





**Roche**

*Third quarter 2003*

***Presentation to analysts***

**Basle**



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# Nine month sales 2003

*Continuing strong business momentum*

<b>sales (CHF m)</b>	<b>2003</b>	<b>2002</b>	<b>% CHF</b>	<b>% local</b>
<b>Pharmaceuticals<sup>1</sup></b>	<b>15,767</b>	<b>13,903</b>	<b>13</b>	<b>23</b>
<b>Prescription<sup>1</sup></b>	<b>14,449</b>	<b>12,756</b>	<b>13</b>	<b>23</b>
<b>OTC<sup>2</sup></b>	<b>1,318</b>	<b>1,147</b>	<b>15</b>	<b>21</b>
<b>Diagnostics</b>	<b>5,418</b>	<b>5,367</b>	<b>1</b>	<b>7</b>
<b>sales core businesses<sup>1</sup></b>	<b>21,185</b>	<b>19,270</b>	<b>10</b>	<b>19</b>
Vitamins and Fine Chemicals	2,263	2,574	-12	-5
reclassification <sup>1</sup>	-96	-143		
sales (financial statements)	23,352	21,701	8	16

<sup>1</sup> sales in 2003 and 2002 are adjusted to include the reclassification of CHF 96 million and CHF 143 million of sales to the Vitamins & Fine Chemicals Division as divisional sales to third parties

<sup>2</sup> including Chugai OTC

# Highlights third quarter 2003

## *Strategic and operational level*

- Strong growth of marketed products
  - market leadership in oncology strengthened
  - Pegasys, NeoRecormon and CellCept outperforming the market
- Diagnostics growing twice as fast as the IVD market
- Debt further restructured and further reduction in exposure to equity portfolio
- Vitamins divestiture to DSM completed



# **Pharmaceuticals Division**

**William M. Burns**

*Head of Pharmaceuticals Division*

**Strong operating performance**

**Brands driving growth**

**Pipeline well positioned for future growth**

# Pharma sales (adjusted)

*Constantly improving over the quarters*

	Q1	Q2	H1	Q3	YTD
<b>Pharma<sup>1</sup></b>	<b>18</b>	<b>24</b>	<b>21</b>	<b>28</b>	<b>23</b>
<b>Prescription<sup>1</sup></b>	<b>18</b>	<b>24</b>	<b>21</b>	<b>28</b>	<b>23</b>
<b>Roche Rx<sup>1, 2</sup></b>	<b>3</b>	<b>8</b>	<b>5</b>	<b>13</b>	<b>7</b>
<b>Genentech Rx</b>	<b>25</b>	<b>24</b>	<b>24</b>	<b>22</b>	<b>24</b>
<b>Chugai Rx<sup>3</sup></b>	<b>236</b>	<b>242</b>	<b>239</b>	<b>274</b>	<b>250</b>
<b>OTC</b>	<b>13</b>	<b>23</b>	<b>18</b>	<b>27</b>	<b>21</b>

<sup>1</sup> sales in 2003 and 2002 are adjusted to include the reclassification of sales to the Vitamins & Fine Chemicals Division as divisional sales to third parties

<sup>2</sup> excludes Nippon Roche Rx

<sup>3</sup> consists of Nippon Roche Rx (Jan 1<sup>st</sup> 2001 to Sep 30<sup>th</sup> 2002) and Chugai Rx (from Oct 1<sup>st</sup> 2002)



# Highlights of third quarter 2003

- Pharma division grew +23 %<sup>1</sup> YTD (half of growth contributed by Chugai)
- Prescription business outperforming the market: +23 %<sup>1</sup> vs. IMS 8 %
- Roche Rx increasing its contribution and growing 13 %<sup>1</sup> in Q3 '03
- Continued strong growth of oncology franchise: +34 %<sup>1</sup> YTD '03
- Pegasys continues gaining market share, Japan launch expected year end
- CPMP positive opinion for Bondronat<sup>2</sup> in oncology
- Fuzeon now launched in 12 countries - major educational program underway

<sup>1</sup> in local currency

<sup>2</sup> in prevention of skeletal events in patients with breast cancer and bone metastases

**Strong operating performance**

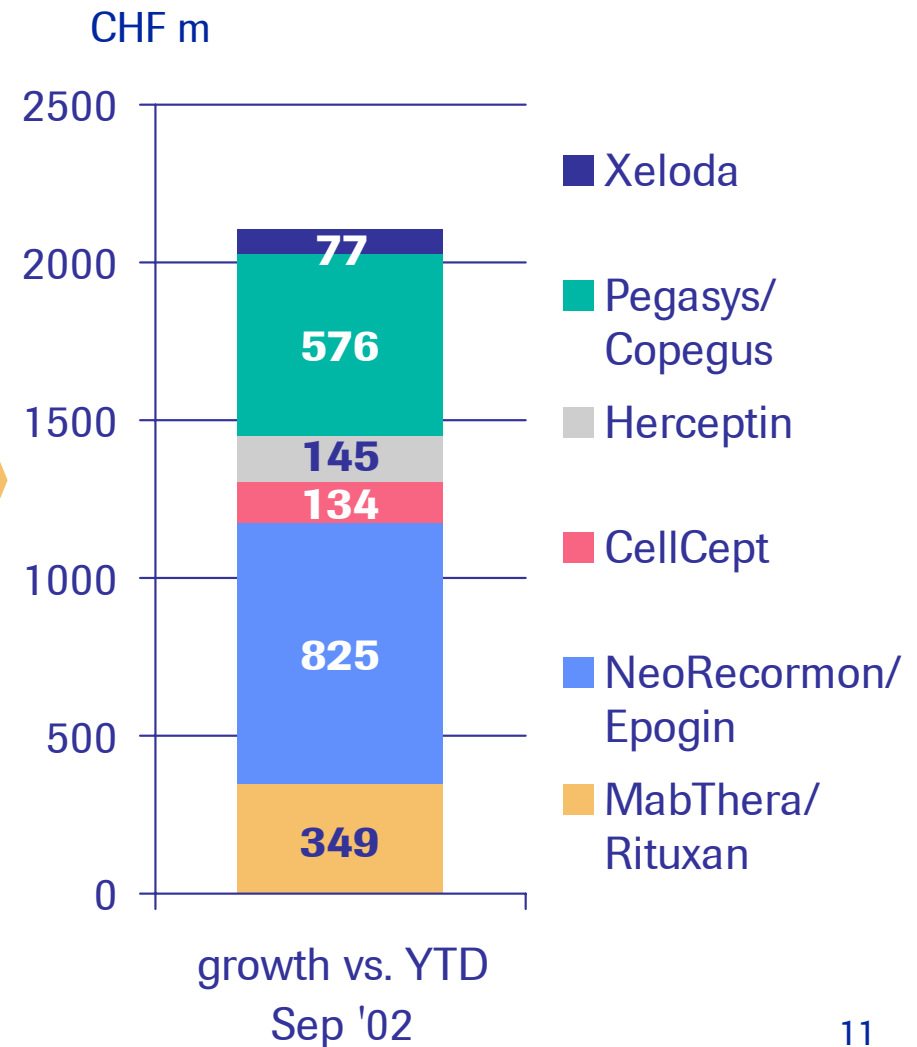
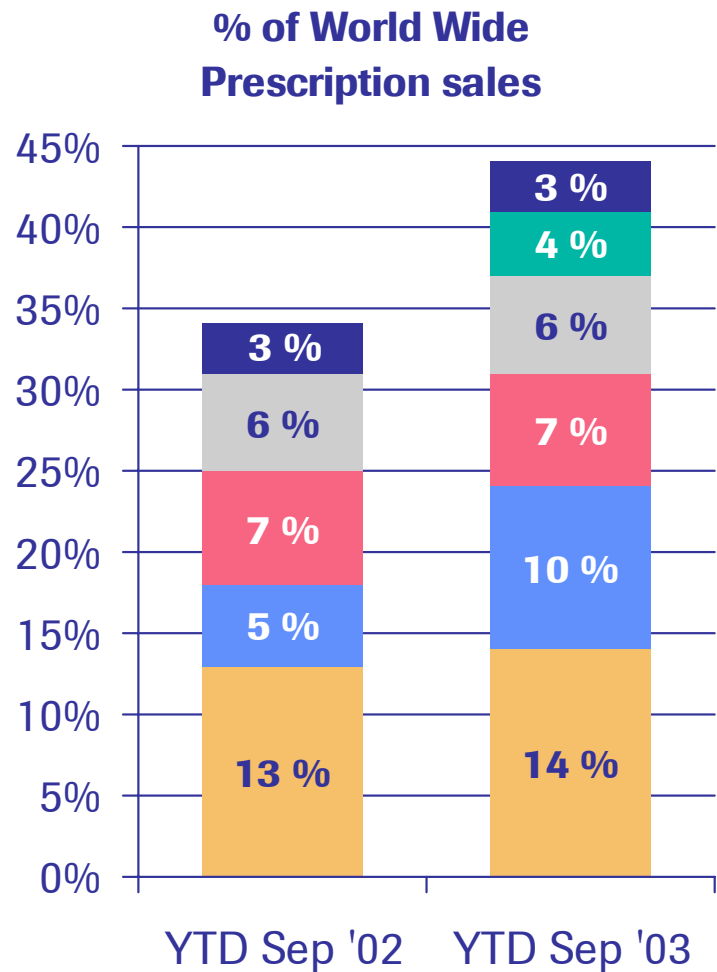
**Brands driving growth**

**Pipeline well positioned for future growth**



# Prescription - key brands driving growth

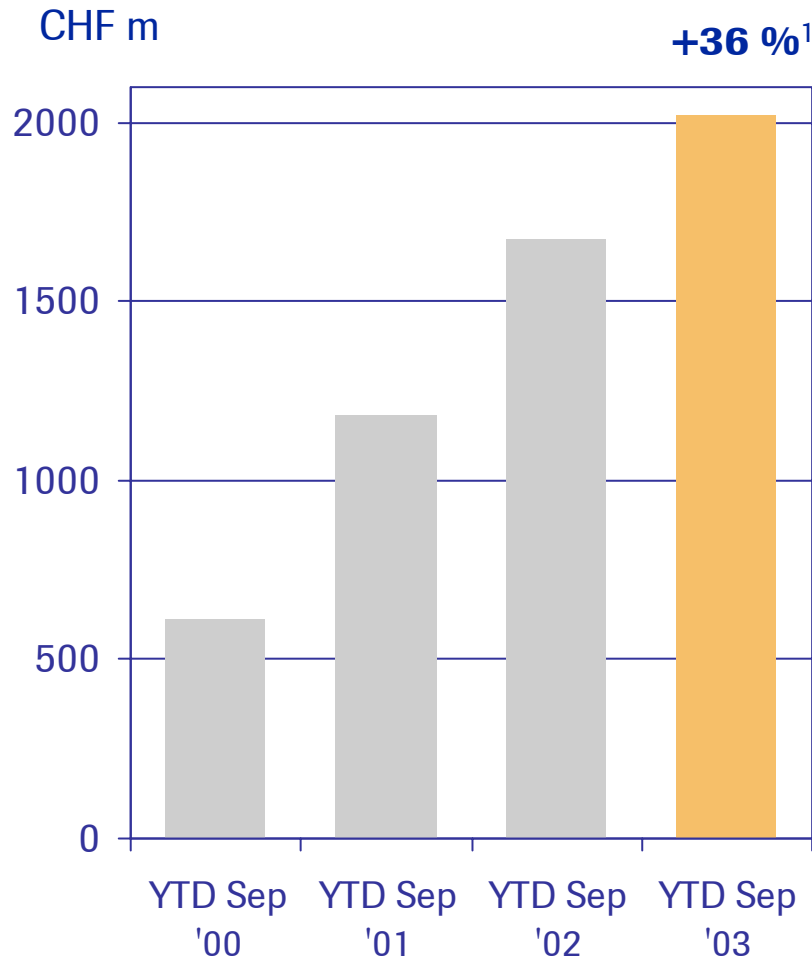
~CHF 2.1 billion additional sales<sup>1</sup>



<sup>1</sup> at constant fx: 2.7 billion additional sales

# MabThera - ongoing success

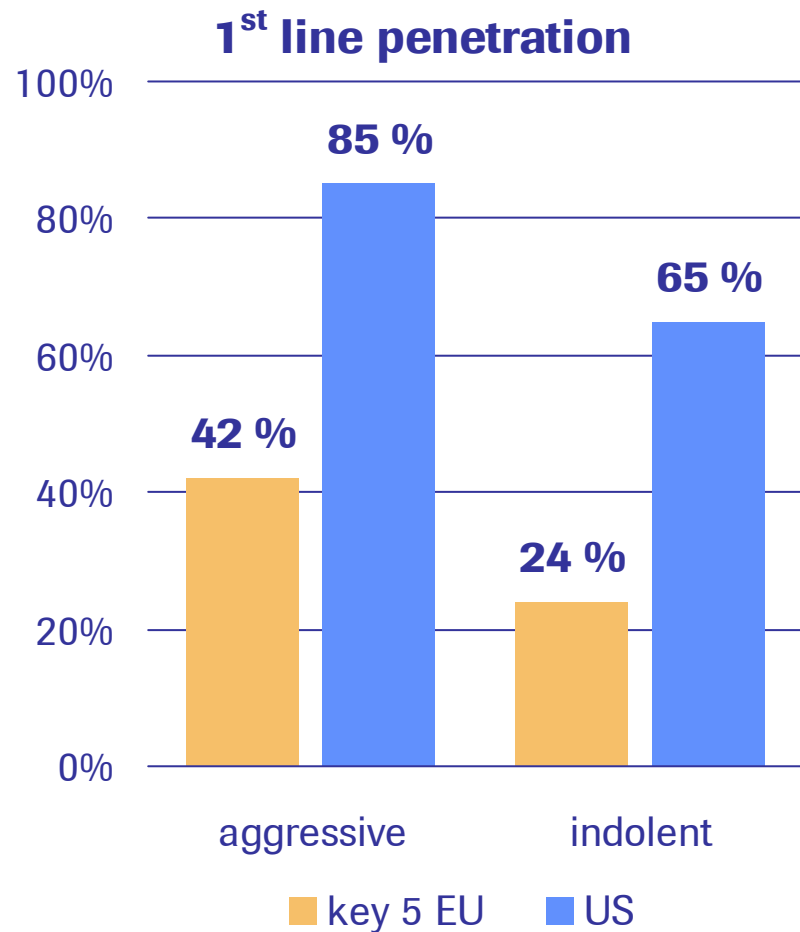
## *Becoming the biggest oncology brand*



- Sales CHF 2.0 billion YTD Sep '03
- Important milestones in Q3 '03
  - NICE approval for 1<sup>st</sup> line aNHL
  - label extension 1<sup>st</sup> line aNHL in Japan
- Ongoing development in oncology
  - phase III 1<sup>st</sup> line iNHL at ASH in Dec '03
  - CLL phase III trial started in H2 '03
- Opportunity in RA
  - phase IIa 48 week study at ACR in Oct '03

# MabThera / Rituxan in oncology

## *Two approaches to grow sales*



### 1. Increased penetration:

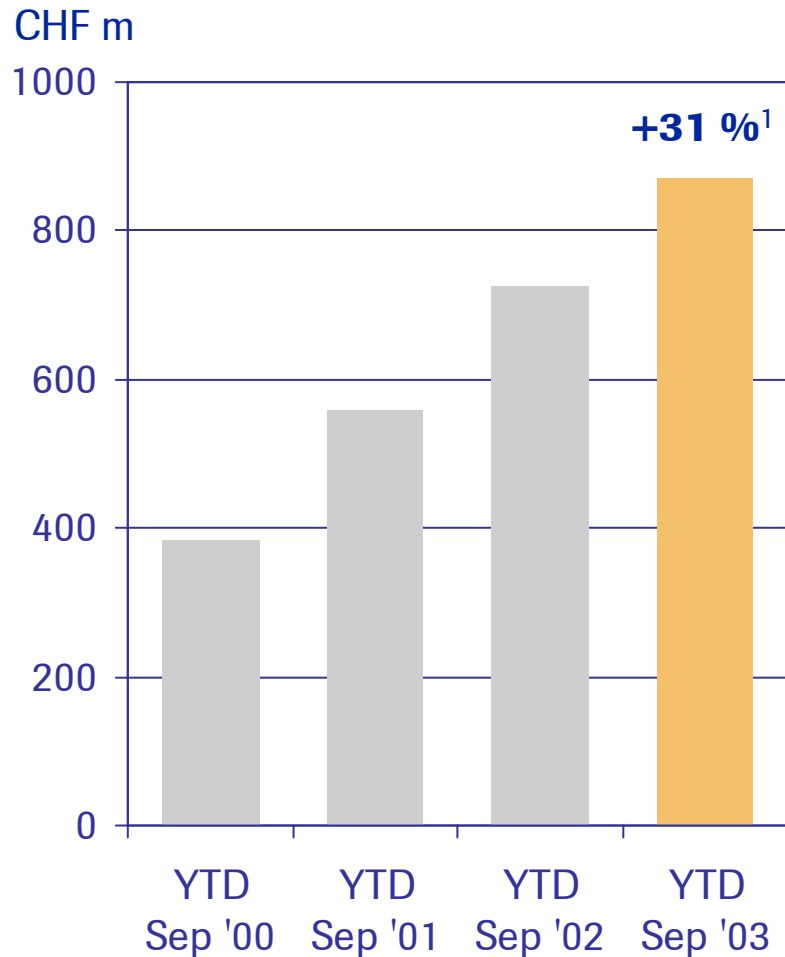
- About 60 % of all NHL patients receiving treatment are treated in 1<sup>st</sup> line → significant upside potential for MabThera especially in EU
- 1<sup>st</sup> line aNHL based on GELA trial, high medical need and survival data

