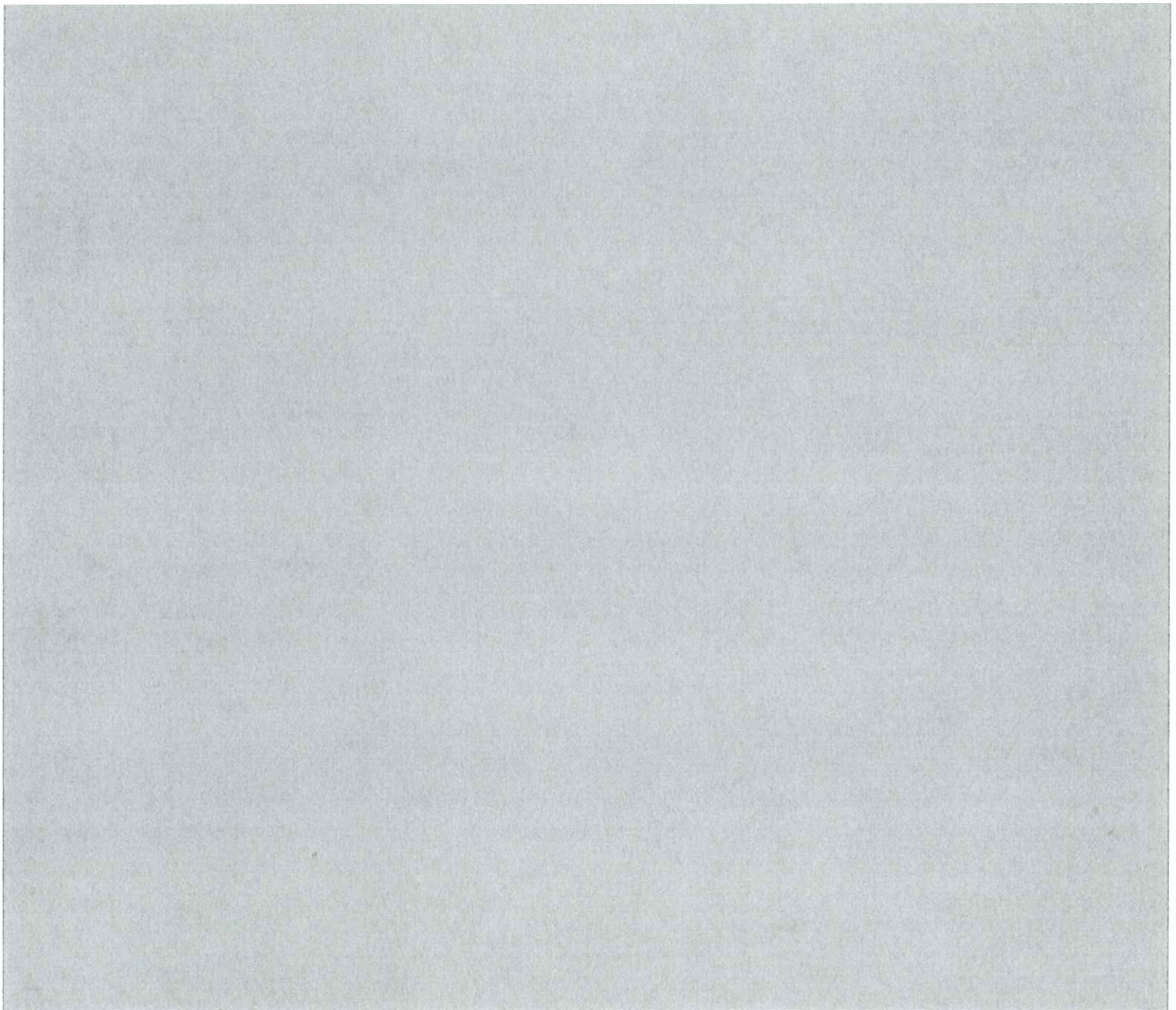




*Roche Finance Europe B.V.-
Interim Financial Statements 2009*



Interim Management Report

1. Review of the first six months of 2009

General

Roche Finance Europe B.V. (RFE), a Company registered in the Netherlands, is 100% indirectly owned by Roche Holding Ltd, a public Company registered in Switzerland and parent Company of the Roche Group. The main activity of RFE is the provision of financing to other affiliates of the Roche Group. Refinancing takes place on the bond or loan markets.

