


Roche
Interim results 2006
London, July 20, 2006





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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.

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Group

Dr. Franz B. Humer
Chief Executive Officer





H1 '06: Securing short and long-term growth

Sustainability also a value driver

- Highest sales and operating profit¹ for Roche ever (interim)
- Highest increase in sales and operating profit¹ for Roche ever (interim)
- Strengthening pipeline ensuring the long-term future of Roche
- Further active steps for pandemic planning
- Around 90,000 patients benefiting from Roche Pharma clinical trials
 - over 300 study protocols and results published in our clinical trial registry and results database

¹ before exceptional items

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H1 '06: Outgrowing the market

> CHF 3 billion additional sales by organic growth

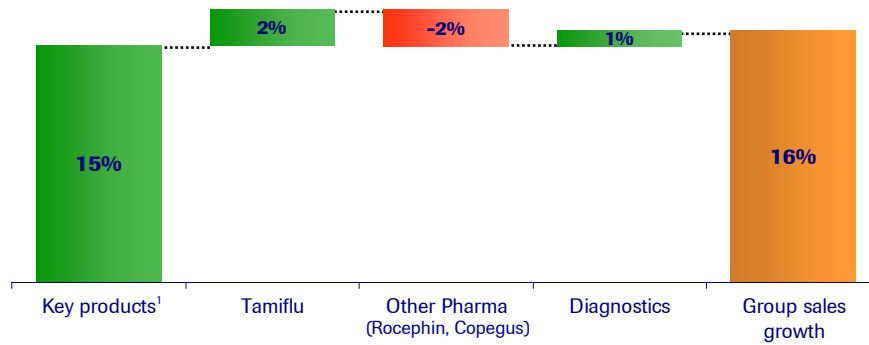
| CHF bn | CHF bn | | % change in | | USD growth |
|------------------------|-------------|-------------|-------------|-----------|------------|
| | 2005 | 2006 | CHF | local | |
| Pharmaceuticals | 12.7 | 15.6 | 23 | 19 | 17 |
| Diagnostics | 4.0 | 4.3 | 8 | 4 | 2 |
| Roche Group | 16.6 | 19.8 | 19 | 16 | 13 |

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H1 '06: Strong underlying business momentum



Contribution to total Group sales growth (local)



¹ Avastin, Boniva, CellCept, Herceptin, MabThera/ Rituxan, NeoRecormon/ Epogin, Pegasys, Tarceva, Xeloda

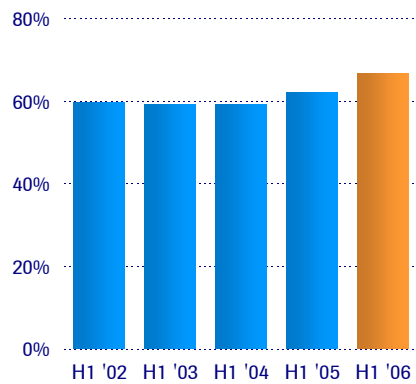
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Improved quality of business over time

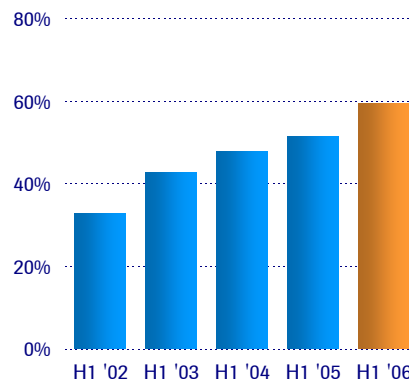
Year over year - despite Roaccutane and Rocephin



Top 10 as % of pharma sales¹



Key products as % of pharma sales²



¹ respective 10 leading products in each period

² Avastin, Boniva, CellCept, Herceptin, MabThera/ Rituxan, NeoRecormon/ Epogin, Pegasys, Tarceva, Xeloda

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H1 '06: Strong sales drive bottom line growth



CHF bn

| | 2005 | 2006 | Change | | |
|--|-------------|-------------|------------|------------|------------|
| | | | CHF bn | % | loc % |
| Sales | 16.6 | 19.8 | 3.2 | +19 | +16 |
| Operating profit¹ | 4.5 | 5.8 | 1.4 | +30 | +27 |
| <i>as % of sales</i> | <i>26.8</i> | <i>29.2</i> | | | |
| Profit from continuing businesses | 3.3 | 4.5 | 1.2 | +36 | |
| <i>as % of sales</i> | <i>20.0</i> | <i>22.8</i> | | | |
| Net income | 3.3 | 4.5 | 1.2 | +37 | |
| <i>as % of sales</i> | <i>20.0</i> | <i>22.9</i> | | | |
| Attributable to Roche shareholders | 2.9 | 4.0 | 1.1 | +38 | |

¹ before exceptional items

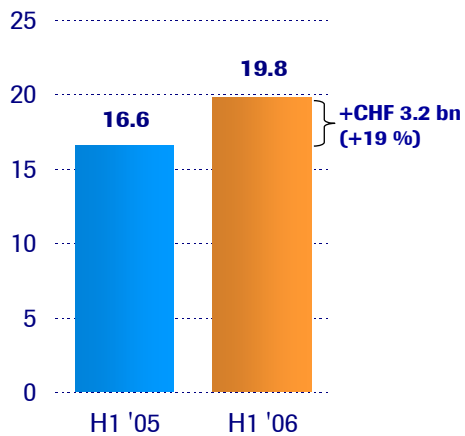
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H1 '06: Growing earnings more than sales

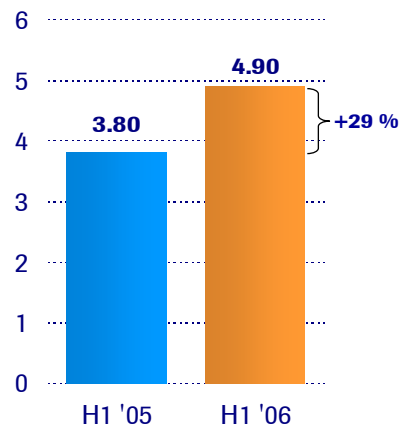
Core EPS grows faster than sales



Group sales (CHF bn)



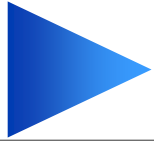
Core EPS (CHF)



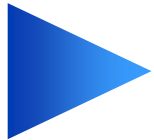
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Our priorities

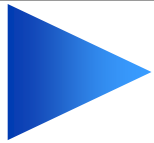
Value creation - now and for the future



Focus on top & bottom line: Translation of above-peer growth into an attractive bottom line - without compromising the future



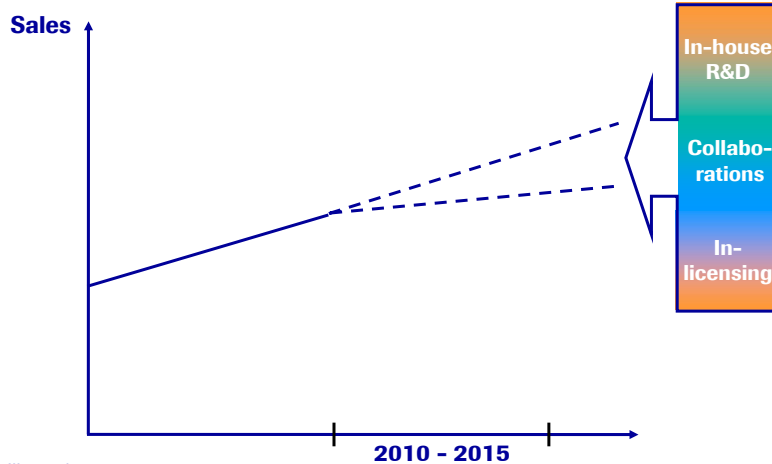
Execute on assets on hand: Maximize near-term attractive profitability via sales in existing indications and line extensions
Execute on late-stage pipeline



Build now the future beyond 2010/15: Strengthen the pipeline, in particular Phase I and II compounds, to keep the Roche Group amongst the industry leaders

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Taking actions now for sustained growth beyond 2010/15



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Our growth objectives for 2006

Profitability target again increased

Sales

- Double-digit growth¹ for Group and Pharmaceuticals
- Above market growth for Pharmaceuticals and Diagnostics
- Accelerating growth for Diagnostics

Core EPS target

- Growth above sales growth

¹ in local currencies

barring unforeseen events

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Pharmaceuticals Division

W. M. Burns

CEO Division Roche Pharmaceuticals





H1 '06: Sales outgrowing market over three times Highest increase in operating profit¹ ever

- Oncology franchise continues to grow rapidly (+48 %²)
- Autoimmune franchise starting off in Europe and US following approval of MabThera/ Rituxan in first RA indication
- Boniva continues successful rollout in US, already 42 countries launched
- Operating profit¹ increased 35 %²
- 11 approvals received, 11 filings submitted
- Six phase III trials met primary endpoint
- Four phase II trials met primary endpoint

¹ before exceptional items

² local growth

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Pharma continues to significantly outgrow the market CHF 2.9 bn additional organic sales

Sales CHF m

| | H1 '06 | | % change in | | USD growth |
|------------------------|---------------|---------------|-------------|-----------|------------|
| | H1 '06 | H1 '06 | CHF | local | |
| Roche Pharma | 7,978 | 9,670 | 21 | 17 | 15 |
| Genentech | 2,867 | 4,223 | 47 | 39 | 39 |
| Chugai | 1,807 | 1,684 | -7 | -4 | -12 |
| Pharmaceuticals | 12,652 | 15,577 | 23 | 19 | 17 |

Quarterly local growth

| | 2005 vs. 2004 | | | 2006 vs. 2005 | |
|------------------------|---------------|-----------|-----------|---------------|-----------|
| | Q2 | Q3 | Q4 | Q1 | Q2 |
| Roche Pharma | 18 | 17 | 32 | 19 | 15 |
| Genentech | 41 | 42 | 49 | 40 | 39 |
| Chugai | 8 | 7 | 22 | -8 | 1 |
| Pharmaceuticals | 21 | 21 | 34 | 19 | 19 |

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H1 '06: Outperforming the US market nearly four times despite generic erosion of Rocephin



| | % of pharma sales | Local growth | Market growth |
|-----------------|-------------------------------|-------------------------------|-------------------|
| Oncology | 47 % | 48 % | 20 % ¹ |
| Transplantation | 7 % | 8 % | 10 % ¹ |
| Virology | 7 % ² / 14 % | -5 % ² / 17 % | 5 % ² |
| Renal Anemia | 5 % | -1 % | 4 % ³ |
| Total | 66 %¹/ 73 % | 30 %¹/ 32 % | |
| North America | 41 % | 23 % | 6 % ⁴ |
| Japan | 11 % | -4 % | -1 % ⁴ |
| Europe | 33 % | 23 % | 5 % ⁴ |
| Total | 85 % | 19 % | |

