



Roche: Driving sustainable growth

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Strategy

Pipeline update on key programs

Summary

Our Focus

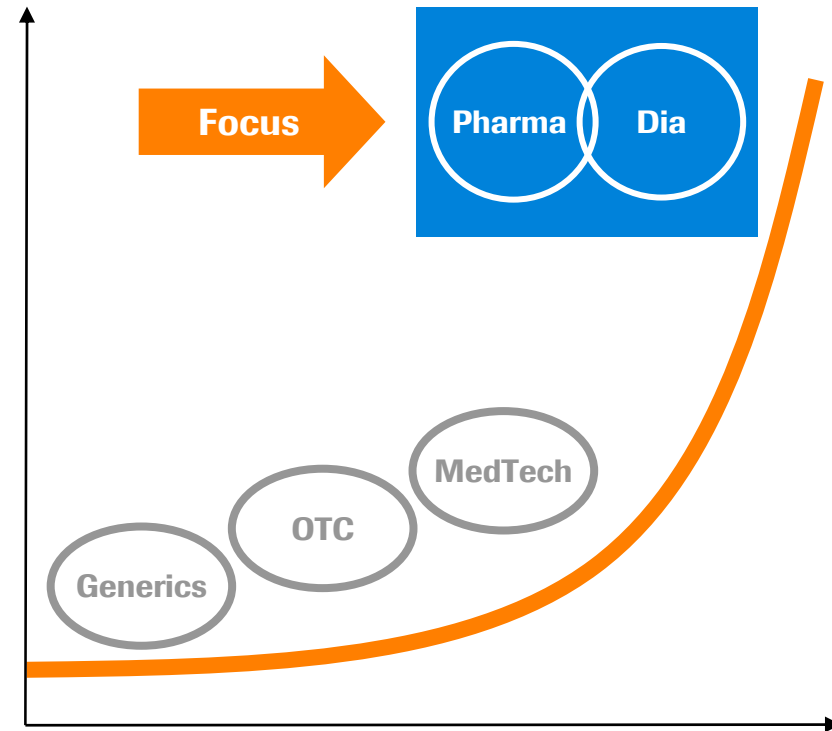
Medically differentiated therapies

Significant opportunity to address **unmet medical needs**

Significant **value capture** from medically differentiated therapies

Significant opportunity to capitalise on the **breakthroughs in science**

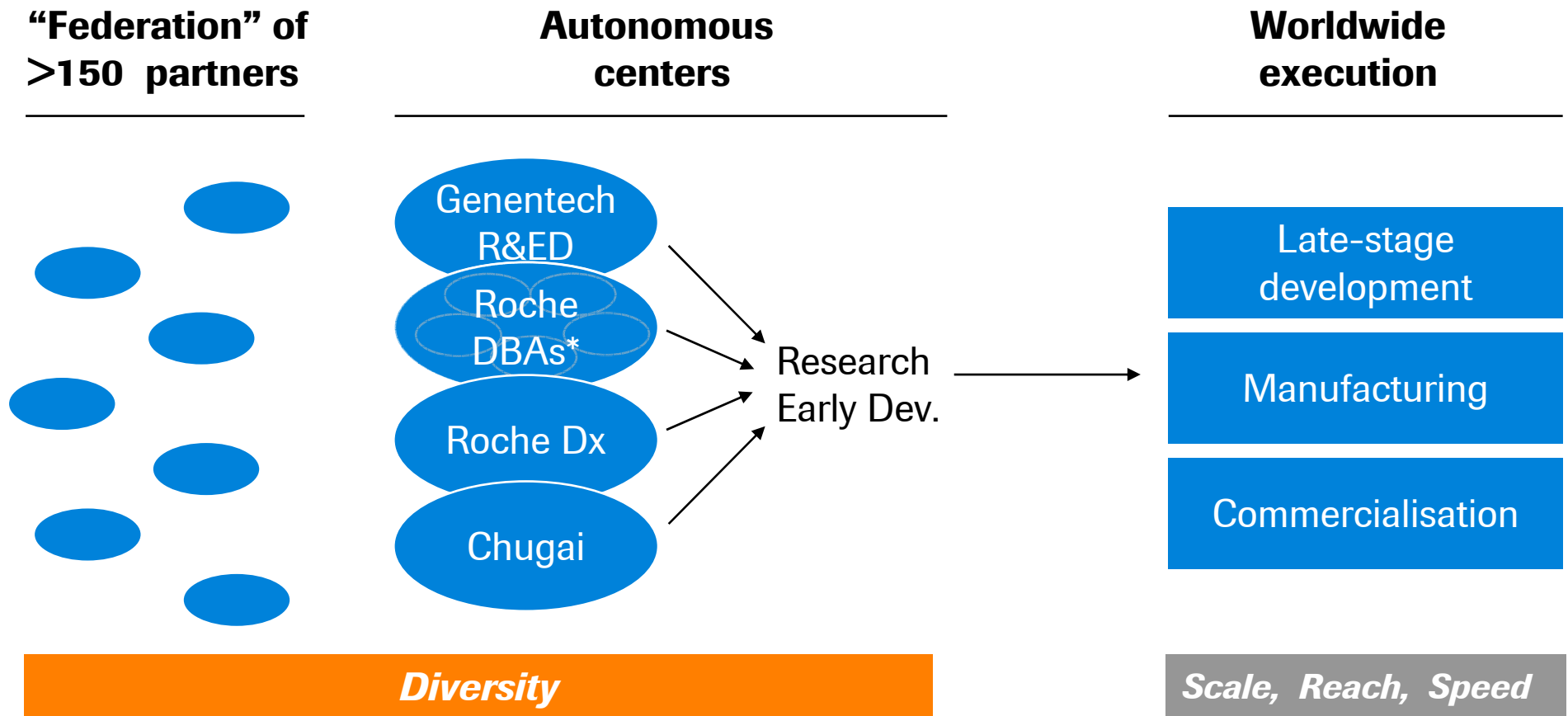
Value



Differentiation

Our Distinctiveness

Diversity of approaches fueling global scale and reach



* DBA: Disease Biology Areas

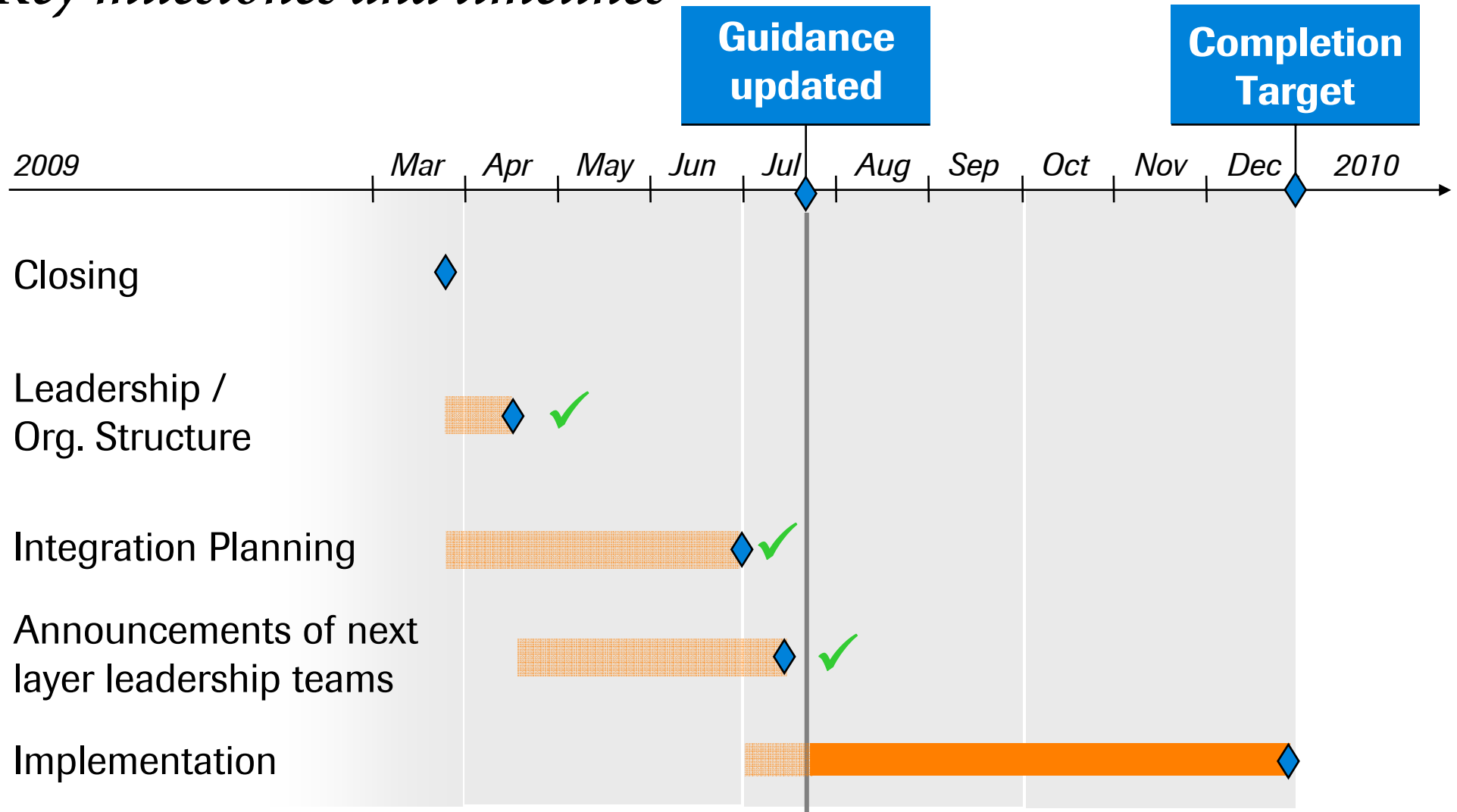
HY 2009: Group results

Core EPS grows significantly faster than sales

CHF bn	HY '08	HY '09	% change	
			CHF	local
Sales	22.0	24.0	+9	+10
Operating profit before exceptional items	7.0	8.0	+13	+20
<i>% of sales</i>	32.0	33.2	+1.2 p	
Operating profit	7.4	5.6	-24	-17
<i>% of sales</i>	33.4	23.4	-10.0 p	
Operating free cash flow	4.8	6.8	+41	+52
<i>% of sales</i>	21.8	28.2	+6.4 p	
Net financial income	0.2	-0.6	-	
Exceptional financing costs	-	-0.4	-	
Tax rate in % (before exceptional items)	23.9	22.6	-1.3 p	
Net income	5.7	4.1	-29	
<i>% of sales</i>	26.0	16.9	-9.1 p	
Net income before exceptional items	5.5	5.7	+4	
Core EPS (CHF)	5.75	6.32	+10	+20

Genentech integration: In record time

Key milestones and timelines