### 2. More infusions per patient:

- 8 infusions in 1<sup>st</sup> line (aNHL and iNHL)
- Maintenance treatment
- Re-treatment

# Herceptin

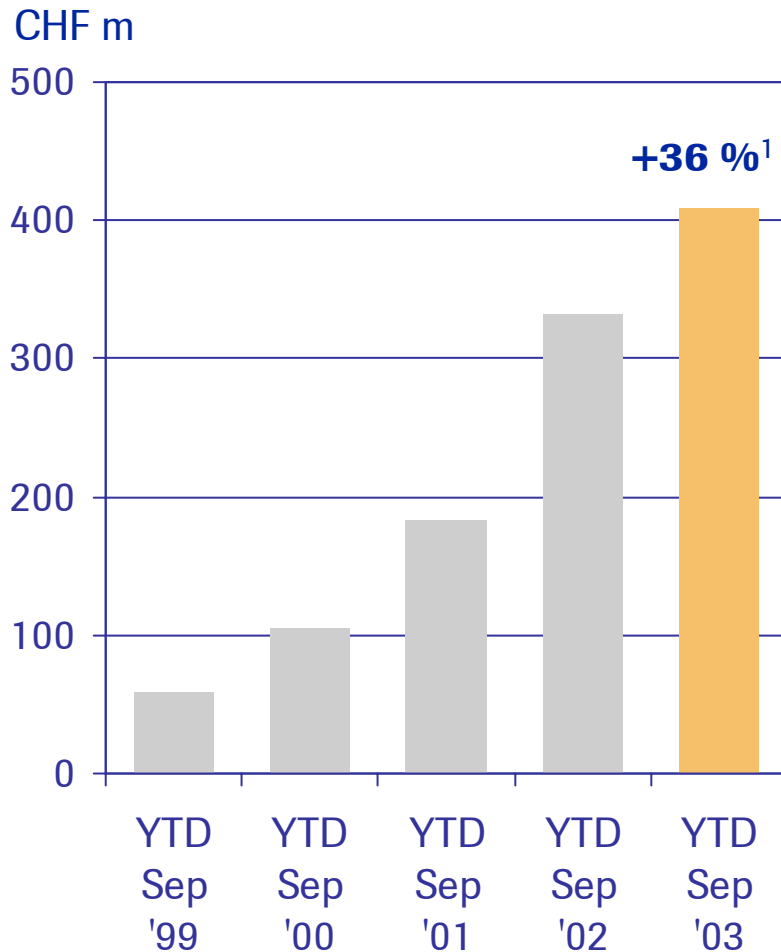
*Targeted on HER2, focused on living*



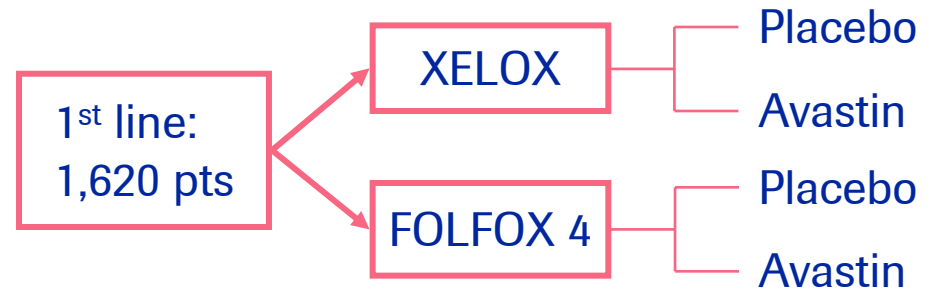
- Sales of CHF 871 million YTD Sep '03
- Growth drivers
  - increased HER2 testing
  - expansion in 1<sup>st</sup> line usage and duration of treatment
- Herceptin in combination with *Taxotere* 1<sup>st</sup> line results in an impressive survival benefit, filing (EU) in Oct '03
- Further ongoing development
  - Herceptin in combination with hormonal treatments
  - Herceptin in the adjuvant setting

# Xeloda

## *Development in mBC and CRC continues*



- Sales of CHF 409 million YTD Sep '03
- Integration of Avastin in 1<sup>st</sup> line mCRC combination trial



- Xeloda now launched in Japan
- US
  - strong underlying growth
  - reported sales influenced by changes in wholesalers buying pattern following price increases

# Tarceva

## *Clinical program continues*

- TRIBUTE and TALENT trial (1<sup>st</sup> line metastatic NSCLC<sup>1</sup>)
  - did not meet primary end point (25 % survival increase)
- Potential for 2<sup>nd</sup> and 3<sup>rd</sup> line NSCLC (BR21)
  - phase III monotherapy trial: best supportive care +/- Tarceva
  - data expected early 2004
- Still recruiting for other indications
  - glioma phase I / II in patients after surgery and / or radiation (data in 2004)
  - bronchioalveolar carcinoma phase II study (subset of NSCLC)
  - phase I / II in combination with Avastin

<sup>1</sup> non-small cell lung cancer



# Avastin™

## *Effectively targeting VEGF*

- Phase II: 1<sup>st</sup> line for metastatic CRC (AVF2192g)
  - 200 patients enrolled, not optimal candidates for irinotecan treatment
  - 2 arms: 5-FU/LV vs. 5-FU/LV + Avastin
- Phase III: 2<sup>nd</sup> line for metastatic CRC (AVF2380s/ECOG 3200)
  - 843 patients enrolled
  - 2 arms FOLFOX 41 vs. FOLFOX 4 + Avastin
- Phase III: 1<sup>st</sup> line for metastatic BC (E-2100)
  - 685 patients to be enrolled
  - 2 arms comparing paclitaxel vs. paclitaxel + Avastin
- Phase III: 1<sup>st</sup> line for stage IIIB/IV NSCLC (E-4599)
  - 640 patients to be enrolled
  - 2 arms CP2 vs. CP + Avastin
- Phase III: RCC (AVF2723)
  - 600 patients to be enrolled
  - Interferon-alpha with or without Avastin

***Near term  
newsflow***

**Q4 '03**

- **Pancreatic cancer**

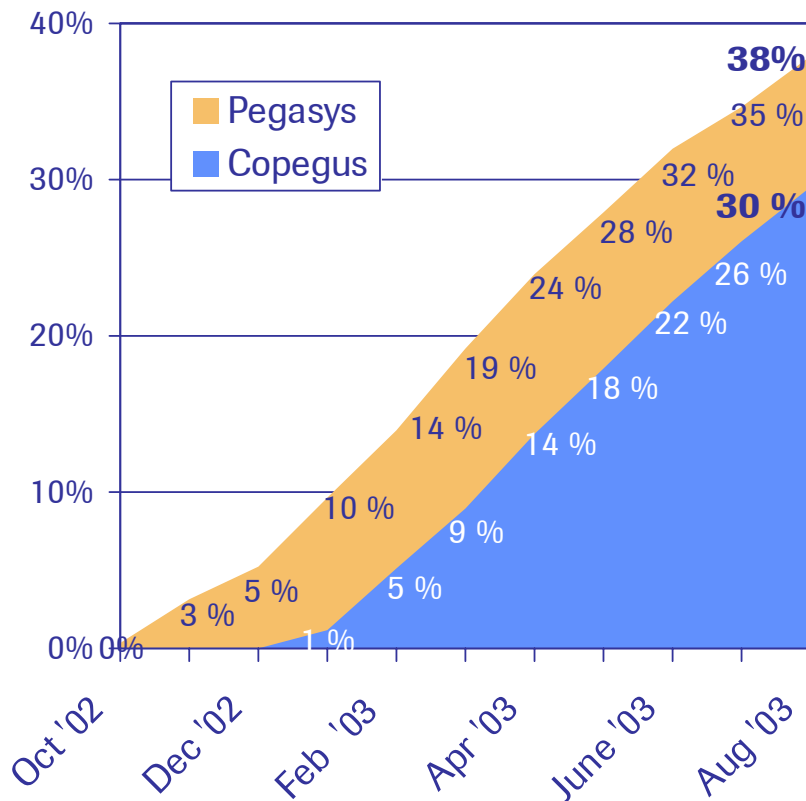
<sup>1</sup> CT regimen with 5-FU/LV and Oxaliplatin

<sup>2</sup> CT regimen with Carboplatin and Paclitaxel

# Pegasys / Copegus

## US market share gain continues

**US market share total prescription (TRx)**



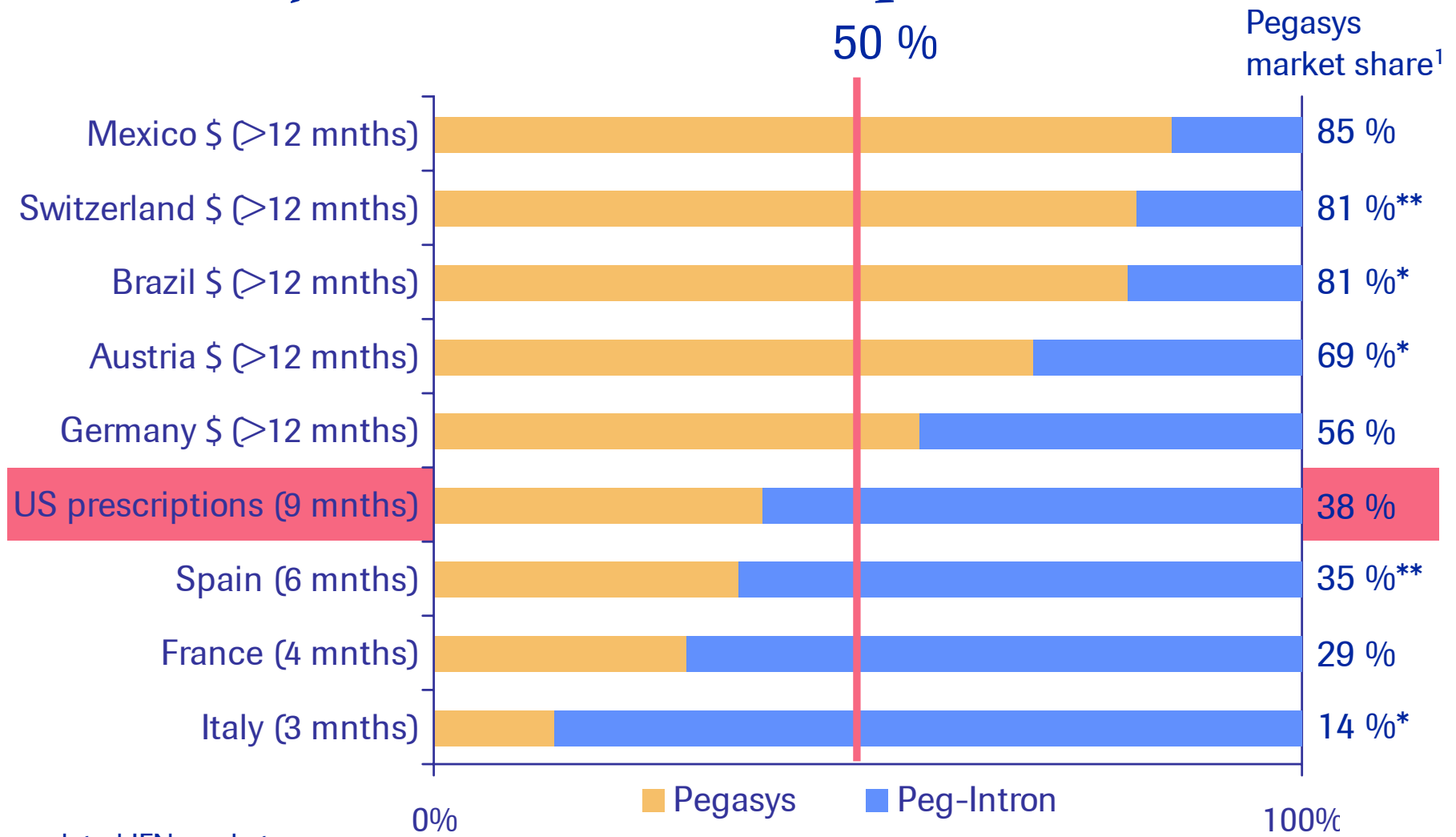
- Sales of CHF 619 million YTD Sep '03
- Phase III landmark global trial in Hep C / normal ALT<sup>1</sup> at AASLD Oct '03
- Phase III on Hep B at AASLD Oct '03 and April '04
- APRICOT global trial in nearly 900 co-infected patients (HIV / HCV), results expected in early 2004
- REPEAT trial (patients who failed to respond to Peg-Intron) started – first patient randomized
- COPEGUS now launched in France

<sup>1</sup> alanine aminotransferase



# Pegasys

## *On the way to market leadership*



<sup>1</sup> pegylated IFN market

sources: IMS or local affiliate market research, August 2003 (\*IMS July 2003, \*\* IMS June 2003)

# Fuzeon

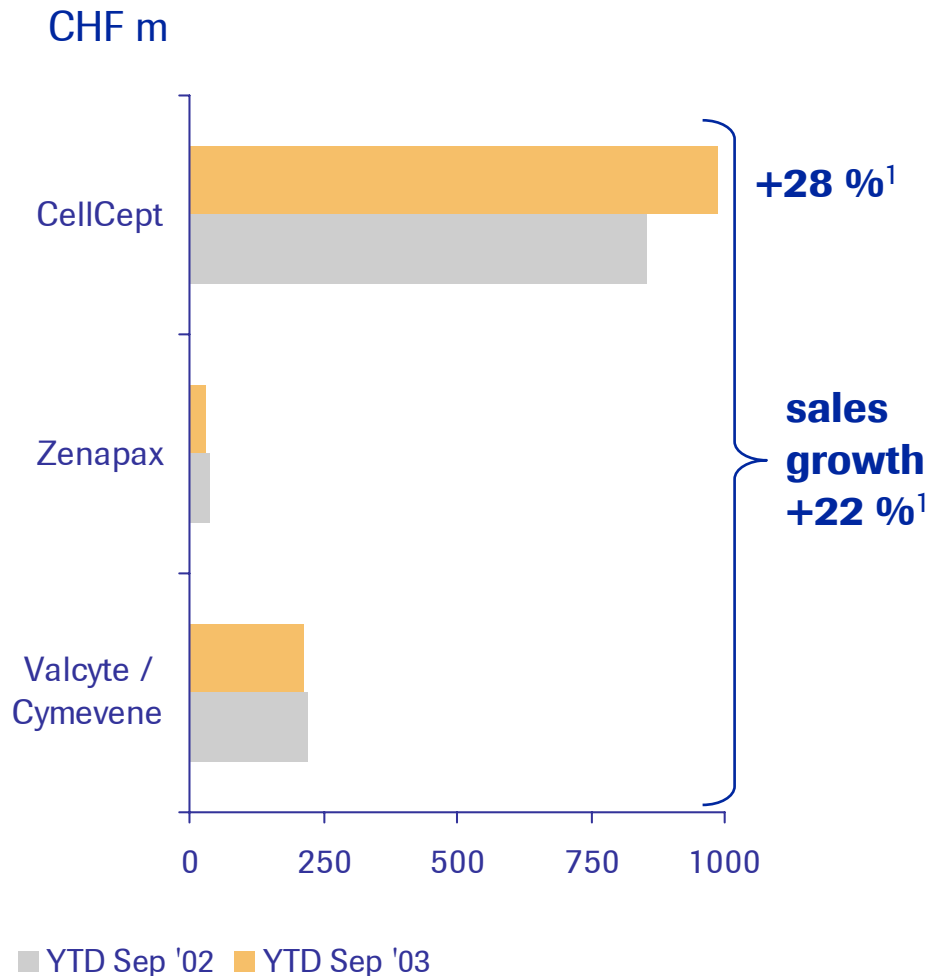
## *First steps in 12 countries*

- Sales of CHF 25 million YTD Sep '03
- Studies confirm durability of response over 48 weeks<sup>1</sup>
- Greatest benefit when used earlier in treatment schedule<sup>2</sup>
- US
  - addressing reimbursement related issues
  - improving distribution
  - increasing clinician awareness and support
- Europe
  - launched in A, DK, SF, F, D, IRE, NL, N, S, CH, and UK
  - reimbursement still pending in some key countries including B, G, I, P, E
- Manufacturing progressing well - no supply issues

<sup>1</sup> abstract LB02, Paris IAS July '03    <sup>2</sup> within the first 10 drugs

# Transplantation

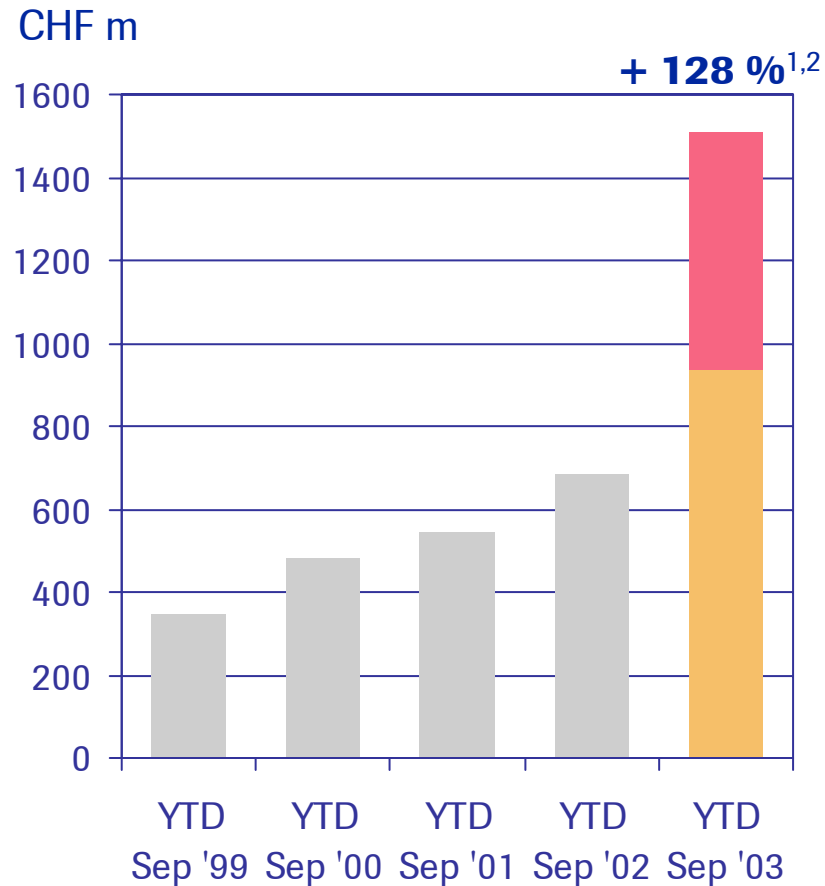
## *CellCept: established market leadership in US*