¹ IMS Q1 '06

² excluding Tamiflu

³ H1 '06 estimate

⁴ IMS YTD Apr '06

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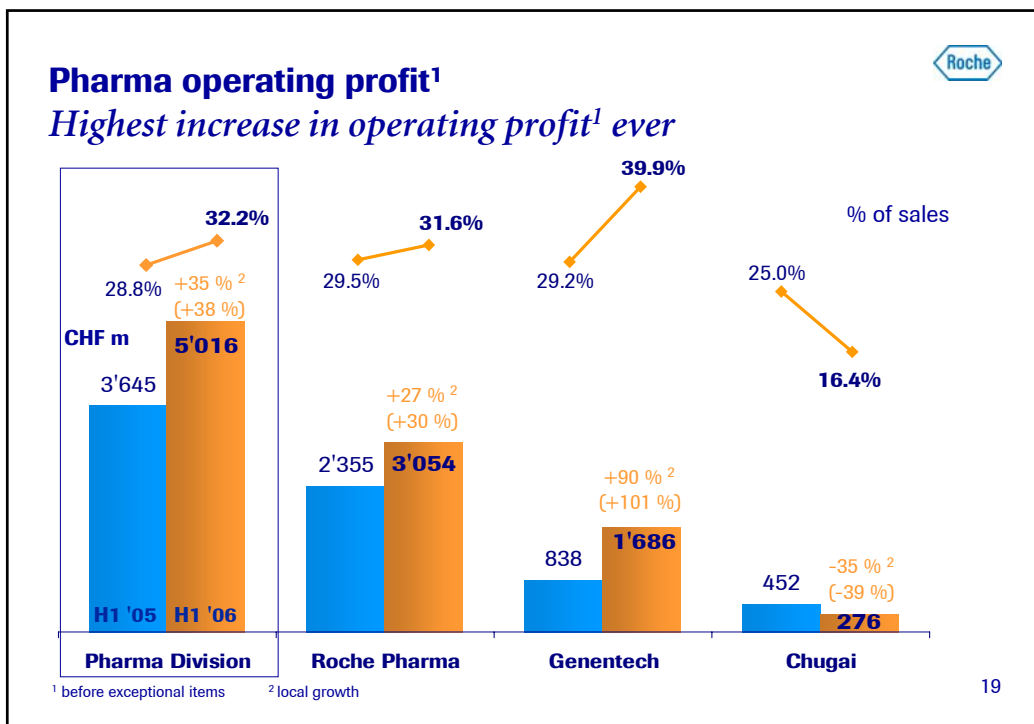
Operational profit growing nearly twice sales *Economies of scale translate into improved margin*




| | H1 '06 | | | H1 '06 vs. H1 '05 local growth |
|--------------------------------------|--------------|-------------|---------------|--------------------------------|
| | CHF m | % sales | | |
| Sales | 15,577 | 100.0 | +2,925 | 19% |
| Royalties & other op inc | 636 | 4.1 | +94 | 12% |
| Cost of sales | -3,160 | -20.3 | -329 | 6% |
| M & D | -4,187 | -26.9 | -833 | 20% |
| R & D | -2,736 | -17.6 | -529 | 21% |
| G & A | -786 | -5.0 | +39 | -8% |
| Amortisation/imp IA ² | -328 | -2.1 | +4 | -4% |
| Operating profit ¹ | 5,016 | 32.2 | +1,371 | 35% |

¹ before exceptional items ² Intangible assets

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Product performance

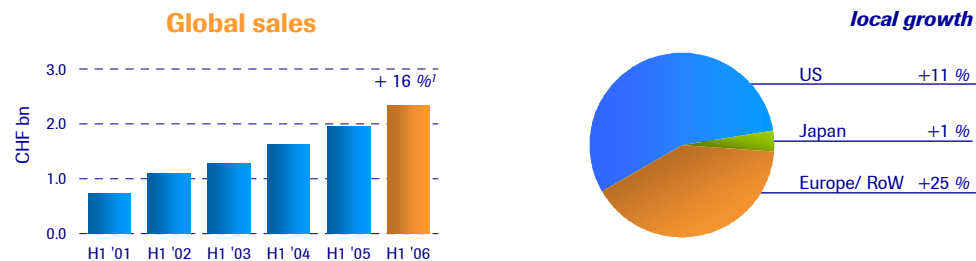
Pipeline and outlook

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MabThera / Rituxan

Sales now above one billion CHF per quarter



- Sales of CHF 2.3 bn – Europe/ RoW strongest growth contributor
- Approved in EU as maintenance therapy in patients with relapsed or refractory iNHL
- RA launched in US and in the EU following approval in July
- Strong data presented at EULAR:
 - radiographic data showing significant joint damage reduction
 - efficacy even more improved following subsequent treatment courses
 - protocol of ongoing phase III studies amended to include subsequent treatments

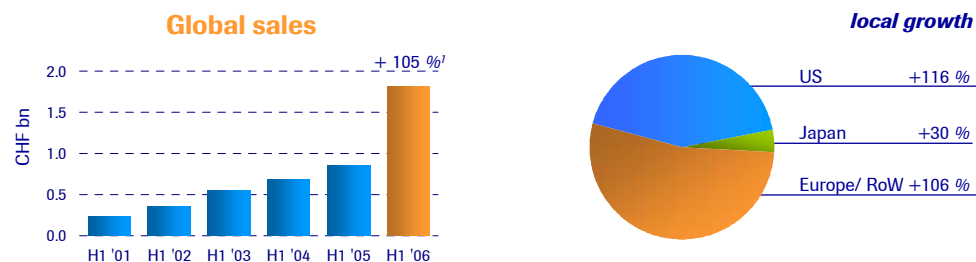
¹ local growth

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Herceptin

Annualized sales now over three billion CHF



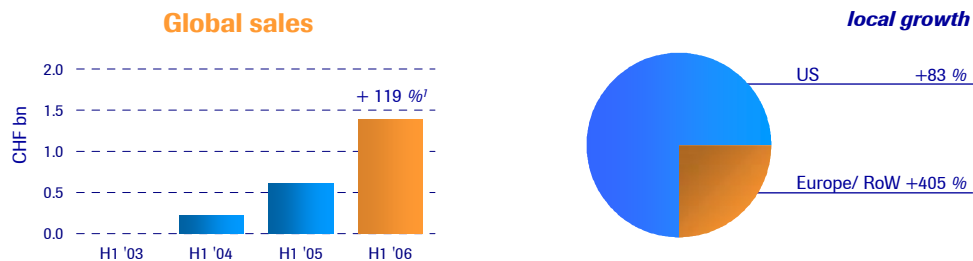
- Sales of CHF 1.8 bn – significant growth in all regions, mainly driven by adjuvant use
- Approved for adjuvant BC in EU in May
 - US filed Q1, priority review granted
 - overall survival benefit shown for HERA (1-yr treatment, ASCO '06)
- Phase III (TAnDEM) data showed that Herceptin added to hormonal therapy prolongs progression-free survival for patients with HER2-pos/ ER-pos mBC
 - plan to present and file data in H2 '06

¹ local growth

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Avastin

Filed in mBC (US, EU) and NSCLC (US)



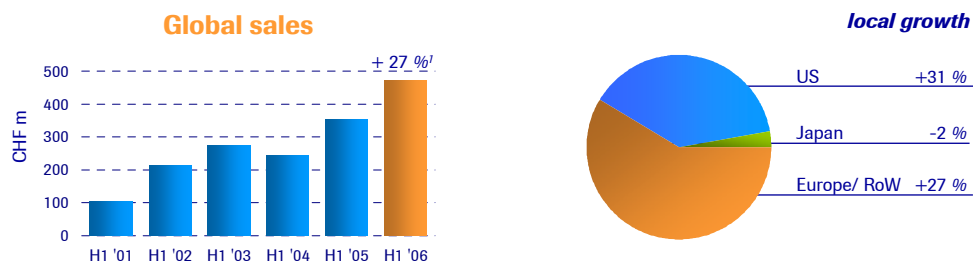
- Sales of CHF 1.4 bn – continued strong US growth and further rollout in Europe
- Data from over 4,000 patients enrolled in EAPs confirmed benefits and safety (ASCO '06)
- AVANT (adjuvant CC): recruitment restarted
- US phase III trial in 1st-line advanced pancreatic cancer unlikely to meet primary endpoint
 - Roche trial (AVITA) continues while US study was closed
- Phase III 1st-line RCC data and NO16966 (1st-line mCRC combo) expected this year

¹ local growth

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Xeloda

Increasing use in adjuvant colon cancer main driver



- Sales of CHF 472 m – equal strong performance in US and EU
- ML17032 in gastric cancer and REAL-2 oesophago-gastric cancer met primary endpoints
 - data presented at ASCO '06, filing for gastric cancer in H2 '06
- Filing of 1st-line mCRC combo Avastin (NO 16966) on track for H2 '06
- Recruitment in phase III adj BC completed

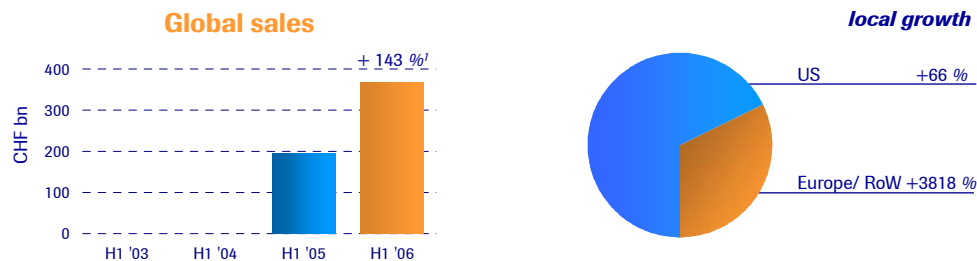
¹ local growth

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Tarceva

Very successful initial rollout in Europe



- Sales of CHF 367 m – already one third of sales coming from Europe
- Pancreatic cancer under regulatory review in EU
- Filed for advanced NSCLC in Japan
- Phase II data in 2nd-line NSCLC combo Avastin presented at ASCO '06:
 - A+T or A+chemo (docetaxel or perimetrexed) improve progression-free survival when compared with standard chemotherapy alone

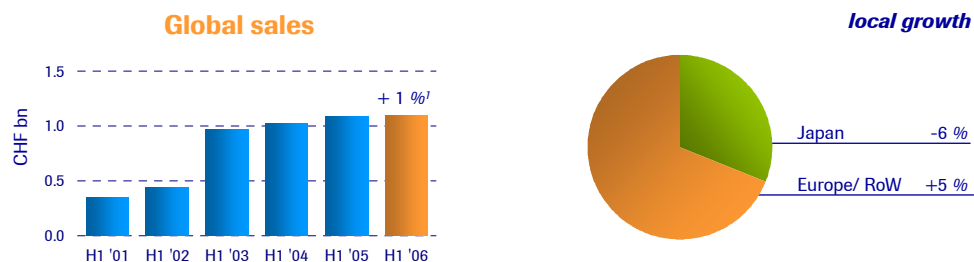
¹ local growth

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Anemia franchise

First filings for Mircera



- Sales of NeoRecormon/ Epogin of CHF 1.1 bn
- NeoRecormon growing in renal (+4 %¹) and oncology (+8 %¹)
- Mircera (C.E.R.A.): phase III anemia correction trials also met primary endpoint
 - filed for renal anemia in the US and EU
 - phase III maintenance trials presented at ERA-EDTA '06
 - dialysis patients treated with frequently administered epoetin were switched to once-monthly Mircera, maintaining stable Hb levels
 - dose-optimization study in oncology started

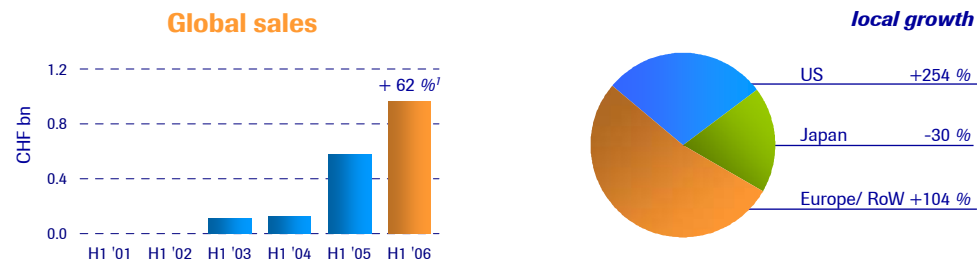
¹ local growth

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Tamiflu



Sales mainly coming from Governments & Corporations



- Sales of CHF 961 m – 56 % Government sales, mainly US
- Japan: base effect due to strong Q1 '05 and Q4 '05
- Estimated Government sales of CHF 1.2 - 1.3 bn in 2006

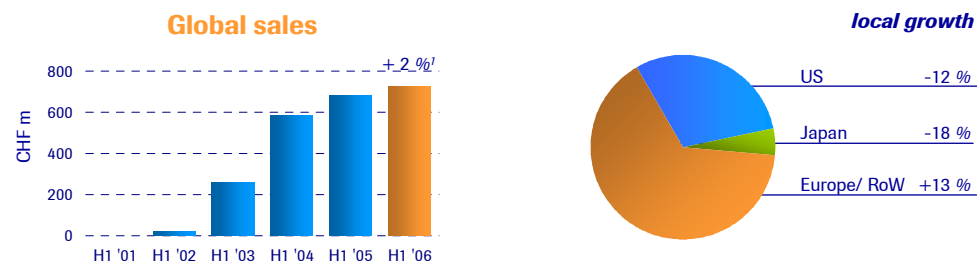
¹ local growth

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Pegasys



~ 60 % market share in US, but market growth is a challenge



- Sales of CHF 724 m – growing predominantly in RoW
- Overall market: Further decline in the US (-11 %), low growth in top 5 EU (+2 %)²
- Stable market shares in Europe and US – global market share 52 %
- NICE approval received for Pegasys in Hep B
- Japan: awaiting approval of combination with Copegus

