

Basel, 1 February 2006

Roche 2005: Record sales and operating profit

Group

- Roche Group increases its sales by 6 billion Swiss francs to a record high of over 35 billion Swiss francs
- Operating profit margin up 2.5 percentage points to 25.4%
- Net income at virtually the same level as the year before, despite income of 2.3 billion Swiss francs in 2004 from the divested consumer health business
- Group awarded credit ratings of AA+ (Standard & Poor's) and Aa1 (Moody's)
- Roche reselected for inclusion in the Dow Jones Sustainability Indexes
- Board to propose 19th consecutive dividend increase: 25% to 2.50 Swiss francs per share and non-voting equity security

Pharmaceuticals

- Pharmaceutical sales advance 25%, four times the global market growth rate
- Sales of anticancer drugs up 42% to 11 billion Swiss francs, further strengthening Roche's market leadership in oncology
- Tamiflu production expanded significantly to meet huge need for pandemic readiness supplies
- Positive results from phase III clinical trials in rheumatoid arthritis and breast, lung and pancreatic cancers

Diagnostics

- Roche Diagnostics maintains its global market leadership with sales growth of 4%
- Operating profit remains at previous year's record level; margin down slightly from 2004
- Next generation of Accu-Chek diabetes management products launched worldwide

Outlook for 2006

- Above-market sales growth, with double-digit increases for the Roche Group and the Pharmaceuticals Division
- Core earnings per share growth target in line with sales growth

All growth rates are based on local currencies
Operating profit margins are stated before exceptional items

Commenting on the full-year results, Roche Chairman and CEO Franz B. Humer said, “2005 was an excellent year for Roche. The Pharmaceuticals Division achieved its best result ever and Diagnostics showed a solid performance leading to record sales and operating profit on a Group level. Profit from continuing businesses increased by 2 billion Swiss francs or over 40%. Net income reached 6.7 billion Swiss francs nearly compensating last year’s income of 2.3 billion Swiss francs from the divested consumer health business. With the introduction of many novel diagnostics and life saving drugs and a great effort to increase the availability of Tamiflu we have again created sustainable value for physicians and patients. This is also reflected in the confirmation of Roche’s membership in both the FTSE4Good and Dow Jones Sustainability Indexes.”

Roche Group

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.)	68,218	64,594	+3,624

* Continuing businesses

** Proposed by the Board of Directors

Pharmaceutical sales grow four times as fast as the global market

The Roche Group posted very strong operating results in 2005. Group sales increased significantly to 35.5 billion Swiss francs, a gain of 19% in local currencies (20% in Swiss francs and in US dollars). The Pharmaceuticals Division was the key growth driver. Its sales increased four times as fast as the global market average and significantly ahead of the growth rates in North America, Europe and Japan, the division’s three most important markets. In the Diagnostics Division sales in local currencies increased 4%, in line with global market growth.

Operating profit margin up 2.5 percentage points

Strong top-line growth had a very positive impact on the Group's earnings performance in 2005.

Operating profit before exceptional items rose 33% in local currencies to 9 billion Swiss francs, and the corresponding operating profit margin improved substantially, rising 2.5 percentage points to 25.4%.

The excellent sales growth during the year more than offset significantly increased investments in launch and pre-launch activities and in the Group's strong development pipelines. The Group's improved earnings performance primarily reflects the Pharmaceuticals Division's significantly higher operating profit margin. The Diagnostics Division's operating profit before exceptional items decreased 1% in local currencies to 1.7 billion Swiss francs, resulting in a margin decline of 0.8 percentage points to 20.5%. This was primarily due to heavy price pressure in the market, start-up costs for new manufacturing facilities, the many new products launched during the year and higher depreciation from an increased volume of instrument placements.

Group net income at 6.7 billion Swiss francs

The Group's strong profitability is also reflected in other key figures: EBITDA rose 25% in local currencies to 11.4 billion Swiss francs, and cash flows from operating activities before taxes increased to 12.0 billion Swiss francs. Net financial income showed a significant improvement over last year, thanks to the Group's strong positive cash flow and the restructuring of Group debt that has been carried out over recent years. Roche posted a positive financial result for 2005, with net income from financial assets and foreign exchange management exceeding financing costs by about 300 million Swiss francs. At 6.7 billion Swiss francs, Group net income was nearly as high as the year before (7.1 billion Swiss francs), despite income of 2.3 billion Swiss francs from the divested consumer health business in 2004. The Group's return on sales margin was 19%.

