



1



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.

For marketed products discussed in this presentation, please see full prescribing information on our website – [www.roche.com](http://www.roche.com)

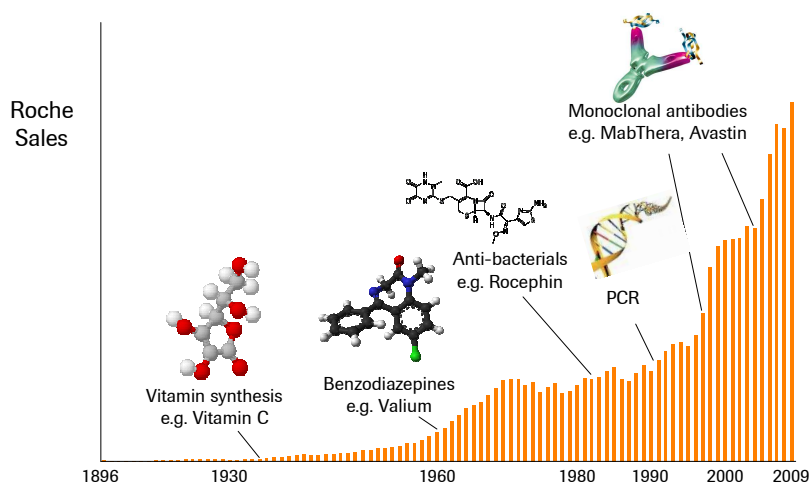
All mentioned trademarks are legally protected