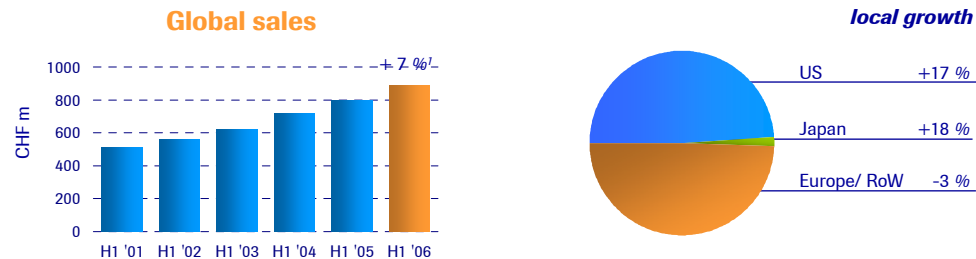
¹ local growth

² IMS YTD April 06

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CellCept

The leading immunosuppressant in transplantation



- Sales of CHF 891 m – Q1 '06 global MPA market share around 95 %, confirmed by recent Rx trends
- US growth comparison distorted by base effect
- EU/ RoW sales affected by wholesaler destocking in some countries in anticipation of mandatory price decreases, generics in some Latin American countries
- Completion of phase III (induction) in lupus nephritis early 2007 (Aspreva)
 - filing remains on track for 2007

¹ local growth

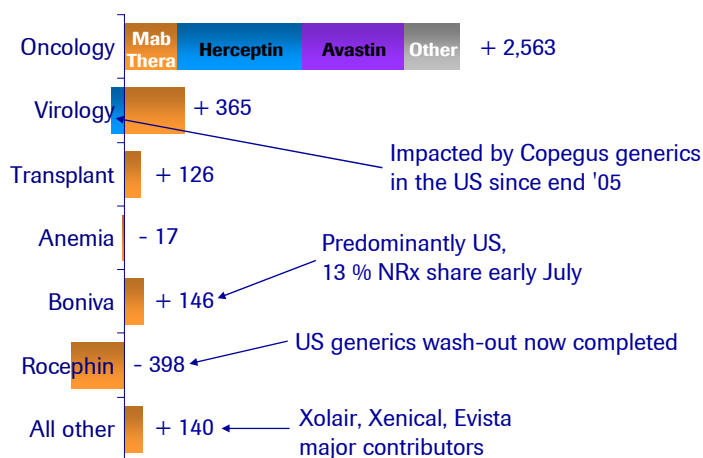
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Three billion CHF additional sales during six months

Oncology products, Tamiflu and Boniva major contributors



H1 '06 incremental contributions (CHF m)



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Product performance

Pipeline and outlook

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H1 '06: Progress report on a leading late stage pipeline



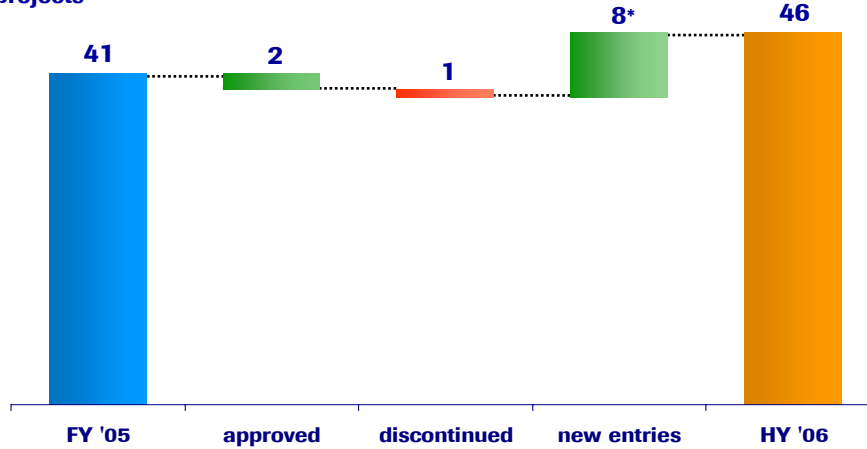
| | Phase III results | Status |
|---|---|---------------------------------|
| ✓ | Mircera – renal anemia in dialysis patients (AMICUS) | Filed EU and US April '06 |
| ✓ | Mircera – renal anemia in pre-dialysis patients (ARCTOS) | Filed EU and US April '06 |
| ✓ | Xeloda – gastric Ca (ML17032) | Filing H2' 06 |
| ✓ | Xeloda – oesophagogastric Ca (REAL2) | Filing H2' 06 |
| ✓ | Actemra – RA (Japanese S&S) | Filed Jp April '06 |
| ✓ | Herceptin – mBC combo hormonal (TAnDEM) | Filing EU H2' 06 |
| ✓ | Herceptin – adjuvant BC (HERA FU) | Approved EU H1'06 |
| ✓ | MabThera – RA TNF IR (REFLEX FU) | Approved EU and US H1 '06 |
| - | Avastin – pancreatic Ca (CALGB 80303) | AVITA continues, Filing EU '08 |
| ✗ | Bondronat – Metastatic Bone Pain | Stopped due to slow recruitment |

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An industry leading late stage pipeline Again strengthened



Phase III/ filed projects



* Including one project previously combined and now listed as two single indications

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H1 '06: Progress report on early stage pipeline



Major additions to support growth beyond 2010/ 2015

| Phase II results | Status |
|---|---|
| ✓ Ocrelizumab – RA (Action) | Phase III to start soon |
| ✓ Avastin + Tarceva – NSCLC 2nd line | Phase III ongoing |
| ✓ R1658 – dyslipidemia (efficacy) | Safety phase II trial ongoing |
| ✓ Ipsen BIM 51077 – T2D | Opted in, phase II (sustained release formulation) to start early '07 |
| ✗ Insulin sensitizer – T2D | Discontinued |

| Phase I progress | |
|---|---|
| 5 new entries (moved from phase 0 or newly entered) | R1664 – dyslipidemia R1450 – Alzheimer's R1507 – solid tumors Trastuzumab DM1 (GNE) – mBC R3477 (S1P1, Actelion) ¹ – autoimmune diseases |
| 2 moved forward to phase II | Topical VEGF (GNE) – diabetic foot ulcers Opt-in (ARQ 501) – solid tumors |
| 3 terminated | Raptiva (GNE) – adult atopic dermatitis CHC 12103 (CHU) – solid tumors R1550 (Antisoma) – mBC |

¹ partnered in July '06

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Our objectives for 2006 - Pharmaceuticals

Announced for 2006

| Major clinical data | Compound | Phase | Indication | Data | Status H1 |
|---------------------|-------------------|-------|-----------------------------------|---------|-----------|
| | Mircera (CERA) | III | Renal anemia (correction) | Final | ✓ |
| | CellCept | III | Lupus nephritis (Induction phase) | Final | |
| | Herceptin | III | mBC combo hormonal (TAnDEM) | Final | ✓ |
| | Xeloda | III | mCRC 2nd line | Final | |
| | Avastin | III | NSCLC 1st line (AVAIL) | Interim | ✓ |
| | Avastin / Xeloda | III | mCRC 1st line combo extension | Final | |
| | R1658 | II | Dyslipidemia | Final | ✓ |
| | R873 | IIa | MED | Final | |
| | Avastin / Tarceva | II | NSCLC 2nd line | Final | ✓ |
| R1594 | II | RA | Final | ✓ | |

| Filings | Compound | Indication | Status H1 |
|---------|---------------------|-------------------------|-----------|
| | Mircera (CERA) | Renal anemia | ✓ |
| | Avastin | NSCLC 1st line | ✓ (US) |
| | Avastin | mBC 1st line | ✓ |
| | Avastin/ Xeloda | mCRC 1st line extension | |
| | Herceptin | Adjuvant BC | ✓ |
| | Herceptin | mBC combo hormonal | |
| Xeloda | mCRC 1st line combo | | |

Divisional sales growth

Double-digit growth in local currencies

barring unforeseen events

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Diagnosics Division

Severin Schwan

CEO Division Roche Diagnostics



H1 '06: Diagnostics highlights



- Sales rose 4 % in local currencies, 8 % in CHF (Q2 '06: +5 %¹)
- Rejuvenated Accu-Chek portfolio rollout complete, market share erosion in US halted
- Immunochemistry continued double-digit growth
- cobas 6000 analyzer series launched in Europe, on-track for US launch
- CoaguChek XS & XS Plus driving above-market growth in patient coagulation monitoring

¹ local currencies

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H1 '06: Sales by Business Area



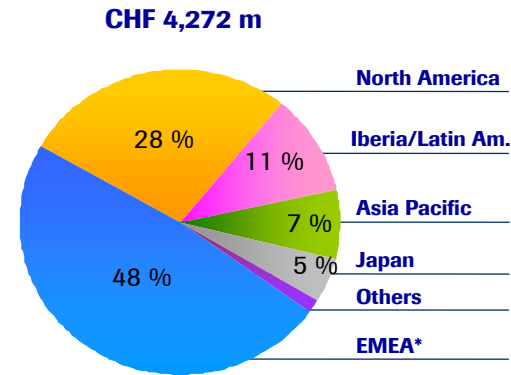
Regaining growth momentum

| CHF m | H1 '05 | H1 '06 | % change in | |
|--------------------------|--------------|--------------|-------------|------------|
| | | | local | CHF |
| Diabetes Care | 1,373 | 1,428 | 1 % | 4 % |
| Molecular Diagnostics | 556 | 609 | 6 % | 10 % |
| Centralized Diagnostics | 1,429 | 1,535 | 4 % | 7 % |
| Near Patient Testing | 341 | 393 | 11 % | 15 % |
| Applied Science | 271 | 307 | 10 % | 13 % |
| Roche Diagnostics | 3,970 | 4,272 | 4 % | 8 % |

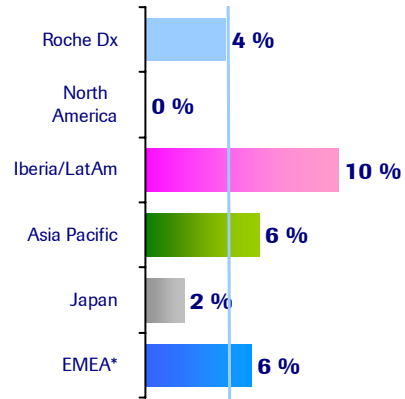
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H1 '06: Sales by Region

Strong sales growth globally, North America stable



local sales growth



* Europe, Middle East, and Africa

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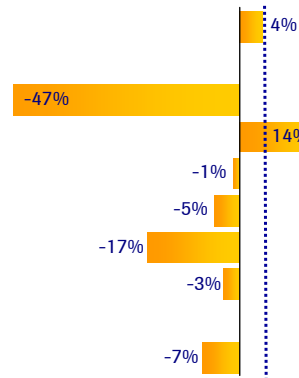
H1 '06: Cost base controlled