Genentech Integration: Company transforming

Objectives met & integration on-track

	Objective	Status
Research/Early Dev. Genentech	No disruption	Key talent retained/ 'business as usual'
US Commercial	No disruption	Sales force untouched Support from Nutley to SSF (Dec '09)
Global Dev. / Marketing	Align	New portfolio governance structure defined
Manufacturing	Streamline	Closures: Vacaville CCP2 (2009) Nutley (2010), Mannheim Chemicals (2011), Basel solids (2012)
Administration	Streamline	Closing US HQ Nutley Closing Palo Alto

Improved outlook for 2009 & 2010

Sales growth (in LC)	2009: Group & Pharma: high single-digit Diagnostics: well above market
Synergies	2009: CHF 300 m 2010: CHF 800 m 2011: CHF 1,000 m
Core EPS growth (in LC)	2009: Double-digit 2010: Double-digit
Debt	2010: 25% debt reduction 2015: Aim to return to net cash position
3 yr Dividend outlook	Maintained (as announced in 2008)

Barring unforeseen events;
Total Tamiflu sales of CHF 400 million assumed for 2010

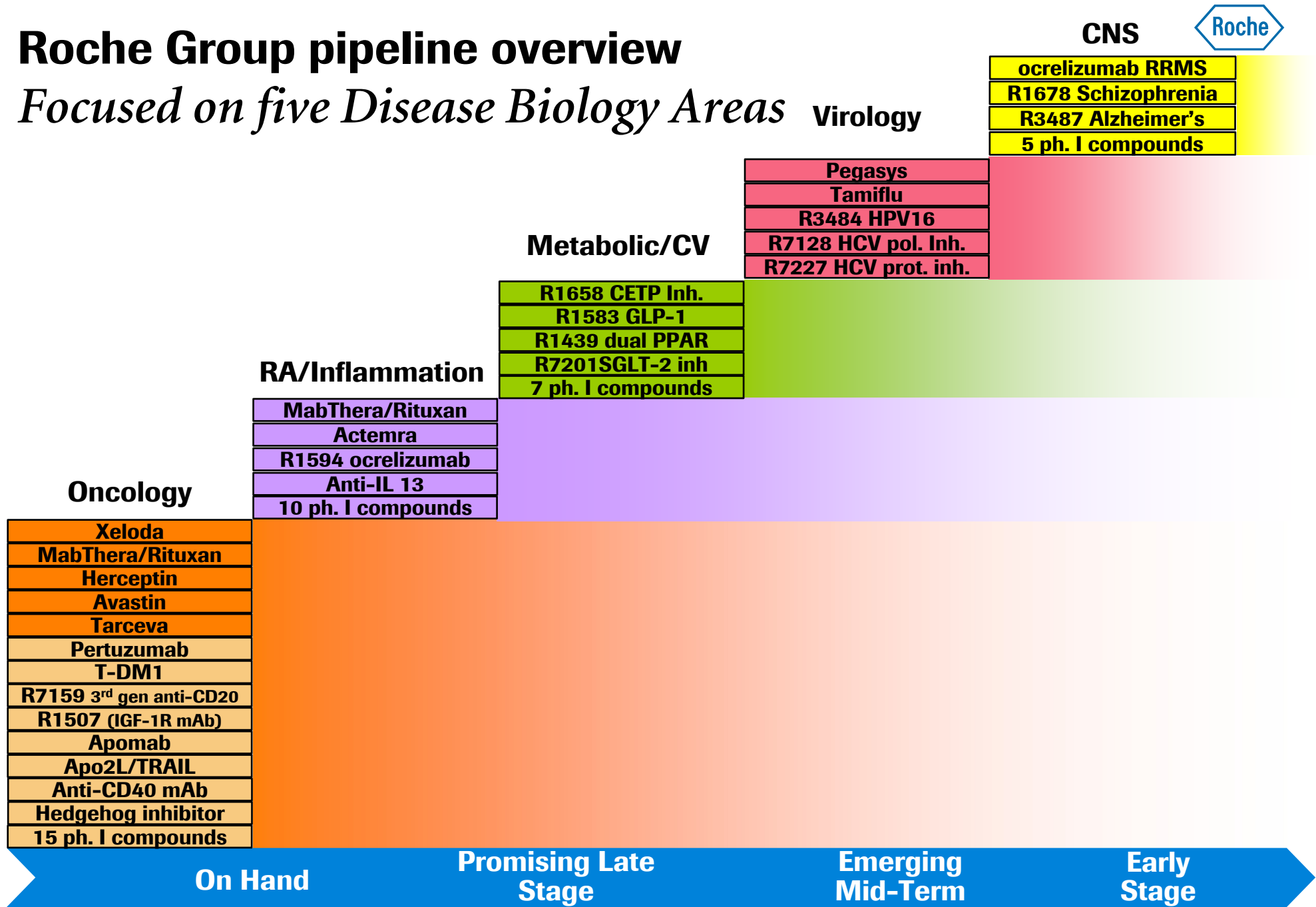
Strategy

Pipeline update on key programs

Summary

Roche Group pipeline overview

Focused on five Disease Biology Areas Virology



- Oncology**
- Xeloda
 - MabThera/Rituxan
 - Herceptin
 - Avastin
 - Tarceva
 - Pertuzumab
 - T-DM1
 - R7159 3rd gen anti-CD20
 - R1507 (IGF-1R mAb)
 - Apomab
 - Apo2L/TRAIL
 - Anti-CD40 mAb
 - Hedgehog inhibitor
 - 15 ph. I compounds