2

## Roche Investor Day

**Severin Schwan** | Chief Executive Officer  
Roche Group

## Medical breakthroughs have always driven our business

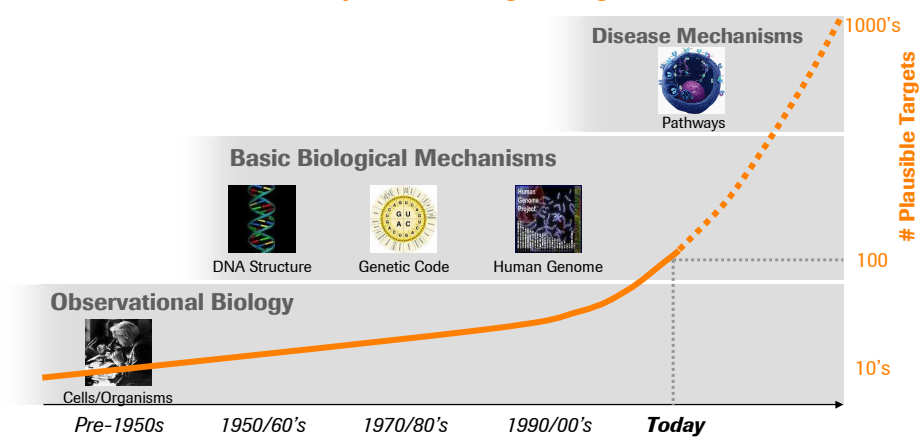


## Why the model still works

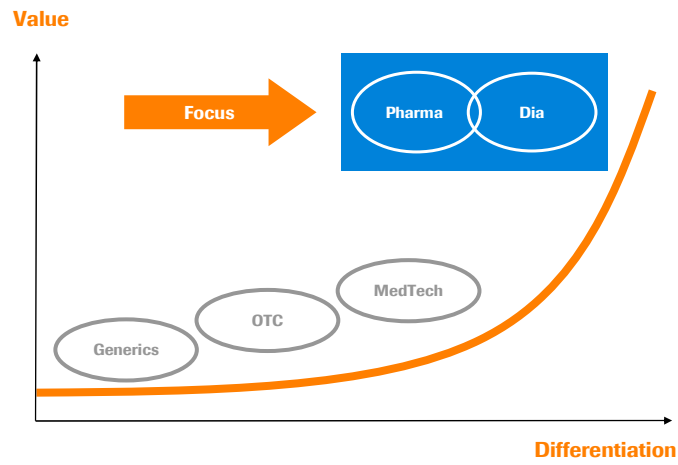
## Why we believe in innovation

*Only now we begin to understand causes of disease*

**Dramatic increase in novel plausible biological targets**



## Roche: Focused on medically differentiated therapies



7



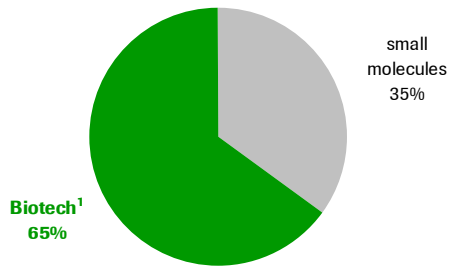
## What makes Roche unique

8

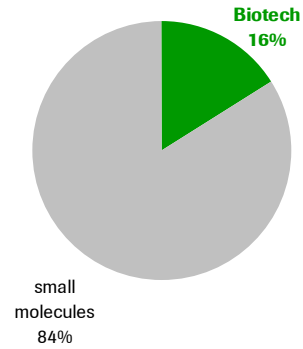
## Majority of strategic assets are biotech products with high barriers of entry



### Roche Pharmaceuticals



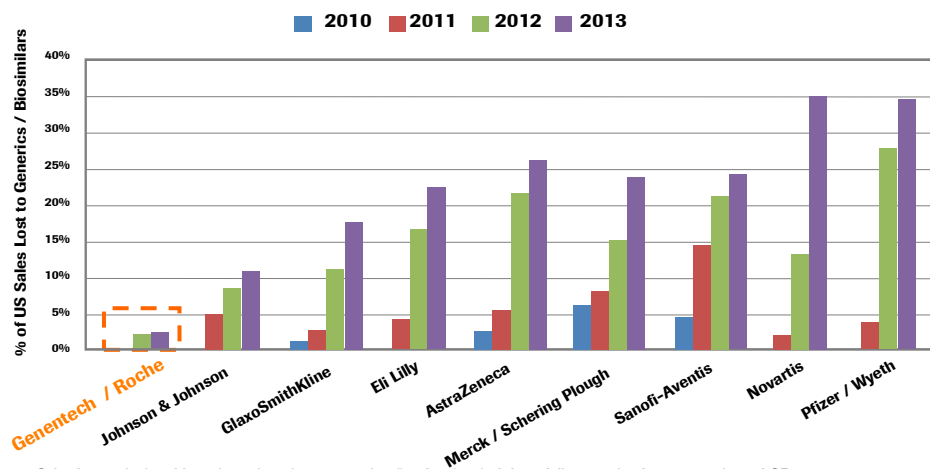
### Industry average <sup>2</sup>



<sup>1</sup> Biotech products: proteins and monoclonal antibodies; <sup>2</sup> Source: Decision Resources, 2009

9

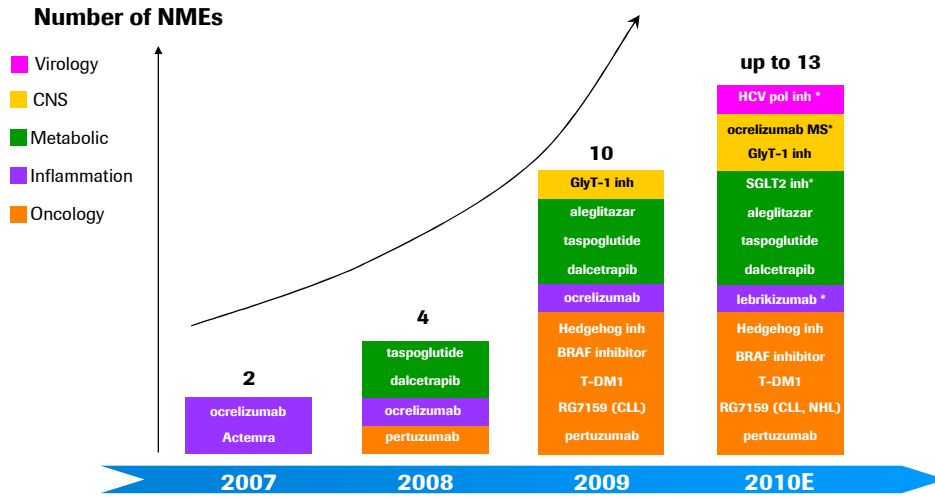
## Limited patent exposure provides window of opportunity



% Sales Lost calculated by subtracting given year sales ('10, '11, '12, '13) from full year sales from year prior to LOE. Data excludes sales lost impact of products with LOE prior to 2010. Source: Evaluate Pharma

10

## Late-stage pipeline continues to build up Expanding into new therapeutic areas

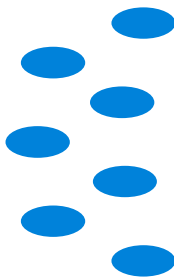


11

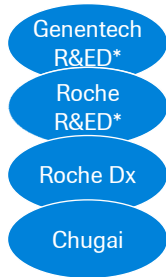
## Unique diversity of approaches



**"Federation" of  
>150 partners**



**Autonomous  
centers**



Research  
Early Dev.