COGS driven up by instrument placements



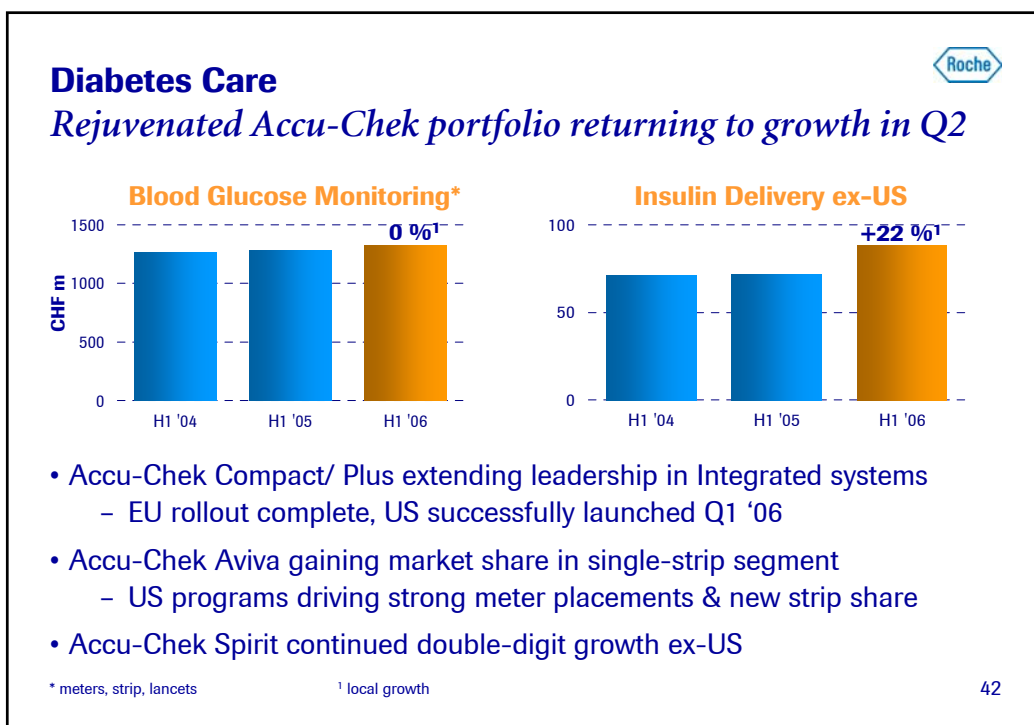
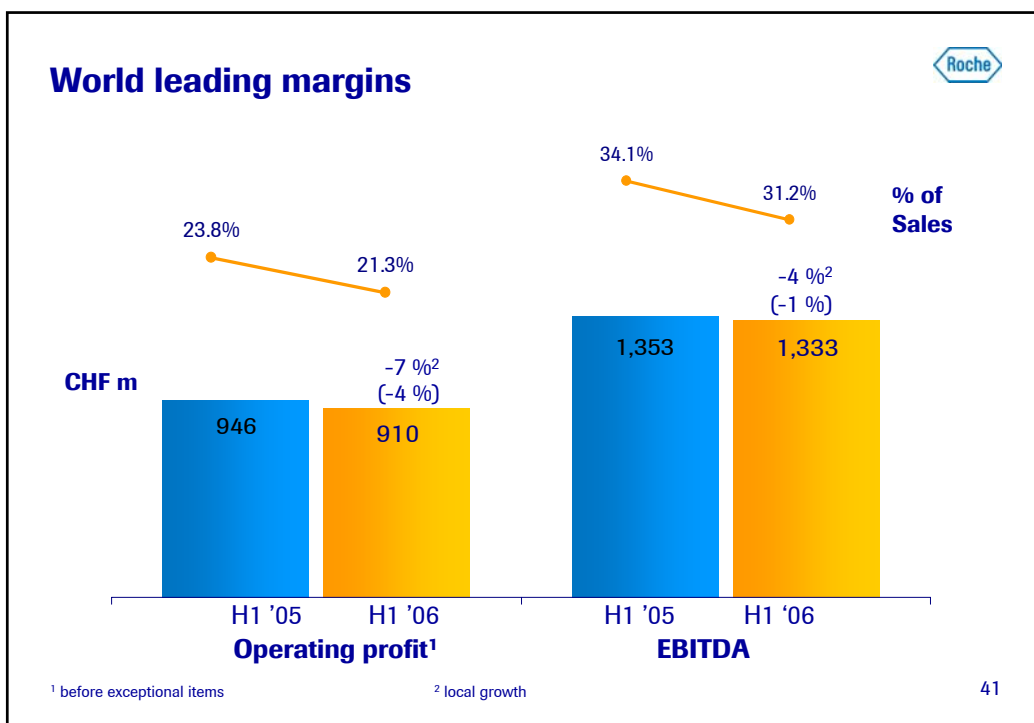
| | H1 '06 | | |
|--|---------------|--------------|-------------|
| | CHF m | % sales | |
| Sales | 4,272 | 100.0 | +302 |
| Royalties & other op inc | 91 | 2.1 | -77 |
| Cost of sales | -1,774 | -41.4 | -274 |
| M & D | -1,021 | -23.9 | -23 |
| R & D | -327 | -7.7 | +9 |
| G & A | -165 | -3.9 | +27 |
| Amortisation/imp IA² | -166 | -3.9 | 0 |
| Operating profit¹ | 910 | 21.3 | -36 |

H1 '06 vs. H1 '05 local growth



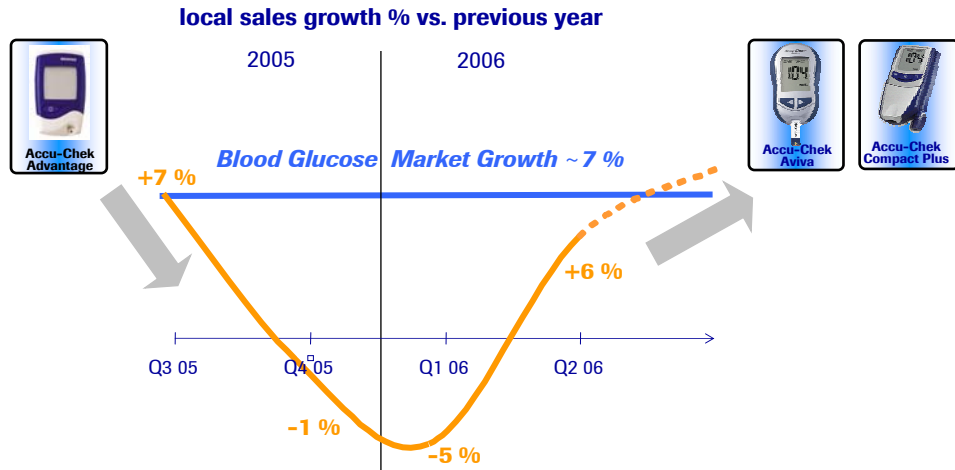
¹ before exceptional items ² Intangible assets

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Renewed Accu-Chek Portfolio

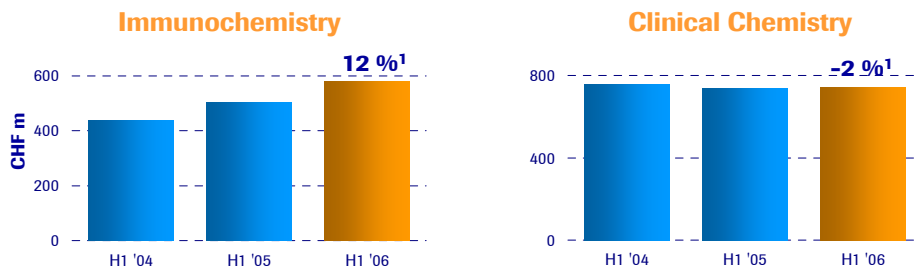
Driving positive quarterly growth development



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Centralized Diagnostics

Immunochemistry continues strong growth

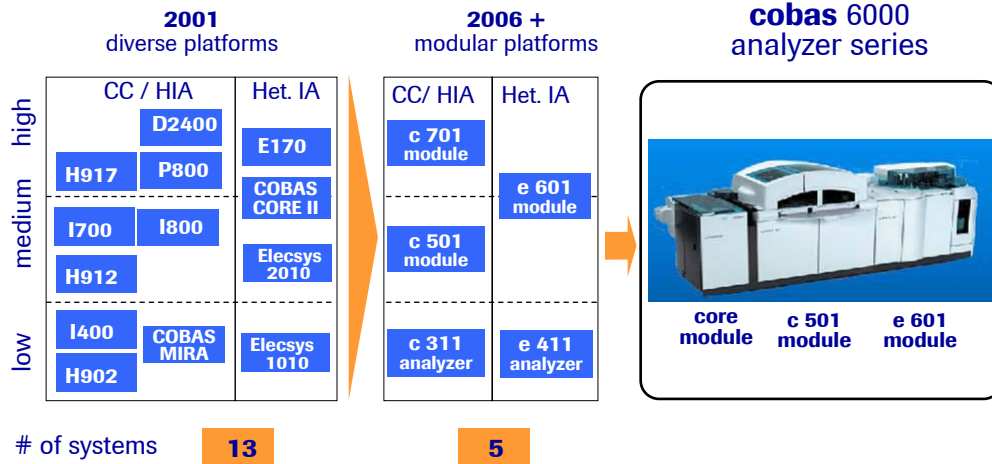


- Strong instrument placements and indication marketing approach driving Immunochemistry growth
- Pricing pressure in US, Germany continue to impact clinical chemistry
- cobas 6000 analyzer series launched in June in Europe
 - on track for Q3 '06 launch in US

¹ local growth

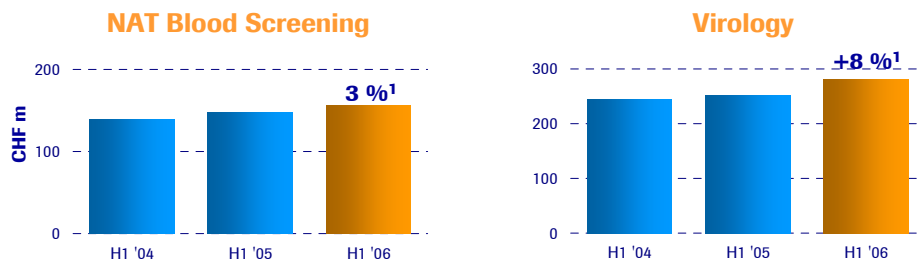
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cobas 6000 analyzer series: Next generation modular systems 
Consolidating platforms and combining CC & IC



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Molecular Diagnostics 
Virology regained growth momentum



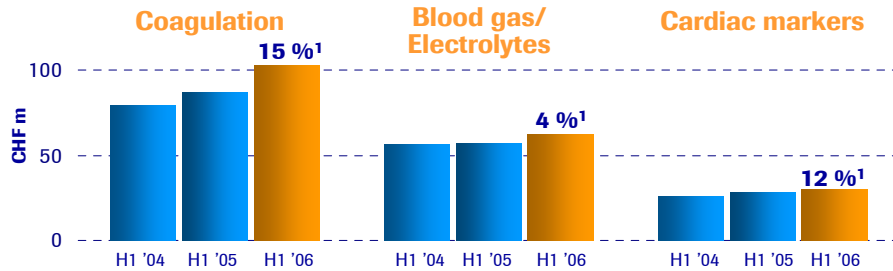
- EU rollout started for multiplex HIV/ HCV/ HBV test on modular, automated cobas s 201 system
 - BLA filing (FDA) for cobas s 201 and multiplex test on-track H2 '06
 - evaluation started of cobas s 401 in Japan (fully integrated system)
- Amplicor HPV Test FDA filing planned early '07

¹ local growth

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Near Patient Testing

New products providing growth



- Strong market acceptance of CoaguChek XS & XS Plus for coagulation monitoring
 - US rollout planned 2007
- Rapid market penetration of Cardiac proBNP in EMEA, Latin America and Asia Pacific
 - US rollout planned 2008

¹ local growth

47

Key growth drivers in 2006

Commercialise assets on hand; prepare market for new drivers



| | Key 2005 Launches | Key 2006 Launches* |
|--------------------------------|---|---|
| Diabetes Care | <ul style="list-style-type: none"> •Accu-Chek Aviva •Accu-Chek Compact Plus •Accu-Chek Multiclix •Accu-Chek Spirit •Accu-Chek D-TRONplus | <ul style="list-style-type: none"> •Accu-Chek Go |
| Centralized Diagnostics | | <ul style="list-style-type: none"> •cobas 6000 analyzer series ✓ •cobas 4000 analyzer series •cobas IT 3000 & 5000 |
| Molecular Diagnostics | <ul style="list-style-type: none"> •COBAS AmpliPrep/ COBAS TaqMan •AmpliChip CYP450 Test | <ul style="list-style-type: none"> •cobas s 201 system & MPX Test ✓ •LightCycler SeptiFast Test ✓ |
| Near Patient Testing | <ul style="list-style-type: none"> •Cardiac NT-proBNP •CoaguChek XS | <ul style="list-style-type: none"> •CoaguChek XS Plus ✓ |
| Applied Science | <ul style="list-style-type: none"> •Genome Sequencer 20 •LightCycler 480 instrument | |

