

2000 Annual Media Conference

30 March 2000

Henri B. Meier

Income statement 1999 and 1998

Substantial increases in profits



	99		98		Change in	
	m CHF	% Sales	m CHF	% Sales	m CHF	%
Sales	27,567	100.0	24,662	100.0	+2,905	11.8
Gross profit	18,693	67.8	16,761	68.0	+1,932	11.5
M & D	-7,813	-28.3	-6,774	-27.5	-1,039	15.3
R & D	-3,782	-13.7	-3,408	-13.8	-374	11.0
Administration	-1,174	-4.3	-1,053	-4.3	-121	11.5
Amortization	-1,207	-4.4	-930	-3.8	-277	29.8
OOI(E)	14	0.1	-225	-0.9	+239	-
Gain GNE shares	4,461	16.2	-	-	+4,461	-
vitamin case	-2,426	-8.8	-	-	-2,426	-
GNE legal settlements	-345	-1.3	-	-	-345	-
Operating profit	6,421	23.3	4,371	17.7	+2,050	46.9
Financial inc., net	1,134	4.1	1,083	4.4	+51	4.7
Income taxes	-1,902	-6.9	-965	-3.9	-937	97.1
Change acctg. policy	27	0.1	-	-	+27	-
Minority interests	88	0.3	-76	-0.3	+164	-
Associated companies	-4	0.0	-21	-0.1	+17	-81.0
Net income	5,764	20.9	4,392	17.8	+1,372	31.2

Result 1999

Impact of large special items



Income Stmt

Operating

Financial

Taxes

Minorities
Associates

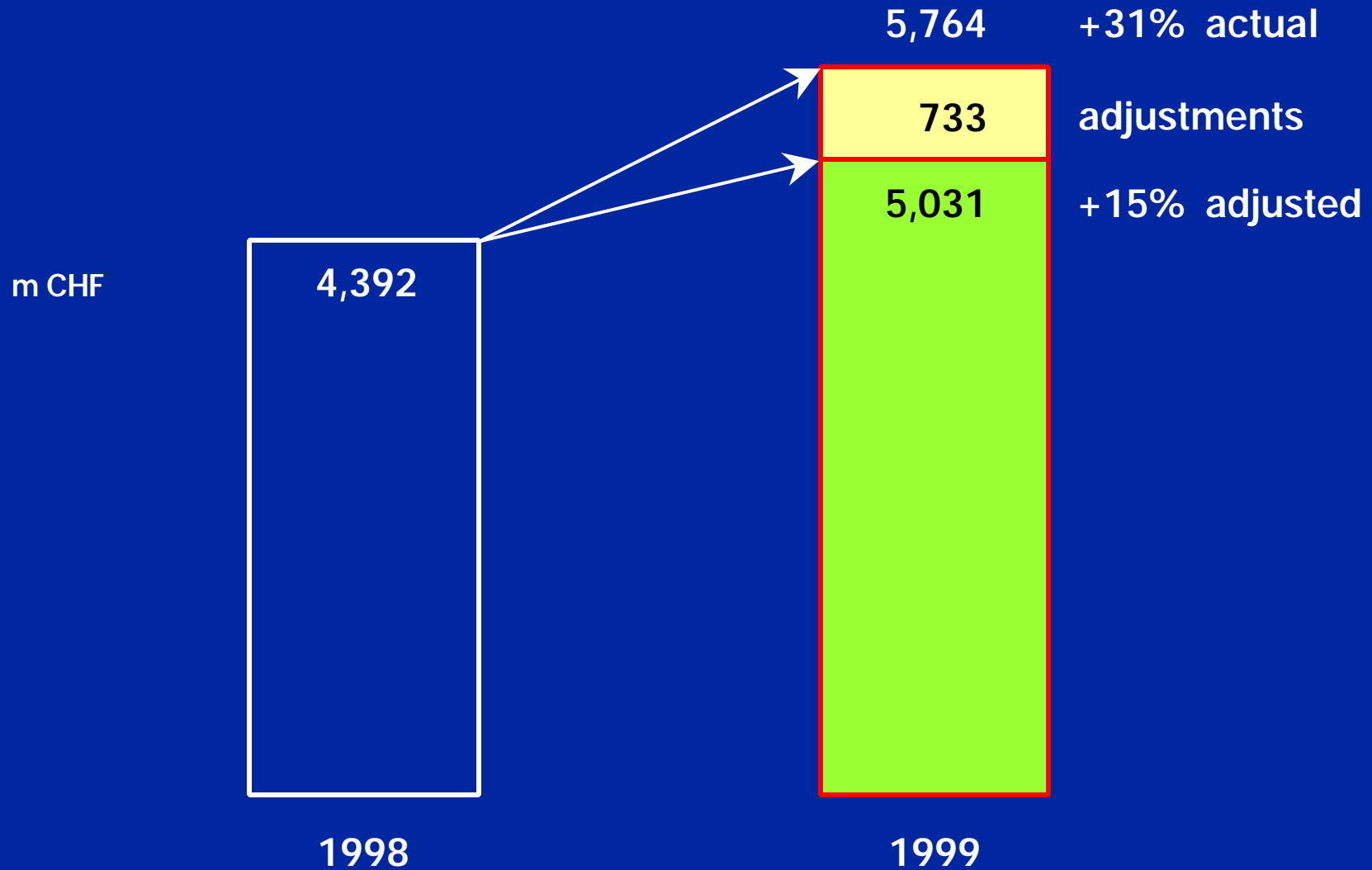
Net income

	Genentech transactions	Vitamin case	GNE legal settlements
	⊖		
	⊖		
	⊕	⊖	⊖
	⊖	⊕	⊕
	⊕		
	⊕	⊖	⊖