- Global sales of CellCept CHF 989 million YTD Sep '03 (+28 %<sup>1</sup>)
- FDA approved Valcyte for prevention of CMV disease in high-risk kidney, kidney-pancreas and heart transplant patients
- Sold back rights of Zenapax outside transplantation: (US\$ 80 million)
- Collaboration with Isotechnika progressing well
  - phase II of R1524 in psoriasis presented
  - phase IIa in transplantation at ATC (June '03)
  - Phase IIb in transplantation '05

# Anemia management

## *NeoRecormon / Epogin and CERA*



- Sales<sup>2</sup> of CHF 1.5 billion YTD Sep '03
- Market leader in renal anemia (ex-US)
- Significant growth in oncology
- Growth drivers
  - unrestricted label in renal
  - increasing penetration into pre-dialysis
  - once-weekly data in oncology
- CERA – phase II data will be presented at ASN in Nov '03

■ NeoRecormon ■ Epogin



<sup>1</sup> local growth

<sup>2</sup> global (Roche & Chugai)

**Strong operating performance**

**Brands driving growth**

**Pipeline well positioned for future growth**



## Strong newsflow on major market opportunities in Q4 '03

product	phase	indication	scientific meeting	NME
Avastin	II	1 <sup>st</sup> line mCRC	t.b.a.	√
CERA	II	renal	ASN	√
CERA	I/II	oncology	ASH	√
MabThera	III	1 <sup>st</sup> line indolent NHL	ASH	
MabThera	IIa	RA (48 weeks)	ACR	
MRA	II	systemic onset juvenile idiopathic arthritis	ACR	√
Pegasys	III	Hep C, normal ALT	AASLD	
Pegasys	III	Hepatitis B	AASLD	



# Roche R&D pipeline today

*Total of 65 NME's including 5 opt-in opportunities*

## phase 0

R1315	Alzheimer's
R1454	solid tumors
R1485	Alzheimer's
R1495	HIV
R1497	depression
R1499	type 2 diabetes
R1554	OAB
R1559	solid tumors
R1594	tumors
Gen	wound healing
antifungal (B)	

## phase I

R448	COPD
R701	OAB
R944	HIV
R1068	emesis
R1204	depress./anxiety
R1295	asthma
R1438	type 2 diabetes
R1439	type 2 diabetes
R1440	type 2 diabetes
R1479	HCV
R1484	SUI
R1487	RA
R1492	solid tumors
R1500	Alzheimer's
R1503	RA
R1516	anemia
R1518	HCV
R1533	Alzheimer's
R1550	breast cancer
Gen	acute coronary synd.
Chu	multiple myeloma
Chu	osteoporosis
Chu	breast cancer
solid tumors (At)	
antifungal (B)	

## phase II

R411	asthma
R450	(alpha 1 agonist) SUI
R483	(insulin sensitizer) type 2 diabetes
R667	emphysema
R673	(NK1) depression/anxiety
R724	(T-1249) HIV
R744	(next generation anemia treatment)
R1124	emesis
R1270	HCV
R1273	(Omnitarg) solid tumors
R1461	HPV
R1524	renal transplant
R1536	solid tumors
R1569	RA
Gen	inflamm. bowel disease
Gen	macular degeneration
Chu	bone metastases
Chu	osteoporosis
Chu	CHD
Chu	gastroparesis
Chu	post hepatectomy
subarach. haemorrhage (Ax)	
antibiotic (B)	

## phase III / registration

R435	(Avastin) oncology
R484	(Boniva) osteoporosis
R1415	(Tarceva) oncology
R1549	(Pentumomab) ovarian cancer
Gen	(Raptiva) psoriasis
Chu	(Antevas) subarach. haemorrhage

	Roche managed
	participation through Genentech
	participation through Chugai
	opt-in opportunities Antisoma (At) Axovan (Ax) Basilea (B)

Roche pipeline status on  
September 30, 2003



# Projected filing dates for Roche managed NDA's

## *New molecular entities and significant line extensions*

2003	2004	2005	2006		2007
<b>Avastin*</b> colorectal cancer EU	<b>Tarceva</b> Refractory NSCLC, EU	<b>R1549</b> ovarian cancer	<b>R1124</b> emesis	<b>R483</b> type 2 diabetes	<b>R944</b> HIV / AIDS
<b>Herceptin</b> mBC 1 <sup>st</sup> line combo, EU	<b>MabThera</b> 1 <sup>st</sup> line iNHL, EU	<b>MabThera</b> RA, TNF-failures, EU	<b>R744</b> renal & cancer anemia	<b>R673</b> depression	<b>R411</b> asthma
<b>Xenical</b> four year Xendos study	<b>Pegasys</b> HBV	<b>R212</b> 2 <sup>nd</sup> gen. obesity new formulation	<b>R450</b> urinary stress incontinence	<b>R1270</b> HCV	<b>R1492</b> solid tumors
	<b>Boniva</b> osteoporosis iv & oral formul.		<b>MabThera</b> CLL, EU	<b>R1273</b> solid tumors EU	<b>R1479</b> HCV
	<b>Xeloda</b> adj. colon cancer mono			<b>Xeloda</b> 1 <sup>st</sup> & 2 <sup>nd</sup> line mCRC combo	<b>R724</b> HIV / AIDS
				<b>Herceptin</b> mBC hormonal, EU	<b>R1569</b> RA
					<b>MabThera</b> RA signs, symp, struct. damage EU
					<b>Herceptin</b> adjuvant BC EU

new molecular entity  
 line extension

# Our growth objectives for 2003 and beyond

## *Pharmaceuticals*



### 2003

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- Double-digit sales growth\*
- Double-digit operating profit growth\*

### ... and beyond

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- Operating profit margin: towards 25 % by end of 2004





# **Diagnostics Division**

**Heino von Prondzynski**

*Head of Roche Diagnostics*

**Strong operational performance**


**New markets driving growth**



# Roche Diagnostics

*Continuously outgrowing the IVD market*

## Sales

- Twice IVD industry growth 
- Double-digit local growth **7 %**

## Operating profit

- 1<sup>st</sup> half 2003 **up 2.7pp to 18.2 %**

## Product launches

- > 10 product launches in H2 '03 **on track (7 launches in Q3 '03)**

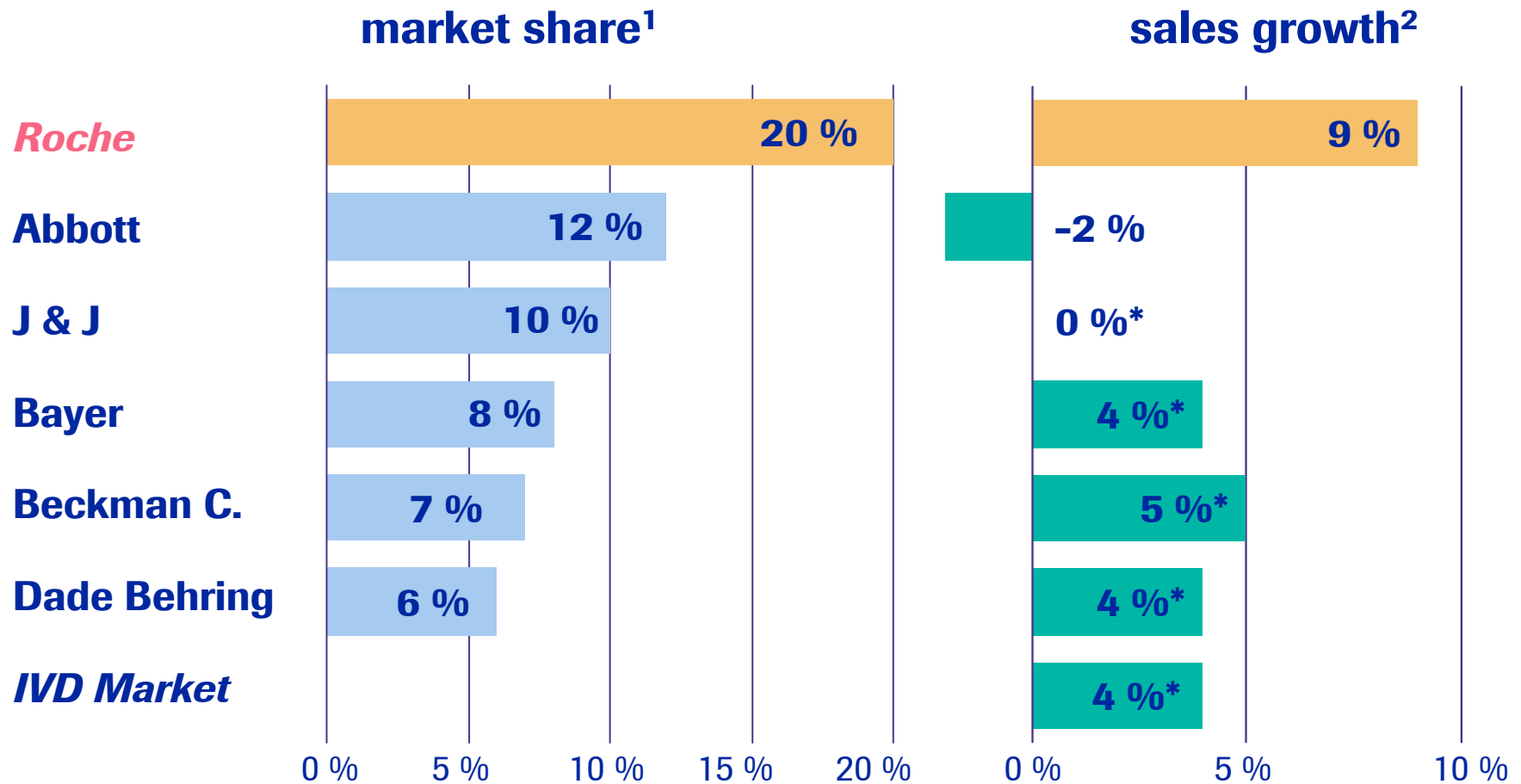
## Key achievements

- Disetronic Integration 
- Igen Acquisition **closing expected end of '03**



# Roche continues to expand market leadership

*Growth more than double the market (YTD '03)*



<sup>1</sup> source: company reports, Boston Biomedical Consultants, Roche analysis

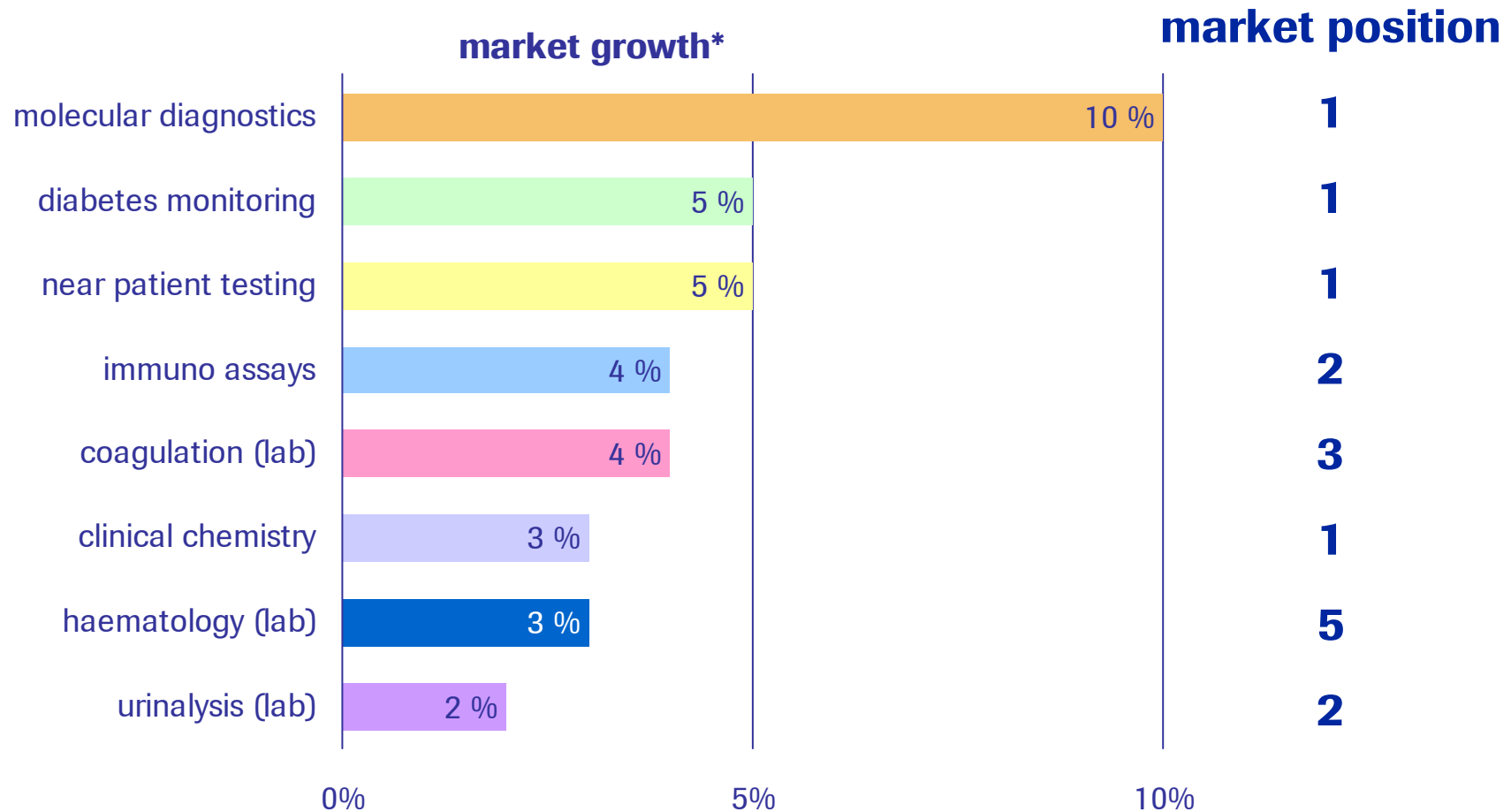
<sup>2</sup> in local currencies, excludes Life Science research market

\* half year results



# IVD world market H1 '03

*Roche leading in largest & fastest growing segments*



source: Roche analysis, company reports

\* world wide growth in local currency

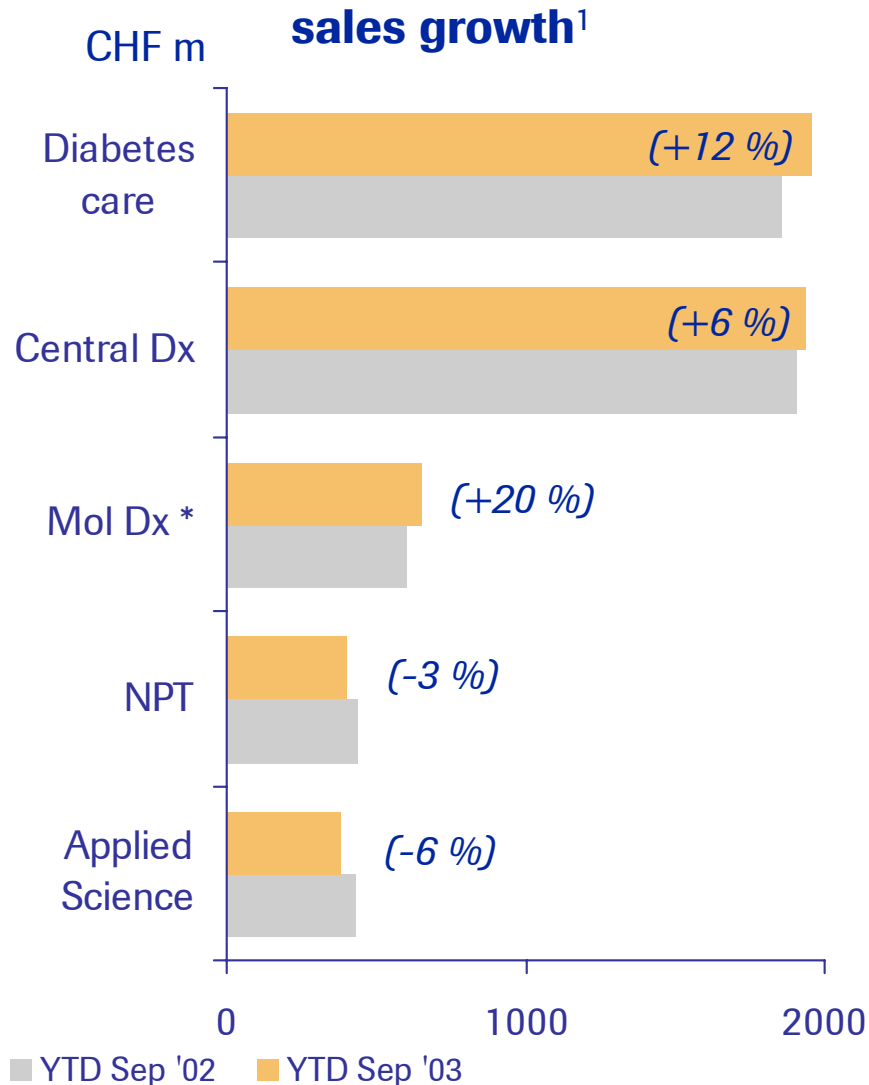


# Growth double the IVD market

## *Diagnostics sales by business area*

	YTD Sep '03 CHF m	YTD Sep '02 CHF m	growth local	CHF
Diabetes Care	1,954	1,858	12 %	5 %
Molecular Diagnostics (ex. ind. bus.)	655	591	20 %	11 %
Centralized Diagnostics	1,936	1,908	6 %	1 %
Near Patient Testing	405	440	-3 %	-8 %
<b>Roche <i>in vitro</i> Diagnostics</b>	<b>4,950</b>	<b>4,797</b>	<b>9 %</b>	<b>3 %</b>
Applied Science	377	429	-6 %	-12 %
Molecular Diag - industrial business	91	141	-28 %	-36 %
<b>Life Science</b>	<b>468</b>	<b>570</b>	<b>-11%</b>	<b>-18 %</b>
<b>Roche Diagnostics</b>	<b>5,418</b>	<b>5,367</b>	<b>7 %</b>	<b>1 %</b>