Divisional sales growth

Above market growth in local currencies

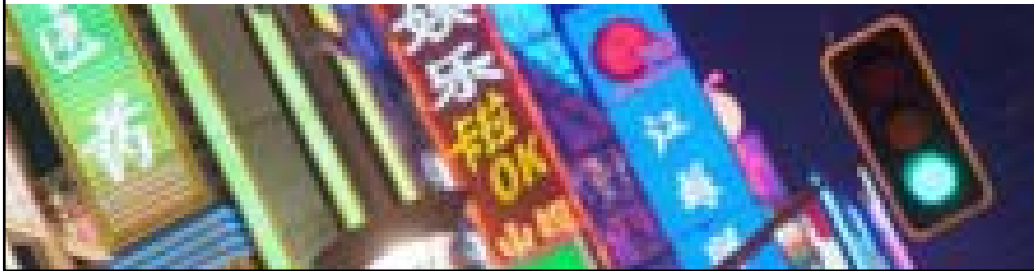
* Subject to appropriate regulatory approvals; US launch may be later

barring unforeseen events

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Group financial results

Erich Hunziker
Chief Financial Officer



H1 '06: Strong operational performance translated into net income

Strong operating result

- Record operating profit¹ of CHF 5.8 bn (+27 %²)
- Positive net financial income increased to CHF 424 m
- Higher tax rate by 3 percentage points – due to higher effective tax rate at Genentech

Improved financial condition

- Increase in net cash and equity ratio

¹ before exceptional items

² in local currencies

H1 '06: Group results



Good sales performance translated into profit increase

| CHF m | | | % change | |
|--|--------|---------------|---------------|------------|
| | 2005 | 2006 | CHF | local |
| Sales | 16,622 | 19,849 | +19 | +16 |
| EBITDA | 5,592 | 7,061 | +26 | +23 |
| <i>% of sales</i> | 33.6 | 35.6 | +2.0 p | |
| Operating profit before exceptional items | 4,454 | 5,805 | +30 | +27 |
| <i>% of sales</i> | 26.8 | 29.2 | +2.4 p | |
| Net financial income | 85 | 424 | +399 | |
| Taxes | -1,066 | -1,701 | +60 | |
| <i>Tax rate in %</i> | 24.3 | 27.3 | +3.0 p | |
| Net income | 3,328 | 4,543 | +37 | |
| <i>% of sales</i> | 20.0 | 22.9 | +2.9 p | |
| EPS diluted (CHF) | 3.36 | 4.58 | +36 | |
| Core EPS (CHF) | 3.80 | 4.90 | +29 | |

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H1 '06: Strongest group operating result



.... while investing in new launches and R&D

| | H1 '06 | | | H1 '06 vs. H1 '05 | |
|--|---------------|--------------|---------------|-------------------|--------|
| | CHF m | % sales | | local | growth |
| Sales | 19,849 | 100.0 | +3,227 | | |
| Royalties & other op inc | 727 | 3.7 | +17 | -2% | |
| Cost of sales | -4,934 | -24.9 | -603 | 9% | |
| M & D | -5,208 | -26.3 | -856 | 16% | |
| R & D | -3,063 | -15.4 | -520 | 17% | |
| G & A | -1,072 | -5.4 | +82 | -10% | |
| Amortisation/imp IA² | -494 | -2.5 | +4 | -3% | |
| Operating profit ¹ | 5,805 | 29.2 | +1,351 | 27% | |

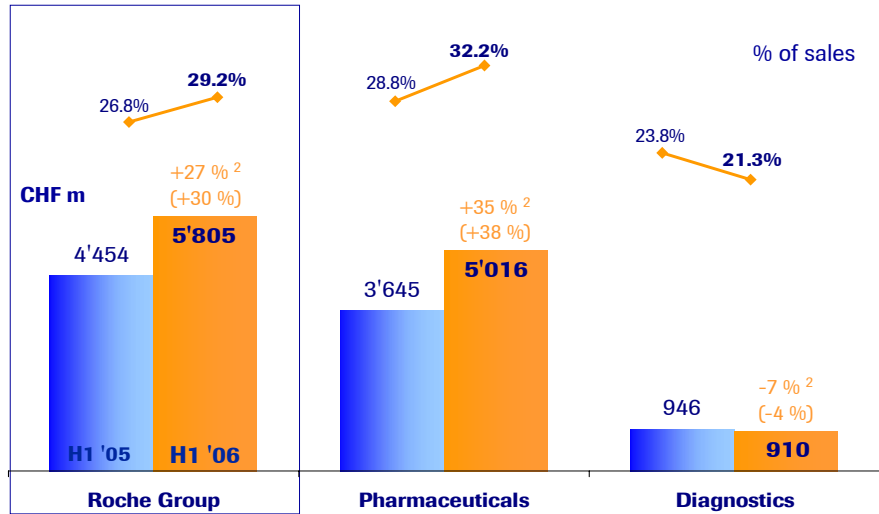
¹ before exceptional items

² Intangible assets

52

H1 '06: Group operating profit¹

Pharma drives margin increase

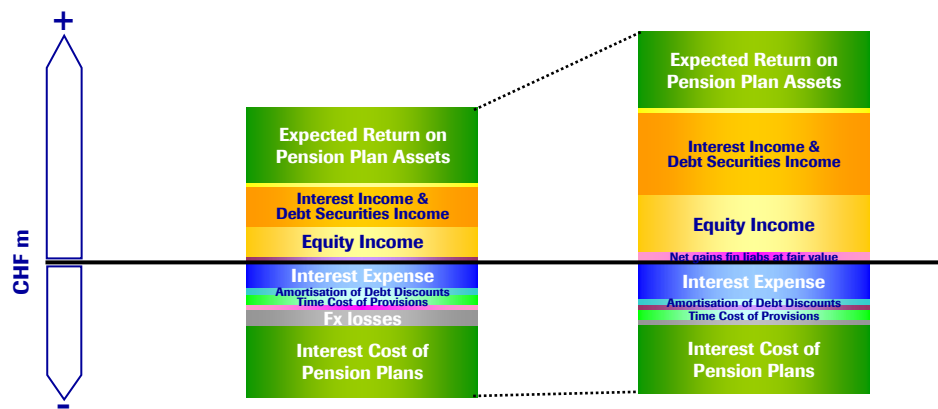


¹ before exceptional items ² local growth

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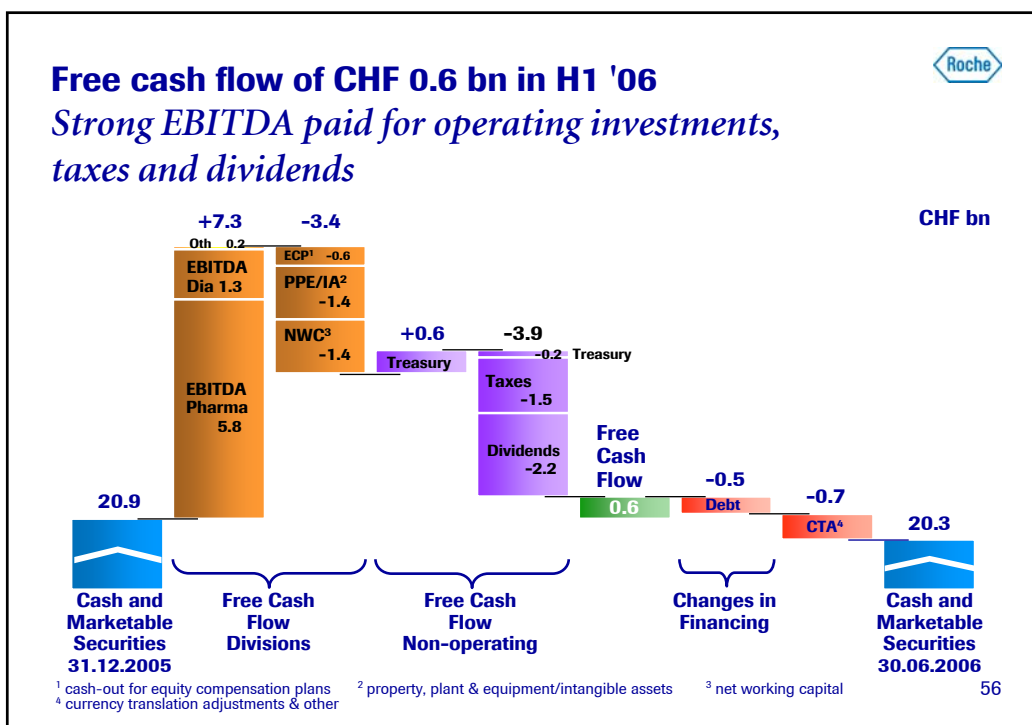
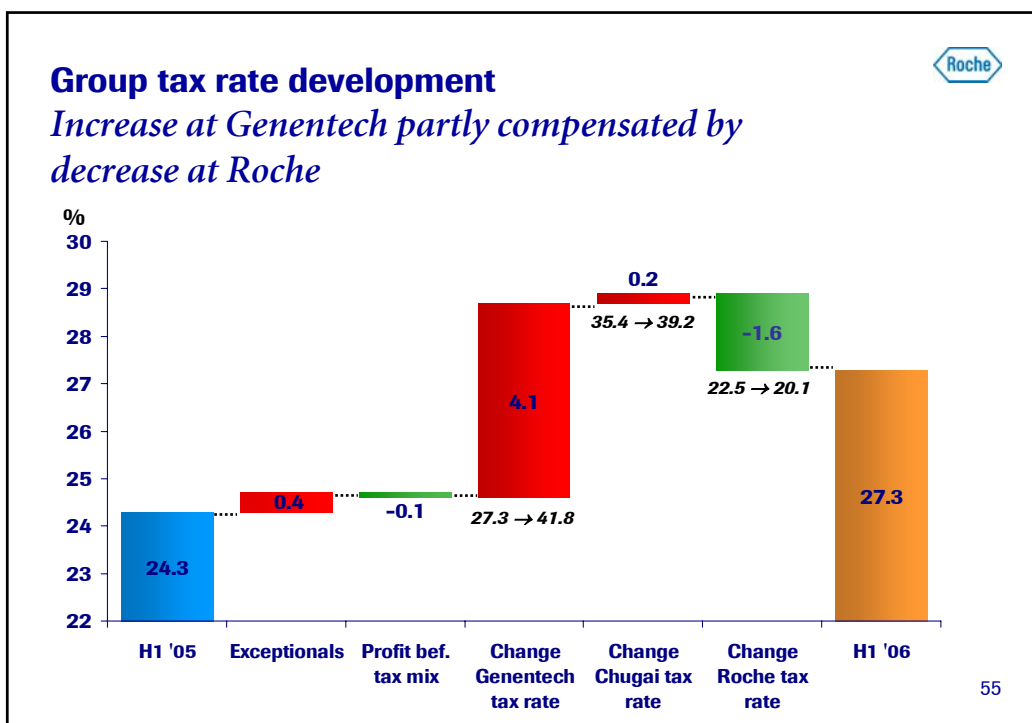
H1 '06: Net financial income

Strong increase due to equity and interest income



| | | |
|------------------------------|-----------|------------|
| Financial income, net | 85 | 424 |
| Treasury management, net | 69 | 390 |
| Pension management, net | 16 | 34 |

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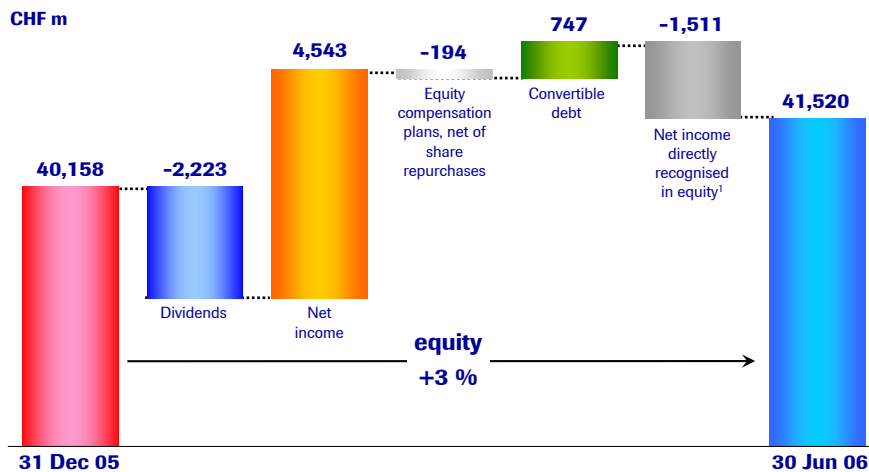
H1 '06: Solid net cash position maintained for future investment



| CHF m | 31 December 2005 | 30 June 2006 |
|-------------------------------------|---------------------|-----------------|
| Cash | 4,228 | 3,543 |
| Marketable securities | 16,657 | 16,786 |
| Liquid funds | 20,885 | 20,329 |
| Long-term debt | -9,322 | -8,020 |
| Short-term debt | -348 | -344 |
| Interest-bearing liabilities | -9,670 | -8,364 |
| Net Cash | 11,215 | 11,965 |

