

Basel, 22 May 2008

Roche to increase its stake in Chugai from 50.1% to 59.9%

Transaction underlines importance of strategic alliance

Roche announced today that it intends to increase its stake in Chugai from 50.1% to 59.9%. Roche has invited Chugai shareholders to tender their shares at a price of Yen 1,730 per share (so-called "tender offer bid" under Japanese Financial Instruments and Exchange Law). The price reflects an 11.7% premium over Chugai's share price of Yen 1,549 as of the close on May 21, 2008. If the tender offer is successful, the transaction will increase Roche's ownership stake in Chugai from currently 50.1% to 59.9%. The transaction is based on Roche's right to increase its stake to 59.9% at any time after the 5th anniversary of the alliance.

Franz B. Humer, Chairman of the Board of Roche commented: "We intend to increase our stake because we believe in both the long-term potential of the Japanese market and in the strategic importance of this successful partnership. Since our partnership started more than five years ago, our relationship has intensified in all areas to the benefit of both companies."

The alliance between Roche and Chugai was formed in October, 2002, and has resulted in a number of significant achievements. Over the last five years Chugai has launched Avastin (in colorectal cancer), Copegus (in combination with Pegasys for hepatitis C) and Tarceva (lung cancer) as well as significant line extensions for Xeloda (adjuvant colon cancer) and Herceptin (adjuvant breast cancer). Another important milestone was the filing of Actemra (rheumatoid arthritis) in the US and Europe in November 2007. Actemra is the first Chugai medicine that the Roche Group is developing for worldwide commercialization. In Japan, Actemra was launched for the treatment of Castleman's disease in 2005 and recently approved for rheumatoid arthritis.

Furthermore, R7201 (CSG452), one of three early-stage compounds that Roche licensed from Chugai in 2007, started phase I clinical development for type 2 diabetes.

About Chugai

Chugai Pharmaceutical, specialized in prescription pharmaceuticals and based in Tokyo, is one of Japan's leading research-based pharmaceutical companies with strengths in biotechnology products. Since the start of the strategic alliance with Roche in October 2002, Chugai has been actively involved in prescription pharmaceutical R&D activities in Japan and abroad as an important member of the Roche Group. Specifically, Chugai is working to develop innovative products with global applications, focusing on the disease areas of oncology, renal disease, and bone and joint. In Japan, Chugai's research facilities in Gotemba and Kamakura are collaborating to develop new pharmaceuticals and Ukima is conducting research for technology development for industrial production. Overseas, Chugai Pharma USA and Chugai Pharma Europe are engaged in clinical development activities in the United States and Europe. The consolidated sales in 2007 of Chugai totalled 344.8 billion yen and the operating profit was 66.7 billion yen.

About Roche

Headquartered in Basel, Switzerland, Roche is one of the world's leading research-focused healthcare groups in the fields of pharmaceuticals and diagnostics. As the world's biggest biotech company and an innovator of products and services for the early detection, prevention, diagnosis and treatment of diseases, the Group contributes on a broad range of fronts to improving people's health and quality of life. Roche is the world leader in in-vitro diagnostics and drugs for cancer and transplantation, and is a market leader in virology. It is also active in other major therapeutic areas such as autoimmune diseases, inflammatory and metabolic disorders and diseases of the central nervous system. In 2007 sales by the Pharmaceuticals Division totalled 36.8 billion Swiss francs, and the Diagnostics Division posted sales of 9.3 billion francs. Roche has R&D agreements and strategic alliances with numerous partners, including majority ownership interests in Genentech and Chugai, and invested over 8 billion Swiss francs in R&D in 2007. Worldwide, the Group employs about 79,000 people. Additional information is available on the Internet at www.roche.com.

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