- RA/Inflammation**
- MabThera/Rituxan
 - Actemra
 - R1594 ocrelizumab
 - Anti-IL 13
 - 10 ph. I compounds

- Metabolic/CV**
- R1658 CETP Inh.
 - R1583 GLP-1
 - R1439 dual PPAR
 - R7201SGLT-2 inh
 - 7 ph. I compounds

- Virology**
- Pegasys
 - Tamiflu
 - R3484 HPV16
 - R7128 HCV pol. Inh.
 - R7227 HCV prot. inh.

- CNS**
- ocrelizumab RRMS
 - R1678 Schizophrenia
 - R3487 Alzheimer's
 - 5 ph. I compounds

On Hand

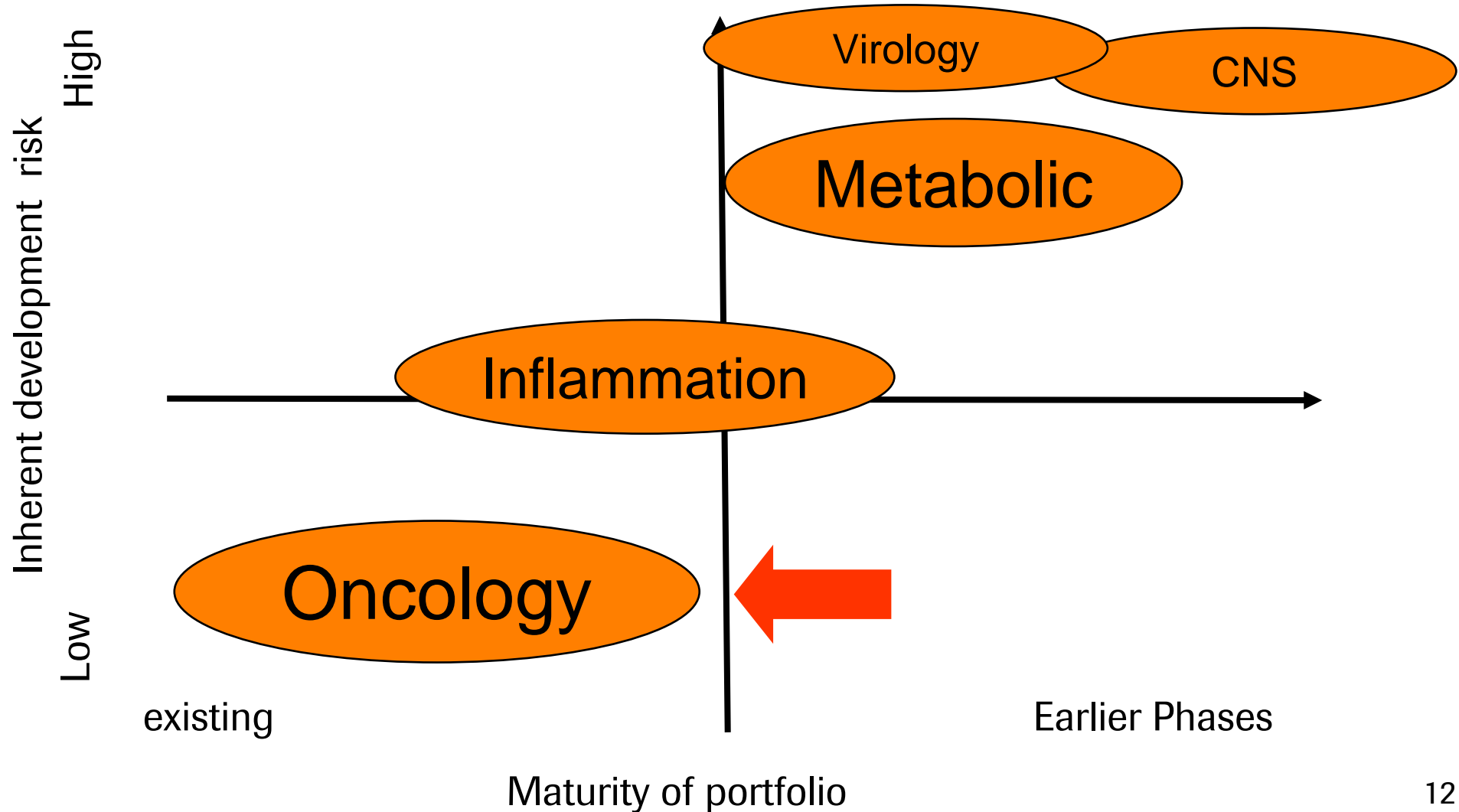
Promising Late Stage

Emerging Mid-Term

Early Stage

Key drivers for long term development in place

Develop the short-term drivers while not neglecting the long-term



Understanding Biology to Improve Patient Outcomes

Cancer Type	Marketed Products	Key Products in Development
Gastrointestinal	Avastin, Tarceva, Xeloda	Avastin, Herceptin, Xeloda, Hedgehog Pathway Inhibitor
Breast	Avastin, Herceptin, Xeloda	Avastin, pertuzumab, T-DM1, Xeloda, IGF-1R mAb
Lung	Avastin, Tarceva	Avastin, Apomab, dulanermin, Tarceva, IGF-1R mAb
Hematological	MabThera/Rituxan	Avastin, MabThera/Rituxan, GA101, dacetuzumab, Apomab, dulanermin, ABT-263
Genito-urinary	Avastin	Avastin, pertuzumab, Hedgehog Pathway Inhibitor
Skin & Soft Tissue		Hedgehog Pathway Inhibitor, PLX4032 (B-raf inhibitor), IGF-1R mAb, Apomab
Brain	Avastin	Avastin
Childhood Cancers		IGF-1R mAb, Xeloda, Avastin