# High margin areas outperform the market



- Diabetes care gaining share in all regions despite slower than expected growth in glucose monitoring world market (YTD 5 %<sup>2</sup>)
- Placement of immunochemistry platforms growing Centralized Diagnostics (>1,500 Elecsys & E170 placements ww YTD '03)
- Blood screening driving growth in Molecular Diagnostics
- Near Patient Testing impacted by divestitures of OPTI & DAT (underlying growth +6 %)
- Life Science market still affected by downturn in research & Biotech discovery

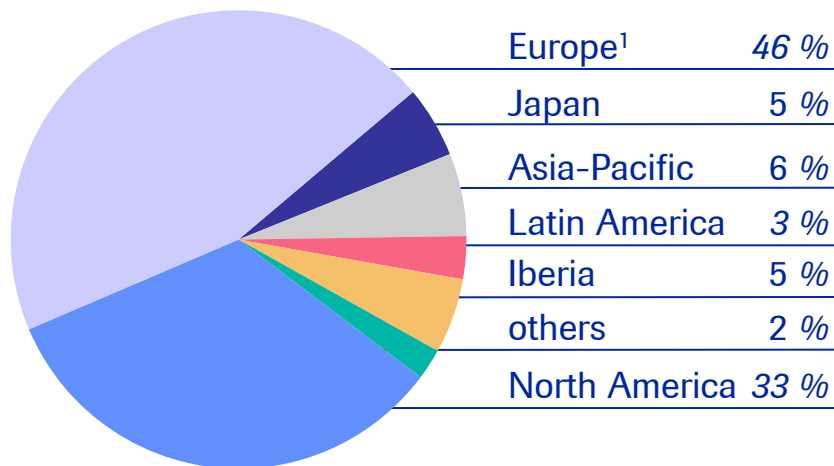
<sup>1</sup> local currencies

<sup>2</sup> Roche analysis

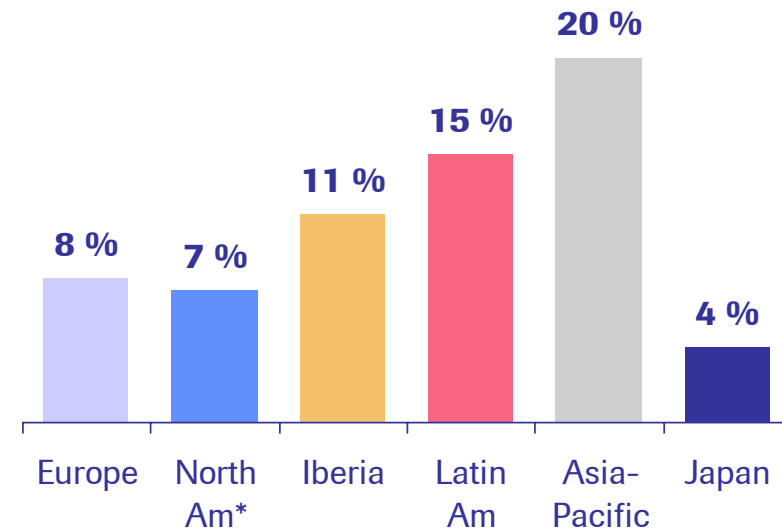
\* excludes Industrial Business; including +11 %

# Above local market growth in all regions

**CHF 5,418 million**



## Local sales growth YTD Q3 '03



<sup>1</sup> Europe, Middle East and Africa (excl. Iberia)

\*US impacted by OPTI, DAT and US Hematology divestiture (underlying growth + 9 %)

**Strong operational performance**

**New markets driving growth**

# Roche Diagnostics

*Growth driven by three key areas*

## Roche today

**#1 Diagnostics company**

**#1 in high growth areas**

- molecular diagnostics
- diabetes care

**growing > 2x IVD market**



## Focus

### Diabetes Care

growth through cross leveraging pumps & blood glucose monitoring

### Molecular Diagnostics

expand into early detection, prevention & targeted therapy  
→ cancer & genetics

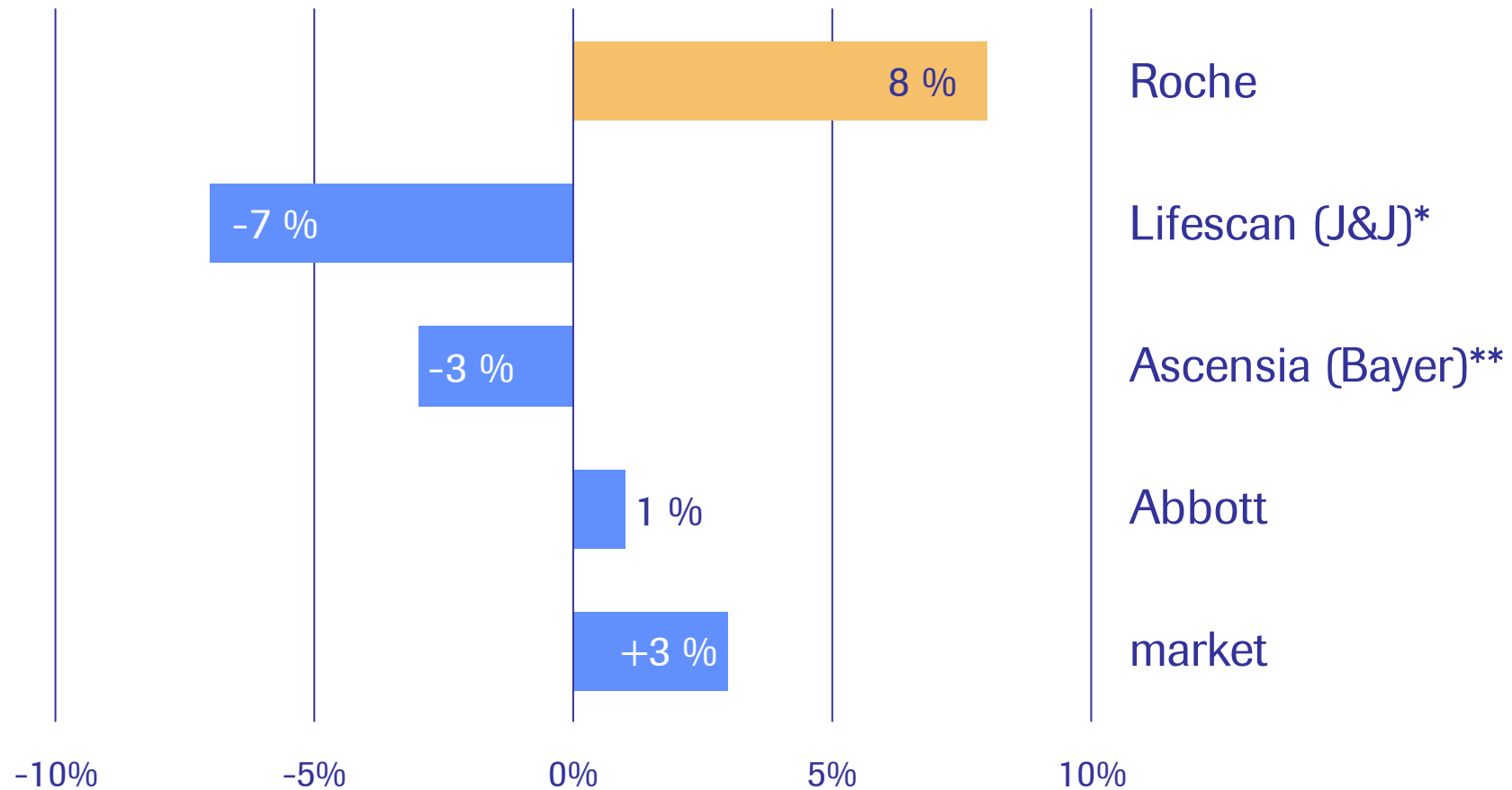
### Immunochemistry

drive placements & grow market through new tests with high medical value



# US Diabetes Care market (YTD Sep '03)

*Roche outperforming competitors*



\* adjusted for divestitures

\*\* first half 2003

growth in local currencies

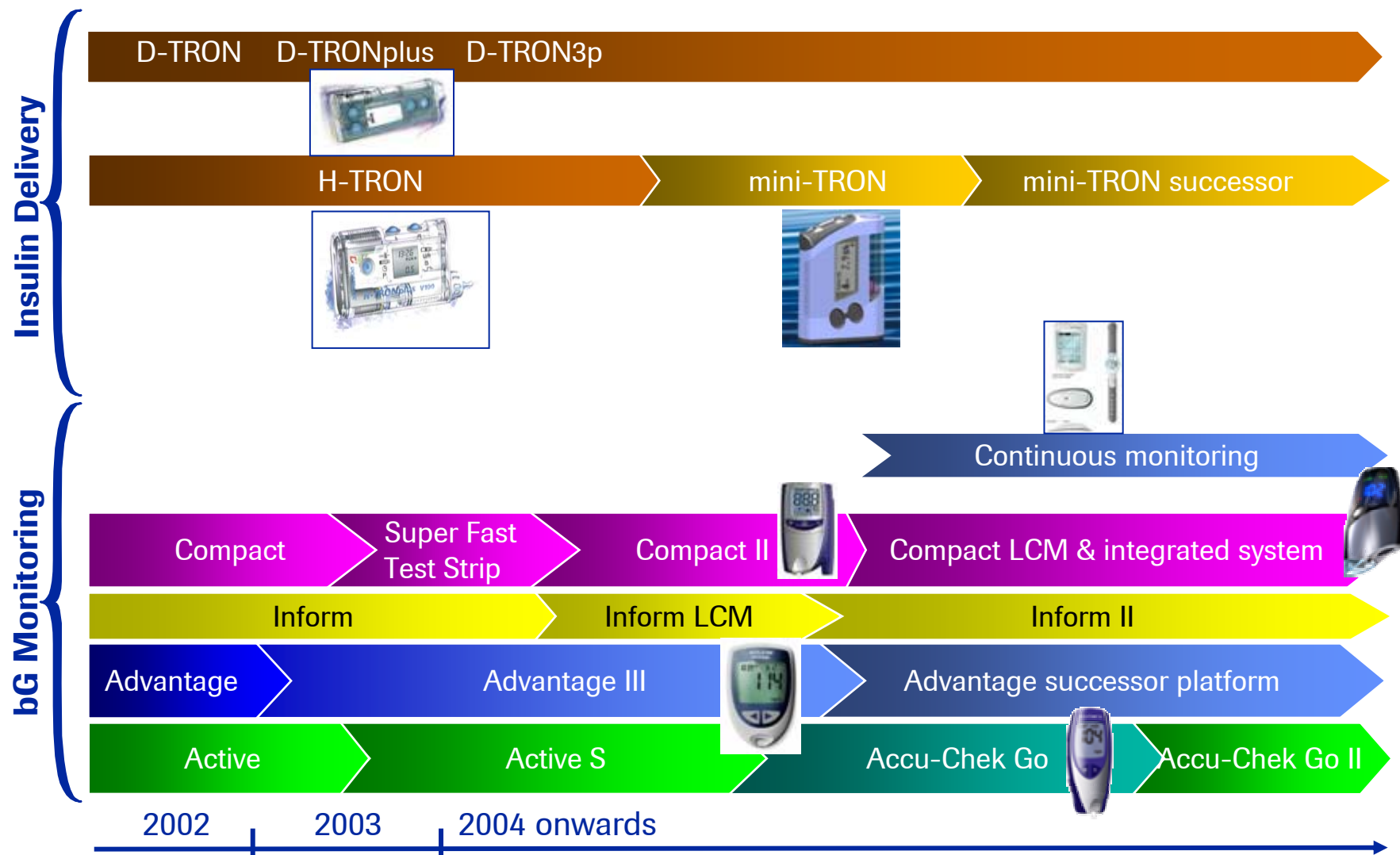
## **Sales Infusion Systems (YTD Sep '03)**

### *Disetronic up-date*

- Intensive insulin therapy and use of pumps gaining acceptance
- Focus on increasing pump penetration in Europe (+12 % local growth)
- Turnover of pump business increasing by +5 % overall, despite restrictions in US
- Discussions with FDA on-track, resolution expected as planned (mid 2004)

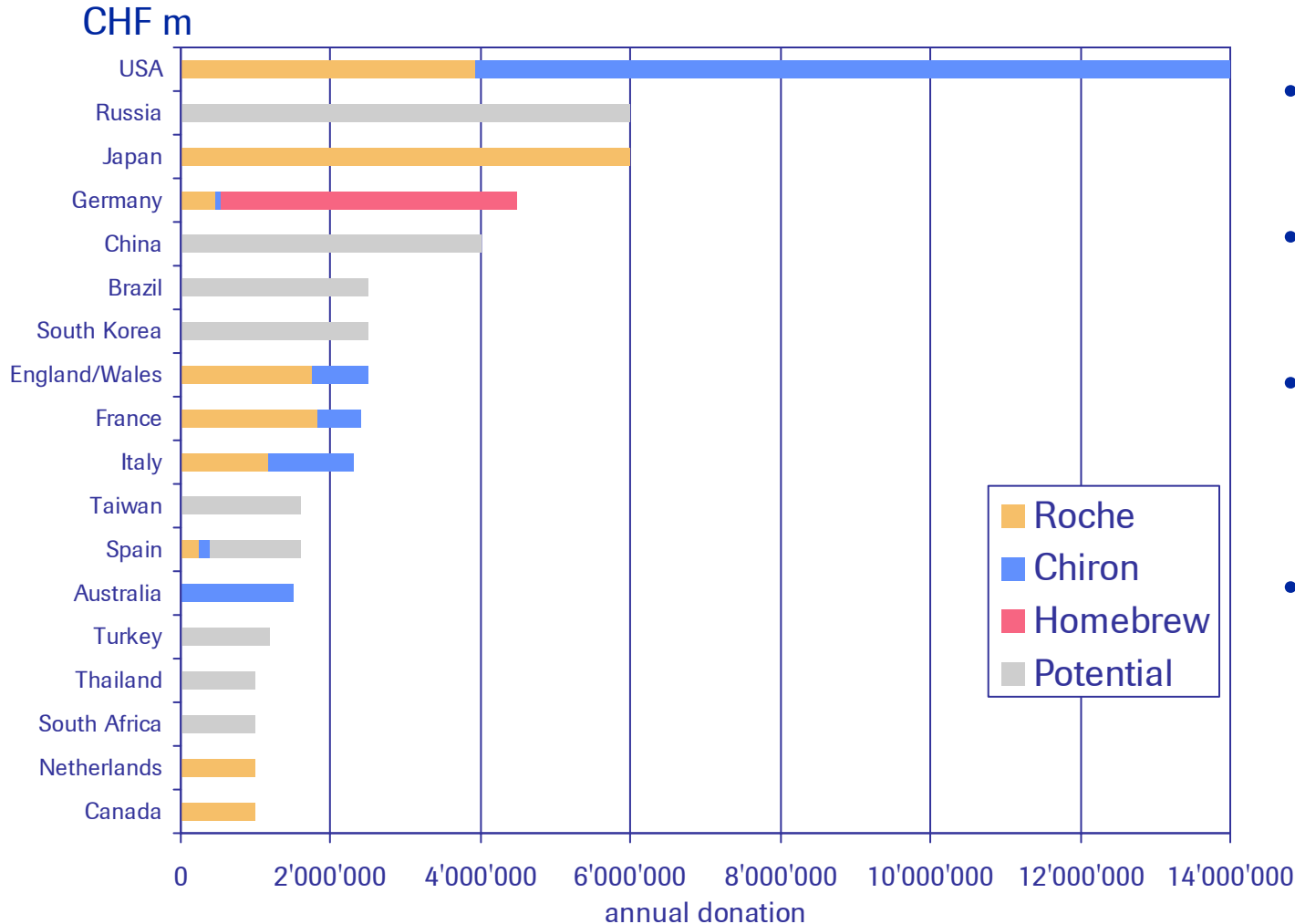
# Substantial portfolio of line extensions