+733 m CHF

Net income 1998 and 1999

Improved comparability



Income statement 1999 adjusted and 1998

Another strong financial result

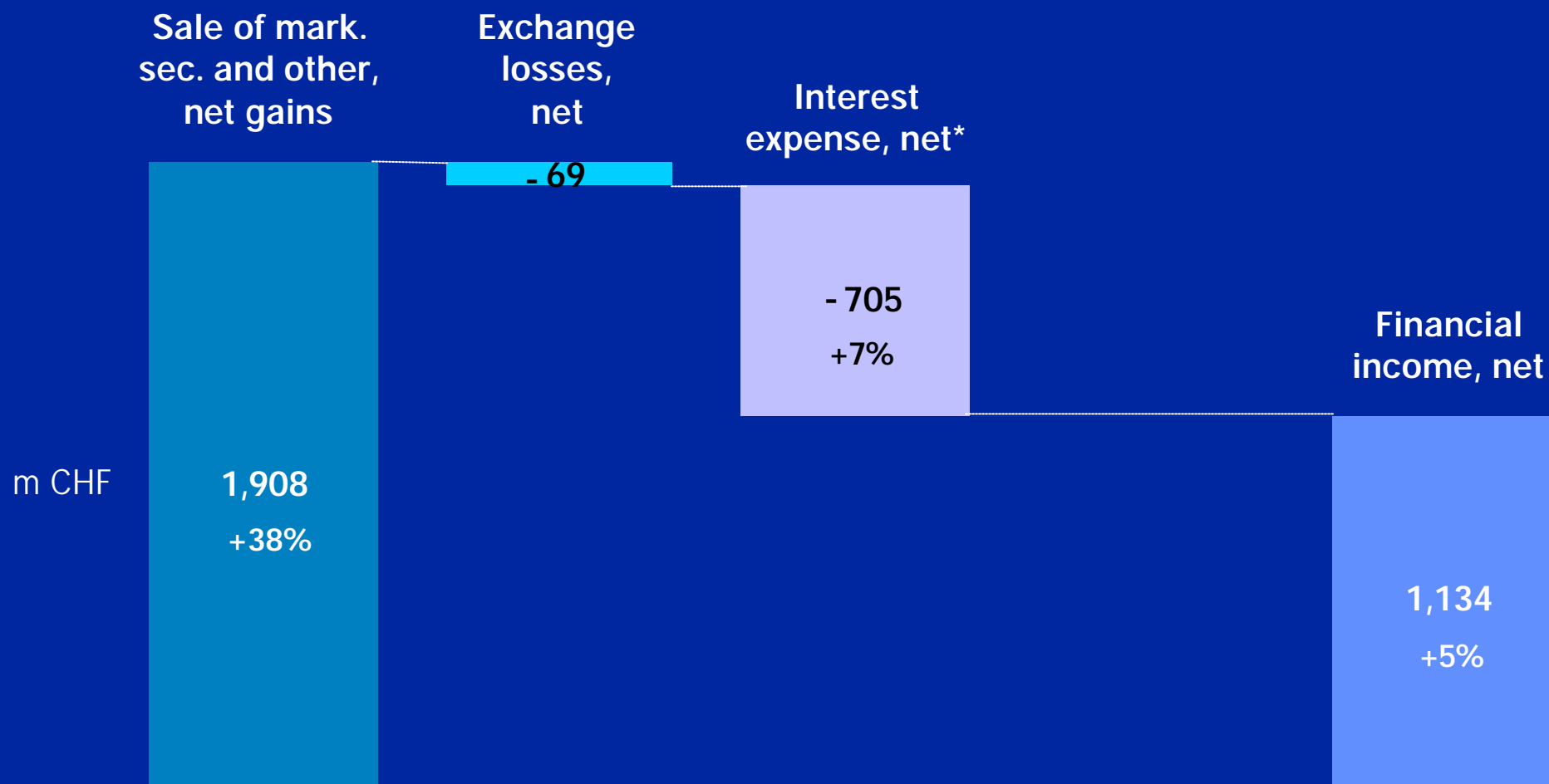


	99		98		Change in	
	m CHF	% sales	m CHF	% sales	m CHF	%
Sales	27,567	100.0	24,662	100.0	+2,905	11.8
Operating profit	5,064	18.4	4,371	17.7	+693	15.9
Financial inc., net	1,134	4.1	1,083	4.4	+51	4.7
Result before taxes	6,198	22.5	5,454	22.1	+744	13.6
Income taxes	-1,084	-3.9	-965	-3.9	-119	12.3
Result after taxes	5,114	18.6	4,489	18.2	+625	13.9
Change acctg. policy	27	0.1	-	-	+27	-
Minority interests	-106	-0.4	-76	-0.3	-30	39.5
Associated companies	-4	0.0	-21	-0.1	+17	-81.0
Net income	5,031	18.3	4,392	17.8	+639	14.5