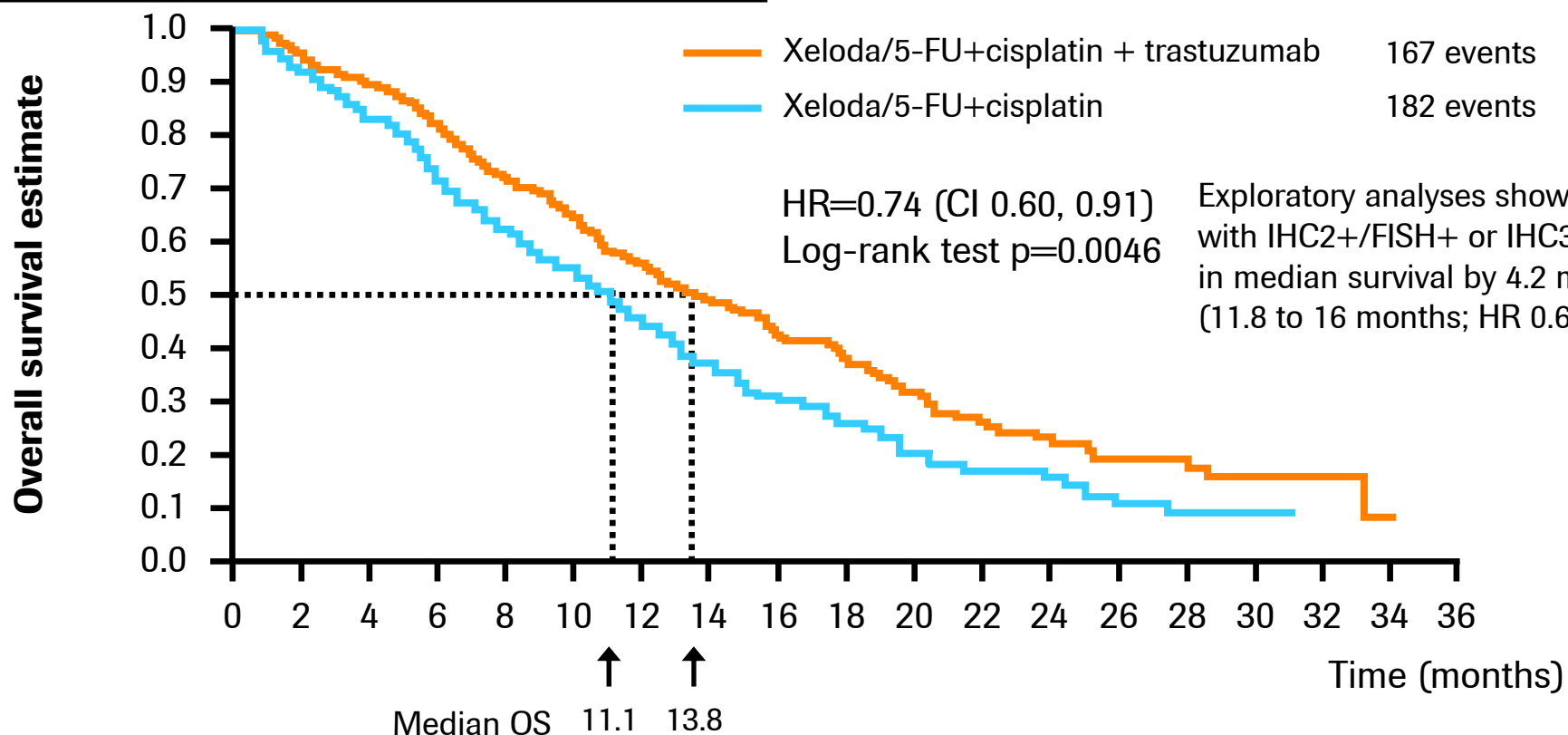
Avastin: significant potential for additional indications in the metastatic setting

Important Phase III news flow over next 2 years

Indication	Study name	Status	Regulatory Submission
2 nd -line metastatic HER2 negative breast cancer	RIBBON-2	Positive results August 2009	Q4 2009/ Q1 2010 (US)
1 st -line advanced gastric cancer	AVAGAST	Final analysis 2010	2010
Adjuvant colon cancer	AVANT	Expect data 2010; event-driven	2010 (EU)
1 st -line metastatic ovarian cancer	GOG-0218	Final analysis 2010	2010
	ICON-7	Expect data 2010	2010
Relapsed platinum-sensitive ovarian cancer	OCEANS	Expect data 2010	2011
	GOG-0213	Expect data 2013	2013
1 st -line hormone-refractory prostate cancer	CALGB 90401	Expect interim analysis Q4 2009; expect data 2010	2011
1 st -line metastatic HER2+ breast cancer	AVEREL (combo with Herceptin)	Expect data 2011	2011

Herceptin in gastric cancer

Primary endpoint: overall survival



No.	—	290	266	223	185	143	117	90	64	47	32	24	16	14	7	6	5	0	0	0
at risk	—	294	277	246	209	173	147	113	90	71	56	43	30	21	13	12	6	4	1	0

Safety conclusion: no difference in overall safety profile with addition of Herceptin

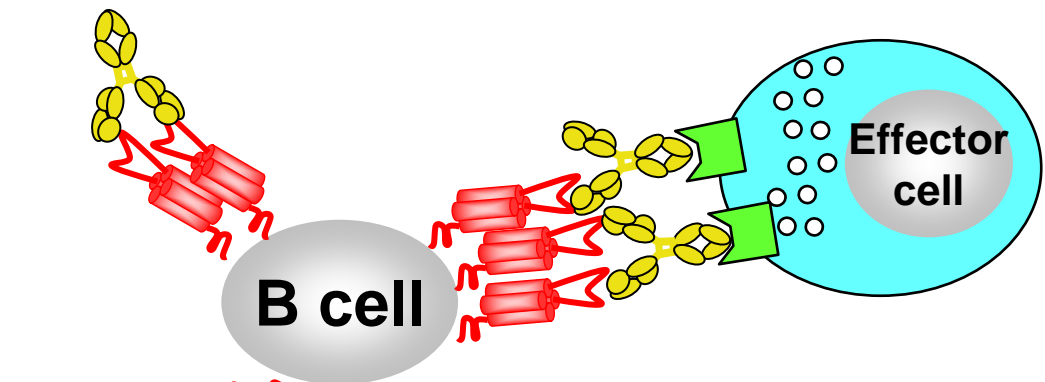
R7159/GA101: First glycoengineered, humanized, type II CD20 antibody in clinical development