**Worldwide  
execution**



**Diversity**

**Scale, Reach, Speed**

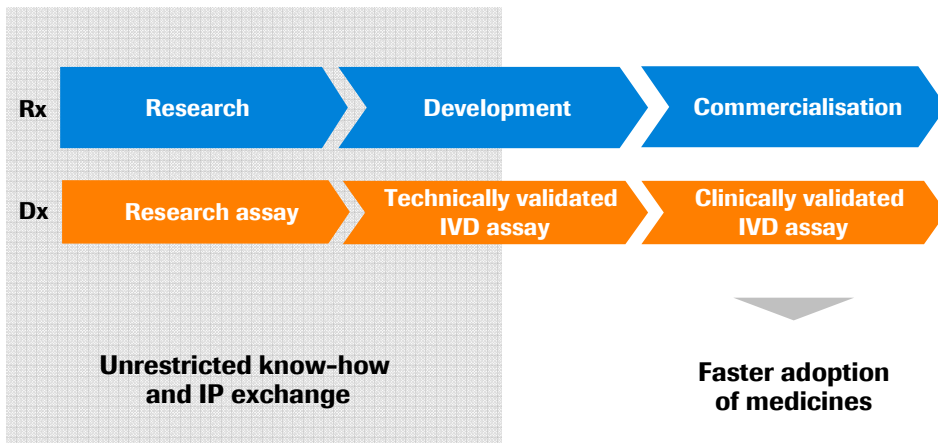
\* R&ED = Research & Early Development

12

## Personalised Healthcare at the center of our business



*Diagnostics input - from discovery to market*



13



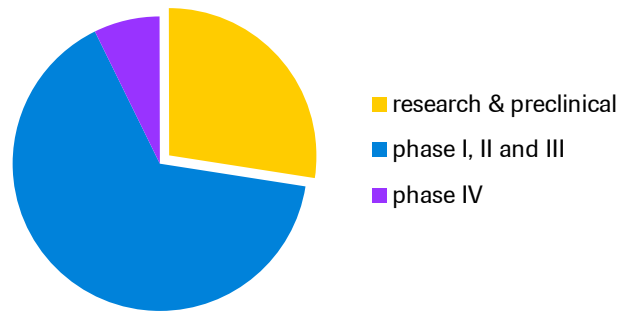
**How much money to invest in R&D?**

14

## Majority of R&D investment goes into product development



Split of R&D costs for Pharma (Roche and Genentech)  
CHF 8.0 billion in 2009\*



**More than 70 % of our R&D investments go into product development**

\* Excluding Chugai and one-off impairments of intangible assets

15

## R&D allocation



*Mix of qualitative and quantitative factors*

### Research & Early Development

#### Top down

- Annual budget allocation
- Number of phase III transitions expected

### Late Stage Development

#### Project driven

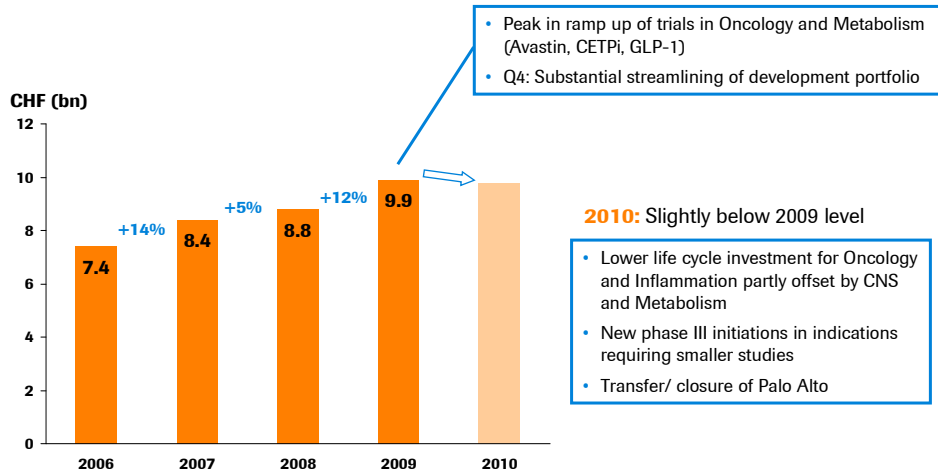
- Unmet medical need and market potential
- Probability of technical success