Financial income, net 1999



Driven by gains on sale of marketable securities

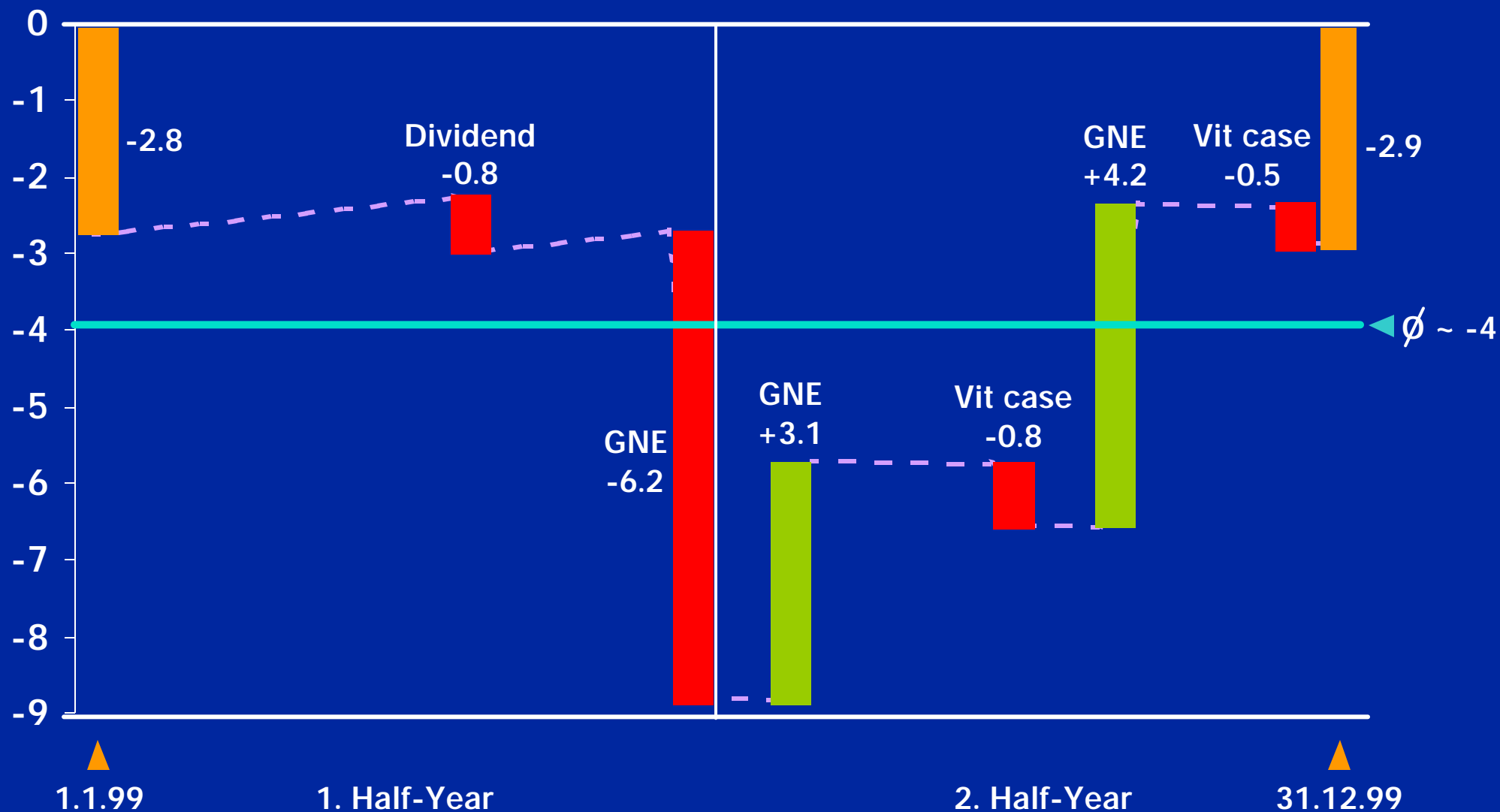


* interest income / expense incl. dividend income

