

## 1. Key Figures

	In millions of CHF		% change		As % of sales	
	2005	2004	In CHF	In local currencies	2005	2004
Sales *	35,511	29,522	+20	+19	100	100
Research and development *	5,705	5,154	+11	+11	16.1	17.5
Operating profit before exceptional items *	9,025	6,766	+33	+33	25.4	22.9
Net income	6,730	7,063	-5		19.0	23.9
Net cash	11,215	3,909	+187			
Equity	41,743	33,283	+25			

	2005	2004	Change
Equity ratio (in %)	60.2	56.9	+6%
Core earnings per share (in CHF)	7.68	5.72	+34%
Dividend per share ** (in CHF)	2.50	2.00	+25%
Number of employees (at 31 Dec. 2005)	68,218	64,594	+3,624

\* Continuing businesses

\*\* Proposed by the Board of Directors

## 2. Consolidated income statement for year ended 31 December 2005 <sup>in millions of CHF</sup>

	Pharmaceuticals	Diagnostics	Corporate	Group
<b>Sales</b>	27,268	8,243	-	<b>35,511</b>
Royalties and other operating income	1,176	271	-	1,447
Cost of sales	(6,071)	(3,233)	-	(9,304)
Marketing and distribution	(7,484)	(2,141)	-	(9,625)
Research and development	(4,986)	(719)	-	(5,705)
General and administration	(1,764)	(399)	(125)	(2,288)
Amortisation and impairment of intangible assets	(676)	(335)	-	(1,011)
<b>Operating profit before exceptional items</b>	<b>7,463</b>	<b>1,687</b>	<b>(125)</b>	<b>9,025</b>
Amortisation of goodwill	-	-	-	-
Major legal cases	(210)	(146)	-	(356)
Changes in Group organisation	-	-	-	-
<b>Operating profit</b>	<b>7,253</b>	<b>1,541</b>	<b>(125)</b>	<b>8,669</b>
Associated companies				1
Financial income				678
Financing costs				(382)
<b>Profit before taxes</b>				<b>8,966</b>
Income taxes				(2,224)
<b>Profit from continuing businesses</b>				<b>6,742</b>
Profit from discontinued businesses				(12)
<b>Net income</b>				<b>6,730</b>
Attributable to				
- Roche shareholders				5,787
- Minority interests				943
<b>Earnings per share and non-voting equity security</b>			Continuing	Group
Basic (CHF)			businesses	
			6.86	6.85
Diluted (CHF)			6.73	6.71

### 3. Consolidated income statement for the year ended 31 December 2004 <sup>in millions of CHF</sup>

	Pharmaceuticals	Diagnostics	Corporate	Group
<b>Sales</b>	21,695	7,827	-	<b>29,522</b>
Royalties and other operating income	1,298	272	-	1,570
Cost of sales	(4,747)	(2,971)	-	(7,718)
Marketing and distribution	(6,313)	(2,025)	-	(8,338)
Research and development	(4,451)	(703)	-	(5,154)
General and administration	(1,329)	(420)	(336)	(2,085)
Amortisation and impairment of intangible assets	(721)	(310)	-	(1,031)
<b>Operating profit before exceptional items</b>	<b>5,432</b>	<b>1,670</b>	<b>(336)</b>	<b>6,766</b>
Amortisation of goodwill	(233)	(339)	-	(572)
Major legal cases	-	-	-	-
Changes in Group organisation	(199)	-	-	(199)
<b>Operating profit</b>	<b>5,000</b>	<b>1,331</b>	<b>(336)</b>	<b>5,995</b>
Associated companies				(43)
Financial income				369
Financing costs				(602)
Exceptional income from bond conversion and redemption				872
<b>Profit before taxes</b>				<b>6,591</b>
Income taxes				(1,865)
<b>Profit from continuing businesses</b>				<b>4,726</b>
Profit from discontinued businesses				2,337
<b>Net income</b>				<b>7,063</b>
Attributable to				
- Roche shareholders				6,606
- Minority interests				457
<b>Earnings per share and non-voting equity security</b>			Continuing	Group
Basic (CHF)			businesses	
			5.12	7.86
Diluted (CHF)			5.06	7.77

The income statement for 2004 has been restated following the changes in IFRS that were adopted effective 1 January 2005.