Increased direct cell death

Unique type II epitope & elbow-hinge modification

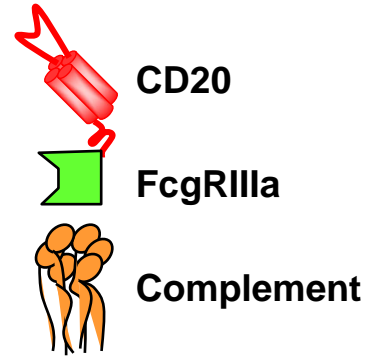
Increased ADCC

via increased affinity to the 'ADCC receptor' FcγRIIIa



Lower CDC activity

Due to recognition of type II epitope



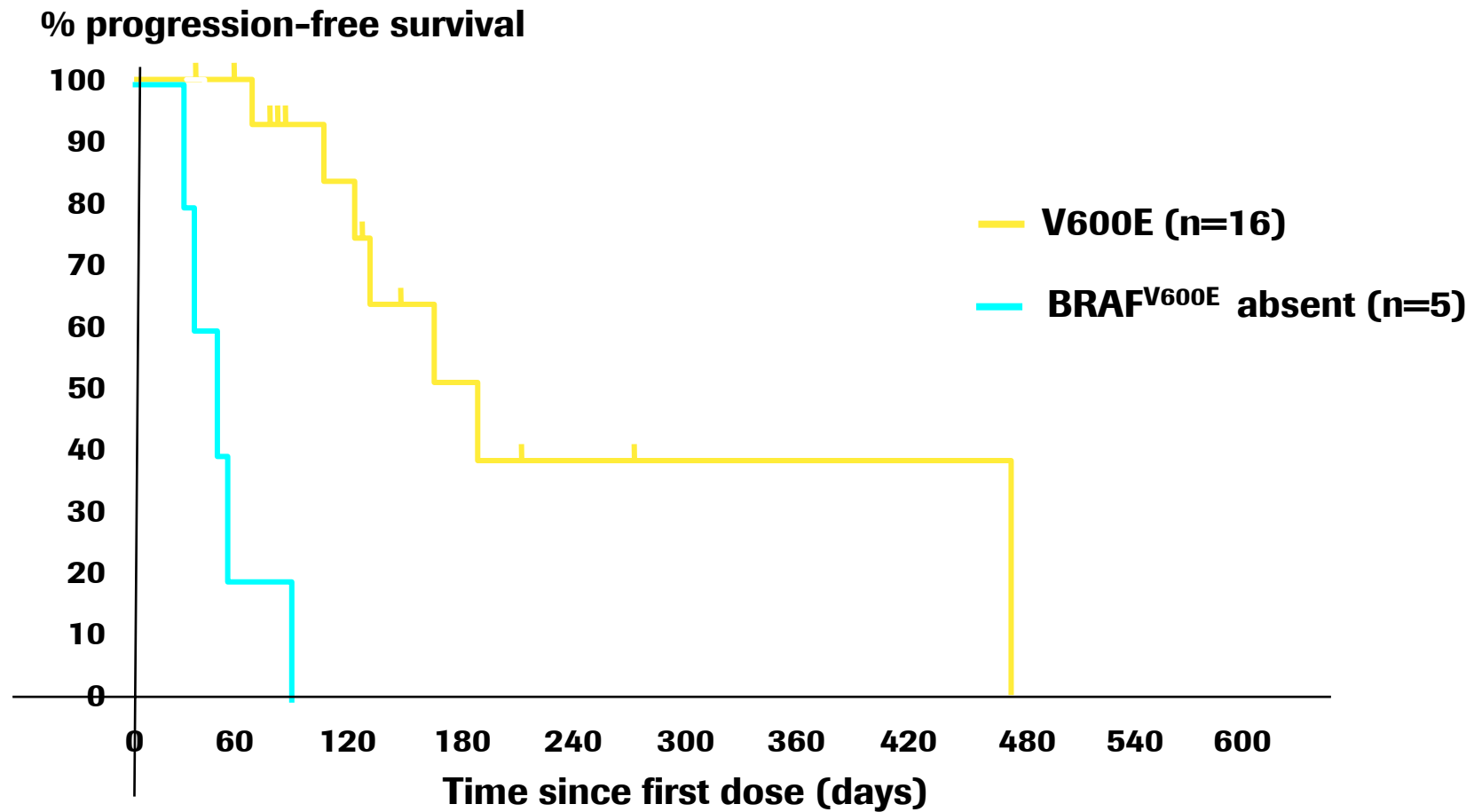
R7159/GA101 in Non-Hodgkin's Lymphoma (MabThera/Rituxan pre-treated patients)

	NHL sub-types	Best response (%)
21 patients	15 FL 1 lymphocytic lymphoma 1 WM 1 DLBCL 3 MCL	4 CR, 5 PR (43%)

- 8 of 9 responses still ongoing
- ORR = 47% when only indolent lymphoma (n=17) are considered

