

1. Interim income statement on an adjusted basis

	H1 2003 CHF m	H1 2002 CHF m	% change	
			CHF	local
Sales	13,880	13,107	+6	+17
Cost of sales	-3,214	-3,125	+3	+14
Gross profit	10,666	9,982	+7	+18
Marketing and distribution	-4,155	-3,847	+8	+21
Research and development	-2,195	-1,931	+14	+27
Administration	-659	-563	+17	+26
Amortisation of goodwill	-238	-256	-7	+7
Amortisation of other intangible assets	-497	-508	-2	+10
Impairment of long-term assets	-	-2	-	-
Other operating income / expense, net	-133	-455	-71	-79
Operating Profit	2,789	2,420	+15	+27
Financial income / expense, net	-349	612	-	-
Profit before taxes	2,440	3,032	-20	
Income taxes	-711	-890	-20	
Profit after taxes	1,729	2,142	-19	
Income applicable to minority interests	-126	-47	+168	
Share of result of associated companies	-18	-11	+64	
Net income	1,585	2,084	-24	
Diluted earnings per share and non-voting equity security (CHF)	1.86	2.46	-24	

2. Interim income statement as reported in financial statements

	H1 2003 CHF m	H1 2002 CHF m	% change (CHF)
Sales	15,327	14,737	+4
Cost of sales	-4,293	-4,236	+1
Gross profit	11,034	10,501	+5
Marketing and distribution	-4,342	-4,058	+7
Research and development	-2,260	-1,990	+14
Administration	-704	-615	+14
Amortisation of goodwill	-238	-257	-7
Amortisation of other intangible assets	-497	-517	-4
Impairment of long-term assets	-	-2	-
Pharmaceuticals Division restructuring Vitamins and Fine Chemicals	-	-65	-
impairment of net assets	-375	-	-
Major legal cases	-	-778	-
Other operating income / expense, net	-144	-502	-71
Operating Profit	2,474	1,717	+44
Financial income / expense, net	-367	520	-
Profit before taxes	2,107	2,237	-6
Income taxes	-675	-573	+18
Profit after taxes	1,432	1,664	-14
Income applicable to minority interests	-125	148	-
Share of result of associated companies	-18	-11	+64
Net income	1,289	1,801	-28
Diluted earnings per share and non-voting equity security (CHF)	1.52	2.14	-29

3. Adjustments

a) Roche basis for adjustments

The consolidated results of the Roche Group are significantly influenced by various special items and also by changes in International Financial Reporting Standards over the years. To improve the visibility of the underlying business the adjusted results are also presented. These adjusted results, which are used in the internal management of the business, represent the results of the Group's underlying on-going operations. The principles used to compile the adjusted results are applied on a consistent basis. The major concepts are as follows:

Adjusted results include:

- Gains or losses on continuing product portfolio and asset realignments
- Sales and income from newly acquired products
- Impacts on sales and income of patent expiry, withdrawal or disposal of existing products
- Impairments of long-term assets (other than as part of a major restructuring)
- Costs of normal ongoing restructuring
- Gains or losses on sales of marketable securities

Adjusted results exclude:

- Gains or losses arising on disposal of fully consolidated subsidiaries or associated companies
- Discontinuing operations, such as the sale or spin-off of a whole business
- One-time costs of major restructuring and fundamental reorganisations
- Charges for exceptional legal cases
- Transition effects of changes and revisions to accounting policies

b) Summary of adjustments in H1 2003 and H1 2002

	H1 2003	H1 2002
Net income as reported in financial statements	1,289	1,801
<i>Gains or losses on fully consolidated subsidiaries or associated companies</i>		
• Impact of fair value adjustment to Chugai inventories	49	-
<i>Discontinuing operations</i>		
• Results of Vitamins and Fine Chemicals Division	-63	-39
• Vitamins and Fine Chemicals Division: Impairment of net assets	375	-
<i>Major restructuring</i>		
• Non-recurring costs of Pharmaceuticals Division	-	65
<i>Legal cases</i>		
• Additional charges in respect of Genentech legal cases	-	778
Income Taxes	-65	-330
Income applicable to minority interests	-	-191
Net income on an adjusted basis	1,585	2,084

4. Balance sheet

	30 June 2003 CHF m	31 December 2002 CHF m	% change (CHF)
Long-term assets	33,125	33,143	0
Current assets	27,036	30,852	-12
Total assets	60,161	63,995	-6
Equity	21,391	20,810	+3
Minority interests	5,207	4,963	+5
Non-current liabilities	18,966	22,850	-17
Current liabilities	14,597	15,372	-5
Total equity, minority interests and liabilities	60,161	63,995	-6