Very solid financial position

There was a further significant improvement in the Group's financial position. The ratio of equity to total assets is now 60%, and over 86% of total assets are financed long-term. In late 2005 Standard and Poor's and Moody's awarded Roche credit ratings of AA+ and Aa1, respectively — the second highest ratings assigned by these agencies.

Outlook

Barring unforeseen events, Roche reaffirms its positive outlook for 2006. Sales in both the Pharmaceuticals and the Diagnostics Division are expected to grow ahead of the market in local currencies, and Roche anticipates continued double-digit growth for the Pharmaceuticals Division and the Group as a whole. Sales growth is expected to be stronger in the second half of the year than in the first. Roche's target is for core earnings per share and non-voting equity security to grow in line with

sales, despite significant investments in the launch of new products and of major new indications for established products.

Nineteenth dividend increase in a row

At the Annual General Meeting the Board of Directors will propose a dividend increase of 25% to 2.50 Swiss francs per share and non-voting equity security, the Group’s nineteenth dividend increase in as many years.

Pharmaceuticals Division

Key figures	In millions of CHF	% change in CHF	% change in local currencies	As % of sales
Sales	27,268	+26	+25	100
- Roche Pharmaceuticals	16,955	+21	+20	62
- Genentech	6,614	+46	+46	24
- Chugai	3,699	+15	+17	14
EBITDA	8,997	+30	+29	33.0
Operating profit before exceptional items	7,463	+37	+37	27.4
Research and development	4,986	+12	+12	18.3

Pharmaceuticals Division has its best year ever

In 2005 the Pharmaceuticals Division recorded its best result ever, exceeding the high, above-market growth of the previous year. Sales for the full year rose 25% in local currencies (26% in Swiss francs and 25% in US dollars) to 27.3 billion Swiss francs, four times as fast as the global market. The gains also more than offset the decline of the Group’s former top-selling medicine Rocephin following the expiry of its US patent in July. As in 2004, growth was driven primarily by strong demand for the division’s flagship oncology portfolio, now boosted by the innovative cancer treatments Avastin and Tarceva, and by strong sales of CellCept (transplantation) and Pegasys (hepatitis B and C). The anti-influenza drug Tamiflu, which many governments are stockpiling as part of pandemic readiness programmes, also contributed to growth. The division’s oncology, transplantation and virology franchises significantly outpaced their respective markets.

Operating profit before exceptional items increased again, by 37% to 7.5 billion Swiss francs. The operating profit margin before exceptional items gained 2.4 percentage points, rising from 25.0% in 2004 to 27.4% in 2005. This improvement was achieved despite higher investments in R&D, continued product launch activities and, by comparison with 2004, much lower gains from product divestments. EBITDA totalled 9.0 billion Swiss francs or 33.0% of sales, compared with 32.0% the previous year.

Oncology – strong growth across the entire portfolio

Two thousand and five was an outstanding year for the Roche Group's oncology portfolio. Sales of oncology products grew 42% and now account for 40% of divisional sales. All major brands contributed to this result, which has substantially reinforced the Group's position as the world's leading provider of cancer medications.

Sales of MabThera/Rituxan for the treatment of indolent and aggressive forms of Non-Hodgkin's lymphoma (NHL), were strong throughout the year, driven by a steady rise in prescriptions for both forms of NHL in Europe. In August Genentech and Biogen Idec filed a supplemental application with the US Food and Drug Administration (FDA) for approval of the product for use in untreated patients with intermediate grade or aggressive NHL. A pivotal international phase III clinical trial has shown that two years of maintenance therapy with MabThera/Rituxan dramatically improves the chances of survival of patients suffering from indolent non-Hodgkin's lymphoma, regardless of their initial therapy. Based on these results, Roche filed an application with EU regulators in December to expand the product's indications to include maintenance treatment in patients with indolent NHL.