Net debt development 1999

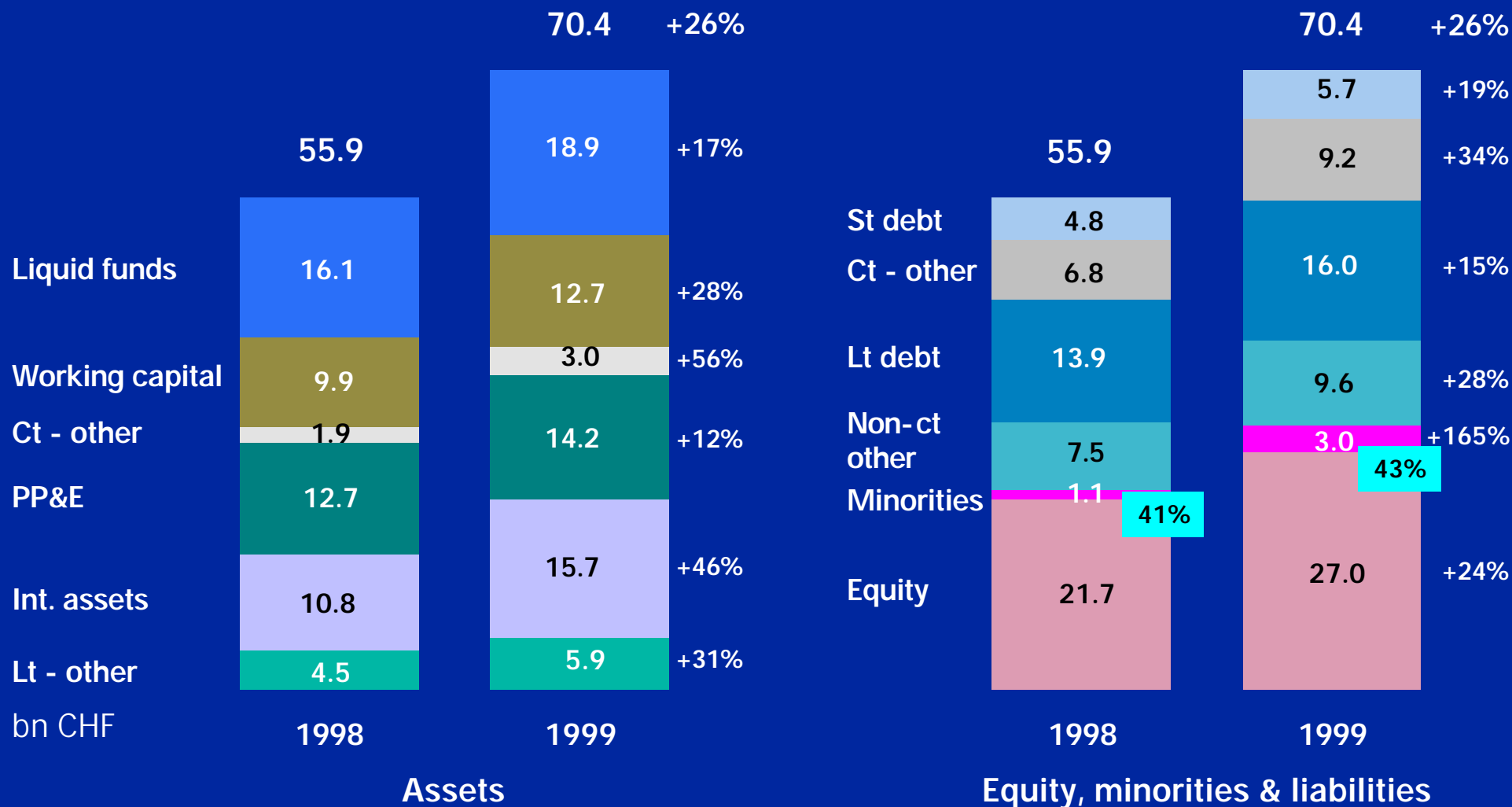


Substantial improvements in second half



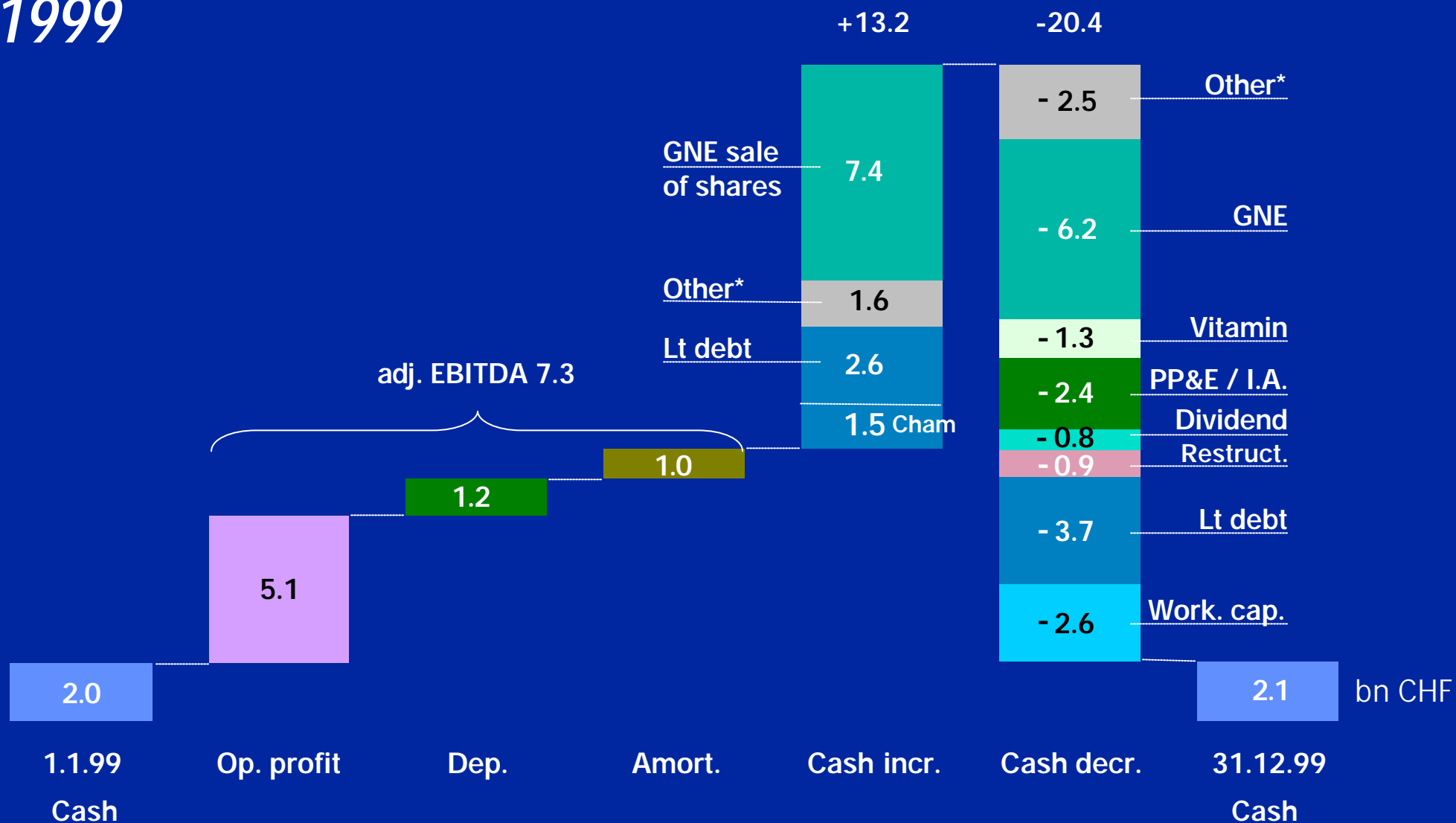
Balance sheet December 31, 1998 and 1999