*Keeping ahead of the market*





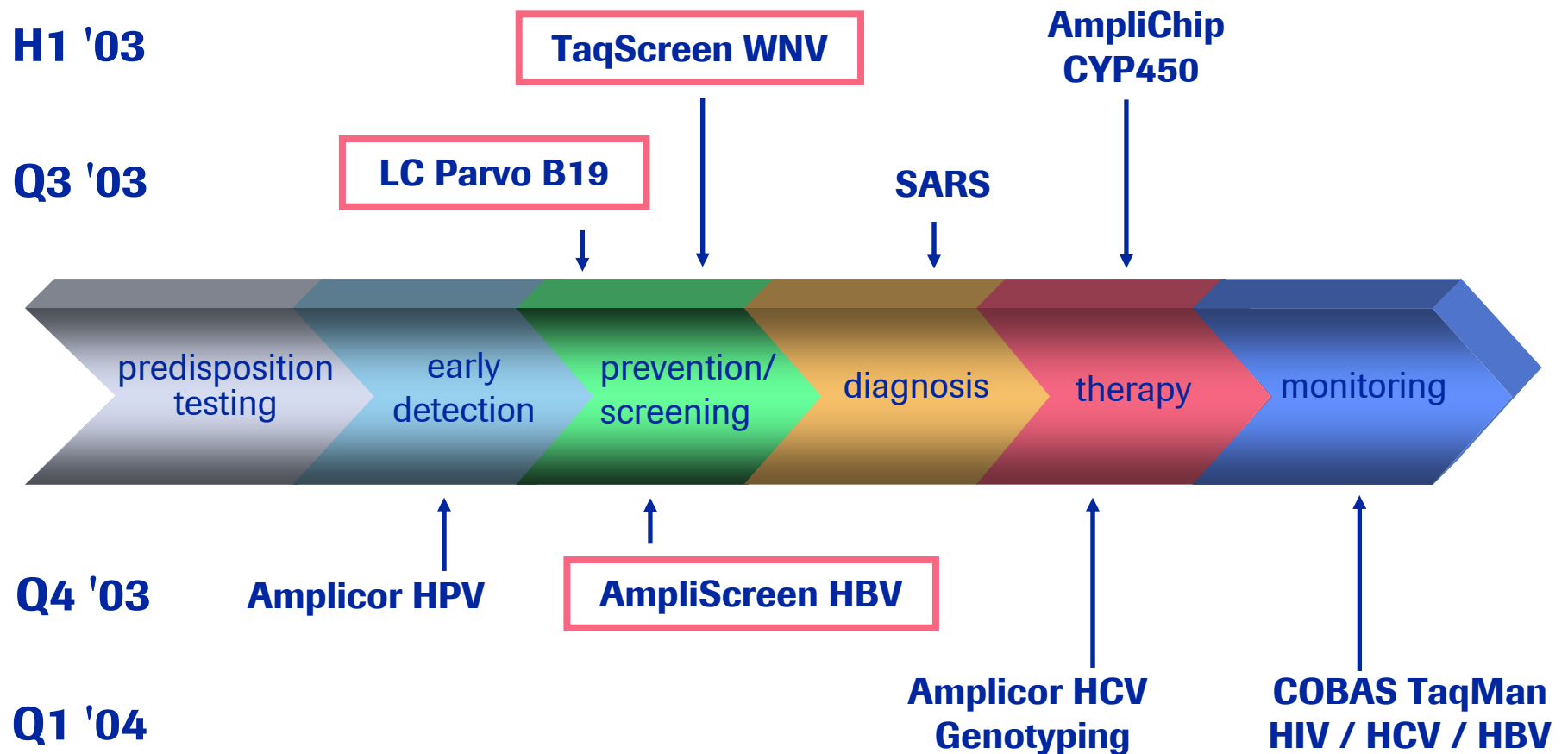
# Roche now the global market leader in NAT\* blood testing in less than 5 years



- 52 % global market share
- leader in automation
- developing new, fully automated systems
- broadest menu of tests in development

# Molecular Diagnostics drivers 2003 - 2004

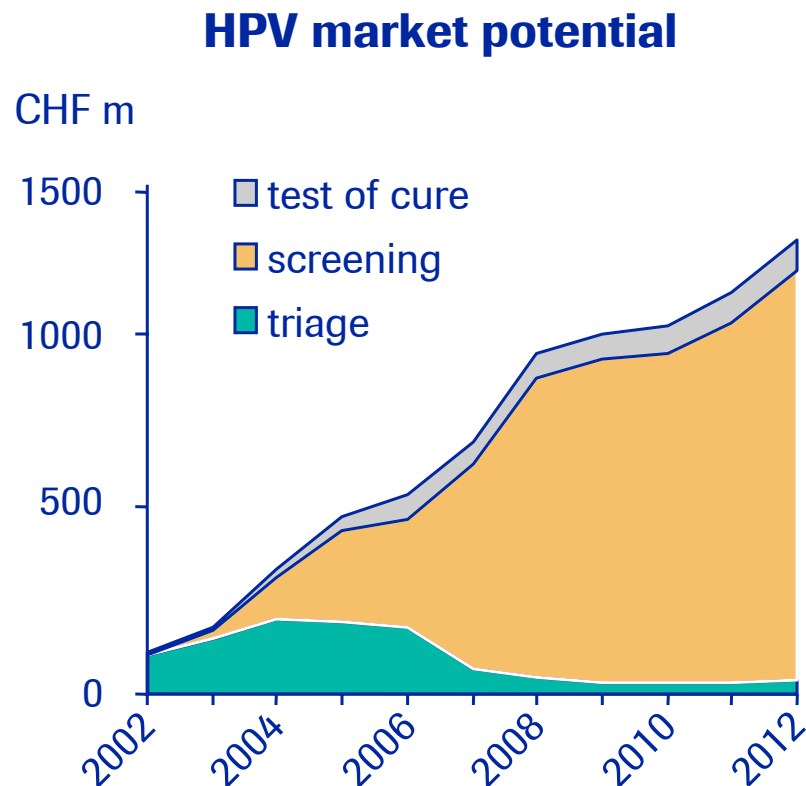
## *Novel diagnostic tests*



blood screening tests

# Human Papillomavirus (HPV) tests

## *Block-buster growth opportunity*

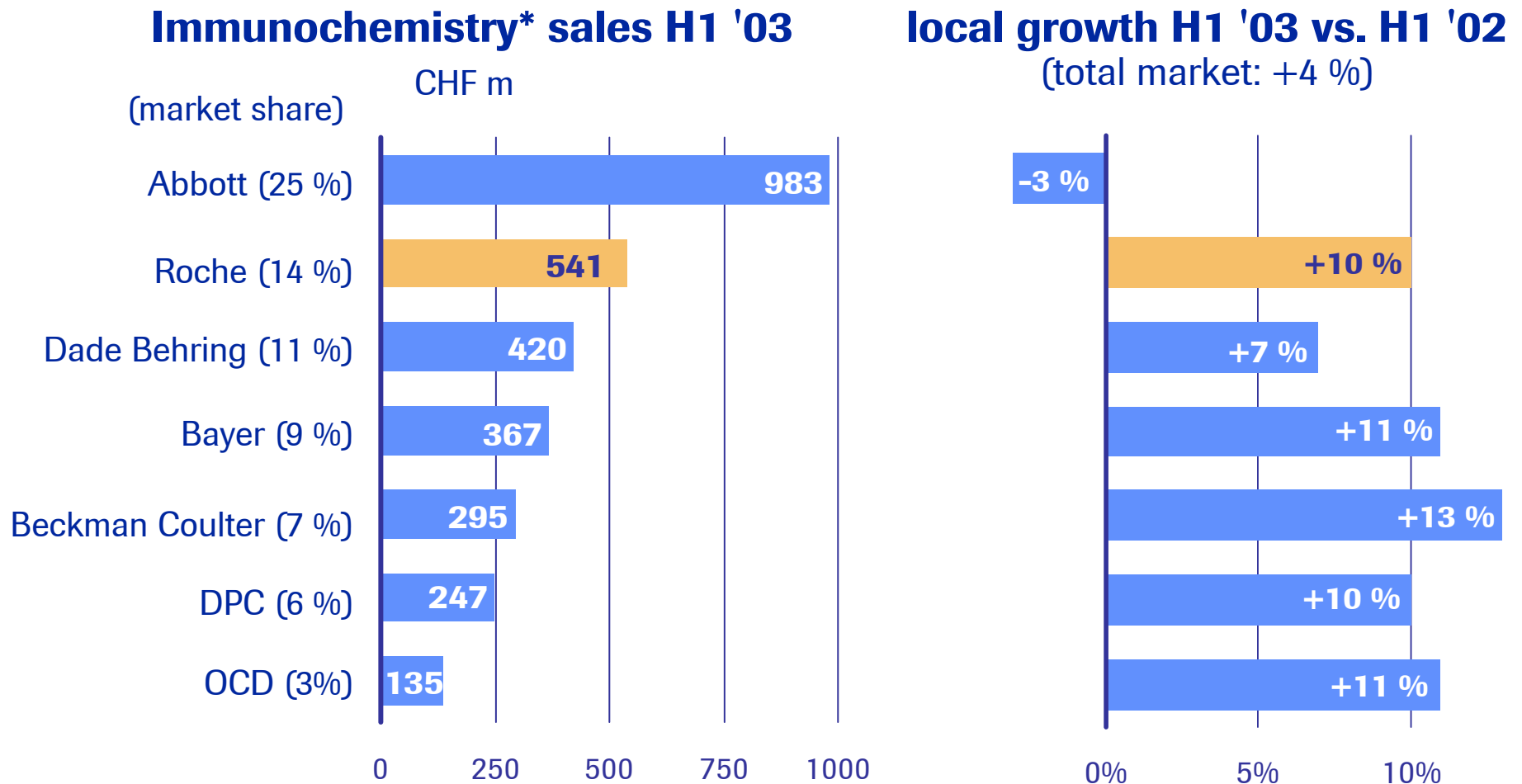


- **AMPLICOR HPV microwell plate (MWP) assay** **Q4'03**
  - Detect all high-risk HPV strains
  - Triage and screening
- **LINEAR ARRAY HPV** **Q4'04**
  - genotypes 37 types of virus
  - epidemiology, vaccine trials, test of cure
- **COBAS TaqMan 96/48** **2005**
  - quantitates viral levels
  - fully automated real time PCR



# Total IVD Immunochemistry market

## *Roche outperformed the market growth*



source: Boston Biomedical Consultants; Roche analysis

\* w/o Blood Bank testing

exch. rate 1 USD = 1,35 CHF

# Immunochemistry drivers 2003 - 2005

## *Platforms and new markers*

**Consolidation of instrumentation  
"Serum Work Area"**



**E 170 module**

- Heterogeneous Immunochemistry (IC)
- ECL technology

**D 2400 module**

- Clinical chemistry
- Photometric tests

**P 800 module**

- Homogeneous IC
- Photometric tests

**Development of innovative new markers**



2003

NT-proBNP	√
SHBG	√
P1NP	Q4
TDM II	Q4

2004 onwards

<b>Proteomics program</b>	
-	oncology
-	Rheumatoid Arthritis
-	cardiac
-	osteoporosis

# Our growth objectives for 2003 and beyond



## 2003 and beyond

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- 2003: high single digit sales growth
- Continue to outperform the IVD market significantly above the market average
- Further improvement in operating profit, above 20 % by 2006
- More than 10 product launches in H2 '03





# **Group financial results**

**Dr. Erich Hunziker**  
*Chief Financial Officer*

## **Financial highlights third quarter 2003**

### *Measures to further improve the balance sheet*

- Debt further reduced from CHF 18 billion on June 30 to CHF 16 billion on September 30
- Debt restructuring:
  - launched new long term Sterling bond under the EMTN program
  - launched intermediate dated Eurodollar bond of benchmark size
  - mainly used to restructure some existing debt with shorter maturities
- Equity position further reduced by CHF 400 million from CHF 2.4 billion on June 30 to CHF 2.0 billion at end of September

# Year end 2003 - a single financial statement

## **Replace current concept of separate "reported" and "adjusted" results by a single presentation which**

- distinguishes between continuing and discontinuing businesses
- segregates the operating performance in a "recurring" and "exceptional items" part



## **Achieve an improved presentation of IFRS results**

- better comparability of current and future results despite one-off items and discontinuing businesses
- better assessment of sustainable operating earnings capacity

# A single statement

## *New income statement*

### Sales

- cost of sales

### Gross profit

- M&D
- R&D
- administration
- amortization of intangible assets
- other operating income / expenses

### Operating profit before exceptional items

- amortization of goodwill
- major legal cases
- disposal of businesses

### Operating profit

- income from associated companies
- net financial income

### Profit before taxes

- income taxes

### Profit after taxes

- minority interests

### Net income

Continuing businesses	Discontinuing businesses	Group

## **Proposed new concept**

### *Next steps*

- Implementation as of year end '03
- Reconciliation for '02 and first half '03 results will be sent out by end of November '03
- Teleconference to explain principles will be organized by end of November '03

# Outlook



## 2003

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- Double-digit growth in sales for the Group and Pharmaceuticals, and high single digit for Diagnostics in local currencies; each above market growth
- Double digit growth in operating profit for the Group and both Pharmaceuticals and Diagnostics in local currencies
- Operating profit margin for the Group slightly increasing
- Tax rate around 29 %

## ... and after

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- Improved operating profit margins: Group  $> 20$  % in medium term; Pharmaceuticals approaching 25 % by the end of 2004; Diagnostics slightly better than 20 % by 2006
- By the end of 2004 conditions in place for a balanced financial income





# Appendix



# Pharmaceuticals sales (adjusted)

## *Sales outperform world market*

	YTD Sep '03 CHF m	growth vs. YTD Sep '02 in CHF	growth vs. YTD Sep '02 in local currencies
<b>Roche Prescription<sup>1</sup></b>	9,792	1 %	7 %
<b>Genentech Prescription</b>	2,515	6 %	24 %
<b>Chugai Prescription</b>	2,142	219 %	250 %
<b>Roche world wide Prescription group<sup>1</sup></b>	<b>14,449</b>	<b>13 %</b>	<b>23 %</b>
<b>OTC Pharmaceuticals<sup>1</sup></b>	1,318 <b>15,767</b>	15 % <b>13 %</b>	21 % <b>23 %</b>

<sup>1</sup> sales are adjusted to include the reclassification of sales to the Vitamins & Fine Chemicals Division



# Roche Prescription sales (adjusted)

*Supported by all businesses*

	<b>Q4 '02</b>		<b>Q1 '03</b>		<b>Q2 '03</b>		<b>Q3 '03</b>	
	CHF m	%*	CHF m	%*	CHF m	%*	CHF m	%*
<b>Roche Prescription<sup>1,2</sup></b>	3,171	-1 %	3,136	3 %	3,273	8 %	3,383	13 %
<b>Genentech Prescription</b>	871	23 %	793	25 %	830	24 %	892	22 %
<b>Chugai Prescription<sup>3</sup></b>	915	211 %	656	236 %	755	242 %	731	274 %
<b>Roche world wide Prescription group<sup>1</sup></b>	<b>4,957</b>	<b>18 %</b>	<b>4,585</b>	<b>18 %</b>	<b>4,858</b>	<b>24 %</b>	<b>5,006</b>	<b>28 %</b>

<sup>1</sup> sales are adjusted to include the reclassification of sales to the Vitamins & Fine Chemicals Division as divisional sales to third parties

<sup>2</sup> excludes Nippon Roche Rx

<sup>3</sup> Chugai Rx Q4 '02 vs. Nippon Roche Rx Q4 '01

\* growth in local currencies from the same period in 2001 or 2002 resp.