Sales of Herceptin, the only targeted treatment approved for HER2-positive breast cancer, showed impressive gains in all key markets in 2005. Strong growth in the US and Europe was driven by extensions in treatment duration and increased first-line penetration. Herceptin is also supported by a considerable, and growing, body of clinical data showing that the product offers significant survival benefits in the advanced and early disease settings. As a result of very strong data reported in 2005, Herceptin is already being used and reimbursed in some countries in the adjuvant (early disease) setting in advance of approval.

Following the rollout of Bondronat in major European markets for the prevention of skeletal events in patients with breast cancer and bone metastases, sales increased strongly, by 108% to 79 million Swiss francs.

Avastin, the first anti-angiogenic drug for the treatment of cancer, generated an impressive 1.7 billion Swiss francs in sales in its first full year on the market. Already approved in the US for the treatment of advanced colorectal cancer, Avastin received EU approval for the same indication in January 2005 and has now been launched in key European markets. Sales in the US continue to show rapid growth, while uptake in Europe has also been very strong.

Sales of Xeloda continued their strong upward trend in 2005, with impressive gains in all major markets. Growth has been fuelled by recent US and EU approvals for the use of the product for adjuvant

treatment (after surgery) of colon cancer.

In its first full year on the market, Tarceva, a novel targeted cancer drug with proven survival benefit in advanced non-small cell lung cancer and pancreatic cancer, generated robust sales. Market response to the product has been very positive. Following US approval late in 2004 for second- or third-line treatment of non-small cell lung cancer, the product received EU approval for the same indication in September 2005. It has already been launched in several European countries, with rollouts in further markets scheduled throughout 2006. In November the FDA approved Tarceva for the treatment of advanced pancreatic cancer; a filing for this indication was submitted to EU regulators in October.

Anemia – NeoRecormon holds lead despite pricing pressure

Sales of Roche's NeoRecormon and Chugai's Epogin, for the treatment of anemia, showed healthy growth in 2005. NeoRecormon retained its leadership position in its markets despite sustained pricing pressure, with both indications (cancer-related anemia and renal anemia) contributing to an 11% increase in sales. In the oncology setting NeoRecormon continued its strong market penetration, posting growth of 21%, well ahead of the market (9%), thanks primarily to continued adoption of the convenient once-weekly prefilled syringe formulation. NeoRecormon is now indicated for the treatment of anemia in patients with all solid and lymphoid cancers receiving any form of chemotherapy.

Transplantation – CellCept sales grow in double-digits

The immunosuppressant CellCept posted solid double-digit gains globally and in its key regions, maintaining its leadership of the mycophenolic acid market (with a market share of over 95%) despite the entry of a new competitor. Valcyte, the market leader for prevention of CMV disease, showed consistent growth throughout the year. A solid double-digit gain was recorded for combined sales of Valcyte and Cymevene.

Virology – pandemic planning drives Tamiflu

Combined sales of Pegasys and Copegus showed strong growth in 2005. In particular, higher sales volumes in Europe were driven by market share increases and market expansion as a result of new indications. Significant approvals towards the end of 2004 and early in 2005 have given the Pegasys plus Copegus combination the broadest range of hepatitis C indications of any product or combination, including use in patients co-infected with HIV and in those with normal liver enzyme levels. An application for approval of combined Pegasys and Copegus in hepatitis C by Chugai has been designated for priority review by the Japanese authorities. Pegasys is also approved for the treatment of hepatitis B in over 50 countries worldwide.

Worldwide sales of Tamiflu rose to 1.6 billion Swiss francs, driven by a severe influenza season in Japan early in the year and increased orders for pandemic readiness supplies. Over 60 countries have now placed orders for pandemic stocks of Tamiflu, with some purchasing enough to cover 25–40% of their populations. Roche has agreed to donate over five million packs of Tamiflu to the World Health Organization (WHO): two million packs to be kept in regional stockpiles for use in the event of outbreaks of avian influenza and another three million packs in central storage, reserved for use as a rapid response stockpile to contain an influenza pandemic outbreak. Roche continues to substantially expand its Tamiflu production capacity and will be able to produce over 300 million treatments annually by 2007, using a collaborative network of its own facilities and those of a significant number of independent companies. In October Roche announced its willingness to enter discussions with governments and other manufacturers on the production of Tamiflu for emergency pandemic use. Roche has since signed sublicensing agreements with Shanghai Pharmaceuticals for China and Hetero Drugs in India and is in discussion with twelve additional partners to enhance the Tamiflu production network. At the end of the year and in January 2006, respectively, the US and European authorities approved the product for prevention of influenza in children aged 1–12 years.