#### 4. Consolidated balance sheet in millions of CHF

	31 December 2005	31 December 2004
<b>Non-current assets</b>		
Property, plant and equipment	15,097	12,408
Goodwill	6,132	5,532
Intangible assets	6,256	6,340
Investments in associated companies	58	55
Financial long-term assets	2,190	1,227
Other long-term assets	660	484
Deferred income tax assets	1,724	1,144
Post-employment benefit assets	1,622	1,577
<b>Total non-current assets</b>	<b>33,739</b>	<b>28,767</b>
<b>Current assets</b>		
Inventories	5,041	4,614
Accounts receivable	7,698	7,014
Current income tax assets	299	159
Other current assets	1,703	2,007
Receivable from Bayer Group collected on 1 January 2005	-	2,886
Marketable securities	16,657	10,394
Cash and cash equivalents	4,228	2,605
<b>Total current assets</b>	<b>35,626</b>	<b>29,679</b>
<b>Total assets</b>	<b>69,365</b>	<b>58,446</b>
<b>Non-current liabilities</b>		
Long-term debt	(9,322)	(7,077)
Deferred income tax liabilities	(3,518)	(3,564)
Post-employment benefit liabilities	(2,937)	(2,744)
Provisions	(1,547)	(683)
Other non-current liabilities	(806)	(961)
<b>Total non-current liabilities</b>	<b>(18,130)</b>	<b>(15,029)</b>
<b>Current liabilities</b>		
Short-term debt	(348)	(2,013)
Current income tax liabilities	(811)	(947)
Provisions	(833)	(1,223)
Accounts payable	(2,373)	(1,844)
Accrued and other current liabilities	(5,127)	(4,107)
<b>Total current liabilities</b>	<b>(9,492)</b>	<b>(10,134)</b>
<b>Total liabilities</b>	<b>(27,622)</b>	<b>(25,163)</b>
<b>Total net assets</b>	<b>41,743</b>	<b>33,283</b>
<b>Equity</b>		
Capital and reserves attributable to Roche shareholders	34,922	27,998
Equity attributable to minority interests	6,821	5,285
<b>Total equity</b>	<b>41,743</b>	<b>33,283</b>

The balance sheet for 2004 has been restated following the changes in IFRS that were adopted effective 1 January 2005.

## 5. Consolidated cash flow statement in millions of CHF

	Year ended 31 December	
	2005	2004
<b>Cash flows from operating activities</b>		
Cash generated from operations	12,521	9,748
(Increase) decrease in working capital	488	227
Vitamin case payments	(82)	(66)
Major legal cases	(98)	(65)
Payments made for defined benefit post-employment plans	(303)	(653)
Utilisation of restructuring provisions	(119)	(163)
Utilisation of other provisions	(310)	(128)
Other operating cash flows	(125)	(75)
<b>Cash flows from operating activities, before income taxes paid</b>	<b>11,972</b>	<b>8,825</b>
Income taxes paid	(1,997)	(1,490)
<b>Total cash flows from operating activities</b>	<b>9,975</b>	<b>7,335</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3,319)	(2,344)
Purchase of intangible assets	(349)	(191)
Disposal of property, plant and equipment	353	196
Disposal of intangible assets	2	12
Disposal of products	56	431
Acquisitions of subsidiaries and associated companies	(233)	(1,822)
Divestments of discontinued businesses, subsidiaries and associated companies	2,913	696
Interest and dividends received	383	255
Sales of marketable securities	9,859	4,965
Purchases of marketable securities	(15,190)	(4,281)
Other investing cash flows	(161)	64
<b>Total cash flows from investing activities</b>	<b>(5,686)</b>	<b>(2,019)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of long-term debt instruments	2,565	-
Repayment of long-term debt instruments	(1,178)	(3,039)
Increase (decrease) in other long-term debt	(1,083)	(1,156)
Transactions in own equity instruments	779	237
Increase (decrease) in short-term borrowings	(422)	(939)
Interest and dividends paid	(1,983)	(1,971)
Exercises of equity-settled equity compensation plans	1,090	643
Genentech and Chugai share repurchases	(2,511)	(1,699)
Other financing cash flows	(38)	61
<b>Total cash flows from financing activities</b>	<b>(2,781)</b>	<b>(7,863)</b>
Net effect of currency translation on cash and cash equivalents	115	(124)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>1,623</b>	<b>(2,671)</b>
Cash and cash equivalents at 1 January	2,605	5,276
<b>Cash and cash equivalents at 31 December</b>	<b>4,228</b>	<b>2,605</b>