Fx, working capital and Genentech transactions



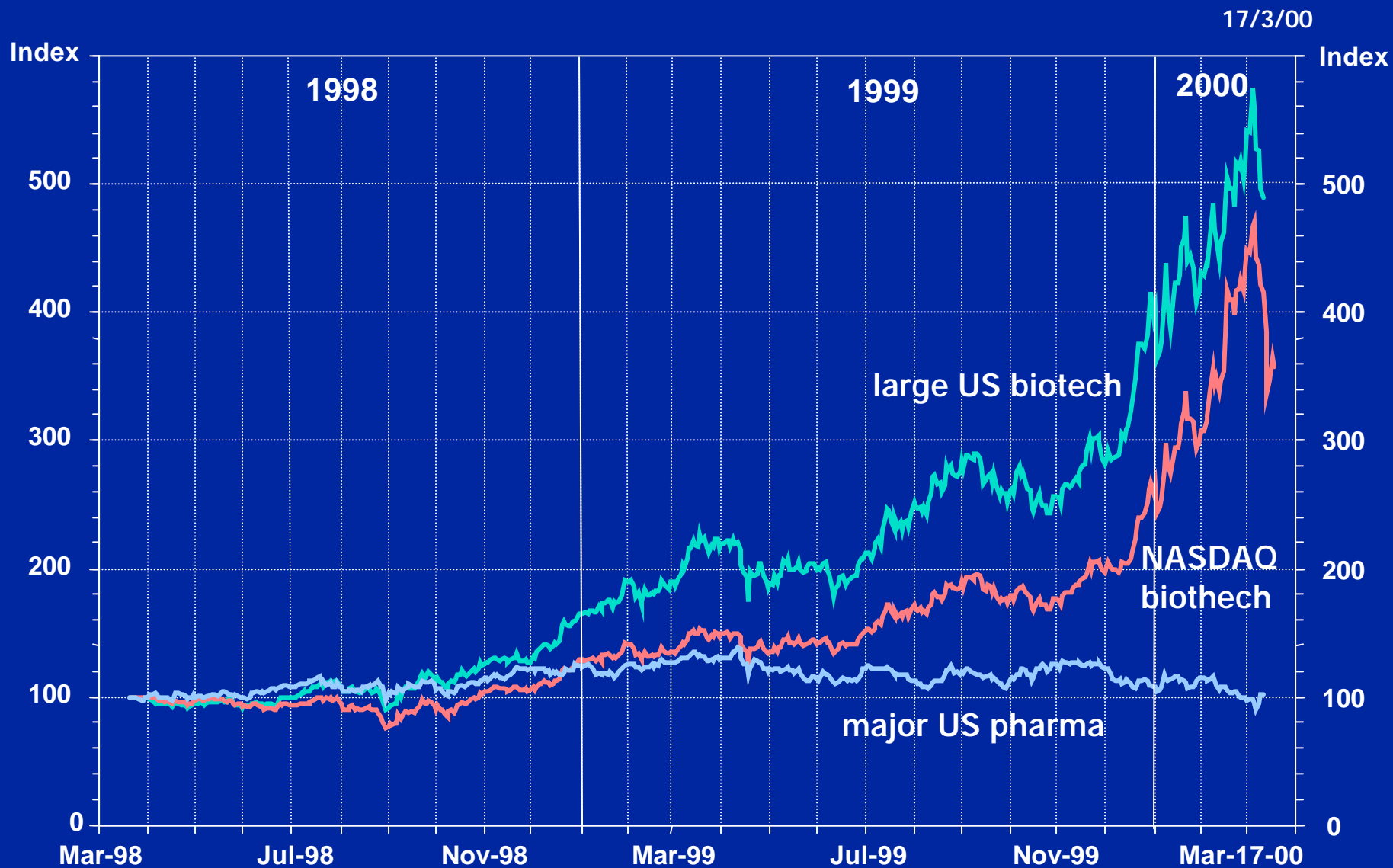
Ct: current Lt: long-term St: short-term

Cash flow 1999



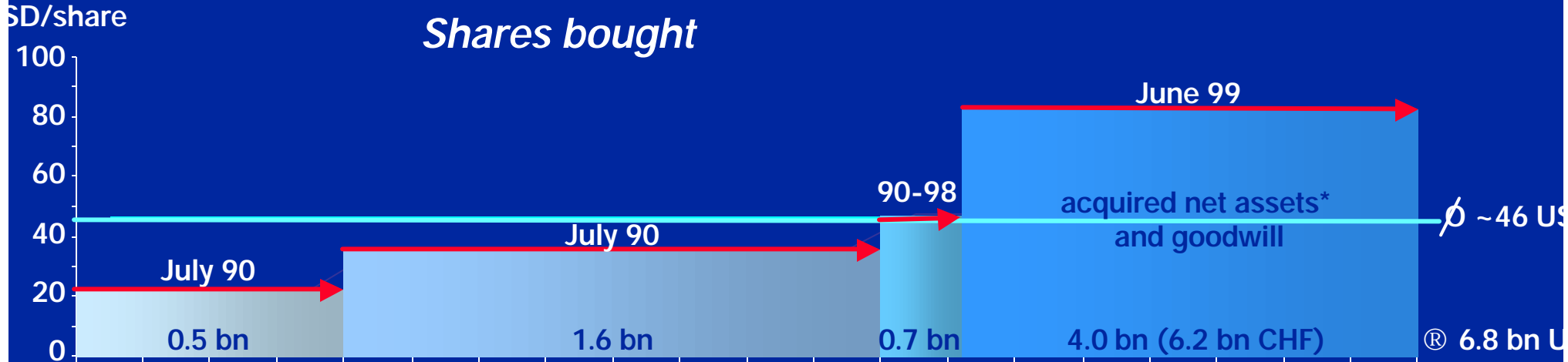
* Other cash increasing: e.g. interest/dividends received or disposal of PP&E
 Other cash decreasing: e.g. interest or income taxes paid