Sales of Fuzeon increased 53% to 259 million Swiss francs in 2005, helped by data from major studies showing the added value of Fuzeon when prescribed together with the latest anti-HIV agents. Recent updates to key treatment guidelines also support Fuzeon use in treatment-experienced patients and are expected to drive further uptake of the drug.

Bonviva/Boniva off to a good start

Bonviva/Boniva, the first and only once-monthly oral bisphosphonate approved for the treatment of postmenopausal osteoporosis, was launched by Roche and its copromotion partner GlaxoSmithKline (GSK) in the US in April and in Europe in September. Sales totalled 86 million Swiss francs and are expected to gain further momentum as physicians and patients recognise and prefer the simplicity and convenience of a once-monthly tablet. In January 2006 Bonviva/Boniva Injection became the first intravenous medication to be approved in the US for the treatment of postmenopausal osteoporosis and has been recommended for approval in Europe.

Global sales of Xenical (orlistat) were up 5% in a flat market. In 2005 the product's EU labeling was expanded to include data on the use of the product in obese adolescents. Xenical is thus the first and only weight-loss medication in the United States and Europe with such information in the label. In February the existing agreement with GSK was expanded to include promotion of prescription Xenical in the US by one of GSK's sales forces. In January 2006 an FDA advisory committee recommended approval of an application filed by GSK last June to market low-dose orlistat as an over-the-counter medicine for weight

loss.

Research and development – promising clinical data on CERA and Actemra

At the end of 2005 the Pharmaceuticals Division's R&D pipeline comprised 108 projects, including 59 new molecular entities (NMEs) and 49 additional indications. Fourteen NMEs are currently in phase 0, 21 in phase I, 19 in phase II and five in phase III or filed for regulatory review. In 2005 13 projects entered phase I development, 12 entered phase II and 13 entered phase III. Seven projects moved out of the R&D portfolio following regulatory approvals. Roche Pharmaceuticals currently has 111 projects in preclinical research across seven therapeutic areas and 78 development projects in nine therapeutic areas. In 2005 four Roche-managed R&D projects were discontinued in phase 0 (one of which reverted to the R&D partner); eight were discontinued in phase I (with two reverting to R&D partners and two outlicensed); three were discontinued in phase II (of which one reverted to the partner). There were no discontinuations in phase III.

Recent phase III data have shown that Avastin has significant survival benefit in metastatic non-small cell lung cancer and metastatic breast cancer, increasing the drug's potential to become a mainstay of cancer treatment. Regulatory filings for these new indications are planned for 2006. In addition, Avastin is being studied in phase III trials in the treatment of adjuvant colon cancer, advanced renal cell carcinoma, and pancreatic, prostate and ovarian cancer. It is also being tested in combination with Tarceva in non-small cell lung cancer. Phase III and IV trials with Herceptin are ongoing in the metastatic and adjuvant settings in breast cancer. Data from four large clinical trials in patients with early-stage breast cancer (adjuvant setting) have shown that adding Herceptin to chemotherapy significantly reduces the risk of cancer recurrence in this population. US and EU filings for this indication are planned for the first quarter of 2006.

Clinical development of CERA, the first continuous erythropoietin receptor activator for the treatment of anemia, is progressing on track. The phase III renal programme for this product includes six trials involving over 2,400 patients with chronic kidney disease (both on dialysis and not on dialysis). The first four phase III trials in dialysis patients were successfully completed at the end of 2005. CERA is the only anti-anemia drug ever studied using long dosing intervals (once every four weeks) in all patients for its initial filing. Roche plans to file marketing applications worldwide for CERA in renal anemia in 2006.

In 2005 Roche significantly advanced the development of two medicines with the potential to substantially improve the treatment of rheumatoid arthritis (RA). MabThera/Rituxan is the first selectively targeted B cell therapy to be studied in this disease. The US and EU filings in August and September for the product's first rheumatoid arthritis indication represent a significant milestone. The

filings, based on data from the pivotal REFLEX trial, cover the use of MabThera/Rituxan in patients who have failed to respond adequately to current biologic therapies, the subgroup of RA patients considered to be the most difficult to treat. Positive outcomes have also been seen in a phase IIb clinical trial (DANCER) with patients who had previously failed treatment with one or more disease-modifying antirheumatic drugs (DMARDs).