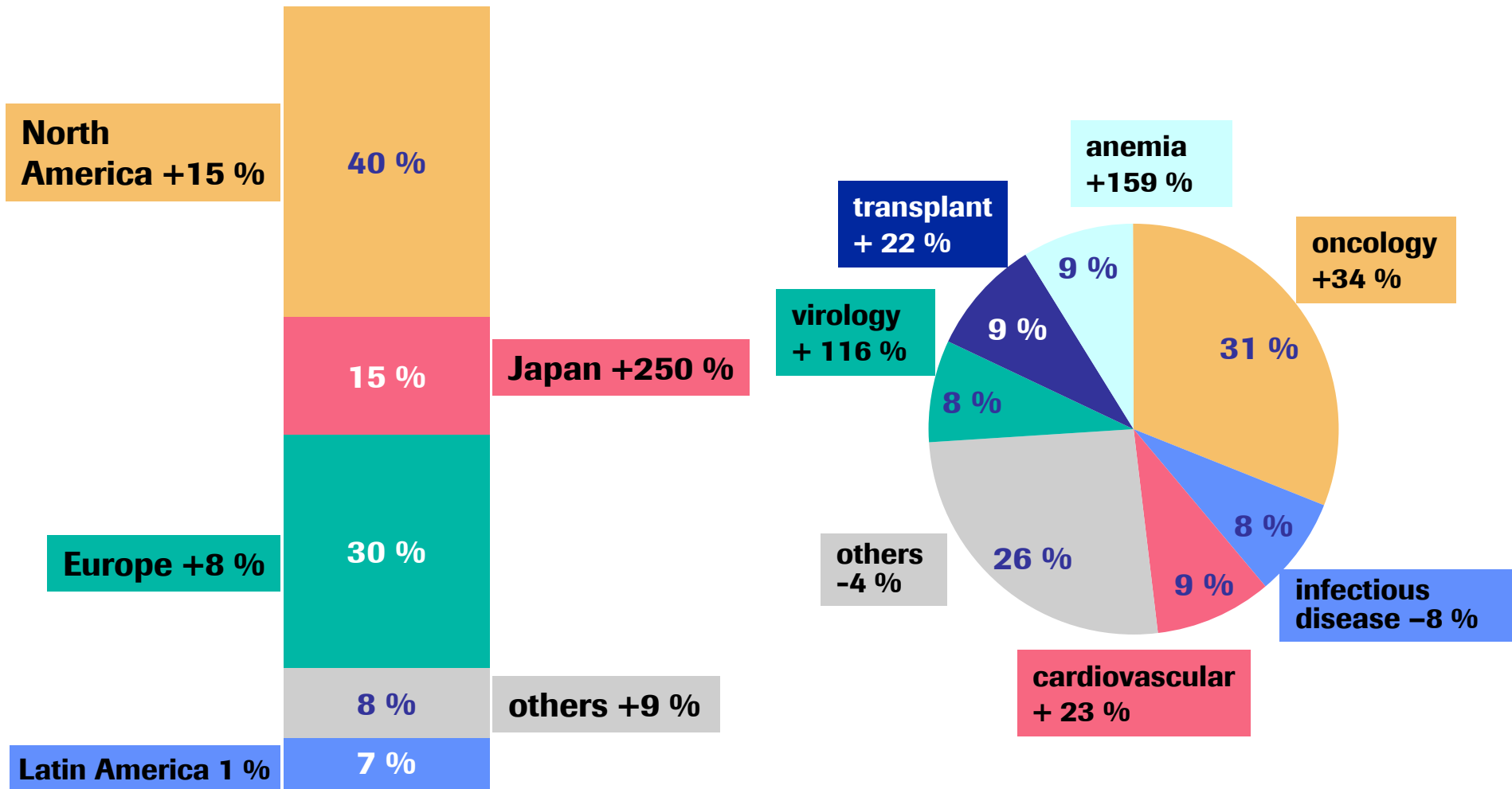


# Top 20 Prescription products

*Sales YTD September 2003 (vs. YTD Sep '02)*

	total		US		J		ROW	
	CHF m	% local	CHF m	% local	CHF m	% local	CHF m	% local
MabThera/Rituxan	2,023	36	1,428	32	58	30	537	51
NeoRecormon/Epogin	1,509	128	-	-	572	-	937	37
Rocephin	1,023	-7	591	-5	38	12	394	-12
CellCept	989	28	508	26	14	21	467	30
Herceptin	871	31	415	20	67	53	389	41
Pegasys/Copegus	619	1483	387	-	-	-	232	445
Xenical	471	-13	113	-15	-	-	358	-13
Xeloda	409	36	220	31	5	-	184	41
Roaccutane	406	-40	227	-48	-	-	179	-24
Nutropin/Protoprin	335	8	326	8	-	-	9	11
Kytril	321	8	137	4	93	11	91	11
Dilatrend	286	19	-	-	-	-	286	19
Pulmozyme	243	11	143	11	-	-	100	11
Neutrogin	234	-	-	-	234	-	-	-
Activase/TNKase	215	8	192	8	-	-	23	7
Cymevene/Valcyte	214	6	130	2	-	-	84	14
Viracept	211	-13	-	-	2	-5	209	-13
Madopar	179	4	-	-	13	-1	166	5
Lexotan	161	-8	-	-	9	-3	152	-9
Inhibace/Inhibace+	159	-1	-	-	8	-	151	-1

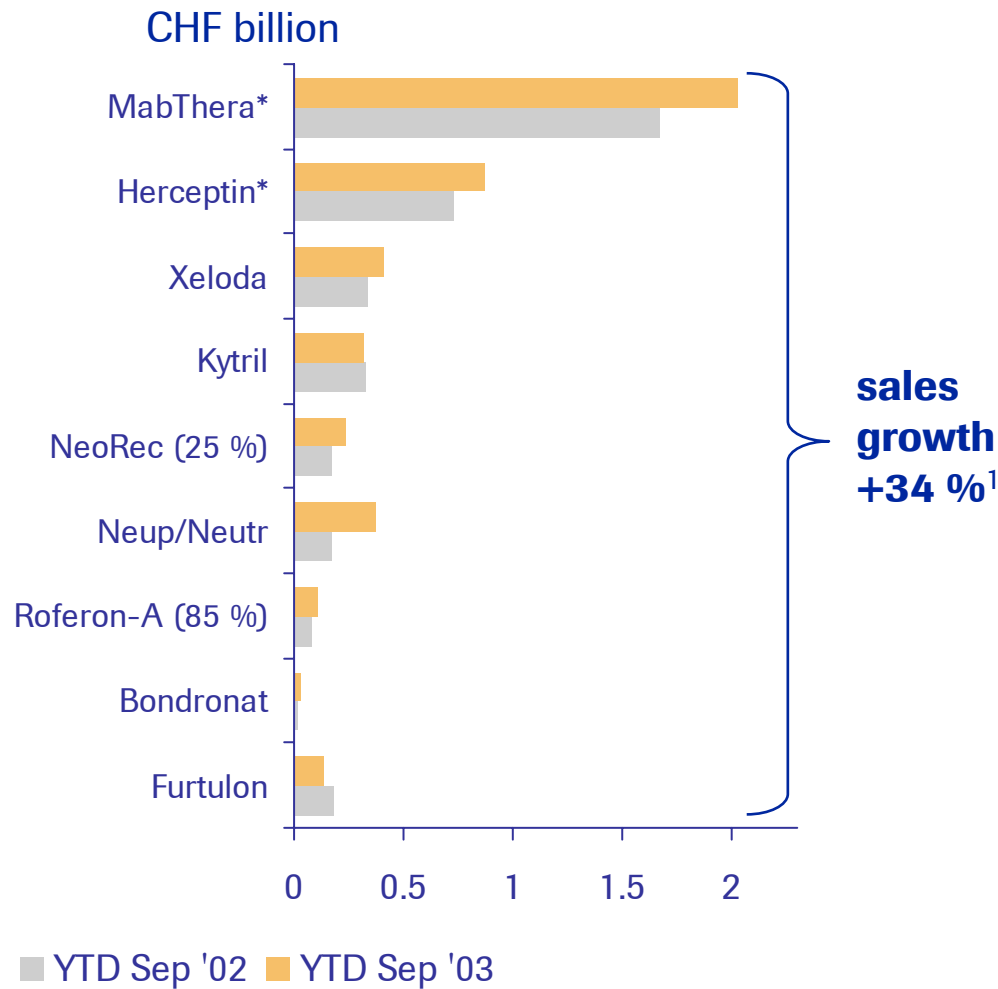
# Growth in main regions and therapeutic areas (YTD Sep '03)



all growth figures are in local currencies

# Oncology - Roche the no. 1 company

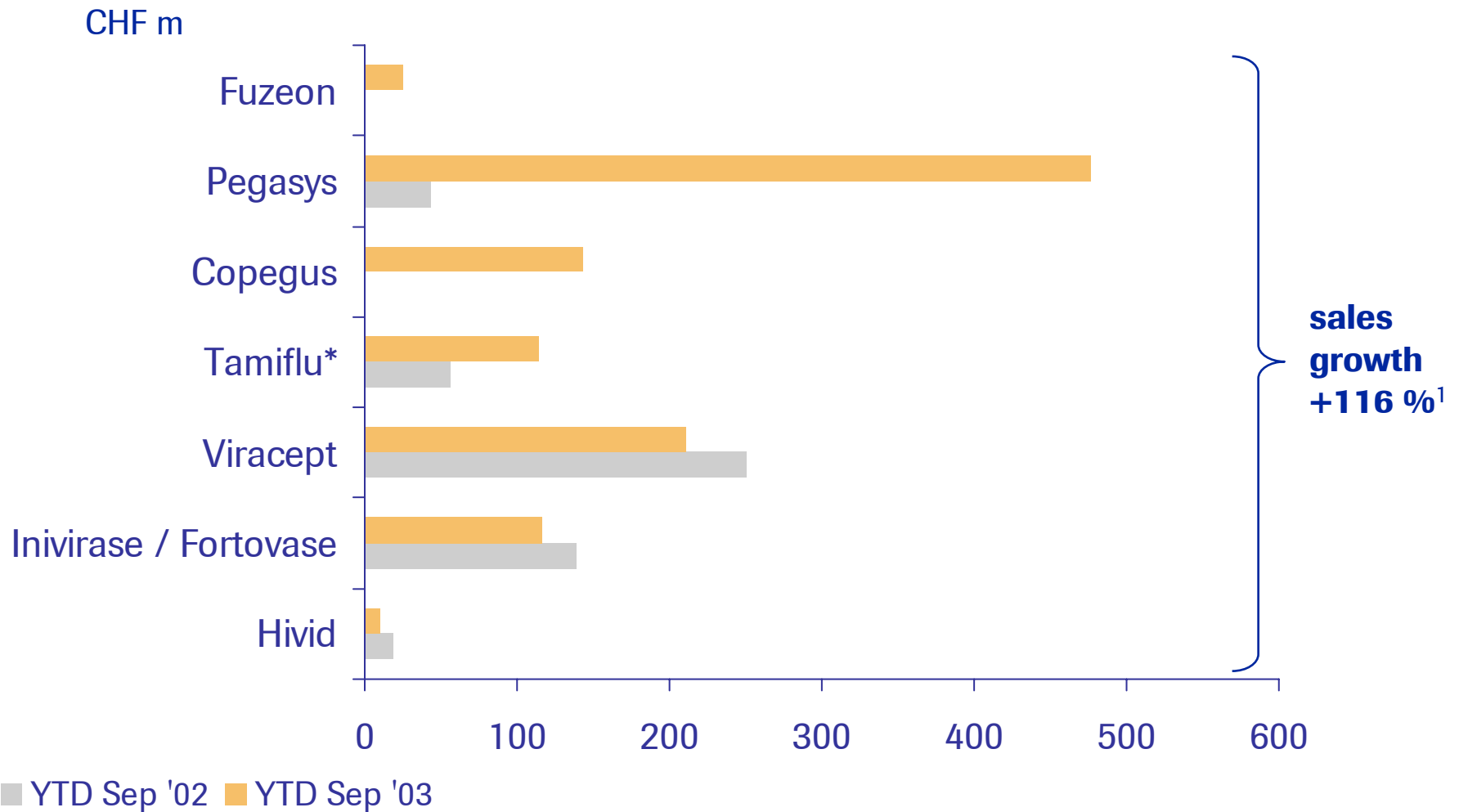
## *Outperforming the market*



- Long patent protection
- Additional opportunities with Avastin, Bondronat, Tarceva, Pentumomab
- Rich pipeline targeting major tumor types
- Expected to further increase, from CHF > 5 billion (2002) to CHF 7 - 10 billion (2005)

# Virology

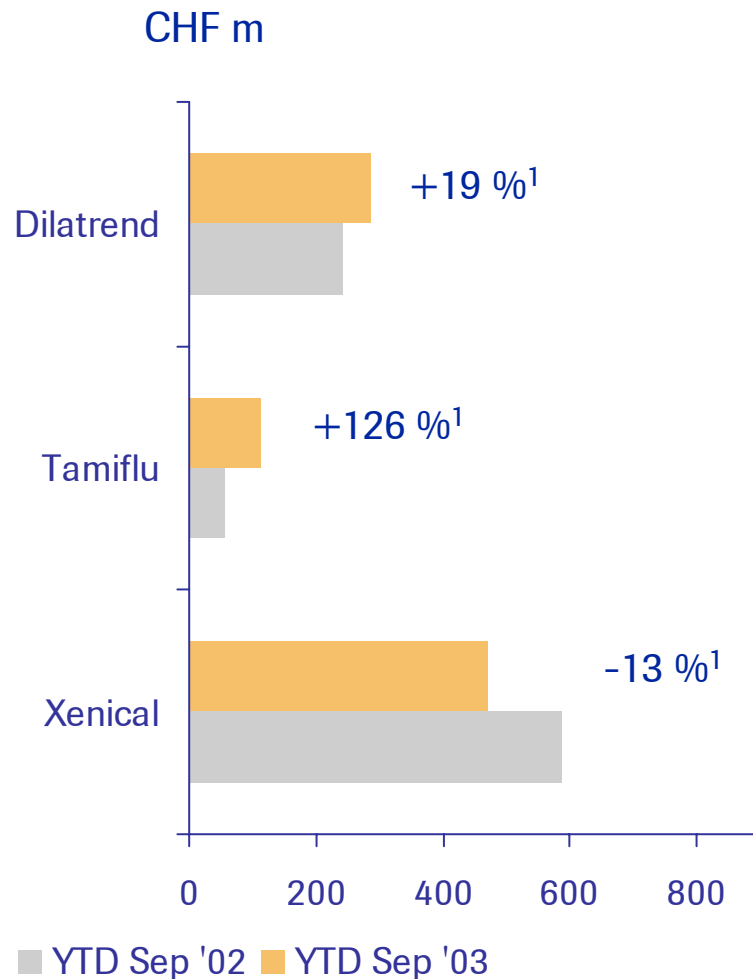
## *Strong commitment retained*



\* CHF 114 million

<sup>1</sup> local growth

# Our main primary care products

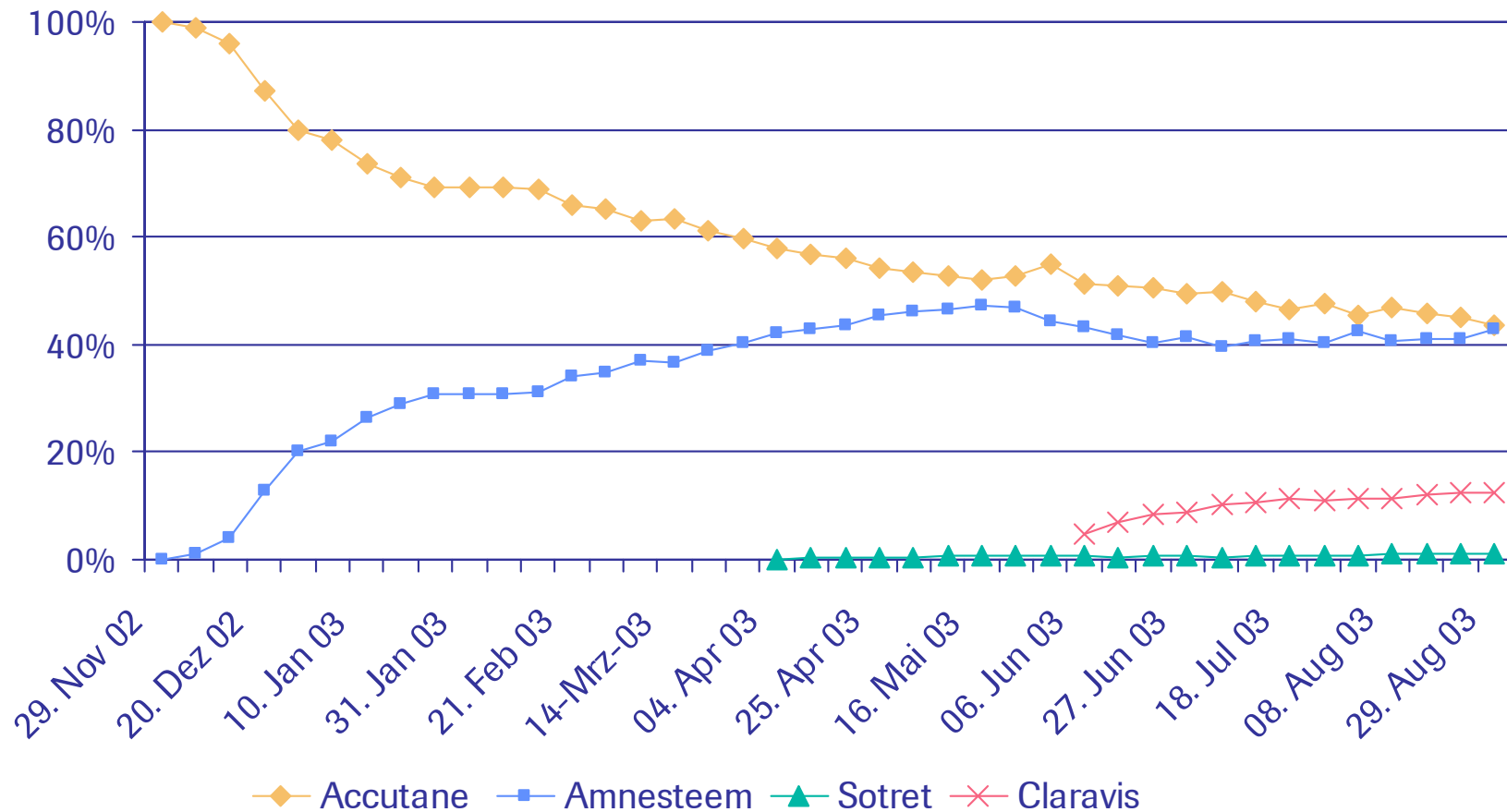


- Dilatrend
  - COMET data to drive future growth
- Tamiflu
  - strong performance in Japan
- Xenical
  - entire obesity market declining by ~17 %
  - market share maintained