## 6. Group operating results 2005

	Pharmaceuticals (mCHF)	Diagnostics (mCHF)	Corporate (mCHF)	Group (mCHF)
Sales	27,268	8,243	-	35,511
Operating profit before exceptional items	7,463	1,687	(125)	9,025
- margin	27.4	20.5	-	25.4
EBITDA	8,997	2,527	(120)	11,404
- margin	33.0	30.7	-	32.1

## 7. Pharmaceuticals sub-divisional results

	Sales (mCHF)	EBITDA (mCHF)	EBITDA as % of sales	Operating profit before exceptional items (mCHF)	Operating profit before exceptional items as % of sales
2005					
Roche Pharmaceuticals	16,955	5,501	32.4	4,542	26.8
Genentech	6,614	2,522	38.1	2,124	32.1
Chugai	3,699	974	26.3	797	21.5
Pharmaceuticals Division	27,268	8,997	33.0	7,463	27.4
2004					
Roche Pharmaceuticals	13,970	4,544	32.5	3,632	26.0
Genentech	4,522	1,761	38.9	1,313	29.0
Chugai	3,203	633	19.8	487	15.2
Pharmaceuticals Division	21,695	6,938	32.0	5,432	25.0

## 8. Sales January to December 2005 and 2004

January – December	2005	2004	% change	
	CHF m	CHF m	In CHF	In local currencies
Pharmaceuticals Division	27,268	21,695	+26	+25
Roche Pharmaceuticals	16,955	13,970	+21	+20
Genentech	6,614	4,522	+46	+46
Chugai	3,699	3,203	+15	+17
Diagnostics Division	8,243	7,827	+5	+4
Roche Group	35,511	29,522	+20	+19

## 9. Quarterly local sales growth by Division in 2005

	Q1 2005 vs. Q1 2004	Q2 2005 vs. Q2 2004	Q3 2005 vs. Q3 2004	Q4 2005 vs. Q4 2004
Pharmaceuticals Division	+22	+21	+21	+34
Roche Pharmaceuticals	+11	+18	+17	+32
Genentech	+54	+41	+42	+49
Chugai	+32	+8	+7	+22
Diagnostics Division	+4	+4	+6	+3
Roche Group	+17	+17	+17	+26

## 10. Quarterly sales by Division in 2005

CHF millions	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005
Pharmaceuticals Division	5,563	6,155	6,497	6,782	7,834
Roche Pharmaceuticals	3,447	3,859	4,119	4,191	4,786
Genentech	1,235	1,341	1,526	1,765	1,982
Chugai	881	955	852	826	1,066
Diagnostics Division	2,064	1,935	2,035	2,038	2,235
Roche Group	7,627	8,090	8,532	8,820	10,069

11. Top 20 Pharmaceuticals Division product sales<sup>1</sup> and local growth<sup>2</sup> in 2005: US, Japan and Europe/Rest of World