Development of Actemra (formerly MRA) in RA is progressing well. Phase III data from Japan were presented at the American College of Rheumatology meeting in November. They show that treatment with Actemra significantly reduces the progression of joint damage and improves RA signs and symptoms. Based on these data, Chugai plans to file a marketing application for Actemra for RA in Japan in the first half of 2006. Patient recruitment for international phase III trials is proceeding as planned. Regulatory filings in the US and EU are expected in 2007. In 2005 Chugai launched Actemra in Japan in its first indication, Castleman's disease, a rare condition that causes severe enlargement of the lymph nodes.

Diagnosics Division

Key figures	In millions of CHF	% change in CHF	% change in local currencies	As % of sales
Sales	8,243	+5	+4	100
- Diabetes Care	2,886	+4	+3	35
- Centralized Diagnostics	2,906	+6	+5	35
- Molecular Diagnostics	1,171	+6	+5	14
- Near Patient Testing	718	+6	+5	9
- Applied Science	562	+6	+5	7
EBITDA	2,527	+4	+2	30.7
Operating profit before exceptional items	1,687	+1	-1	20.5
Research and development	719	+2	+2	8.7

Roche Diagnostics maintains its leadership

Roche Diagnostics maintained its leadership position in a difficult market in 2005. Divisional sales rose 4% in local currencies (5% in Swiss francs and in US dollars), broadly in line with global market growth. Worldwide, Roche Diagnostics launched more than 20 new products in 2005, including a complete new generation of products to replace older flagship offerings in the division's key diabetes management portfolio. During the year the division also expanded into several new, high-potential market segments, such as DNA sequencing.

Operating profit before exceptional items decreased 1% in local currencies to 1.7 billion Swiss francs, resulting in a margin decline of 0.8 percentage points to 20.5%. This was primarily due to heavy price

pressures in the market, start-up costs for new manufacturing facilities and new products and higher depreciation charges. The higher depreciation resulted from an increase in instrument placements.

Research and development expenditure totalled nearly 720 million Swiss francs (approximately 9% of sales), significantly more than the division's competitors spent. The molecular diagnostics, immunodiagnostics and diabetes care businesses accounted for the largest shares of expenditure.

Diabetes Care – new Accu-Chek products successfully launched

Roche Diabetes Care, the market leader in diabetes management, posted sales growth of 3% in local currencies. The business unit launched a number of innovative products in the second half of 2005. These included Accu-Chek Compact Plus, a glucose monitoring system with a built-in test strip drum and lancing device, and Accu-Chek Aviva, a successor to the Accu-Chek Advantage monitor. Also new on the market in 2005 was the Accu-Chek Spirit, a menu-driven insulin pump that sets new standards in flexibility and reliability. In addition, the business unit introduced Accu-Chek Pocket Compass 3.0, its latest software for mobile diabetes self-management. The FDA has completed its inspection of the Roche Diagnostics facility in Burgdorf (Switzerland). The final decision on whether to lift the US import alert on pumps made at the facility is still pending.

Centralized Diagnostics – strong demand for Elecsys proBNP

Roche Centralized Diagnostics reported 5% sales growth in local currencies, taking the lead for the first time in this important segment of the diagnostics market. Growth was due primarily to the continued success of the immunodiagnostics portfolio. Roche is pursuing leadership in immunodiagnostics and in 2005 moved a step closer to achieving this medium-term goal. Placements of Elecsys and E170 systems advanced 24% for the year, reaching another record high; and thanks to strong demand for the Elecsys proBNP assay, Roche became the leading supplier of laboratory tests for cardiac markers. Sales of the Elecsys assay were helped by the more than 200 scientific papers published on NT-proBNP in 2005 and by inclusion of this marker in patient management guidelines. Investments in new technologies to automate the many tasks that precede and follow actual testing in the laboratory are beginning to pay off. An expanded cooperation agreement signed with the German company PVT Probenverteiltechnik in 2004 covering pre-analytical automation has strengthened Roche's position as a leading provider of total laboratory solutions. RSD-800/A, a new system providing complete pre-analytical automation, has already been successfully launched in nine markets.