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A solid equity base *Strong and increasing due to net income*

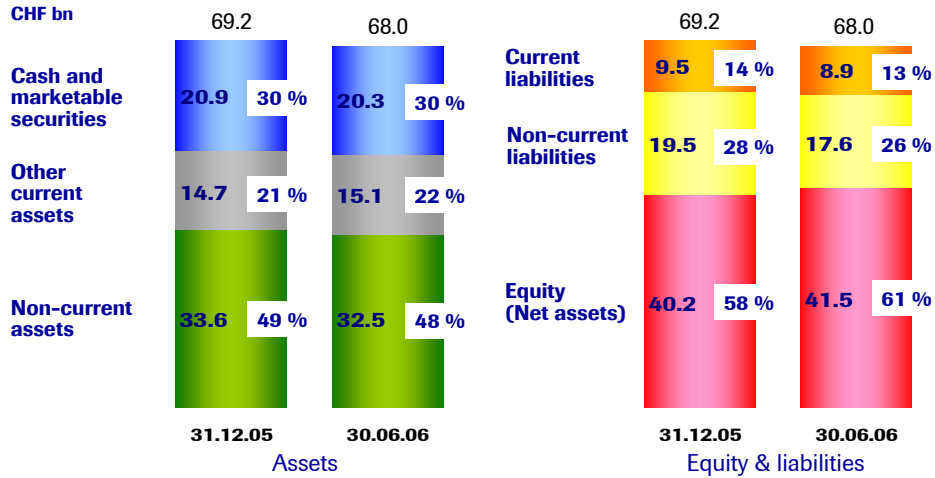


¹ mainly currency translation adjustments

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Balance sheet

87 % of assets financed long-term



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Measuring our progress on Core EPS



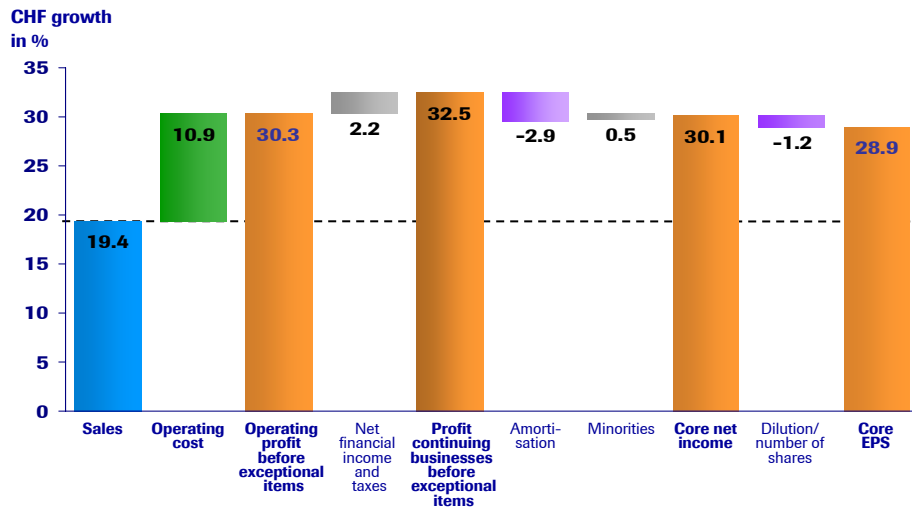
| | Diluted EPS | Core EPS |
|------------------|--|---|
| Earnings | Net income - Minority interest - Dilution ¹ Earnings for diluted EPS | Net income - Minority interest - Discontinued businesses, after tax - Exceptional items, after tax - Intangible asset amortisation, after tax - Minority interest on above - Dilution ¹ Core Net Income |
| Per Share | # of issued shares and NES - Own equity - Dilution ¹ # shares for EPS | # of issued shares and NES - Own equity - Dilution ¹ # of shares for EPS |

¹ Dilution from convertible debt and employee stock options, especially Genentech

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H1 '06: Core EPS growing faster than sales

On track to deliver on full year guidance



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Our growth objectives for 2006

Profitability target again increased



Sales

- Double-digit growth¹ for Group and Pharmaceuticals
- Above market growth for Pharmaceuticals and Diagnostics
- Accelerating growth for Diagnostics

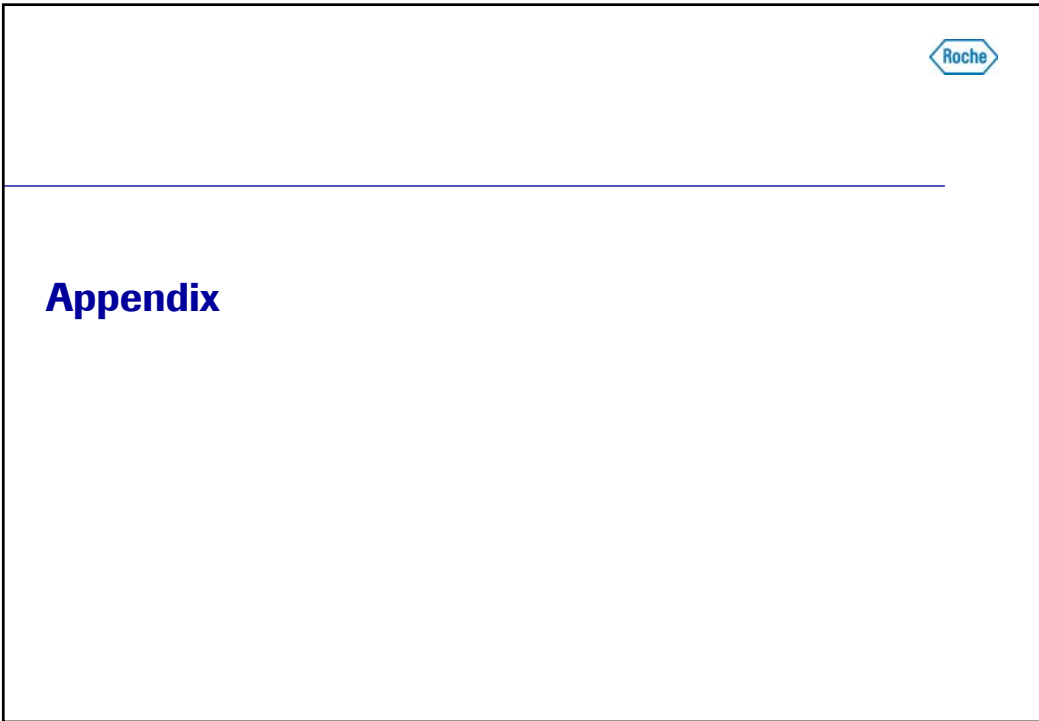
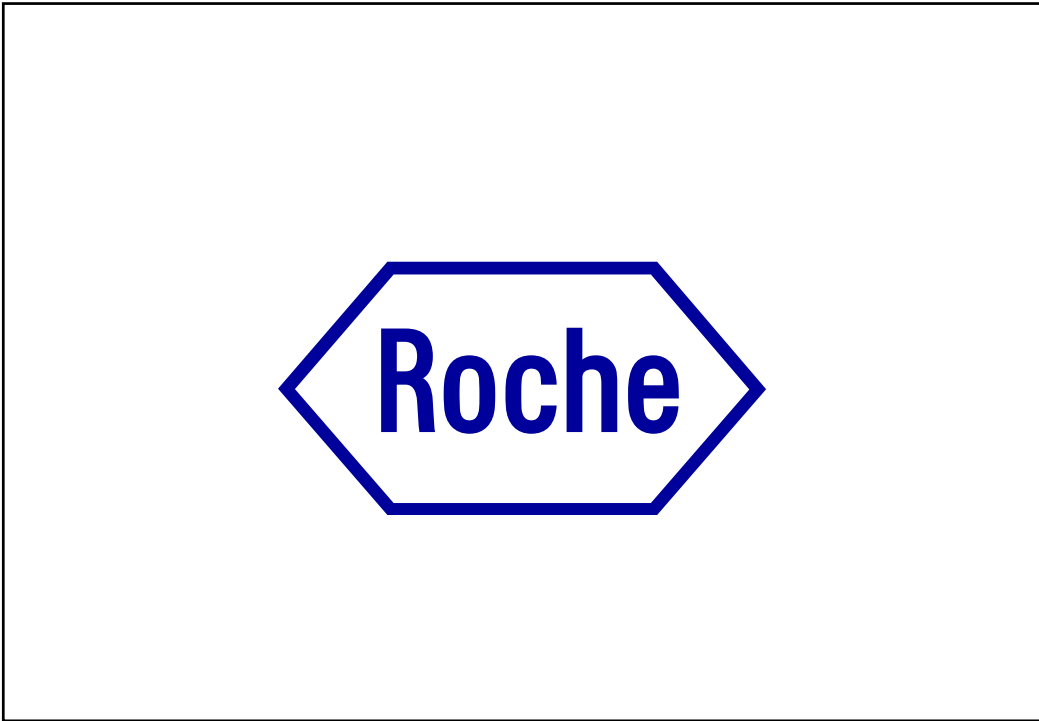
Core EPS target

- Growth above sales growth

¹ in local currencies

barring unforeseen events

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Pharma sales H1 '06 (vs. H1 '05)



Top 20 products

| | Global | | US | | Japan | | Europe/ RoW | |
|-------------------|--------|-------|-------|-------|-------|-------|-------------|-------|
| | CHF m | % loc | CHF m | % loc | CHF m | % loc | CHF m | % loc |
| MabThera/ Rituxan | 2,348 | 16 | 1,309 | 11 | 89 | 1 | 950 | 25 |
| Herceptin | 1,813 | 105 | 775 | 116 | 70 | 30 | 968 | 106 |
| Avastin | 1,389 | 119 | 1,043 | 83 | - | - | 346 | 405 |
| NeoRecorm/ Epogin | 1,100 | 1 | - | - | 342 | -6 | 758 | 5 |
| Tamiflu | 961 | 62 | 276 | 254 | 179 | -30 | 506 | 104 |
| CellCept | 891 | 7 | 436 | 17 | 15 | 18 | 440 | -3 |
| Pegasys | 724 | 2 | 218 | -12 | 33 | -18 | 473 | 13 |
| Xeloda | 472 | 27 | 182 | 31 | 13 | -2 | 277 | 27 |
| Tarceva | 367 | 143 | 249 | 66 | - | - | 118 | 3818 |
| Xenical | 363 | 12 | 62 | 20 | - | - | 301 | 10 |
| Xolair | 257 | 34 | 257 | 34 | - | - | - | - |
| Kytril | 254 | 6 | 100 | 2 | 65 | 8 | 89 | 9 |
| Nutropin | 244 | -1 | 237 | -1 | - | - | 7 | 3 |
| Cymevene/Valcyte | 223 | 16 | 114 | 17 | - | - | 109 | 15 |
| Rocephin | 216 | -66 | 17 | -96 | 29 | -1 | 170 | -17 |
| Pulmozyme | 212 | 9 | 122 | 6 | - | - | 90 | 14 |
| Neutrogen | 188 | 15 | - | - | 188 | 15 | - | - |
| Activase/TNKase | 178 | 20 | 156 | 19 | - | - | 22 | 24 |
| Boniva | 167 | 661 | 147 | 569 | - | - | 20 | - |
| Dilatrend | 159 | -7 | - | - | - | - | 159 | -7 |

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Pharma sales H1 '06 (vs. H1 '05)



Other launches since January 2003¹

| | Global | | US | | Japan | | Europe/ RoW | |
|----------|--------|-------|-------|-------|-------|-------|-------------|-------|
| | CHF m | % loc | CHF m | % loc | CHF m | % loc | CHF m | % loc |
| Fuzeon | 143 | 19 | 69 | 19 | - | - | 74 | 20 |
| Copegus | 117 | -46 | 12 | -89 | - | - | 105 | -11 |
| Evista | 64 | 60 | - | - | 64 | 60 | - | - |
| Raptiva | 62 | 0 | 62 | 0 | - | - | - | - |
| Renagel | 29 | 15 | - | - | 29 | 15 | - | - |
| Lucentis | 13 | - | 13 | - | - | - | - | - |
| Actemra | 2 | - | - | - | 2 | - | - | - |
| Femara | 1 | - | - | - | 1 | - | - | - |

¹ other than launches already covered in Top 20

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Pharma local sales growth¹ in %

