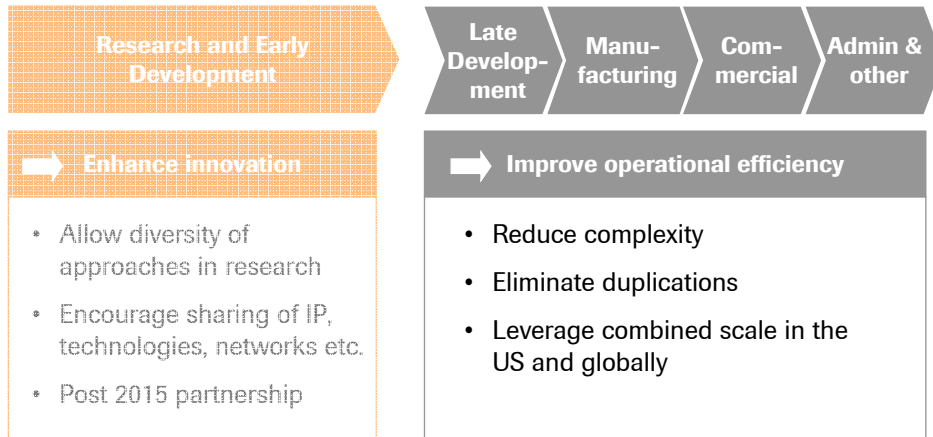
Improve operational efficiency

Financial value proposition

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Key objectives of combining Genentech and Roche

...enhance innovation and operational efficiency



Late Development

Reduce project complexity



Portfolio decisions

- Address overlap of compounds (e.g. 3rd generation anti-CD20)
- Product combination strategies (e.g. Avastin backbone + other)
- Freedom to optimize complex franchises including third party relationships (e.g. Anti-angiogenesis, different partnerships Roche and Genentech)

Trial design & execution

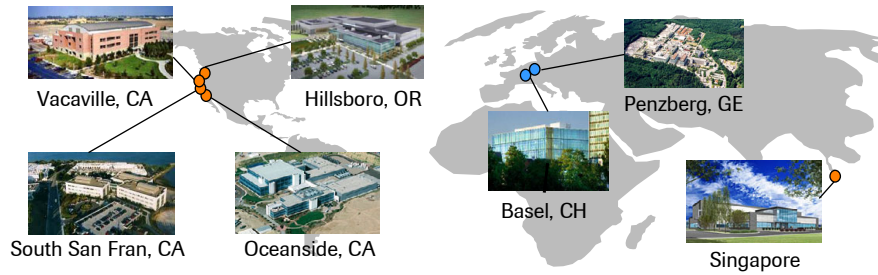
- Management of common programs (e.g. interface to external investigators)
- Coordinated access to global patient pool

Manufacturing – combined organization

Global integration of biotech production

Roche

D M C A



- Optimize capacity (avoid planned capital expenditures)
- Leverage combined scale in procurement
- Eliminate overlapping support functions

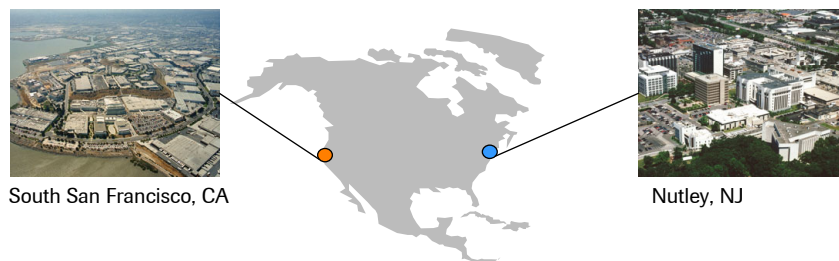
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US Commercial – combined organization

No change in sales forces

Roche

D M C A

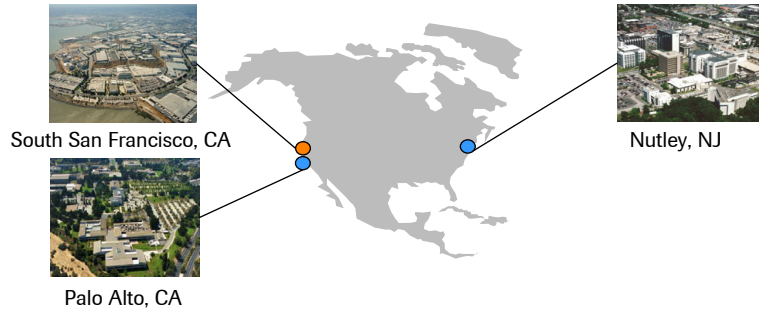


- Relocate commercial headquarters to South San Francisco by combining marketing and support services
- Leverage the Genentech brand
- No change in either sales forces