<sup>1</sup> local growth

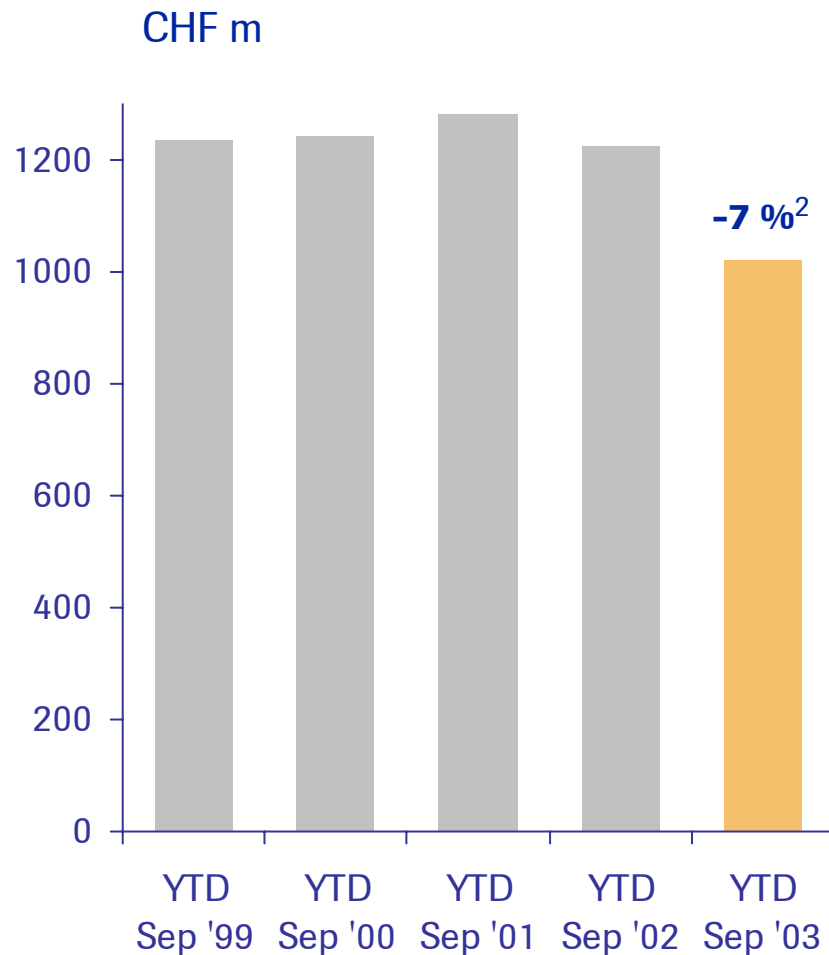
# Three isotretinoin generics on the market

## *Accutane - declining as expected*



# Rocephin

*Maintain leadership position in US<sup>1</sup>*



- Maintain market share in injectable antibiotic market in US<sup>3</sup>
- Main impact in the US through merger of two wholesalers consolidating their respective inventories and distribution centers in Q4 '02

<sup>1</sup> injectable cephalosporin market  
<sup>3</sup> source: IMS DDD YTD April 2003

<sup>2</sup> local growth

# Substantial opportunities (NME's only)

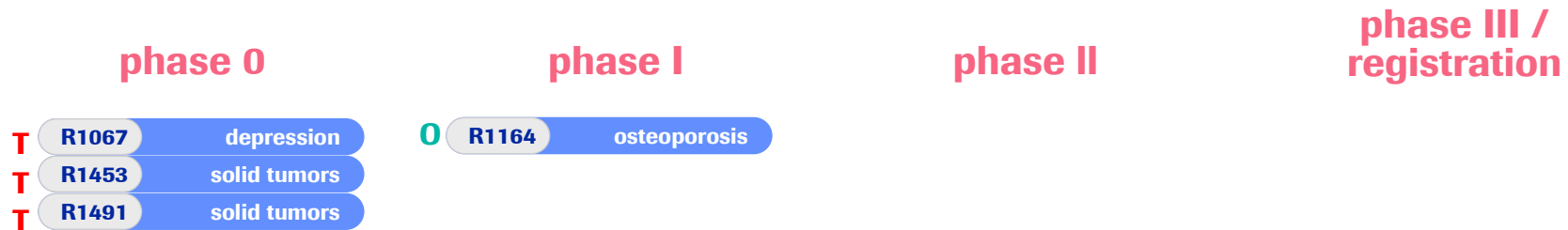
## Decisions on 14 projects throughout 2003

accomplished	phase	action	time	
Boniva	III	database closure (new regimen)	H2 '03	decisions to be taken on phase III
<b>MabThera in RA</b> (TNF failure)	<b>III</b>	<b>start of recruitment</b>	<b>H1 '03</b>	
<b>Tarceva</b>	<b>III</b>	<b>1<sup>st</sup> line NSCLC data available</b>	<b>H2 '03</b>	
<b>Avastin</b>	<b>III</b>	<b>CRC study data available</b>	<b>H1 '03</b>	
<b>R1549</b>	<b>III</b>	<b>ovarian cancer, interim data</b>	<b>H2 '03</b>	
R 1569 (Chugai)	III	start of study	H2 '03	decisions to be taken on phase II
<b>MabThera in RA</b>	<b>IIb</b>	<b>start of study</b>	<b>H1 '03</b>	
R483	II	data available	H2 '03	
R744	II	data available	H2 '03	
R673	II (US)	recruitment finished	H2 '03	
R411	II	recruitment finished	H2 '03	
R450	II	recruitment finished	H2 '03	
R1273	II	BC mono, recruitment finished	H2 '03	
T-1249	II	start of study	H2 '03	



# Roche managed R&D pipeline

## *Projects terminated in the past 12 months*



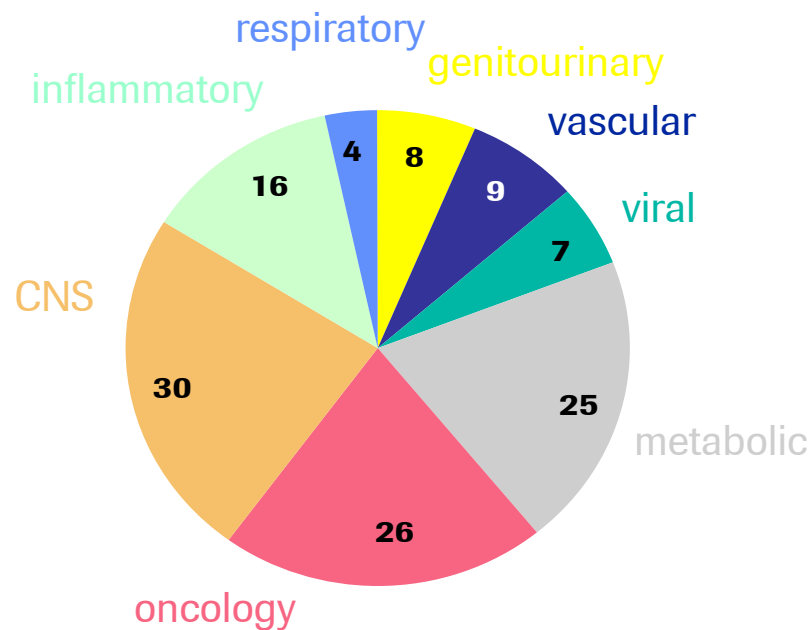
**4 projects terminated or planned for outlicense in past 12 months**

# Roche managed R&D pipeline - overview<sup>1</sup>



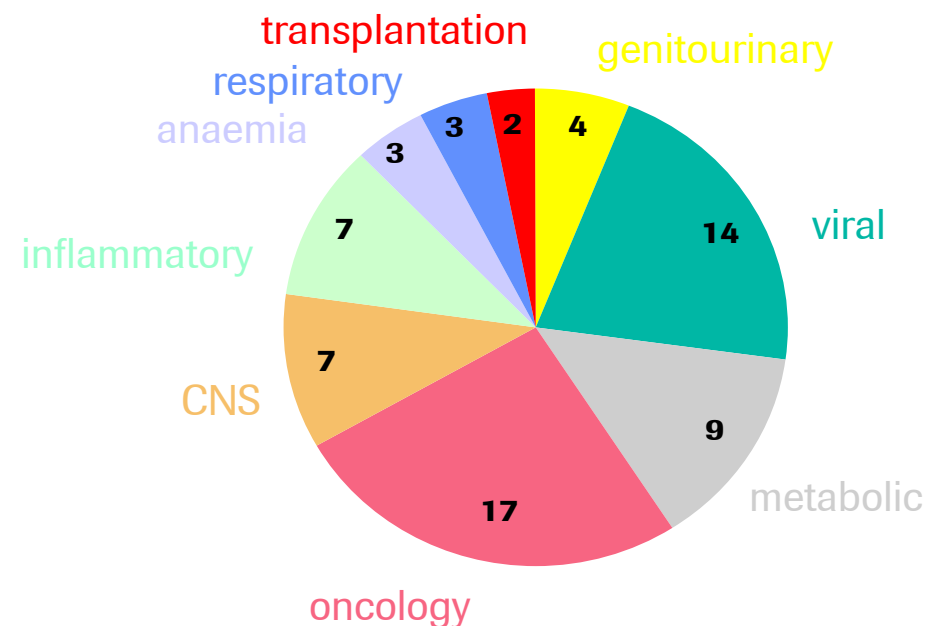
## *By therapy area*

### Research



**125 projects**

### Development



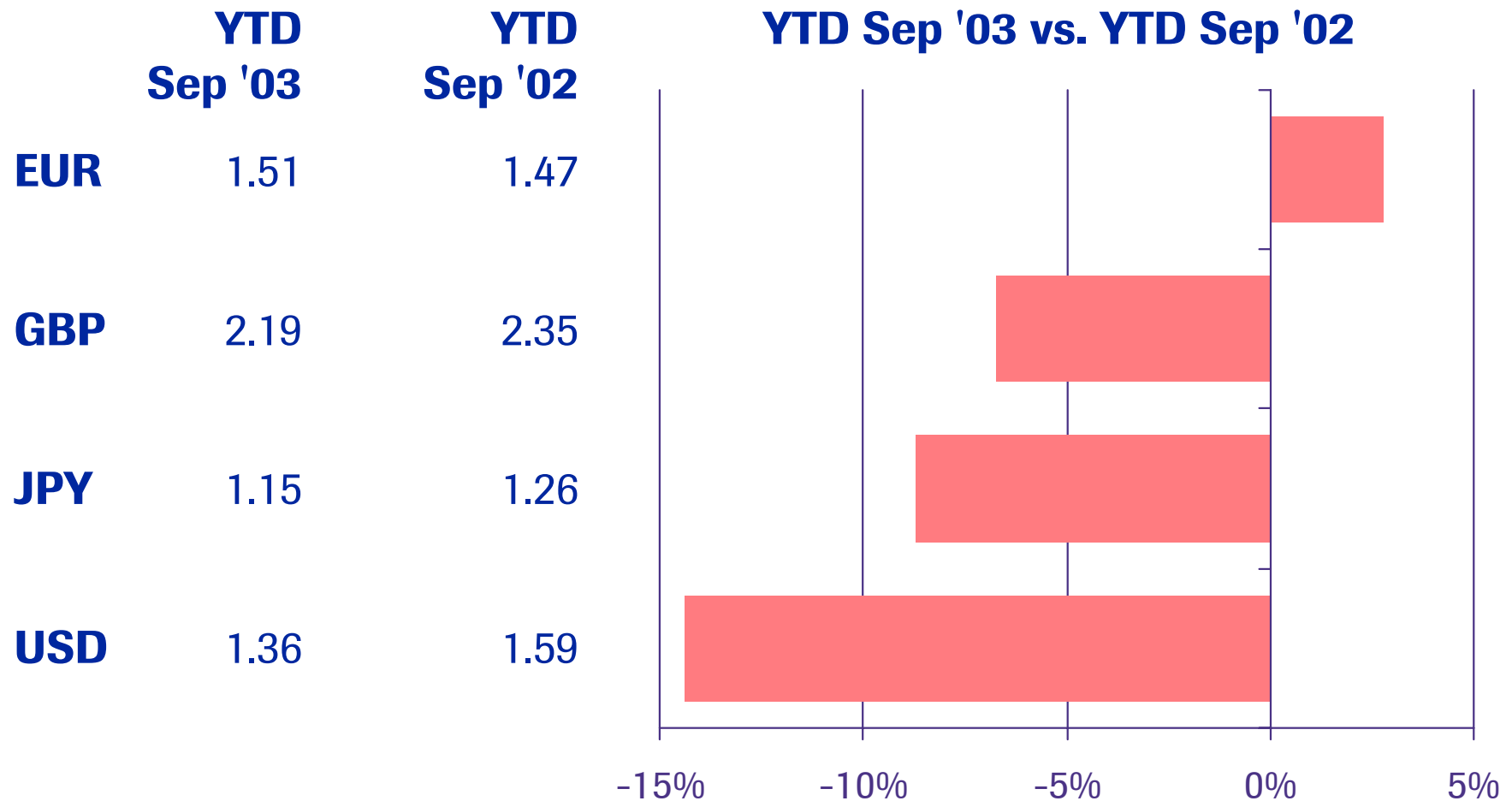
**66 projects (46 NMEs\* and 20 line extensions)**

\* New Molecular Entities prior to regulatory approval

<sup>1</sup> as of September 30<sup>th</sup>, 2003

# Nine months average exchange rates

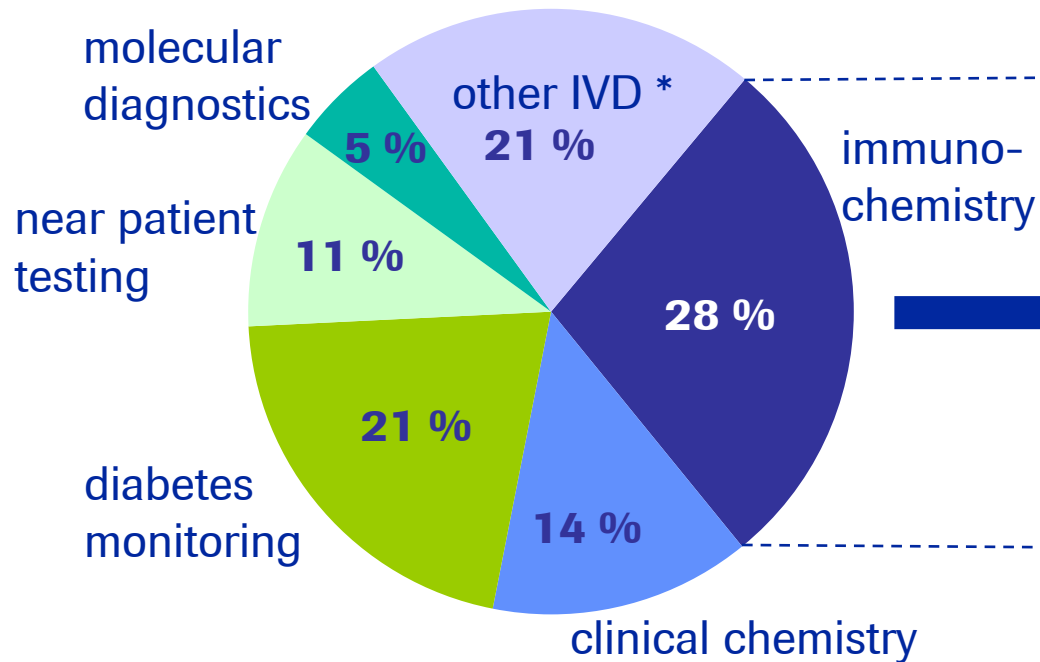
*Impact on CHF sales growth less than in H1 '03*



# Immunochemistry - largest and fastest growing segment in Centralized Diagnostics

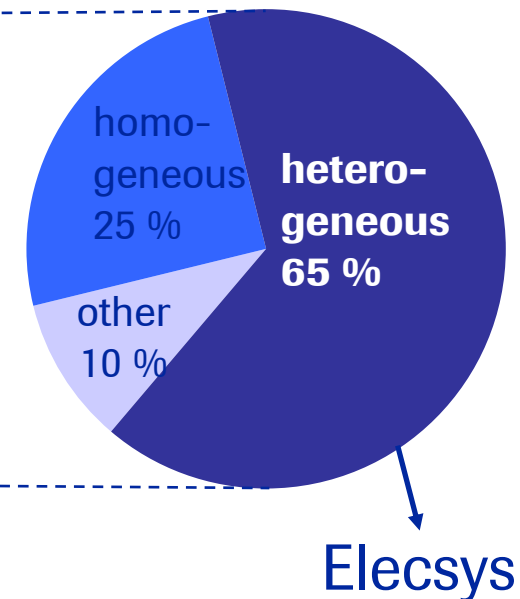
## IVD world market

H1 '03 market: US\$ 12.7 billion (+4 %)



## Immunochemistry

H1 '03 market: US\$ 3.3 billion (+4 %)

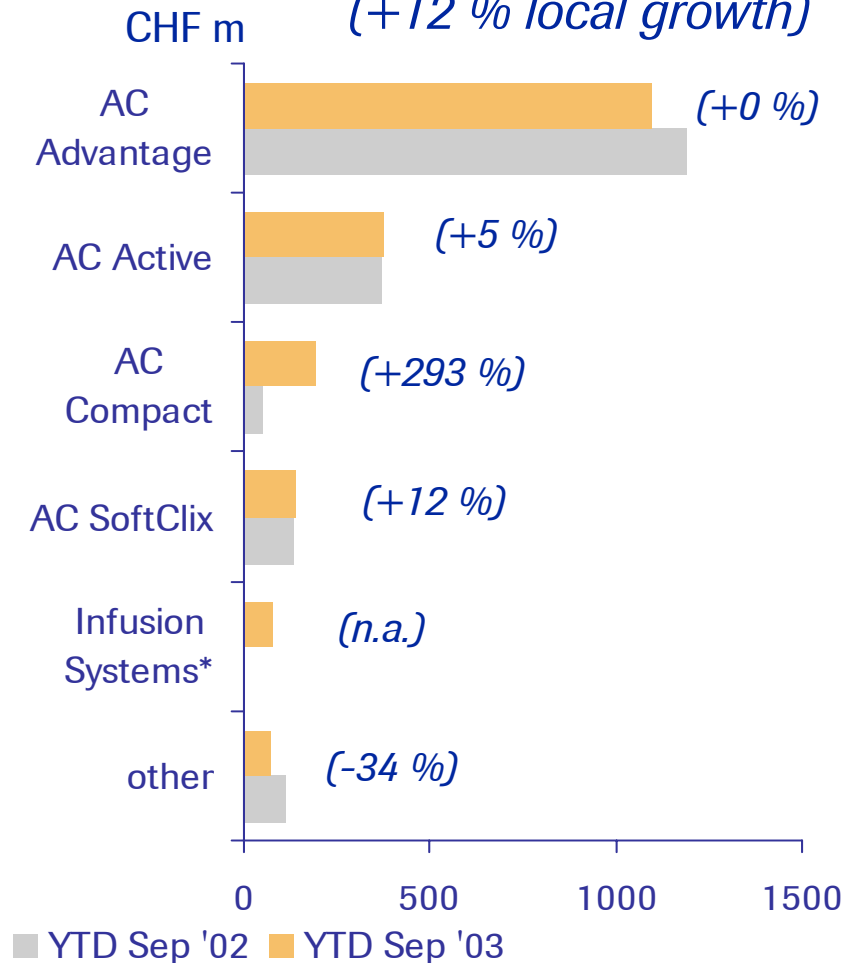


source: Boston Biomedical Consultants report, Roche analysis

\* other includes hematology, coagulation, urinalysis

# Diabetes Care

YTD Sep '03: CHF 1,954 million  
 (+12 % local growth)