Global top 20 products



| | Q3 | Q4 | Q1 | Q2 |
|--------------------|-----|-----|-----|-----|
| MabThera/ Rituxan | 18 | 23 | 16 | 16 |
| Herceptin | 57 | 77 | 107 | 103 |
| Avastin | 107 | 127 | 141 | 102 |
| NeoRecormon/Epogin | 6 | 12 | 3 | 0 |
| Tamiflu | 148 | 631 | 37 | 133 |
| CellCept | 28 | 25 | 15 | -1 |
| Pegasys | 15 | 17 | 2 | 3 |
| Xeloda | 44 | 47 | 35 | 21 |
| Tarceva | - | 722 | 182 | 119 |
| Xenical | 9 | 9 | 16 | 8 |
| Xolair | 51 | 57 | 39 | 30 |
| Kytril | 14 | 5 | 18 | -4 |
| Nutropin | 3 | 4 | -3 | 1 |
| Cymevene/Valcyte | 22 | 23 | 21 | 12 |
| Rocephin | -54 | -55 | -69 | -63 |
| Pulmozyme | 15 | 15 | 14 | 4 |
| Neutrogin | 20 | 18 | 19 | 12 |
| Activase/TNKase | 9 | 23 | 19 | 21 |
| Boniva | - | - | - | 323 |
| Dilatrend | -12 | 3 | -6 | -8 |

¹ Q3 to Q4: 2005 vs. 2004 and Q1 to Q2: 2006 vs. 2005

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Pharma local sales growth¹ in %

Top 20 products by region



| | US | | | | Japan | | | | Europe/ RoW | | | |
|---------------------|-----|-----|-----|-----|-------|-----|-----|-----|-------------|------|-----|------|
| | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 |
| MabThera/ Rituxan | 14 | 20 | 7 | 16 | 1 | 5 | 3 | -1 | 29 | 32 | 30 | 20 |
| Herceptin | 70 | 99 | 123 | 110 | 15 | 26 | 31 | 30 | 51 | 69 | 105 | 107 |
| Avastin | 78 | 88 | 96 | 72 | - | - | - | - | 1755 | 1203 | 654 | 294 |
| NeoRecormon/ Epogin | - | - | - | - | 2 | 7 | -3 | -9 | 9 | 16 | 6 | 5 |
| Tamiflu | 132 | 390 | 414 | 143 | - | 733 | -33 | 367 | 158 | 864 | 88 | 124 |
| CellCept | 52 | 44 | 32 | 6 | 18 | 22 | 15 | 20 | 9 | 9 | 2 | -7 |
| Pegasys | 9 | 14 | -14 | -10 | 4 | 3 | -11 | -24 | 20 | 23 | 12 | 13 |
| Xeloda | 51 | 64 | 40 | 24 | 27 | 20 | 1 | -5 | 41 | 37 | 34 | 20 |
| Tarceva | - | 528 | 95 | 46 | - | - | - | - | - | - | - | 2566 |
| Xenical | 20 | 18 | 24 | 15 | - | - | - | - | 7 | 7 | 14 | 7 |
| Xolair | 51 | 57 | 39 | 30 | - | - | - | - | - | - | - | - |
| Kytril | 20 | -2 | 31 | -20 | 10 | 11 | 6 | 9 | 9 | 9 | 13 | 4 |
| Nutropin | 3 | 4 | -3 | 1 | - | - | - | - | -6 | -5 | 12 | -4 |
| Cymevene/Valcyte | 17 | 14 | 15 | 20 | - | - | - | - | 27 | 36 | 27 | 5 |
| Rocephin | -75 | -81 | -96 | -96 | 17 | 14 | -11 | 8 | -23 | -10 | -24 | -9 |
| Pulmozyme | 17 | 15 | 12 | 0 | - | - | - | - | 11 | 16 | 18 | 10 |
| Neutrogin | - | - | - | - | 20 | 18 | 19 | 12 | - | - | - | - |
| Activase/TNKase | 10 | 25 | 19 | 19 | - | - | - | - | 6 | 6 | 14 | 33 |
| Boniva | - | - | - | 262 | - | - | - | - | - | - | - | - |
| Dilatrend | - | - | - | - | - | - | - | - | -12 | 3 | -6 | -8 |

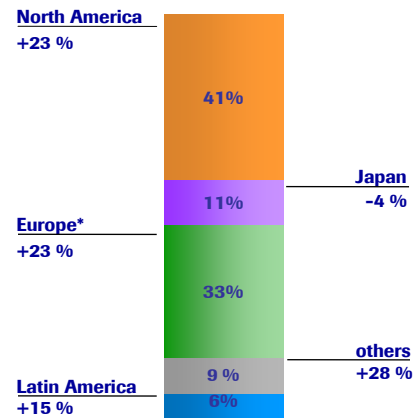
¹ Q3 to Q4: 2005 vs. 2004 and Q1 to Q2: 2006 vs. 2005

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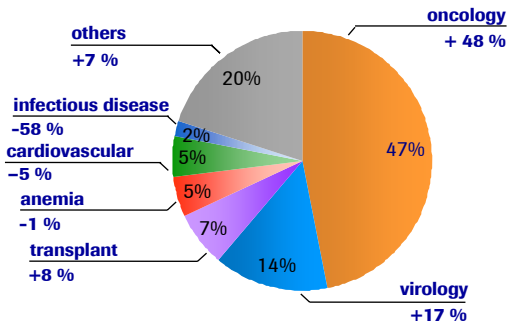
H1 '06: Pharmaceuticals Division

Growth in main regions and therapeutic areas

Geographies



Therapeutic areas



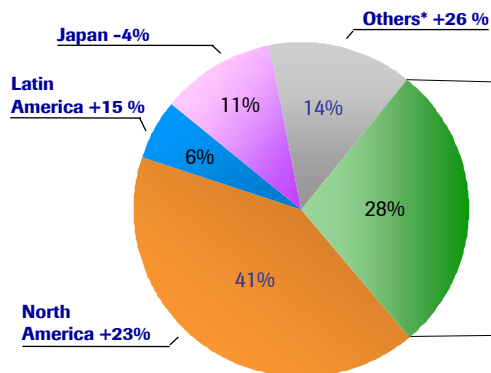
all growth figures are in local currencies * including Eastern Europe

69

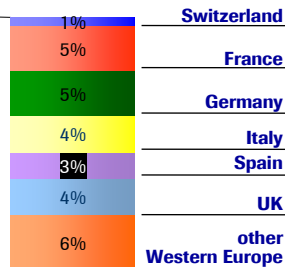
H1 '06: Pharmaceuticals Division

Sales distribution and growth

Geographies



Western Europe



all growth figures are in local currencies * including Eastern Europe

70

H1 '06: 11 approvals in major markets

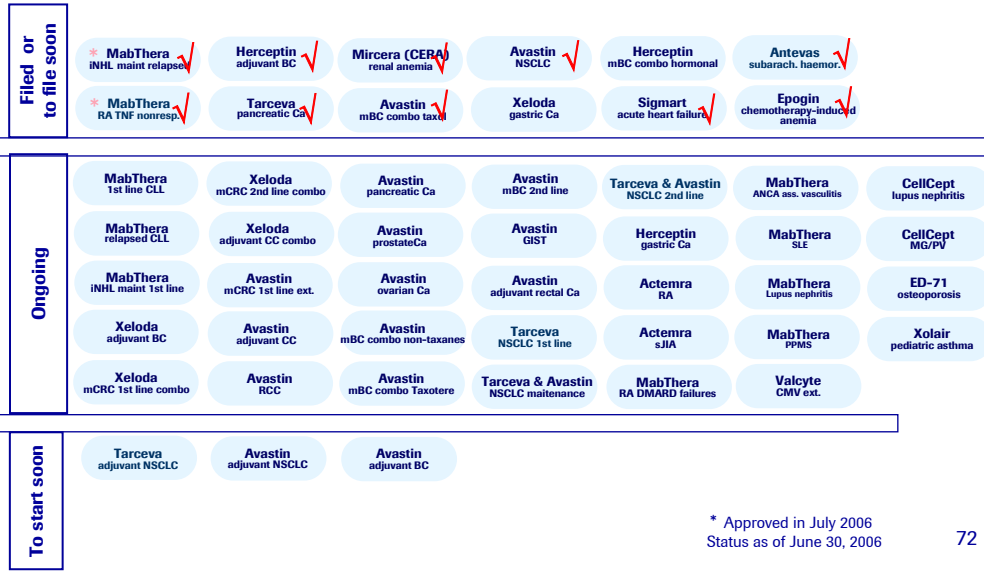
Pharmaceuticals Division



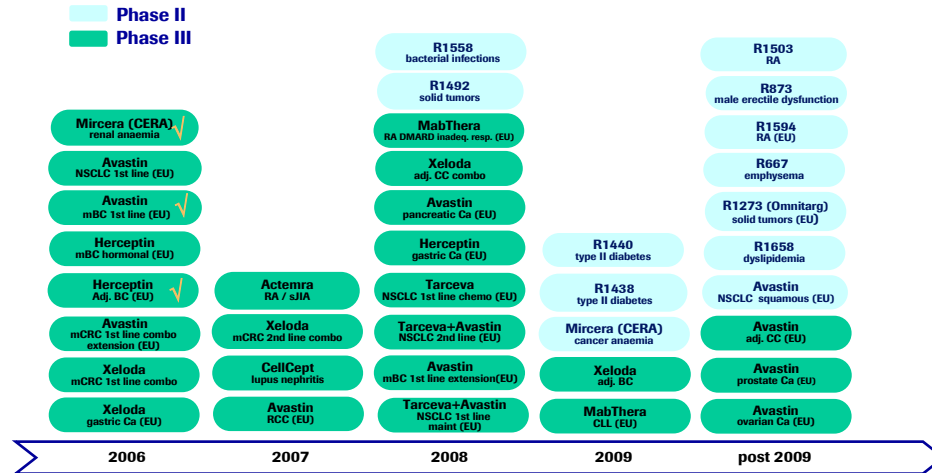
| Product | Indication | Region |
|--------------------|------------------------------|--------|
| Avastin | 2nd line mCRC | US |
| Boniva/ Bonviva iv | Osteoporosis | US, EU |
| Herceptin | Adjuvant BC | EU |
| Femara | BC | Japan |
| Lucentis | AMD | US |
| MabThera/ Rituxan | Rheumatoid arthritis | US, EU |
| MabThera | iNHL maintenance | EU |
| Rituxan | 1st line aNHL | US |
| Tamiflu | Influenza prophylaxis (ped.) | EU |