**Best people / Quality of basic and clinical science**

16

## R&D investment in a rich pipeline

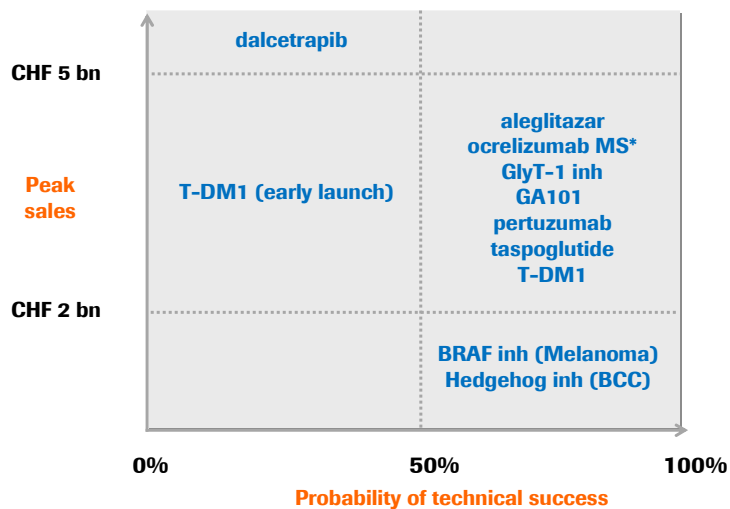
*Securing long-term growth while prioritising resources*



17

## Strong late-stage portfolio of NMEs

*Limited risk due to rigorous proof of concept studies*



\* Phase III "go/no go" decision pending

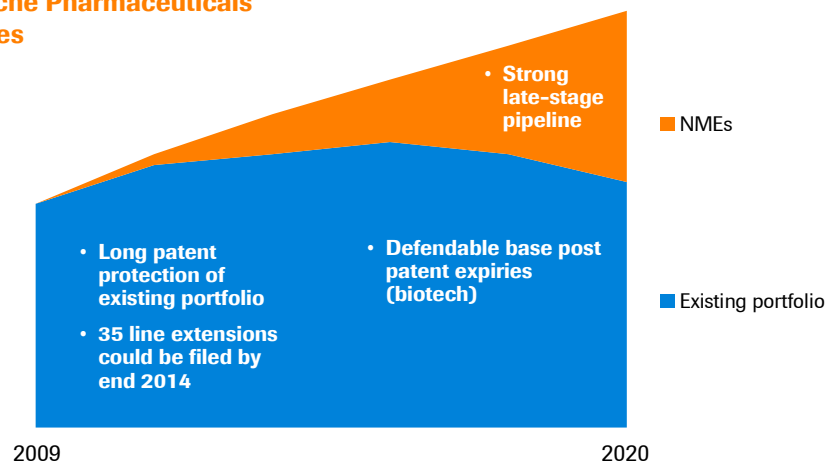
18

## Roche: Uniquely positioned to deliver long-term growth

*Combination of biotech portfolio and strong pipeline*



### Roche Pharmaceuticals sales



19

## Agenda



### 09:00 Diversity of approaches to innovation

- Introduction: *Severin Schwan*
- Translating science into innovative new therapies: *Richard Scheller*
- Harnessing therapeutic modalities: *Jean-Jacques Garaud*
- Roche Partnering, enriching our portfolio: *Dan Zabrowski*
- Diagnostics and Personalised Healthcare: *Daniel O'Day*

### 10:45 Q&A & Break

### 11:40 Sustainable growth

- Sustainable growth through innovation: *Pascal Soriot*
- Impact Biosimilars: *Mike Doherty*
- Near-term opportunities: *David Loew*

### 12:40 Q&A & Lunch

### 14:00 New growth opportunities

- Late-stage development: *Hal Barron*

### 14:50 Q&A

### 15:30 Meeting ends

20