5. Summary cash flow statement

	H1 2003 CHF m	H1 2002 CHF m
Cash generated from business operations	4,514	4,250
Costs of major legal cases paid	-568	-2,574
Operating cash flows	-1,074	-352
Operating activities before income taxes	2,872	1,324
Income taxes paid (all activities)	-32	-805
Operating activities	2,840	519
Financing activities	-5,661	-3,630
Investing activities	2,926	2,434
Net effect of currency translation on cash	-29	-110
Increase (decrease) in cash	76	-787

6. Sales and profits by Division on an adjusted basis

	H1 2003 CHF m	H1 2002 CHF m	percentage change	
			CHF	Local currencies
Pharmaceuticals				
Sales	10,311	9,486	+9	+21
EBITDA	3,177	2,942	+8	+20
As % of Sales	30.8	31.0		
Operating Profit	2,272	1,994	+14	+24
As % of Sales	22.0	21.0		
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Diagnostics				
Sales	3,569	3,621	-1	+7
EBITDA	1,082	982	+10	+20
As % of Sales	30.3	27.1		
Operating Profit	650	561	+16	+29
As % of Sales	18.2	15.5		

7. Pharmaceuticals Division sales and profits on an adjusted basis

	H1 2003 CHF m	H1 2002 CHF m	percentage change	
			CHF	Local currencies
Total Prescription				
Sales	9,443	8,697	+9	+21
EBITDA	3,015	2,779	+8	+20
As % of Sales	31.9	32.0		
Operating Profit	2,131	1,854	+15	+26
As % of Sales	22.6	21.3		
Roche Prescription				
Sales	6,409	6,653	-4	+5
EBITDA	2,095	2,111	-1	+6
As % of Sales	32.7	31.7		
Operating Profit	1,649	1,627	+1	+8
As % of Sales	25.7	24.5		
Genentech Prescription				
Sales	1,623	1,583	+3	+24
EBITDA	719	602	+19	+45
As % of Sales	44.3	38.0		
Operating Profit	353	170	+108	+153
As % of Sales	21.7	10.7		
Chugai Prescription				
Sales	1,411	461	+206	+239
EBITDA	201	66	+205	+222
As % of Sales	14.2	14.3		
Operating Profit	129	57	+126	+148
As % of Sales	9.1	12.4		
OTC				
Sales	868	789	+10	+18
EBITDA	162	163	-1	+7
As % of Sales	18.7	20.7		
Operating Profit	141	140	+1	+7
As % of Sales	16.2	17.7		

8. Sales January to June 2003 and 2002

January – June	2003	2002	% change	
	CHF m	CHF m	In CHF	In local currencies
Pharmaceuticals ^{1, 2}	10,311	9,486	9%	21%
Roche Prescription ^{1, 3}	6,409	6,653	-4%	5%
Genentech Prescription	1,623	1,583	3%	24%
Chugai Prescription ^{2, 4}	1,411	461	206%	239%
Prescription ^{1, 2}	9,443	8,697	9%	21%
OTC ^{2, 5}	868	789	10%	18%
Diagnostics	3,569	3,621	-1%	7%
Group core businesses ^{1, 2}	13,880	13,107	6%	17%
Vitamins and Fine Chemicals	1,520	1,747	-13%	-3%
Reclassification ¹	-73	-117		
Group (financial statements)	15,327	14,737	4%	15%

¹ Sales in 2003 and 2002 are adjusted to include the reclassification of CHF 73 m and CHF 117 m of sales to the Vitamins and Fine Chemicals Division as divisional sales to third parties

² Chugai is consolidated as from 1 October 2002

³ Excludes Nippon Roche Rx

⁴ Consists of Nippon Roche Rx (Half-Year 1 of 2002) and Chugai Rx (Half-Year 1 of 2003)

⁵ Consists of Roche OTC and Chugai OTC

9. Quarterly local sales growth by Division in 2002 and 2003

	Q3 2002 vs. Q3 2001	Q4 2002 vs. Q4 2001	Q1 2003 vs. Q1 2002	Q2 2003 vs. Q2 2002
Pharmaceuticals¹	6%	18%	18%	24%
Roche Prescription ^{1,2}	3%	-1%	3%	8%
Genentech Prescription	21%	23%	25%	24%
Chugai Prescription ³	9%	211%	236%	242%
Prescription ¹	7%	18%	18%	24%
OTC ⁴	-3%	9%	13%	23%
Diagnostics	10%	10%	7%	7%
Group core businesses¹	7%	16%	15%	19%
Vitamins and Fine Chemicals	2%	5%	-3%	-4%
Group (financial statements)	6%	14%	13%	17%