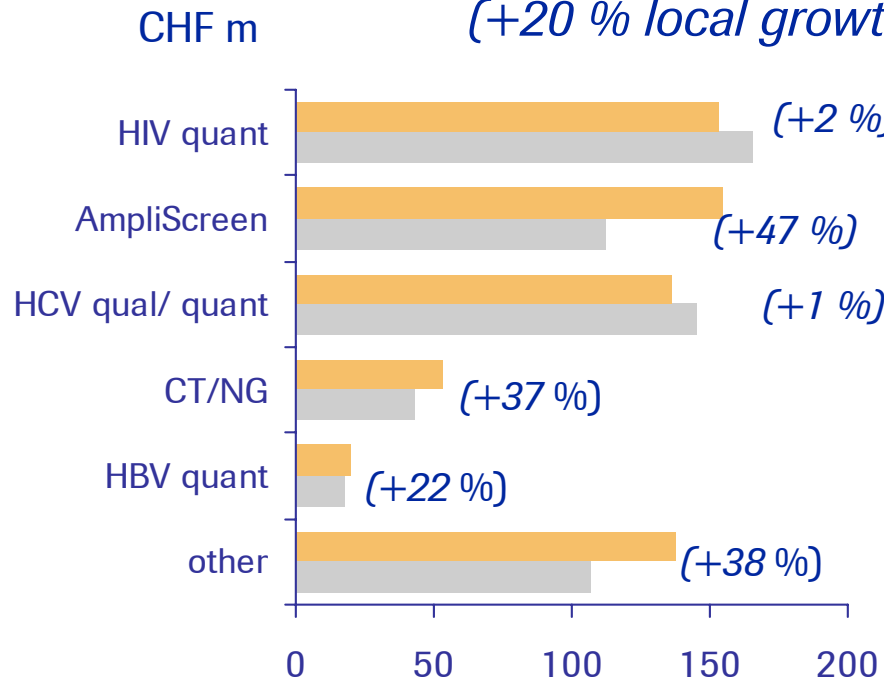


- Biggest driver of strip business is compliance with test frequency
- Channel diversions in US
- Strategy of new portfolio:
  - offer high frequency testers
  - attractive integrated solutions
  - capture most attractive segment of the Diabetes monitoring market

# Molecular Diagnostics

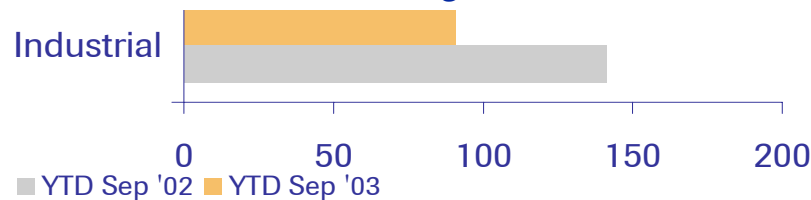
**IVD market:** YTD Sep '03: CHF 655 million

*(+20 % local growth)*



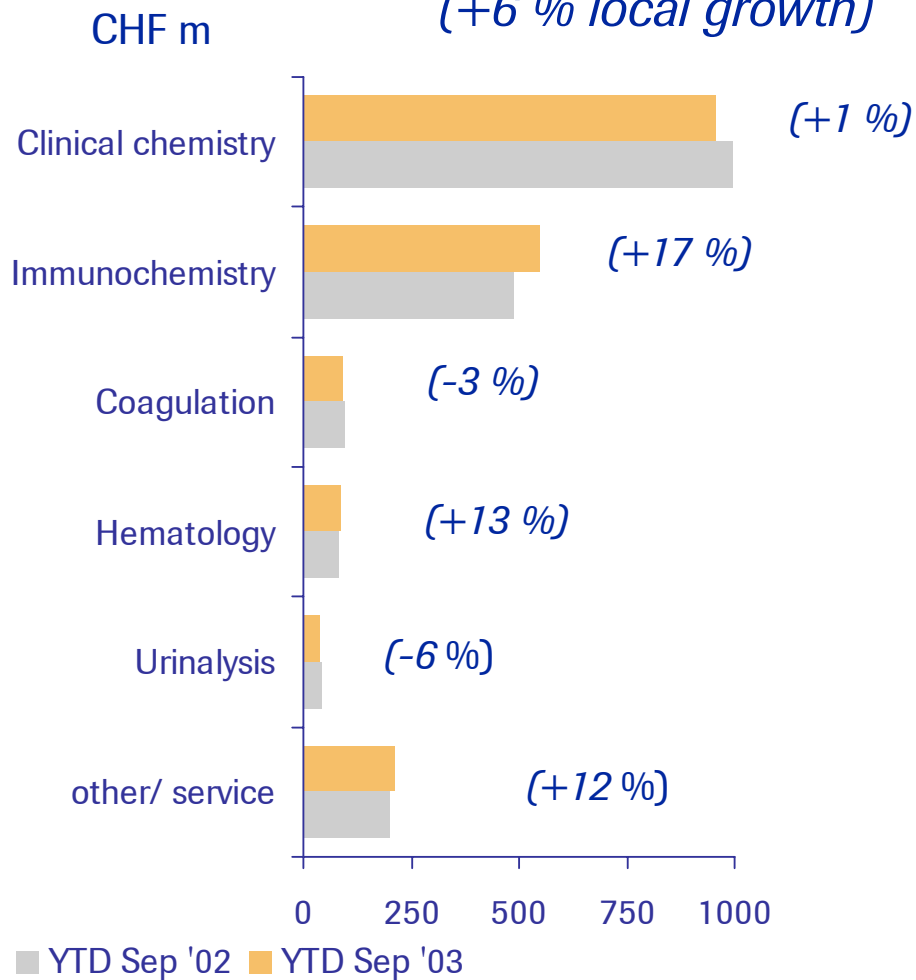
**Life science business:** YTD Sep '03: CHF 91 million

*(-28 % local growth)*



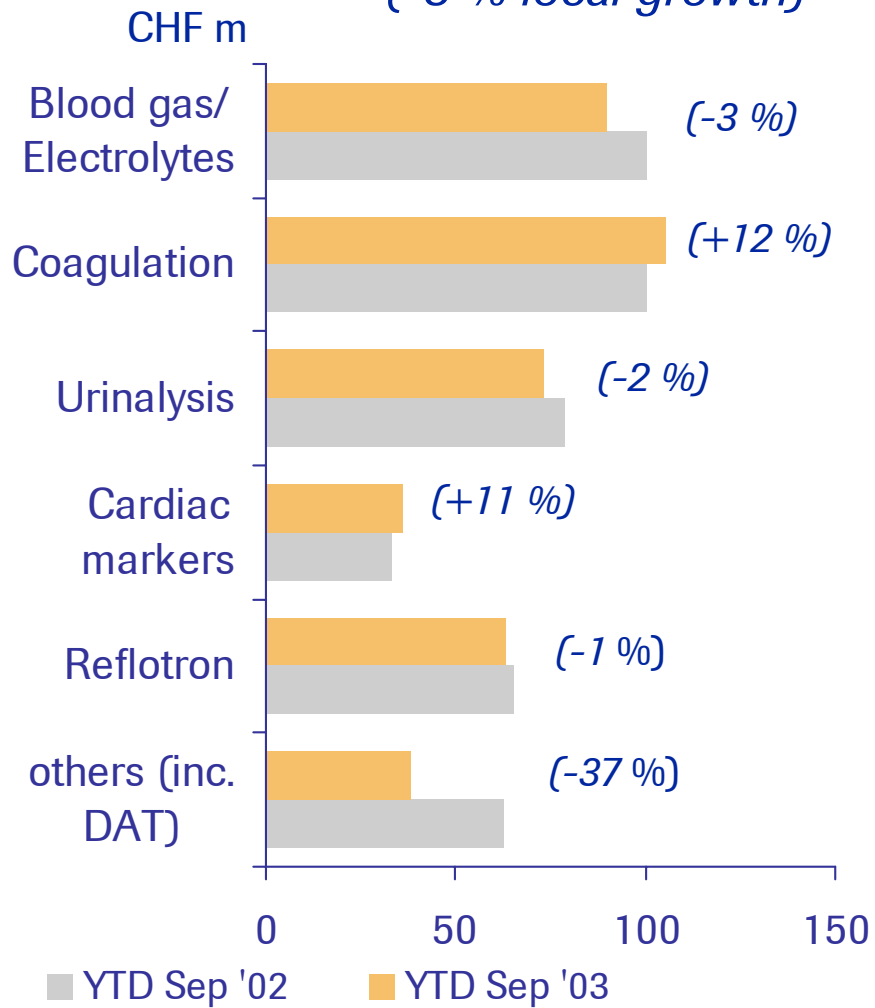
# Centralized Diagnostics

YTD Sep '03: CHF 1,936 million  
 (+6 % local growth)



# Near Patient Testing

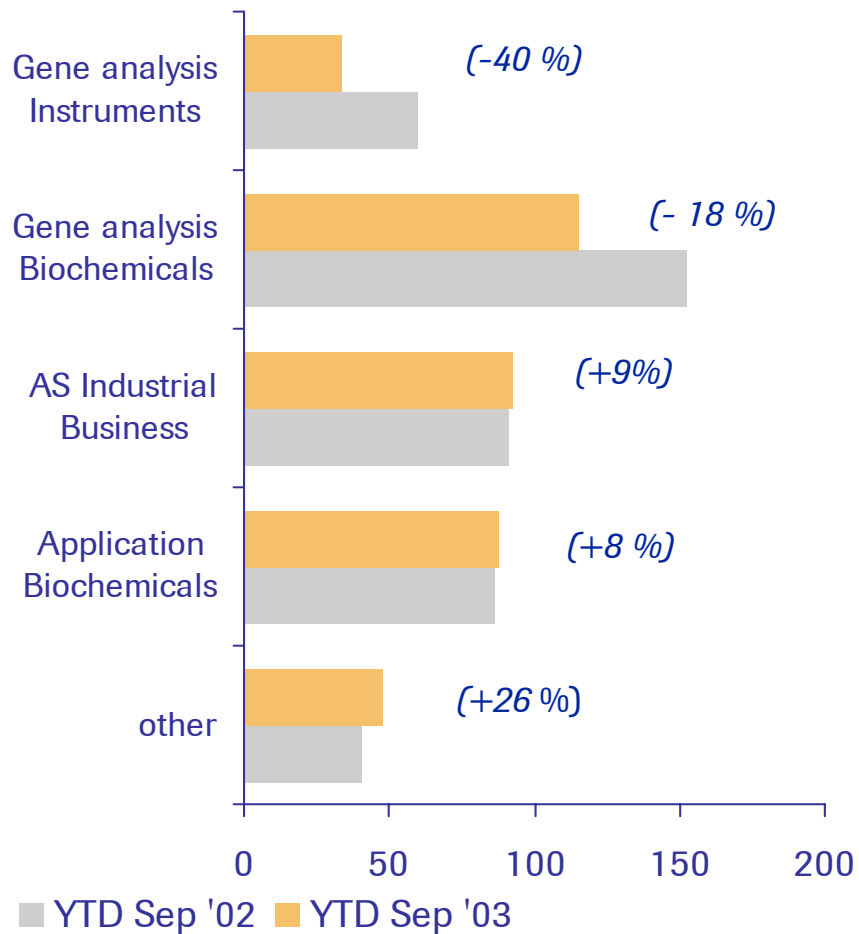
YTD Sep '03: CHF 405 million  
 (-3 % local growth)



# Applied Science

YTD Sep '03: CHF 377 million  
*(-6 % local growth)*

CHF m





# Key product lines driving growth

*Represents 78 % of sales*

product family	market segment	market position	CHF m actual '03	growth % (local) actual '03 vs. actual '02
Accu-Chek*	Diabetes monitoring	1	1,807	11 %
Hitachi / Integra	Clinical chemistry	1	1,087	2 %
Amplicor	Mol. diag IVD	1	484	9 %
Elecsys / Core	Immunochemistry	2	596	18 %
Ampli/ Taq Screen	Mol. diag blood screen	1	154	47 %
CoaguChek	Coagulation (NPT)	1	101	15 %
			<b>78 %</b>	

source: Roche analysis;

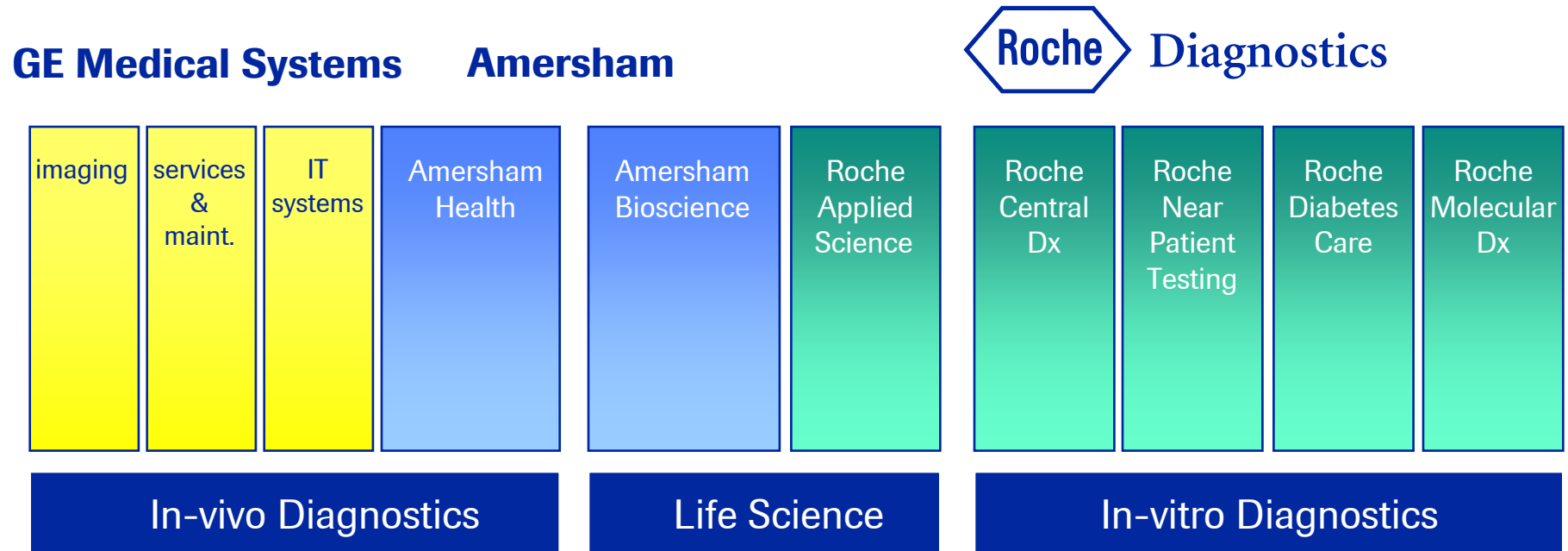
\* includes Glucotrend meters



# Igen up-date

- FTC approval received
- Proxy filed by Igen
- Shareholders meeting and closure on-track for end of 2003

# Roche Diagnostics not affected by GE acquisition of Amersham



# Roche commitment to Blood Screening

## *First to market for most analytes*

- Blood Screening World Wide
  - COBAS AmpliScreen HCV
  - COBAS AmpliScreen HIV-1
  - COBAS AmpliScreen HBV\*
- Blood Screening North America
  - TaqScreen West Nile Virus (WNV)\*
- Blood Screening Japan
  - AmpliNAT (multiplex HCV, HIV-1, HBV)\*
  - SingleNAT HBV\*
- In-process testing (source plasma)
  - Parvovirus B19 - on LightCycler\*
  - HAV - on LightCycler\*



AmpliPrep + TaqMan  
= TaqScreen



LightCycler

# Diagnostic innovations for the future

## *Upcoming launches in Q4 '03*

### **Diabetes Care**

- Accu-Chek Go

### **Molecular Diagnostics**

- AMPLICOR HPV (US)
- COBAS AmpliScreen HBV Test (EU)

### **Centralized Diagnostics**

- TDM package II

### **Near Patient Testing**

- URISYS 1100

### **Applied Science**

- MagNA Pure Compact

# Diagnostic innovations for the future

## *Heads up on upcoming launches in 2004*

### **Diabetes Care**

- AccuChek Compact II
- Mini-Tron

### **Molecular Diagnostics**

- COBAS TaqMan 48 / 96 – HCV, HBV, HIV
- LightCycler 2.0 Instrument (CE mark)
- HCV genotyping test (US)

### **Centralized Diagnostics**

- Additional Elecsys markers – S100, C-peptide, HIV, ACTH
- Urisys 1800 / 2100

### **Near Patient Testing**

- PT's CoaguChek / CoaguChekS
- ISE 9200

### **Applied Science**

- MagNA Pure LC 2.0 Instrument