Biotech share price explosion



Source: DATASTREAM

Genentech Transactions 1999



* including fair value adjustments

Roche GS, Int'l Healthcare & SMI Ind. 1990 - 2000



Price & Indices on Log. Scale

*March 22, 2000

Total dividends - dividend per share/NES 1999*



CHF

	Total	per Share/NES
Ordinary cash dividend	862,562,700	100.00
Special dividend (Givaudan)	86,256,270	10.00
Withholding tax on special dividend**	46,492,130	5.39
Subtotal	995,311,100 ***	115.39
- special dividend (Givaudan)	- 86,256,270	- 10.00
Special dividend at estimated market value	4,500,000,000	522.00
Grand Total	5,409,054,830	627.39

* as proposed by the Board of Directors

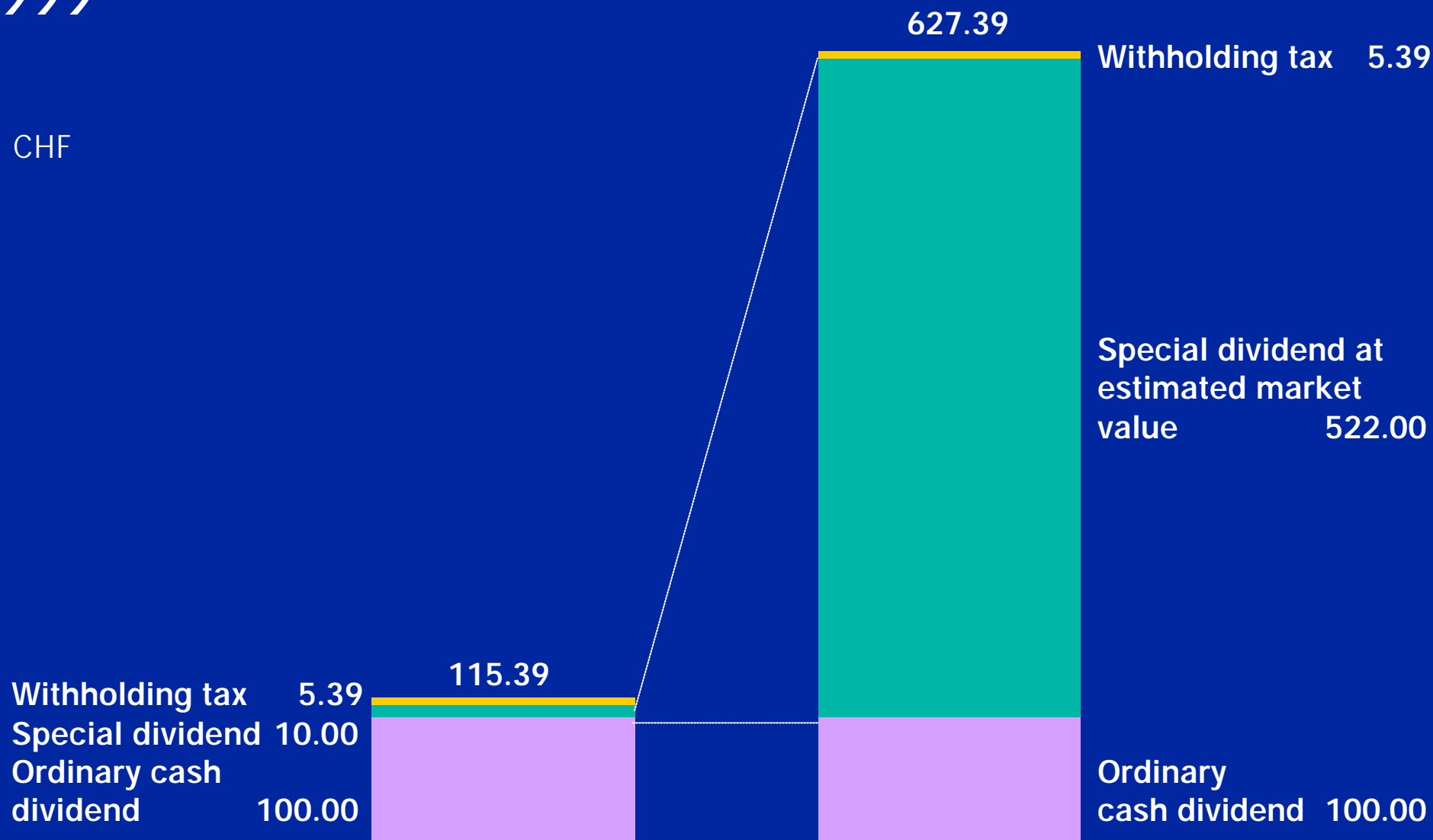
** paid by Roche, therefore generally tax-free for the shareholders