¹ Sales are adjusted to include the reclassification of sales to the Vitamins and Fine Chemicals Division as divisional sales to third parties

² Excludes Nippon Roche Rx

³ Consists of Nippon Roche Rx (until 30 September 2002) and Chugai Rx (from October 2002)

⁴ Consists of Roche OTC and Chugai OTC

10. Top 20 prescription medicines sales^{1,2} and local growth³ in Half-Year 1 of 2003, US, Japan and Europe/Rest of World

	Total		US		Japan		Europe/RoW	
	CHF m	%	CHF m	%	CHF m	%	CHF m	%
MabThera/Rituxan	1,299	38%	922	33%	35	25%	342	59%
NeoRecormon/Epogin	970	130%	-	-	365	-	605	39%
Rocephin	712	-10%	415	-9%	26	14%	271	-14%
CellCept	629	28%	316	26%	9	20%	304	31%
Herceptin	557	33%	266	21%	42	61%	249	47%
Pegasys/Copegus	335	1650%	204	-	-	-	131	537%
Xenical	317	-14%	79	-12%	-	-	238	-15%
Roaccutan/Accutane	297	-40%	170	-46%	-	-	127	-28%
Xeloda	280	51%	163	55%	1	-	116	43%
Nutropin/Protropin	220	11%	214	10%	-	-	6	14%
Kytril	200	5%	84	-1%	58	12%	58	9%
Dilatrend	187	19%	-	-	-	-	187	19%
Pulmozyme	159	13%	94	15%	-	-	65	10%
Neutrogen	151	-	-	-	151	-	-	-
Activase/TNKase	141	10%	127	10%	-	-	14	10%
Viracept	141	-5%	-	-	1	-7%	140	-5%
Cymevene/Valcyte	138	-5%	83	-14%	-	-	55	17%
Madopar	117	3%	-	-	9	0%	108	4%
Tamiflu	114	120%	18	14%	82	137%	14	-
Lexotan	107	-11%	-	-	6	5%	101	-12%

¹ Roche Rx, Genentech Rx and Chugai Rx combined

² Chugai is consolidated as from 1 October 2002

³ versus Half-Year 1 in 2002

11. Top 20 prescription medicines quarterly local sales growth^{1,2} in 2002 and 2003

	Q3 2002 vs. Q3 2001	Q4 2002 vs. Q4 2001	Q1 2003 vs. Q1 2002	Q2 2003 vs. Q2 2002
MabThera/Rituxan	45%	42%	39%	37%
NeoRecormon/Epogin	32%	165%	120%	139%
Rocephin	-9%	-15%	-16%	-3%
CellCept	21%	26%	39%	19%
Herceptin	38%	24%	36%	32%
Pegasys/Copegus	1265%	581%	2226%	1458%
Xenical	-15%	-12%	-19%	-11%
Roaccutan/Accutane	-10%	-44%	-34%	-48%
Xeloda	63%	61%	50%	52%
Nutropin/Protropin	15%	19%	13%	8%
Kytril	39%	40%	-7%	17%
Dilatrend	12%	17%	16%	22%
Pulmozyme	6%	2%	10%	15%
Neutrogen	-	-	-	-
Activase/TNKase	-4%	16%	11%	10%
Viracept	-11%	-38%	-18%	11%
Cymevene/Valcyte	-11%	14%	-10%	1%
Madopar	-1%	2%	6%	1%
Tamiflu	-	124%	97%	-
Lexotan	-12%	-4%	-11%	-11%