Molecular Diagnostics – blood screening business strengthened

With sales growth of 5% and a market share of over 40%, Roche Molecular Diagnostics remains the clear leader in an increasingly competitive market environment. Blood screening (+11%) and virology (+8%)

were again the main growth drivers. The core virology portfolio was strengthened in 2005 by the integrated Cobas AmpliPrep/Cobas TaqMan system, which offers laboratories new capabilities for fully automated sample preparation and DNA/RNA analysis. In addition, three viral load tests for use on this platform were approved for marketing in Europe; the tests measure the amounts of HIV, HCV and HBV in human plasma. Viral load is a key indicator for assessing disease progression, treatment response and drug resistance. US regulatory filings for all three tests are planned in 2006 and 2007. Roche Diagnostics' LinearArray HPV Genotyping Test, which received CE mark approval in June, is the only commercially available test capable of identifying 37 high- and low-risk genetic variants of human papillomavirus (HPV). In July 2005 Roche opened the world's largest manufacturing facility for PCR-based products in New Jersey (USA). The AmpliChip CYP450 Test, the first DNA microarray-based test for clinical diagnostic use, received US regulatory clearance in January 2005, following approval and launch in Europe in 2004. Three major laboratories in the United States have already added the test to their service offerings.

Near Patient Testing – benefits of CoaguChek S system confirmed again

Roche Near Patient Testing reported a 5% increase in full-year sales, with positive growth in its three core segments: cardiology, coagulation monitoring and blood gas/electrolytes. Sales of coagulation monitoring products rose 13%, with especially strong growth recorded in the United States. A recent clinical trial has shown that patient self-monitoring with the CoaguChek S system can reduce the risk of severe complications and minor hemorrhages by up to 70% in patients on oral anticoagulant therapy and that it can reduce mortality after heart valve replacement by up to 60%. Placements of Roche Diagnostics' blood gas and electrolyte analysers doubled compared with the year before.

Applied Science – successful new products

Roche Applied Science maintained its position in a fiercely competitive marketplace as sales rose 5% for the year. Genome Sequencer 20 and LightCycler 480 were two of Roche Applied Science's most important new offerings in 2005. The Genome Sequencer 20 system enables researchers to sequence long DNA fragments and entire genomes up to 100 times faster than with other commercially available platforms and marks Roche's entry into the attractive sequencing research market. Employing an award-winning nanotechnology-based approach to sequencing, the system is the first product to emerge from a strategic alliance formed in 2005 between Roche and the technology's US-based inventor, 454 Life Sciences.

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 a supplier of innovative 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 a world leader in diagnostics, the leading supplier of drugs for cancer and transplantation and a market leader in virology. Roche employs roughly 70,000 people in 150 countries and has R&D agreements and strategic alliances with numerous partners, including majority ownership interests in Genentech and Chugai. Additional information about the Roche Group is available on the Internet at www.roche.com.

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Additional information

- Media release including a full set of tables: www.roche.com/med-cor-2006-02-01.htm
- Annual Report 2005: www.roche.com/fig_annualrep_2005.htm
- Presentations / live media conference broadcast (starting at 10:00 am CET):
www.roche.com/med_events_bmk06.htm
- Photographs of the media conference (starting at 2:00 pm CET):
www.roche.com/pages/downloads/photosel/060201/

Next events

- Annual General Meeting: 27 February
- First quarter sales 2006: 26 April (tentative)
- Half-year results 2006: 20 July (tentative)
- Nine months sales 2006: 17 October (tentative)

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1. Key Figures

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* Continuing businesses

** Proposed by the Board of Directors

2. Consolidated income statement for year ended 31 December 2005 ^{in millions of CHF}

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales	27,268	8,243	-	35,511
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)
Operating profit before exceptional items	7,463	1,687	(125)	9,025
Amortisation of goodwill	-	-	-	-
Major legal cases	(210)	(146)	-	(356)
Changes in Group organisation	-	-	-	-
Operating profit	7,253	1,541	(125)	8,669
Associated companies				1
Financial income				678
Financing costs				(382)
Profit before taxes				8,966
Income taxes				(2,224)
Profit from continuing businesses				6,742
Profit from discontinued businesses				(12)
Net income				6,730
Attributable to				
- Roche shareholders				5,787
- Minority interests				943
Earnings per share and non-voting equity security			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 ^{in millions of CHF}