*** 20% of Group net income (adjusted)

Dividend per share/NES 1999*



CHF



* as proposed by the Board of Directors

Givaudan

Givaudan spin-off

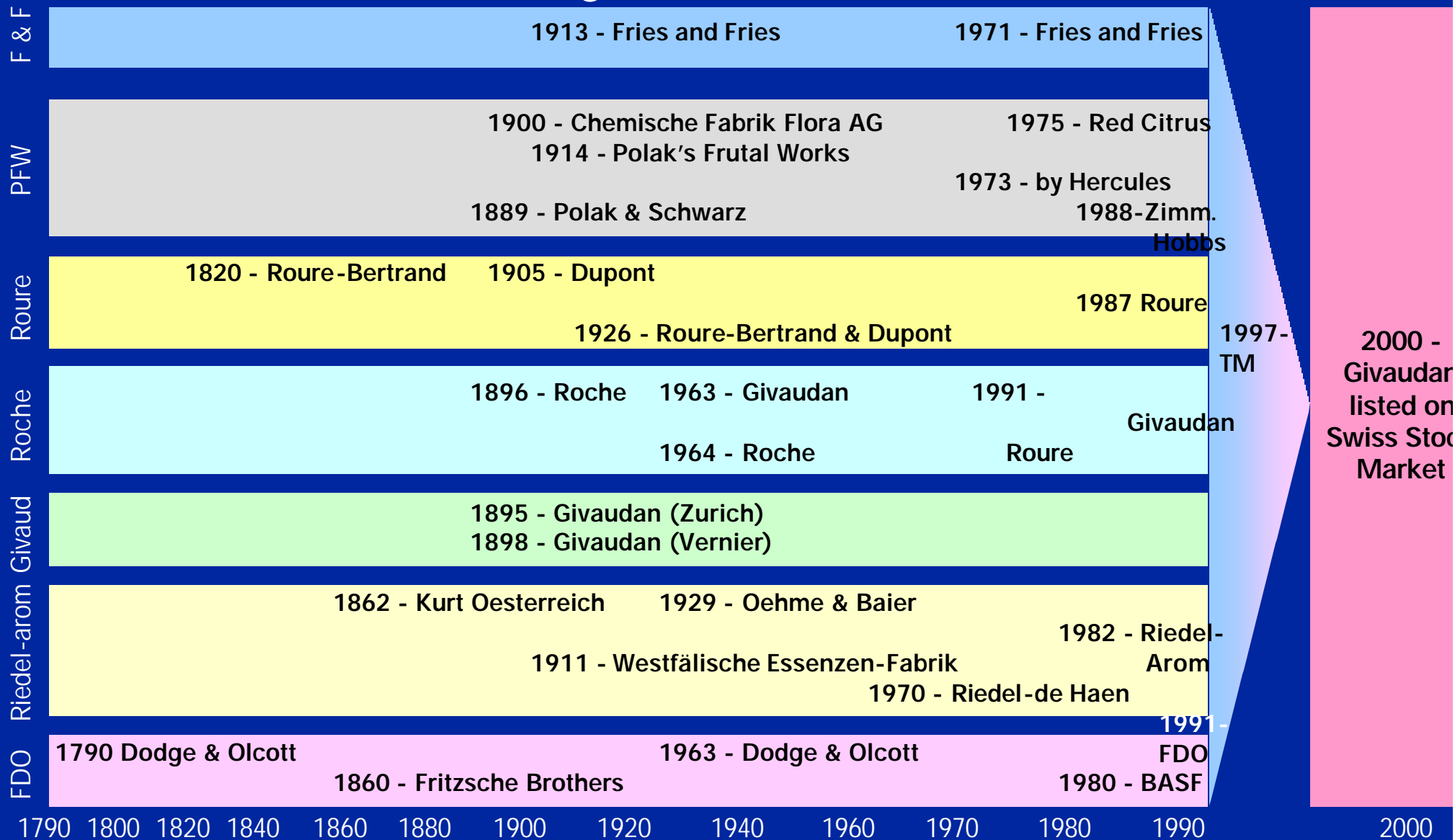
Summarized timetable 1999 - 2000



- | | |
|------------|-------------------------------------------------------------------------------------------|
| 4. Dec 99 | Decision by Roche Board of Directors |
| 6. Dec 99 | Announcement |
| 14. Apr 00 | Givaudan Board meeting |
| 9. May 00 | Roche AGM |
| 11. May 00 | Last day of trading of Roche shares and NES cum ordinary cash dividend |
| 12. May 00 | Payment of ordinary dividend |
| 7. Jun 00 | Last day of trading of Roche shares and NES cum special cash dividend |
| 8. Jun 00 | Distribution, listing & first day of trading of Givaudan shares at the SWX Swiss Exchange |