¹ Roche Rx, Genentech Rx and Chugai Rx combined

² Chugai is consolidated as from 1 October 2002

12. Prescription medicines quarterly local sales growth¹ US in 2002 and 2003

	Q3 2002 vs. Q3 2001	Q4 2002 vs. Q4 2001	Q1 2003 vs. Q1 2002	Q2 2003 vs. Q2 2002
MabThera/Rituxan	33%	38%	33%	33%
NeoRecormon/Epogin	-	-	-	-
Rocephin	-10%	-19%	-20%	5%
CellCept	25%	2%	49%	8%
Herceptin	16%	40%	21%	20%
Pegasys/Copegus	-	-	-	-
Xenical	-12%	-8%	-24%	1%
Roaccutan/Accutane	-6%	-55%	-37%	-57%
Xeloda	56%	64%	51%	60%
Nutropin/Protropin	15%	19%	13%	8%
Kytril	58%	103%	-23%	24%
Dilatrend	-	-	-	-
Pulmozyme	11%	7%	17%	13%
Neutrogen	-	-	-	-
Activase/TNKase	-5%	8%	13%	8%
Viracept	-	-	-	-
Cymevene/Valcyte	-26%	8%	-26%	1%
Madopar	-	-	-	-
Tamiflu	323%	591%	-7%	-
Lexotan	-	-	-	-

¹ Roche Rx and Genentech Rx combined

13. Prescription medicines quarterly local sales growth Japan¹ in 2002 and 2003

	Q3 2002 vs. Q3 2001	Q4 2002 vs. Q4 2001	Q1 2003 vs. Q1 2002	Q2 2003 vs. Q2 2002
MabThera/Rituxan	209%	12%	26%	24%
NeoRecormon/Epogin	-	-	-	-
Rocephin	9%	-7%	1%	25%
CellCept	34%	19%	21%	19%
Herceptin	271%	125%	66%	58%
Pegasys/Copegus	-	-	-	-
Xenical	-	-	-	-
Roaccutan/Accutane	-	-	-	-
Xeloda	-	-	-	-
Nutropin/Protropin	-	-	-	-
Kytril	29%	4%	11%	13%
Dilatrend	-	-	-	-
Pulmozyme	-	-	-	-
Neutrogen	-	-	-	-
Activase/TNKase	-	-	-	-
Viracept	7%	4%	-6%	-7%
Cymevene/Valcyte	-	-	-	-
Madopar	8%	1%	1%	-1%
Tamiflu	-	56%	137%	139%
Lexotan	2%	23%	-8%	19%

¹ Chugai is consolidated as from 1 October 2002

14. Prescription medicines quarterly local sales growth Europe/Rest of World in 2002 and 2003

	Q3 2002 vs. Q3 2001	Q4 2002 vs. Q4 2001	Q1 2003 vs. Q1 2002	Q2 2003 vs. Q2 2002
MabThera/Rituxan	88%	65%	65%	54%
NeoRecormon/Epogin	32%	36%	40%	38%
Rocephin	-10%	-9%	-10%	-17%
CellCept	15%	11%	28%	33%
Herceptin	61%	56%	56%	44%
Pegasys/Copegus	1265%	397%	755%	453%
Xenical	-17%	-14%	-17%	-14%
Roaccutan/Accutane	-19%	-20%	-26%	-31%
Xeloda	76%	57%	49%	39%
Nutropin/Protropin	27%	21%	17%	12%
Kytril	22%	20%	10%	9%
Dilatrend	12%	17%	16%	22%
Pulmozyme	-1%	-4%	1%	19%
Neutrogen	-	-	-	-
Activase/TNKase	4%	63%	-13%	30%
Viracept	-11%	-38%	-18%	11%
Cymevene/Valcyte	22%	26%	35%	1%
Madopar	-2%	2%	6%	2%
Tamiflu	-	130%	501%	-
Lexotan	-12%	-5%	-11%	-12%

15. Top 20 Prescription medicines quarterly sales^{1,2} in 2002 and 2003

CHF millions	Q3 2002	Q4 2002	Q1 2003	Q2 2003
MabThera/Rituxan	580	658	620	679
NeoRecormon/Epogin	242	508	450	520
Rocephin	311	324	379	333
CellCept	297	318	313	316
Herceptin	257	281	268	289
Pegasys/Copegus			120	215
Xenical	176	178	145	172
Roaccutan/Accutane	183	159	180	117
Xeloda	119	112	133	147
Nutropin/Protropin	119	117	108	112
Kytril	114	122	87	113
Dilatrend	81	88	87	100
Pulmozyme	82	77	77	82
Neutrogen			70	81
Activase/TNKase	77	91	70	71
Viracept	94	70	65	76
Cymevene/Valcyte	58	73	70	68
Madopar	58	61	57	60
Tamiflu	-2	114	107	7
Lexotan	55	62	53	54

¹ Roche Rx, Genentech Rx and Chugai Rx combined

² Chugai is consolidated as from 1 October 2002