

Basel, 27 April 1995

Roche posts another healthy increase in profits in 1994

In a climate of structural change and increasingly intense competition, the Roche Group continued to post good results. Consolidated local-currency sales, which reflect performance in individual Group markets, were up 10 percent for 1994. Owing to the marked appreciation of the Swiss franc against other major currencies, sales, expressed in Swiss francs, rose 3 percent to 14.7 billion. This figure includes sales by the Syntex Corporation starting 1 November 1994. The integration of Syntex is proceeding on schedule.

The divisions contributed to the year's positive sales growth as follows:

	1994	1993	change in %	
	Million Sfr.	Million Sfr	in Sfr.	in local currencies 1)
Pharmaceuticals	8,339	7,810	7	15
Vitamins & fine chemicals	3,204	3,270	- 2	5
Diagnostics	1,591	1,712	- 7	0
Fragrances & flavors	1,525	1,436	6	13
Others	89	87	2	9
Total	14,748	14,315	3	10

1) Effect of high-inflation currencies eliminated

Income from operating activities continued to rise, helped by rigorous cost management as well as positive sales growth. Non-operating results were once more up for the year, contributing to the continued improvement in Group earnings. Despite substantial restructuring charges, consolidated net income rose 15 percent to 2.86 billion Swiss francs.

Capital expenditures totalled 1,355 million Swiss francs, compared with 1,407 million the previous year. Groupwide, 2,332 million Swiss francs were invested in research and development. Pharmaceutical R&D expenditure amounted to 1,988 million Swiss francs or 24 percent of divisional sales. As of 1 January 1995, Roche employed 61,381 staff worldwide compared with a year-earlier figure of 56,082.

The Annual General Meeting of Roche Holding Ltd will take place on 30 May 1995. It will decide on the distribution of a Holding profit amounting to 608 million Swiss francs. This is an increase of 80 million Swiss francs, or 15 percent, over the 1993 figure. The Board of Directors will recommend increasing the dividend per share and non-voting equity security (*Genussschein*) by 15 percent to 55 Swiss francs (1994: 48 Swiss francs).

The terms of Dr Armin M. Kessler and Prof. Charles Weissmann on the Board of Directors will expire with the convening of the Annual General Meeting. As previously reported, Dr Armin M. Kessler has decided not to stand for re-election. The Board will recommend that the Annual General Meeting re-elect Prof. Weissmann and elect Dr Franz B. Humer as a new member of the Board. Dr Humer takes over as head of the pharmaceuticals division on 1 May 1995.

We also wish to note that the shareholders of National Health Laboratories (NHL) are to vote on the proposed merger of NHL with Roche Biomedical Laboratories (RBL) on 28 April 1995. The merger will create the world's largest clinical laboratory network, to be known as Laboratory Corporation of America. Roche will hold a 49.9 percent interest in this new company whose shares will be traded on the New York Stock Exchange.