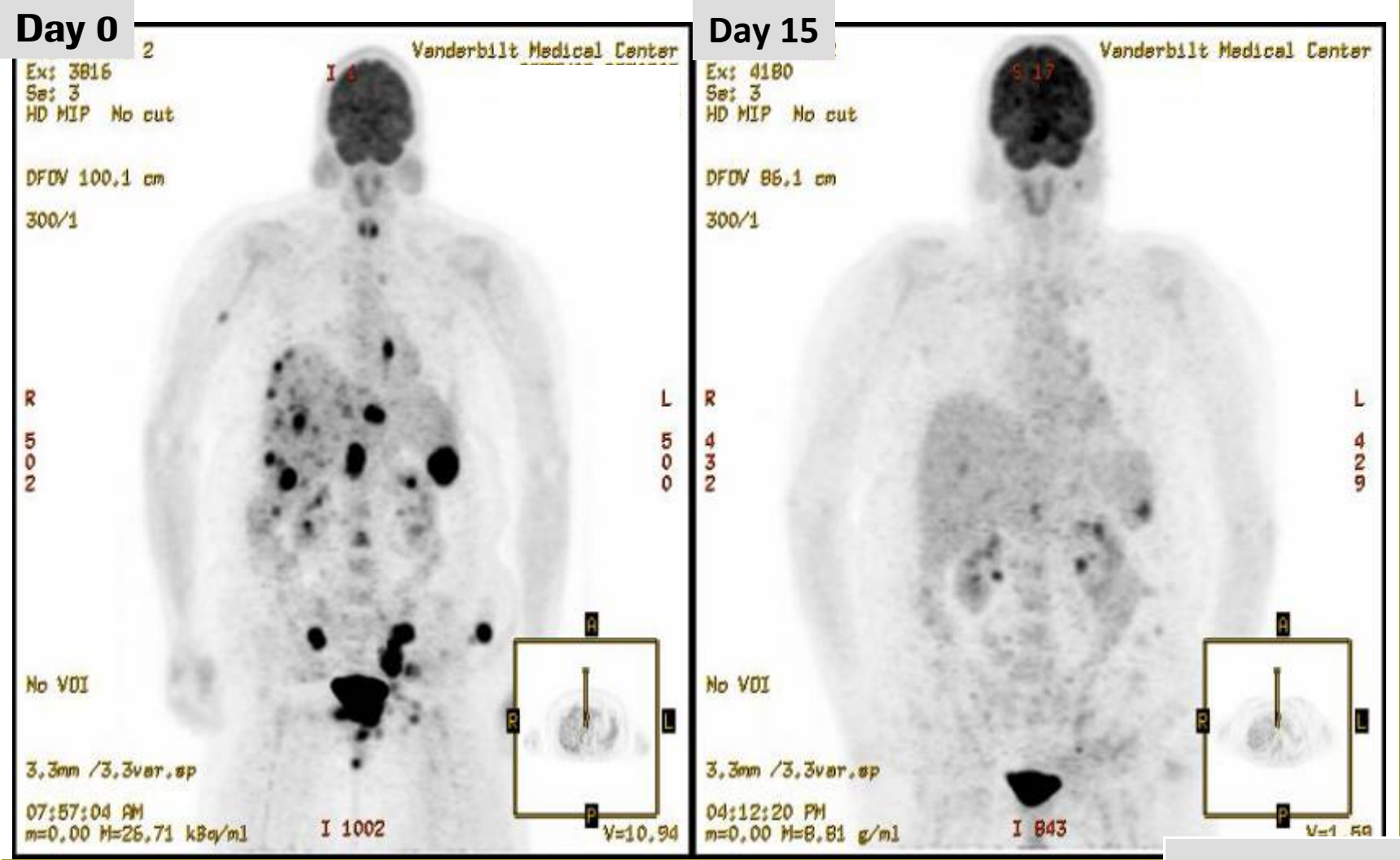
Phase I results

RG7204/PLX4032 in metastatic melanoma



Data as of 5.13.09

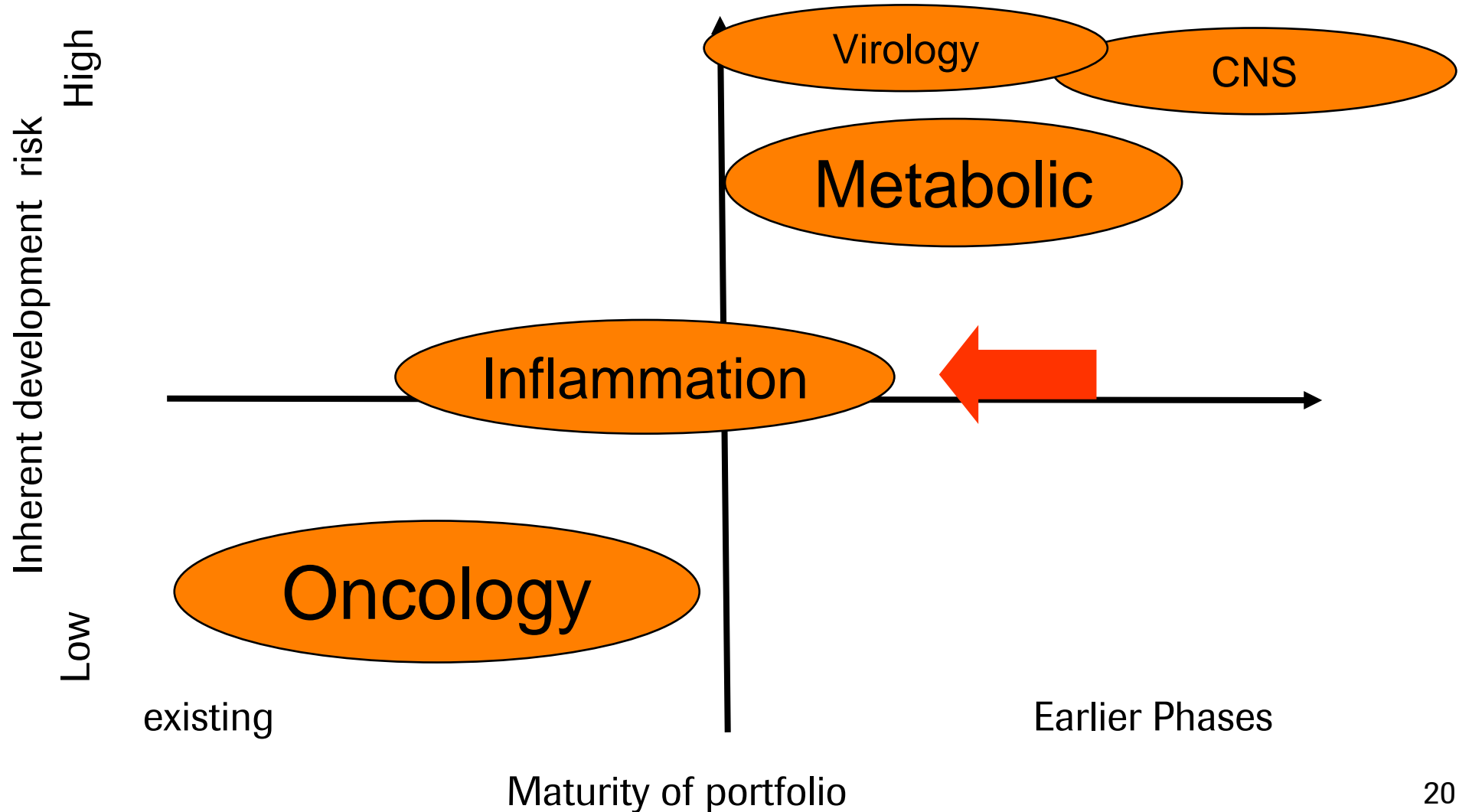
Metastatic melanoma patient with BRAF mutation treated with RG7204/PLX4032



Pt 56 – Vanderbilt

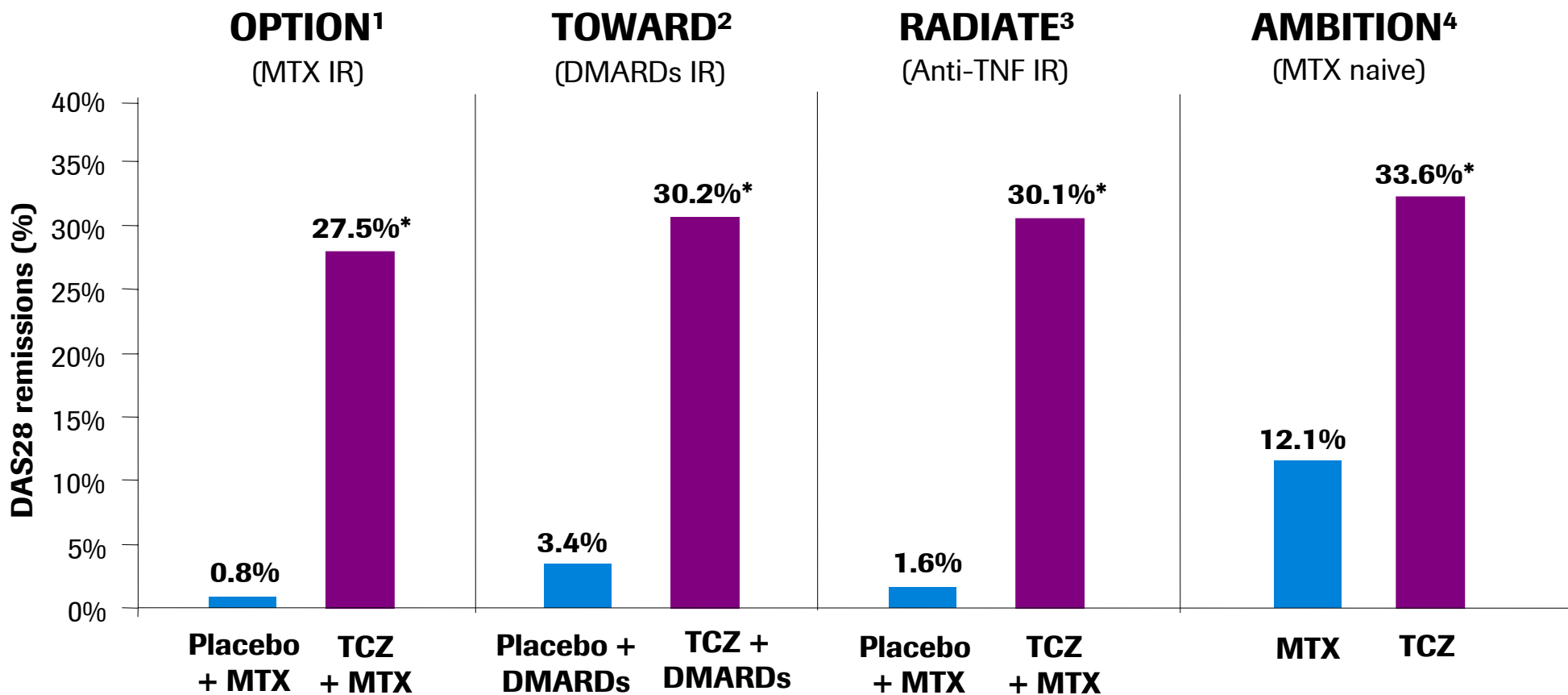
Key drivers for long term development in place

Develop the short-term drivers while not neglecting the long-term



Actemra phase III trials: unsurpassed efficacy

Around 30% of patients achieved DAS28 remission at week 24 – regardless of concomitant or prior therapy