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales	21,695	7,827	-	29,522
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)
Operating profit before exceptional items	5,432	1,670	(336)	6,766
Amortisation of goodwill	(233)	(339)	-	(572)
Major legal cases	-	-	-	-
Changes in Group organisation	(199)	-	-	(199)
Operating profit	5,000	1,331	(336)	5,995
Associated companies				(43)
Financial income				369
Financing costs				(602)
Exceptional income from bond conversion and redemption				872
Profit before taxes				6,591
Income taxes				(1,865)
Profit from continuing businesses				4,726
Profit from discontinued businesses				2,337
Net income				7,063
Attributable to				
- Roche shareholders				6,606
- Minority interests				457
Earnings per share and non-voting equity security			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
Non-current assets		
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
Total non-current assets	33,739	28,767
Current assets		
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
Total current assets	35,626	29,679
Total assets	69,365	58,446
Non-current liabilities		
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)
Total non-current liabilities	(18,130)	(15,029)
Current liabilities		
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)
Total current liabilities	(9,492)	(10,134)
Total liabilities	(27,622)	(25,163)
Total net assets	41,743	33,283
Equity		
Capital and reserves attributable to Roche shareholders	34,922	27,998
Equity attributable to minority interests	6,821	5,285
Total equity	41,743	33,283

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
Cash flows from operating activities		
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)
Cash flows from operating activities, before income taxes paid	11,972	8,825
Income taxes paid	(1,997)	(1,490)
Total cash flows from operating activities	9,975	7,335
Cash flows from investing activities		
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
Total cash flows from investing activities	(5,686)	(2,019)
Cash flows from financing activities		
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
Total cash flows from financing activities	(2,781)	(7,863)
Net effect of currency translation on cash and cash equivalents	115	(124)
Increase (decrease) in cash and cash equivalents	1,623	(2,671)
Cash and cash equivalents at 1 January	2,605	5,276
Cash and cash equivalents at 31 December	4,228	2,605

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 sales¹ and local growth² 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	-	-	-

¹ Roche Pharmaceuticals, Genentech and Chugai combined

² versus 2004

12. Top 20 Pharmaceuticals Division quarterly local product sales growth¹ 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%

¹ Roche Pharmaceuticals, Genentech and Chugai combined

13. Pharmaceuticals Division quarterly local product sales growth¹ 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%

¹ Roche Pharmaceuticals and Genentech combined

14. Pharmaceuticals Division quarterly local product sales growth Japan¹ 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	-	-	-	-

¹ Chugai

15. Pharmaceuticals Division quarterly local product sales growth Europe/Rest of World¹ 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%

¹ Roche Pharmaceuticals

16. Top Pharmaceuticals Division quarterly product sales¹ 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
New products not covered in Top 20					
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

¹ Roche Pharmaceuticals, Genentech and Chugai combined

17. Pharmaceuticals Division quarterly product sales¹ 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
New products not covered in Top 20					
Fuzeon	28	26	29	34	44
Raptiva	22	28	31	28	30
Evista	-	-	-	-	-
Bonviva/Boniva	-	-	21	13	48
Renagel	-	-	-	-	-
Actemra	-	-	-	-	-

¹ Roche Pharmaceuticals and Genentech combined

18. Pharmaceuticals Division quarterly product sales¹ 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	-	-	-	-	-
New products not covered in Top 20					
Fuzeon	-	-	-	-	-
Raptiva	-	-	-	-	-
Evista	15	16	25	28	35
Bonviva/Boniva	-	-	-	-	-
Renagel	12	11	15	15	16
Actemra	-	-	-	-	1

¹ Chugai

19. Pharmaceuticals Division quarterly product sales in Europe/Rest of World¹ 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
Neutrogen	-	-	-	-	-
Dilatrend	75	83	84	79	80
Activase/TNKase	8	7	8	11	10
New products not covered in Top 20					
Fuzeon	19	24	37	28	37
Raptiva	-	-	-	-	-
Evista	-	-	-	-	-
Bonviva/Boniva	-	-	-	1	3
Renagel	-	-	-	-	-
Actemra	-	-	-	-	-

¹ Roche Pharmaceuticals