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Admin / other – combined organization

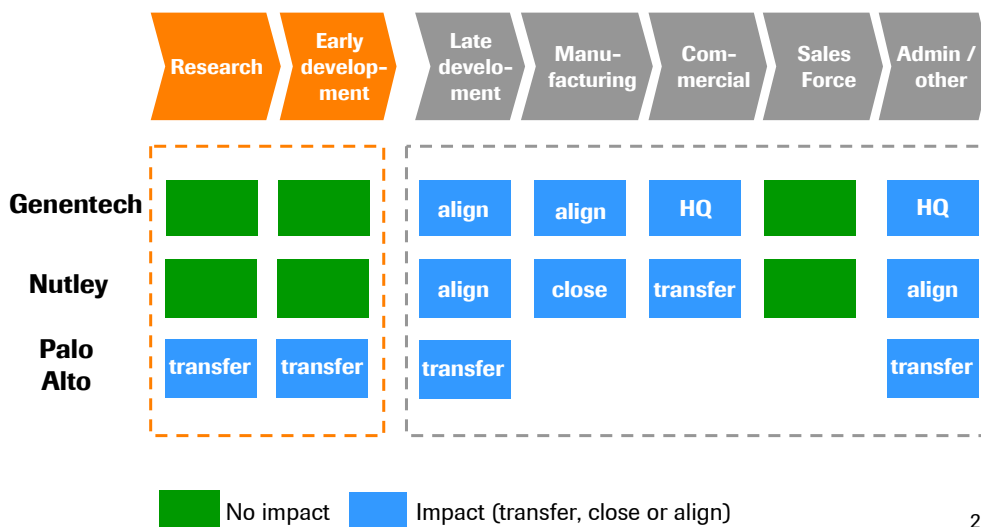
Move to new South San Francisco HQ



- Consolidate HQ functions in South San Francisco
- Eliminate overlapping and redundant functions

Impact by function and site

Does not affect Sales forces



Guiding principles for integration

We will select the “best of both”

- 1 Protect innovation capabilities and foster science culture at Genentech
- 2 Leverage brand and reputation of Genentech in the US
- 3 Integrate operational management and seek synergies wherever possible
- 4 Integration based on selection of the best talent from both organizations

Strategic rationale

Key objectives

Enhance ability to innovate

Improve operational efficiency

Financial value proposition

Key transaction numbers and facts



- Roche makes an all cash offer to acquire all outstanding publicly held shares of Genentech at US\$ 89 per share, for a total investment of US\$ 43.7 billion
- The offer represents a 1-day premium of 8.8% to Genentech's closing price of US\$ 81.82 on July 18th and a 1-month premium of 19.0% to Genentech's closing price of US\$74.76 on June 20th 2008
- Total consideration payable is US\$43.7 billion (CHF 44.7 billion), assuming Roche purchases all outstanding shares and options
- Roche currently owns approx. 587.2 million shares in Genentech, representing 55.9% of shares outstanding
- Roche has no interest in selling its controlling equity stake in Genentech

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Key financial value drivers



Strong earnings growth and improved long term prospects for combined entity

Accretive in first year after closing

- Accretion to EPS growth in the first year after closing due to strong profitability of Genentech's business and expected synergies
- Expected synergies of \$750 to \$850 million annually

Strong cash generation

- Full access to Genentech's cash flow
- Strategic flexibility for small and medium sized acquisitions maintained

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Financing and accounting



Fast repayment of debt

- Financed through a combination of Roche funds and debt financing
- Roche expects to include its core banks and others to build an underwriting consortium
- The combined cash-flows allow fast repayment of the debt
- Accounting: Equity transaction treatment in accordance with IFRS. The consideration is deducted from equity and eliminates minority interests (IAS 27 revised)
 - no additional intangible assets or goodwill

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Next steps



Negotiations with Genentech's independent directors

- We expect that Genentech's board of directors will form a special committee comprised solely of independent directors to consider Roche's proposal
- Genentech board directors who are employees of Roche will not participate in the evaluation of the proposal
- Terms of the transaction will be negotiated with the independent directors
- Roche expects to complete the transaction promptly following negotiation of a definitive merger agreement and approval by a majority of the non-Roche Genentech shareholders

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Summary



Combination creates a win-win situation

➔ Strengthen our business

- Enhance ability to innovate
- Improve operational efficiency

➔ Attractive to shareholders

- Offer is fair and generous and gives shareholders an opportunity to receive an immediate premium for their shares in Genentech
- Accretive in the first year after closing
- Strong cash generation
- Improved long term prospects for the combined entity

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We Innovate Healthcare

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