¹ Smolen JS, et al. Lancet 2008,371,987-97

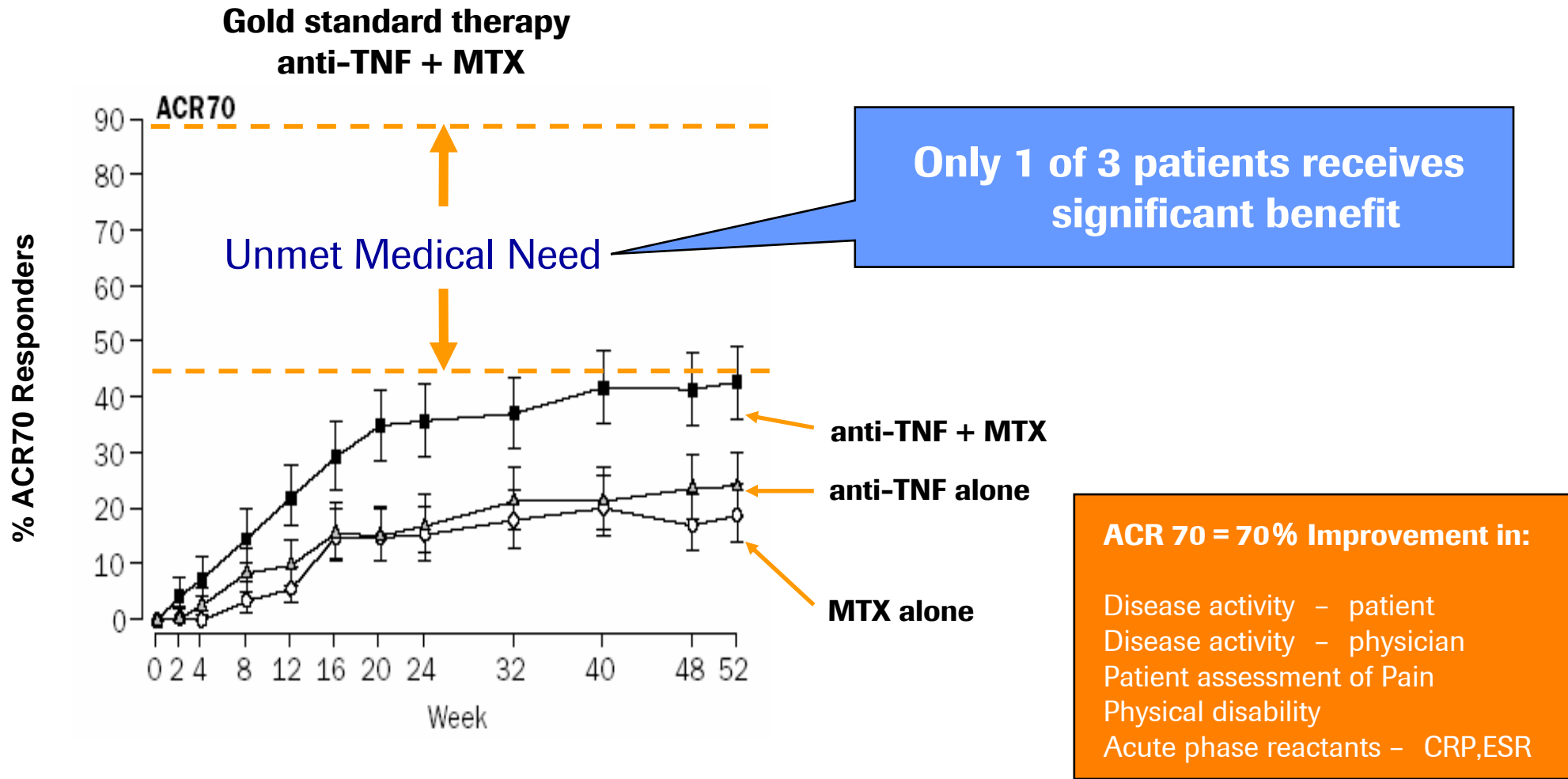
³ Emery et al., Ann Rheum Dis 2008, 67,1516-1523