	Total		US		Japan		Europe/RoW	
	CHF m	%	CHF m	%	CHF m	%	CHF m	%
MabThera/Rituxan	4,154	22%	2,397	17%	201	6%	1,556	34%
Neo Recormon/Epogin	2,252	8%	-	-	812	4%	1,440	11%
Herceptin	2,146	48%	931	56%	126	20%	1,089	46%
CellCept	1,705	20%	821	29%	29	22%	855	13%
Avastin	1,665	141%	1,411	108%	-	-	254	1826%
Tamiflu	1,558	370%	393	341%	398	307%	767	431%
Pegasys	1,403	17%	494	7%	90	25%	819	24%
Rocephin	927	-29%	490	-39%	61	18%	376	-19%
Xeloda	796	47%	313	64%	30	30%	453	39%
Xenical	635	5%	99	3%	-	-	536	5%
Kytril	500	9%	203	9%	138	11%	159	8%
Nutropin/Protropin	476	6%	463	6%	-	-	13	-5%
Xolair	408	74%	408	74%	-	-	-	-
Copegus	407	6%	184	-13%	-	-	223	29%
Cymevene/Valcyte	394	19%	202	10%	-	-	192	30%
Pulmozyme	393	15%	232	19%	-	-	161	9%
Tarceva	387	2224%	342	1959%	-	-	45	-
Neutrogen	364	15%	-	-	364	15%	-	-
Dilatrend	326	-11%	-	-	-	-	326	-11%
Activase/TNKase	310	11%	274	13%	-	-	36	0%
New products not covered in Top 20								
Fuzeon	259	53%	133	29%	-	-	126	91%
Raptiva	117	67%	117	67%	-	-	-	-
Evista	104	182%	-	-	104	182%	-	-
Bonviva/Boniva	86	-	82	-	-	-	4	-
Renagel	57	28%	-	-	57	28%	-	-
Actemra	1	-	-	-	1	-	-	-

<sup>1</sup> Roche Pharmaceuticals, Genentech and Chugai combined

<sup>2</sup> versus 2004

## 12. Top 20 Pharmaceuticals Division quarterly local product sales growth<sup>1</sup> in 2005

	Q1 2005 vs. Q1 2004	Q2 2005 vs. Q2 2004	Q3 2005 vs. Q3 2004	Q4 2005 vs. Q4 2004
MabThera/Rituxan	24%	23%	18%	23%
NeoRecormon/Epogin	7%	8%	6%	12%
Herceptin	23%	31%	57%	77%
CellCept	4%	25%	28%	25%
Avastin	476%	112%	107%	127%
Tamiflu	302%	707%	148%	631%
Pegasys	15%	22%	15%	17%
Rocephin	-6%	-5%	-54%	-55%
Xeloda	48%	50%	44%	47%
Xenical	4%	0%	9%	9%
Kytril	0%	18%	14%	5%
Nutropin/Protropin	7%	10%	3%	4%
Xolair	128%	88%	51%	57%
Copegus	5%	15%	9%	-5%
Cymevene/Valcyte	2%	29%	22%	23%
Pulmozyme	10%	20%	15%	15%
Tarceva	-	-	-	722%
Neutrogin	9%	13%	20%	18%
Dilatrend	-19%	-13%	-12%	3%
Activase/TNKase	12%	3%	9%	23%

<sup>1</sup> Roche Pharmaceuticals, Genentech and Chugai combined

### 13. Pharmaceuticals Division quarterly local product sales growth<sup>1</sup> US in 2005

	Q1 2005 vs. Q1 2004	Q2 2005 vs. Q2 2004	Q3 2005 vs. Q3 2004	Q4 2005 vs. Q4 2004
MabThera/Rituxan	19%	16%	14%	20%
NeoRecormon/Epogin	-	-	-	-
Herceptin	19%	29%	70%	99%
CellCept	-8%	33%	52%	44%
Avastin	432%	85%	78%	88%
Tamiflu	-	493%	132%	390%
Pegasys	-9%	19%	9%	14%
Rocephin	1%	5%	-75%	-81%
Xeloda	74%	72%	51%	64%
Xenical	-1%	-14%	20%	18%
Kytril	-9%	33%	20%	-2%
Nutropin/Protropin	7%	10%	3%	4%
Xolair	128%	88%	51%	57%
Copegus	-28%	4%	-2%	-23%
Cymevene/Valcyte	-9%	20%	17%	14%
Pulmozyme	16%	28%	17%	15%
Tarceva	-	-	-	528%
Neutrogin	-	-	-	-
Dilatrend	-	-	-	-
Activase/TNKase	14%	5%	10%	25%