A rich and low risk Phase III pipeline

Keeping the high level of commitment



Major Roche managed projected submissions over the next years



Status as of June 30, 2006

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Roche R&D pipeline today

Total of 57 NMEs + 55 Additional Indications



| phase 0 (14 NMEs) | phase I (21 NMEs + 3 AIs) | phase II (18 NMEs + 10 AIs) | phase III (2 NMEs + 34 AIs) | Registration (2 NMEs + 8 AIs) |
|--------------------------|------------------------------------|------------------------------------|---------------------------------------|---------------------------------------|
| R1099 osteoarthritis | R1941 IBD | R1588 bacterial infections | R1569 Actemra RA | R744 Mircera renal anaemia |
| R1611 type 2 diabetes | R1295 rheumatoid arthritis | R1063 rheumatoid arthritis | CHU ED-71 osteoporosis | CHU Arteriva subcutaneous haemostasis |
| R1579 type 2 diabetes | R8421 AI / transplant | R1584 rheumatoid arthritis | R1569 Actemra sJIA | R597 Herceptin adj. BC |
| R1646 overactive bladder | R1439 type 2 diabetes | R1440 type 2 diabetes | R89 CellCept lupus nephritis | R105* MabThera RA TNF inhibitor |
| R1683 anticoagulant | R1983 dyslipidemia | R1438 type 2 diabetes | R89 CellCept MS/PS | R105* MabThera RA TNF inhibitor |
| R641 Alzheimer's | R1664 dyslipidemia | R1658 dyslipidemia | R105 MabThera RA DMARD coverage | R435 Avastin NSCLC 1st line |
| R1647 depression | R1450 Alzheimer's | R873 MED | R105 MabThera CLL 1st line | R435 Avastin mBC combo 1st line |
| R1551 schizophrenia | R1678 schizophrenia | R1273 ovarian cancer | R105 MabThera CLL relapsed | R1415 Tarceva pancreatic cancer |
| R7118 schizophrenia | R7090 anxiety | R1492 solid tumors | R105 MabThera NHL maint 1st line | CHU Epoprin cancer anaemia |
| R7159 NHL | R547 solid tumors | R667 emphysema | R1415 Tarceva NSCLC 1st line | CHU Sigmart acute heart failure |
| R1206 HIV | R1454 solid tumors | R411 asthma | R1514/826 T-A NSCLC 2nd line | |
| R7205 HCV | R1507 solid tumors | CHU gastroproliferia | R1514/826 T-A NSCLC 1st line maint | |
| R7128 HCV | R1530 solid tumors | CHU osteoporosis | R340 Xeloda mCRC 1st line combo | |
| CHU solid tumors | R1645 solid tumors | CHU post-hepatectomy | R340 Xeloda mCRC 2nd line combo | |
| | R1656 HCV | GEN diabetic foot ulcers | R340 Xeloda adj. CC combo | |
| | R1626 HCV | ISO renal transplantation | R340 Xeloda adj. BC | |
| | GEN RA / Sjogrens syndrome | IP5* type 2 diabetes | R340 Xeloda gastric Ca | |
| | GEN basal cell carcinoma | ARQ solid tumors | R435 Avastin adj. CC | |
| | GEN cancer | R744 Mircera cancer rel. anaemia | R435 Avastin mBC combo breast 1st | |
| | GEN mBC | R435 Avastin NSCLC squamous | R435 Avastin mBC combo non-breast 1st | |
| | GEN Alzheimer's | GEN Avastin NSCLC mCRIS maint | R435 Avastin pancreatic cancer | |
| | R127 Valganciclovir ulcers, toxics | R1415 Tarceva gastroproliferia | R435 Avastin mBC | |
| | R1594 NHL | R1273 metastatic breast cancer | R435 Avastin prostate cancer | |
| | R35 Docilzumab tumor maint | R35 Docilzumab asthma | R435 Avastin ovarian cancer | |
| | | GEN Lucemta diabetic macular edema | R435 Avastin mCRC 1st line ext. | |
| | | GEN Avastin adj. BC HER2 | R597 Herceptin mBC combo | |
| | | GEN Avastin gastroproliferia | R597 Herceptin gastric cancer | |
| | | GEN MabThera sJIA | R127 Valcyte CMV ext. | |
| | | | GEN Xolair pediatric asthma | |
| | | | GEN Avastin GIST | |
| | | | GEN Avastin adj. rectal cancer | |
| | | | GEN Avastin mBC 2nd line | |
| | | | GEN MabThera Lupus nephritis | |
| | | | GEN MabThera pRMS | |
| | | | GEN MabThera ANCA v. vascul. | |
| | | | GEN MabThera sJIA | |

Status as of June 30, 2006

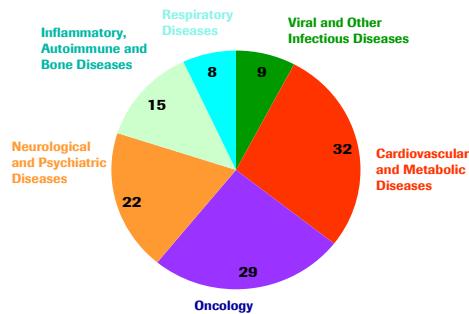
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Roche managed R&D pipeline - overview

Projects by Therapeutic Area

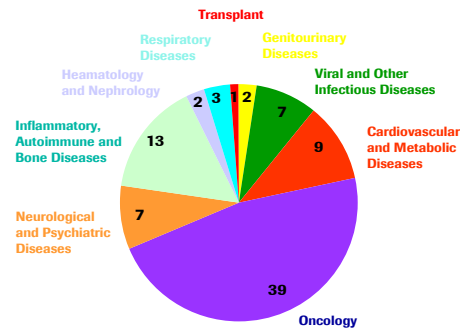


Research



115 projects

Development



83 projects

Status as of June 30, 2006

75

Diagnostics quarterly sales & local growth¹



| | Q2 '05 | | Q3 '05 | | Q4 '05 | | Q1 '06 | | Q2 '06 | |
|-------------------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
| | CHF m | % loc | CHF m | % loc | CHF m | % loc | CHF m | % loc | CHF m | % loc |
| Diabetes Care | 690 | 2% | 713 | 7% | 793 | -1% | 682 | -5% | 746 | 6% |
| Centralized Diagnostics | 746 | 6% | 712 | 5% | 766 | 4% | 760 | 7% | 775 | 2% |
| Molecular Diagnostics | 293 | 3% | 303 | 5% | 312 | 5% | 297 | 7% | 312 | 5% |
| Near Patient Testing | 173 | 3% | 180 | 9% | 204 | 8% | 193 | 9% | 200 | 14% |
| Applied Science | 133 | 0% | 130 | 1% | 160 | 19% | 159 | 10% | 148 | 10% |
| DIA Division | 2,035 | 4% | 2,038 | 6% | 2,235 | 3% | 2,091 | 3% | 2,181 | 5% |

¹ 2005 vs. 2004 for Q1 to Q4 '05, 2006 vs. 2005 for Q1 to Q2 '06

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H1 '06: Diagnostics local sales

By region & Business Area (vs. H1 '05)



| | Global | | Nth Am. | | EMEA | | RoW | |
|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | CHF m | % loc growth | CHF m | % loc growth | CHF m | % loc growth | CHF m | % loc growth |
| Diabetes Care | 1,428 | 1 | 405 | -9 | 794 | 4 | 229 | 7 |
| Molecular Diagnostics | 609 | 6 | 210 | 5 | 198 | 9 | 201 | 5 |
| Centralized Diagnostics | 1,535 | 4 | 290 | -2 | 784 | 5 | 461 | 8 |
| Near Patient Testing | 393 | 11 | 151 | 17 | 168 | 9 | 74 | 7 |
| Applied Science | 307 | 10 | 124 | 11 | 123 | 9 | 60 | 8 |
| Roche Diagnostics | 4,272 | 4 | 1,180 | 0 | 2,067 | 6 | 1,025 | 7 |

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2006: Key planned product launches* (1)



| Product | BA ¹ | Indication | Region |
|------------------------------|-----------------|---|--------|
| ✓ CoaguChek XS Plus | NPT | Handheld system for coagulation monitoring for professional use | Global |
| ✓ LightCycler SeptiFast Test | MD | Blood based test to rapidly detect major bacterial & fungal pathogens causing sepsis | EU |
| ✓ cobas s 201 & MPX Test | MD | Multiplex detection test for screening blood for HIV, HBV & HCV on the automated cobas s 201 system | EU |
| Accu-Chek Go (new) | DC | Successor meter for Accu-Chek Go offering improved features and design | Global |

¹ Business Areas: Applied Science (AS), Near Patient Testing (NPT), Molecular Diagnostics (MD), Diabetes Care (DC)
 * Subject to appropriate regulatory approvals; US launches may be later than indicated

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2006: Key planned product launches* (2)

| Product | BA ¹ | Indication | Region |
|-------------------------------------|-----------------|--|--------|
| ✓ cobas 6000 analyzer series | CD | Next generation modular system consolidating clinical chemistry and immunochemistry testing for medium to large workload laboratories; combines cobas c 501 & cobas e 601 modules | Global |
| cobas 4000 analyzer series | CD | Next generation modular system consolidating clinical chemistry and immunochemistry testing for small to medium workload laboratories; links cobas c 311 & cobas e 411 modules with the PSM data manager | Global |
| cobas c 111 analyzer | CD | Standalone clinical chemistry and electrolyte analyzer for extra-small workload laboratories | Global |
| cobas IT 5000 solution | CD | Lab Information System (LIS) supporting complete IVD testing, from order entry to result reporting | Global |
| cobas IT 3000 solution | CD | Central Lab Data Management System (WAM) consolidating instrument interfacing | Global |

¹ Business Area: Centralized Diagnostics (CD)

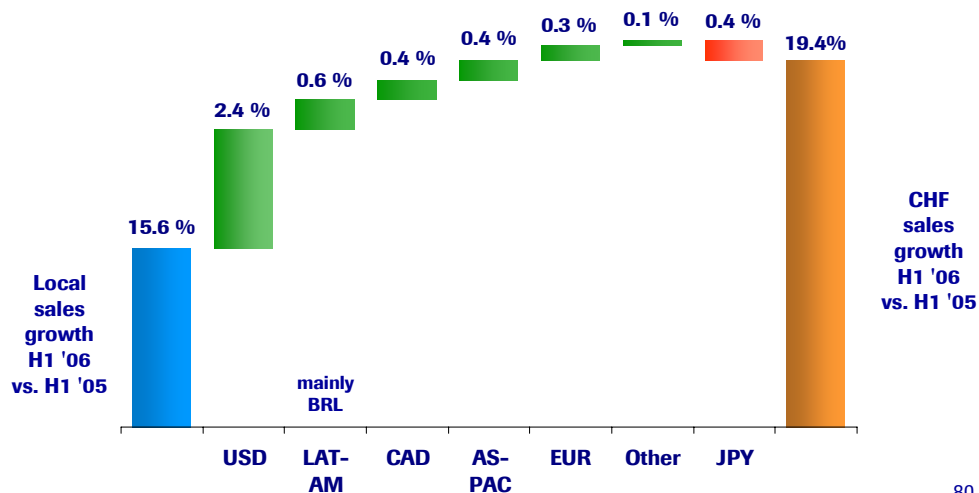
* Subject to appropriate regulatory approvals; US launches may be later than indicated

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Exchange rate impact on sales growth

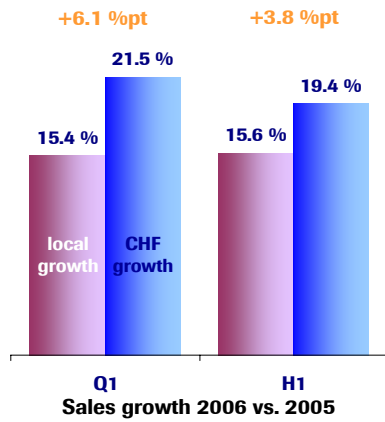
Higher CHF growth rate driven by stronger US\$



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H1 '06: Currency impact USD strengthened

Difference in CHF / local growth



CHF 0.01 change against USD / EURO / JPY effect on

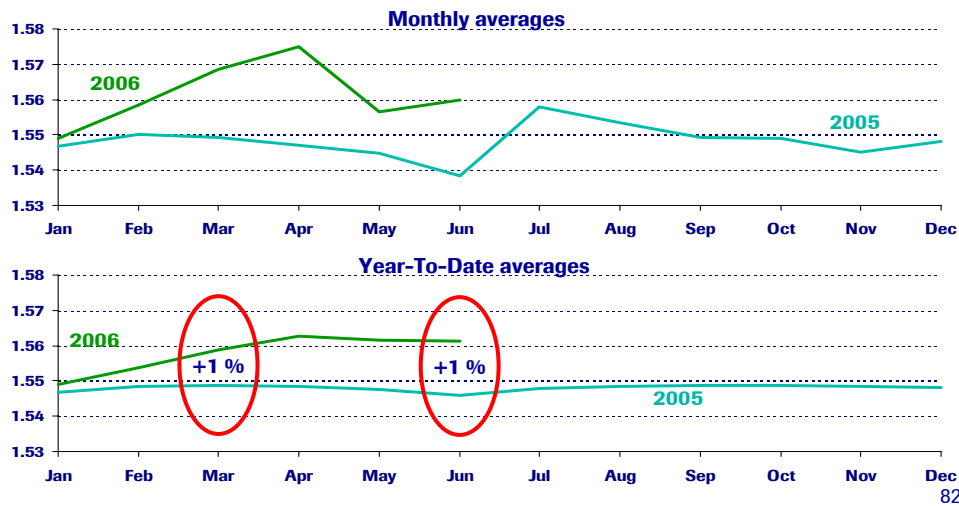
| Sales | Currency | Operating profit ¹ |
|----------|----------|-------------------------------|
| CHF 60 m | USD | CHF 12 m |
| CHF 35 m | EUR | CHF 10 m |
| CHF 17 m | JPY | CHF 3 m |

- USD 1 = CHF 1.27 ± CHF 0.01
- EUR 1 = CHF 1.56 ± CHF 0.01
- JPY 100 = CHF 1.10 ± CHF 0.01

Currency sensitivities (order of magnitude) are based on business / product mix composition of H1 '06 ¹ before exceptional items

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2006 and 2005 CHF / EUR





2006 and 2005 CHF / USD