² Genovese et al., Arthritis & Rheumatism, vol 58, no 10, 2008, 2968-2980

⁴ Jones et al., Ann Rheum Dis 2009, Mar 17

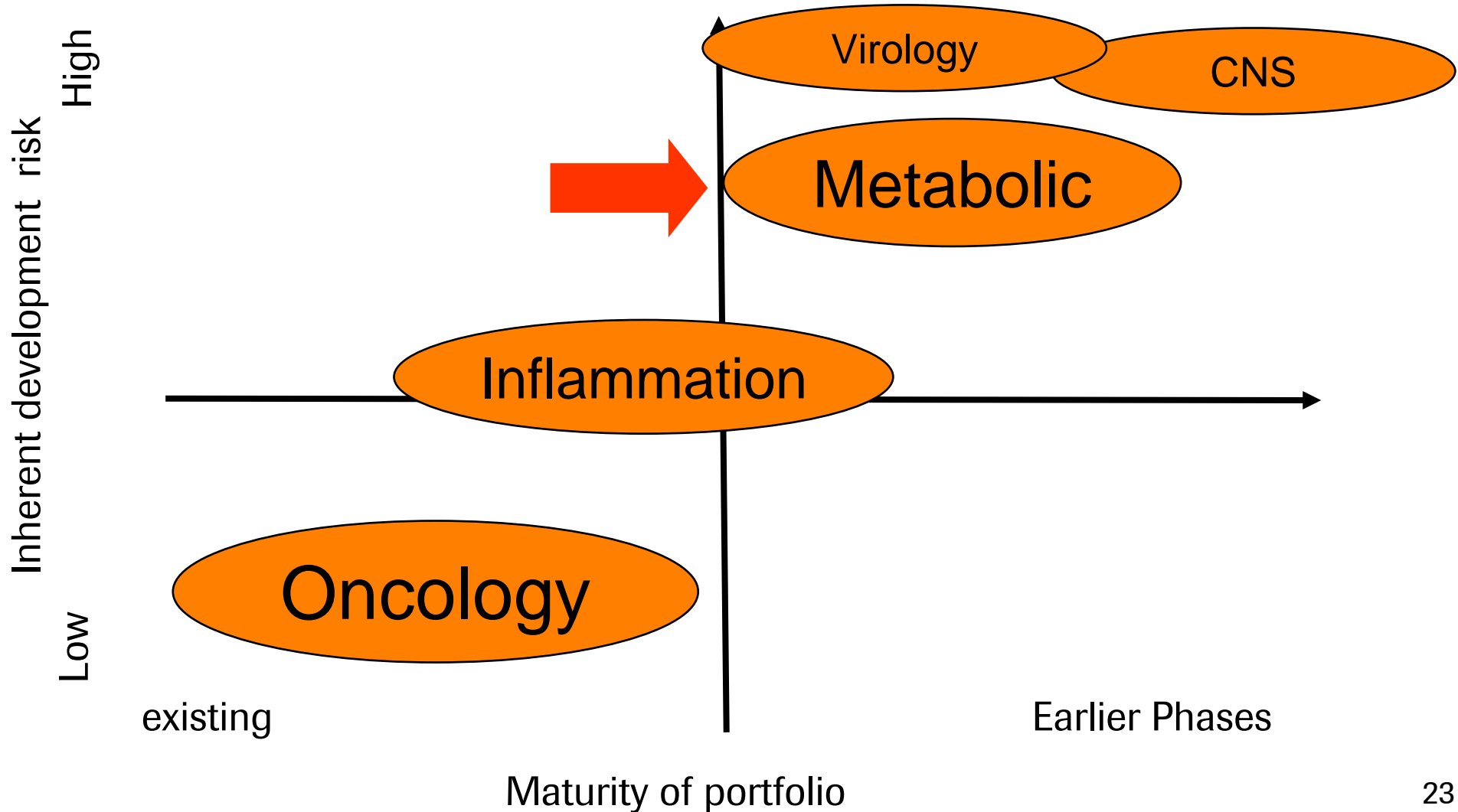
* p ≤ 0.0001; TCZ dose 8 mg/kg

Rheumatoid Arthritis: Not all patients respond to current therapy



Key drivers for long term development in place

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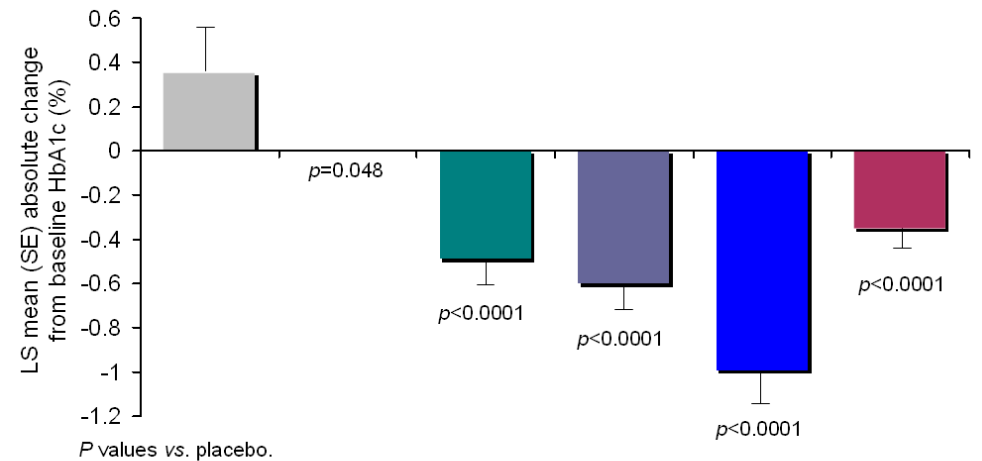
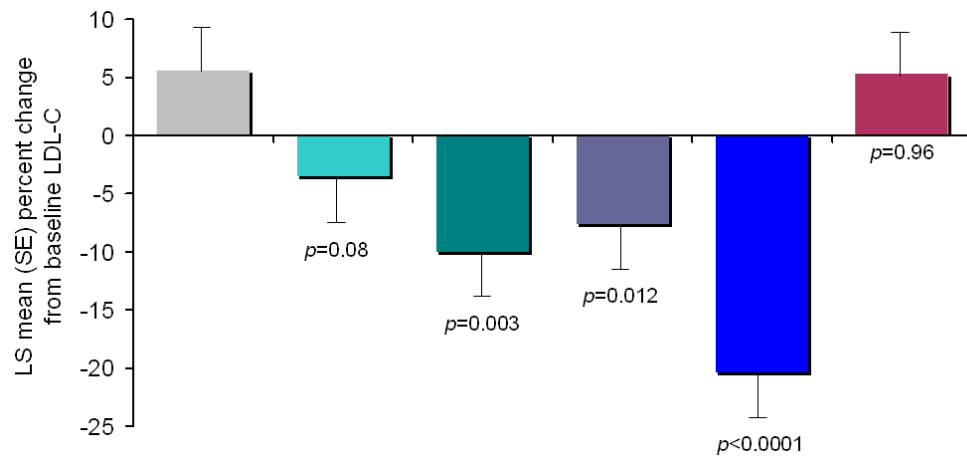
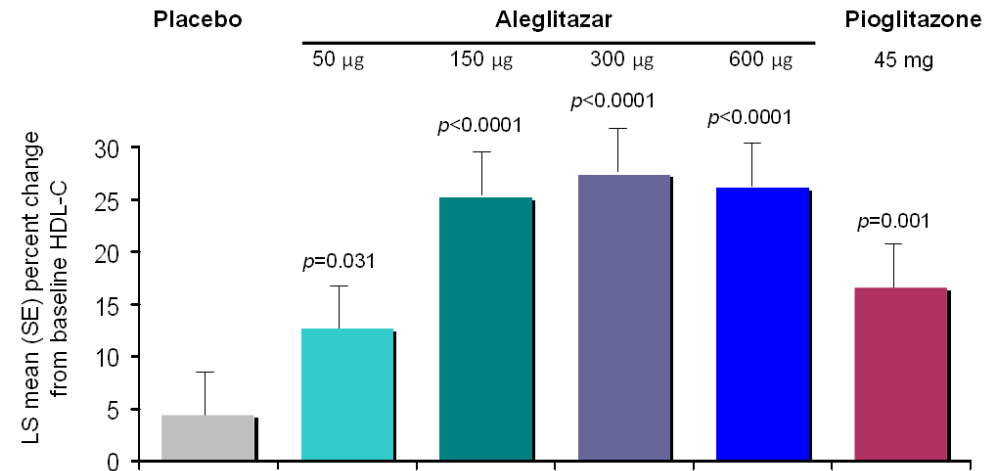
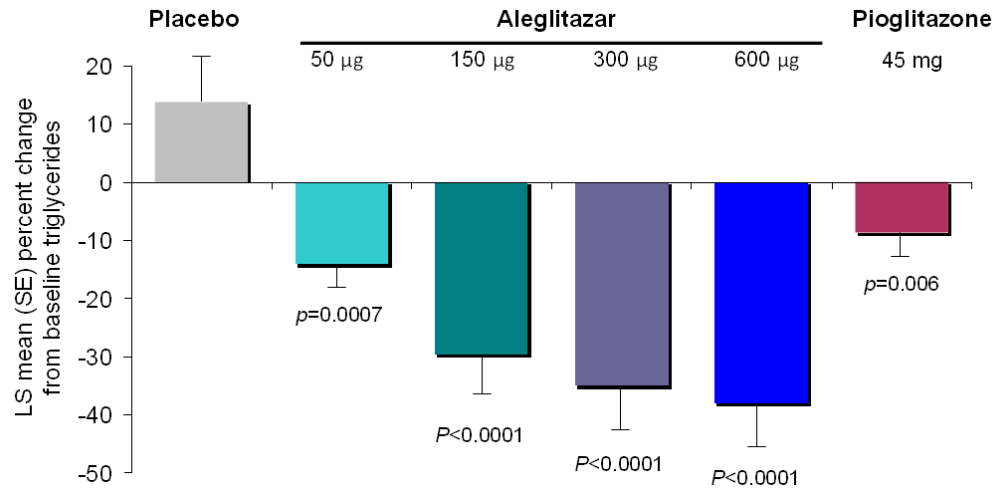
Next generation type 2-diabetes treatments

Looking for benefits beyond glucose lowering

Priority	Class	HbA1c reduction	Potential CV risk reduction	Weight loss
High	GLP-1 analogue	✓ ✓	✓	✓ ✓
High	PPAR $\alpha\gamma$ co-agonist	✓ ✓	✓ ✓	-
High	SGLT-2 inhibitor	✓	✓	✓ (✓)
Low	DPP-IV inhibitor	✓	-	-
Low	PPAR γ agonist	✓ ✓	?	-
Low	GKA	✓	-	-



Aleglitazar: Significant dose-dependent reduction in HbA1c and improvements in lipid profiles



Strategy

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Summary

A risk-balanced approach to investment

Well positioned into the next decade

NME's & LE's		Proof of concept	Expected Filing	
NMEs in Ph. I	40 projects			
NMEs in Ph. II	18 projects			
10 key NMEs in late-stage studies (ongoing/planned)	dalcetrapib (CETPi)		post 2012	
	aleglitazar (PPAR $\alpha\gamma$)	✓	post 2012	
	ABT- 263*	✓	post 2012	
	RG7159 3rd gen. Anti-CD20	✓	2012	
	pertuzumab	✓	2011	
	RG7204 Braf inhibitor	✓	2011	
	1 NME in registration	Hedgehog pathway inhibitor	✓	2011
	tasoglutide (GLP-1)	✓	2010	
	T-DM1	✓	2010	
	ocrelizumab (RA)	✓	2010	
	Actemra	✓	2009 (US)	
LEs in Ph. III	33 projects			
LEs in Ph. II	15 projects	✓		
LEs in Ph. I	1 projects			

*Pivotal trials in CLL under evaluation

Roche growth opportunities in summary

- Innovation-driven business focused on differentiated products that add medical value
- Network approach to foster innovation and build on our core business
- Leverage combination of Pharmaceuticals and Diagnostics in-house to develop more targeted treatment options (personalized healthcare)
- Numerous short- and mid-term drivers of growth with low development risk
- Broad pipeline for long-term sustainable growth

**Our unique strategy provides Roche
with a competitive edge for sustainable outperformance**



We Innovate Healthcare