<sup>1</sup> Roche Pharmaceuticals and Genentech combined

#### 14. Pharmaceuticals Division quarterly local product sales growth Japan<sup>1</sup> in 2005

	Q1 2005 vs. Q1 2004	Q2 2005 vs. Q2 2004	Q3 2005 vs. Q3 2004	Q4 2005 vs. Q4 2004
MabThera/Rituxan	7%	11%	1%	5%
NeoRecormon/Epogin	2%	5%	2%	7%
Herceptin	19%	18%	15%	26%
CellCept	20%	26%	18%	22%
Avastin	-	-	-	-
Tamiflu	209%	-	-	733%
Pegasys	135%	33%	4%	3%
Rocephin	33%	13%	17%	14%
Xeloda	41%	38%	27%	20%
Xenical	-	-	-	-
Kytril	14%	10%	10%	11%
Nutropin/Protropin	-	-	-	-
Xolair	-	-	-	-
Copegus	-	-	-	-
Cymevene/Valcyte	-	-	-	-
Pulmozyme	-	-	-	-
Tarceva	-	-	-	-
Neutrogen	9%	13%	20%	18%
Dilatrend	-	-	-	-
Activase/TNKase	-	-	-	-

<sup>1</sup> Chugai

15. Pharmaceuticals Division quarterly local product sales growth Europe/Rest of World<sup>1</sup> in 2005

	Q1 2005 vs. Q1 2004	Q2 2005 vs. Q2 2004	Q3 2005 vs. Q3 2004	Q4 2005 vs. Q4 2004
MabThera/Rituxan	36%	39%	29%	32%
NeoRecormon/Epogin	10%	10%	9%	16%
Herceptin	26%	34%	51%	69%
CellCept	14%	19%	9%	9%
Avastin	-	-	1755%	1203%
Tamiflu	361%	654%	158%	864%
Pegasys	29%	23%	20%	23%
Rocephin	-20%	-22%	-23%	-10%
Xeloda	36%	39%	41%	37%
Xenical	5%	3%	7%	7%
Kytril	4%	10%	9%	9%
Nutropin/Protropin	-5%	-3%	-6%	-5%
Xolair	-	-	-	-
Copegus	61%	29%	22%	11%
Cymevene/Valcyte	19%	39%	27%	36%
Pulmozyme	2%	10%	11%	16%
Tarceva	-	-	-	-
Neutrogen	-	-	-	-
Dilatrend	-19%	-13%	-12%	3%
Activase/TNKase	-3%	-11%	6%	6%

<sup>1</sup> Roche Pharmaceuticals

## 16. Top Pharmaceuticals Division quarterly product sales<sup>1</sup> in 2004 and 2005

CHF millions	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005
MabThera/Rituxan	877	929	1,015	1,057	1,153
NeoRecormon/Epogin	534	516	570	564	602
Herceptin	378	391	460	591	704
CellCept	347	370	430	441	464
Avastin	238	260	347	486	572
Tamiflu	93	424	156	279	699
Pegasys	299	325	355	350	373
Rocephin	321	330	284	152	161
Xeloda	146	165	190	213	228
Xenical	137	147	165	162	161
Kytril	123	105	130	130	135
Nutropin/Protropin	113	110	122	116	128
Xolair	73	81	100	104	123
Copegus	87	104	109	107	87
Cymevene/Valcyte	83	86	99	100	109
Pulmozyme	86	89	97	100	107
Tarceva	17	57	88	101	141
Neutrogen	85	80	89	97	98
Dilatrend	75	83	84	79	80
Activase/TNKase	64	67	72	84	87
<b>New products not covered in Top 20</b>					
Fuzeon	47	50	66	62	81
Raptiva	22	28	31	28	30
Evista	15	16	25	28	35
Bonviva/Boniva	-	-	21	14	51
Renagel	12	11	15	15	16
Actemra	-	-	-	-	1