Givaudan

A rich authentic heritage



Operations *Fragrances*



■ chemical plant

■ compounding centre

Operations *Flavours*



Cincinnati ■
■ East Hanover
■ Devon
■ Lakeland

■ Barneveld
■ Duebendorf

■ Shanghai

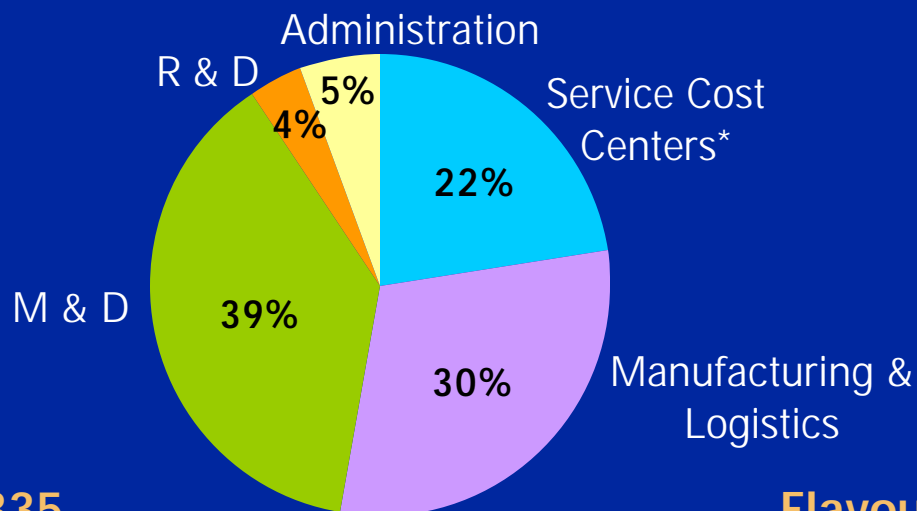
■ Singapore

■ Sao Paulo
Buenos Aires ■

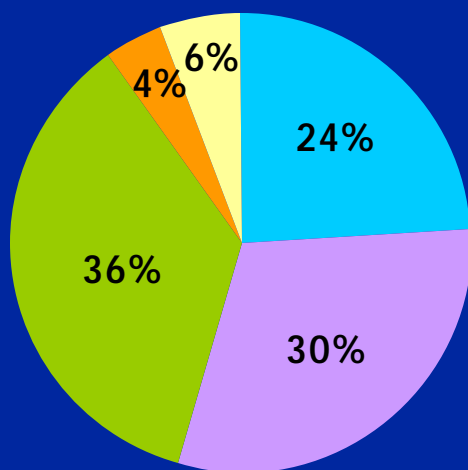
Number of employees 31.12.1999



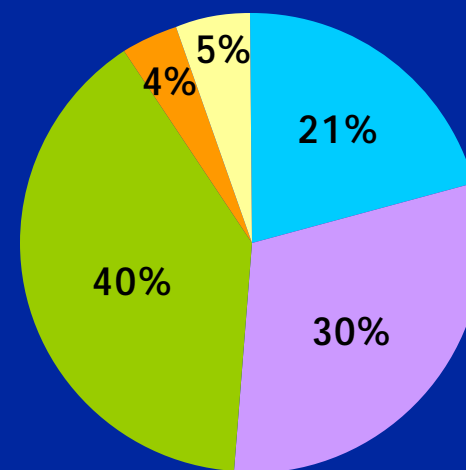
Division 4,907



Fragrances 2,335



Flavours 2,572



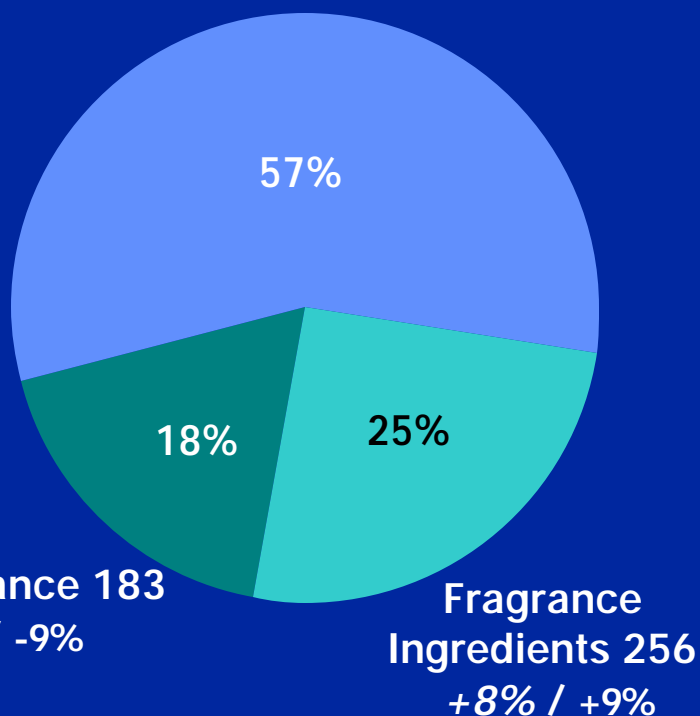
e.g. energy, quality control & assurance, waste disposal, production mgmt and planning, environmental protection, data processing

Fragrances sales by business segment 1999 (vs. 1998)



Fragrances 1,016 m CHF
+1% local / +3% CHF

Consumer Goods 577
+3% / +6%



Fine Fragrance 183
-10% / -9%

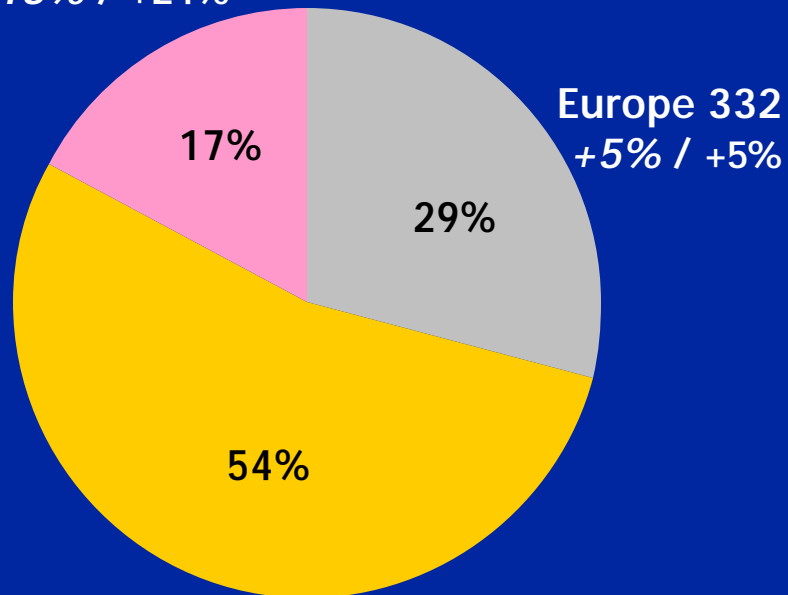
Fragrance
Ingredients 256
+8% / +9%

5 biggest customers per
business segment:
~50% of sales

Flavours sales by region 1999 (vs. 1998)

Flavours 1,133 m CHF
+3% local / +7% CHF

Asia-Pacific 196
+13% / +24%



Europe 332
+5% / +5%

Americas 605
0% / +3%

5 biggest customers:
~20% of sales

Givaudan *Goal*



**It is our goal to be the undisputed leader
in the Fragrances & Flavours industry
both in sales and profitability**

Worldwide market

Fragrances and Flavours



	estimated world market	Americas	Europe	Asia
Fragrances	7,000	42 %	38 %	20 %
Flavours	7,000	40 %	30 %	30 %

estimated Givaudan market share 14 %

Key growth strategies and profitability initiatives

- key account management
- integration of research, development and creativity
- China & India
- focus on F & F delivery systems/solutions; capitalize on new product innovation
- IT !
- optimize resource allocation
- streamline manufacturing and logistics; global purchasing