<sup>1</sup> Roche Pharmaceuticals, Genentech and Chugai combined

## 17. Pharmaceuticals Division quarterly product sales<sup>1</sup> in US in 2004 and 2005

CHF millions	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005
MabThera/Rituxan	514	540	573	612	672
NeoRecormon/Epogin	-	-	-	-	-
Herceptin	149	153	186	271	321
CellCept	157	152	200	225	244
Avastin	230	240	300	409	462
Tamiflu	42	30	44	109	210
Pegasys	110	109	124	124	137
Rocephin	207	208	180	54	48
Xeloda	56	60	71	83	99
Xenical	20	25	24	24	26
Kytril	52	39	54	54	56
Nutropin/Protropin	110	107	119	113	124
Xolair	73	81	100	104	123
Copegus	40	43	53	53	35
Cymevene/Valcyte	47	43	49	53	57
Pulmozyme	51	52	57	60	63
Tarceva	17	56	86	92	108
Neutrogen	-	-	-	-	-
Dilatrend	-	-	-	-	-
Activase/TNKase	56	60	64	73	77
<b>New products not covered in Top 20</b>					
Fuzeon	28	26	29	34	44
Raptiva	22	28	31	28	30
Evista	-	-	-	-	-
Bonviva/Boniva	-	-	21	13	48
Renagel	-	-	-	-	-
Actemra	-	-	-	-	-

<sup>1</sup> Roche Pharmaceuticals and Genentech combined

### 18. Pharmaceuticals Division quarterly product sales<sup>1</sup> in Japan in 2004 and 2005

CHF millions	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005
MabThera/Rituxan	58	40	52	50	59
NeoRecormon/Epogin	220	168	209	203	232
Herceptin	31	25	31	32	38
CellCept	7	6	7	7	9
Avastin	-	-	-	-	-
Tamiflu	15	260	3	2	133
Pegasys	25	19	23	23	25
Rocephin	16	15	15	14	17
Xeloda	8	6	8	8	8
Xenical	-	-	-	-	-
Kytril	37	28	35	35	40
Nutropin/Protropin	-	-	-	-	-
Xolair	-	-	-	-	-
Copegus	-	-	-	-	-
Cymevene/Valcyte	-	-	-	-	-
Pulmozyme	-	-	-	-	-
Tarceva	-	-	-	-	-
Neutrogen	85	80	89	97	98
Dilatrend	-	-	-	-	-
Activase/TNKase	-	-	-	-	-
<b>New products not covered in Top 20</b>					
Fuzeon	-	-	-	-	-
Raptiva	-	-	-	-	-
Evista	15	16	25	28	35
Bonviva/Boniva	-	-	-	-	-
Renagel	12	11	15	15	16
Actemra	-	-	-	-	1

<sup>1</sup> Chugai

19. Pharmaceuticals Division quarterly product sales in Europe/Rest of World<sup>1</sup> in 2004 and 2005

CHF millions	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005
MabThera/Rituxan	305	349	390	395	422
NeoRecormon/Epogin	314	348	361	361	370
Herceptin	198	213	243	288	345
CellCept	183	212	223	209	211
Avastin	8	20	47	77	110
Tamiflu	36	134	109	168	356
Pegasys	164	197	208	203	211
Rocephin	98	107	89	84	96
Xeloda	82	99	111	122	121
Xenical	117	122	141	138	135
Kytril	34	38	41	41	39
Nutropin/Protropin	3	3	3	3	4
Xolair	-	-	-	-	-
Copegus	47	61	56	54	52
Cymevene/Valcyte	36	43	50	47	52
Pulmozyme	35	37	40	40	44
Tarceva	-	1	2	9	33
Neutrogin	-	-	-	-	-
Dilatrend	75	83	84	79	80
Activase/TNKase	8	7	8	11	10
<b>New products not covered in Top 20</b>					
Fuzeon	19	24	37	28	37
Raptiva	-	-	-	-	-
Evista	-	-	-	-	-
Bonviva/Boniva	-	-	-	1	3
Renagel	-	-	-	-	-
Actemra	-	-	-	-	-

<sup>1</sup> Roche Pharmaceuticals