Important events

No important events have occurred during the first six months of the financial year 2009.

Financial position and performance

The financial performance and the financial position remained unchanged.

2. Principal risks and uncertainties

Risks

RFE is exposed to various financial risks arising from its financing activities. The exposure to interest rate and foreign exchange rate is limited, because interest rates, duration and terms of financial assets and liabilities as well as their currency are generally matching. The Company's financial risk management is described in Note 5.11 to the Annual Financial Statements for the year ended 31 December 2008.

Uncertainties

The main activity of RFE is to provide financing to other members of the Roche Group and to refinance this on the bond or loan markets. Depending on the decisions of management during the second half of 2009, the Company may potentially issue new debt securities and/or borrow funds to finance other members of the Roche Group.

Various known and unknown risks, uncertainties and other factors could lead to substantial differences between the actual and future results, financial situation development or performance of RFE and the historical results given in the Interim Management Report and the Interim Financial Statements.

3. Responsibility statement

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting'. They should be read in conjunction with the Financial Statements for the year ended 31 December 2008, as they provide an update of previously reported information. The Interim Financial Statements were approved for issue by the Board of Directors on 15 July 2009. The directors confirm that this Interim Management Report includes a fair review of the information required.

Woerden, 15 July, 2009

The Board of Directors

N.S. de Boer

B.R. Lieberherr

J.W. van den Broek

P. Eisenring

Roche Finance Europe B.V., Interim Financial Statements

Reference numbers indicate the corresponding Notes to the Financial Statements. The Interim financial Statements are unaudited. The Interim Financial Statements have been reviewed by Roche Finance Europe B.V.'s auditors and their review report is presented on page 8.

Roche Finance Europe B.V., condensed statement of comprehensive income *in millions of EUR*

	Six months ended 30 June 2009	Six months ended 30 June 2008
Income		
Financial income – related parties ²	9	25
Total Income	9	25
Expenses		
Financing costs ²	(9)	(24)
Total expenses	(9)	(24)
Profit before taxes	-	1
Income tax	-	-
Net income	-	1
Other comprehensive income	-	-
Total comprehensive income	-	1

Roche Finance Europe B.V., condensed balance sheet *in millions of EUR*

	30 June 2009	31 December 2008
Non-current assets ^{3,7}	288	252
Current assets ⁷	26	17
Total assets	314	269
Non-current liabilities ⁴	290	253
Current liabilities	13	5
Total liabilities	303	258
Total net assets	11	11
Shareholders' equity		
Share capital ⁵	2	2
Retained earnings	9	9
Total equity	11	11

Roche Finance Europe B.V., condensed statement of cash flows in millions of EUR

	Six months ended 30 June	
	2009	2008
Cash flows from operating activities, before income taxes paid	-	-
Income taxes paid	(1)	(1)
Cash flows from operating activities	(1)	(1)
Cash flows from financing activities	1	1
Increase / (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of period	-	-
Cash and cash equivalents at end of period	-	-

Roche Finance Europe B.V., statement of changes in equity in millions of EUR

	Share capital	Retained earnings	Total
Six months ended 30 June 2008			
At 1 January 2008	2	7	9
Net income	-	1	1
Other comprehensive income	-	-	-
Total comprehensive income	2	8	10
Dividends paid	-	-	-
At 30 June 2008	2	8	10
Six months ended 30 June 2009			
At 1 January 2009	2	9	11
Net income	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Dividends paid	-	-	-
At 30 June 2009	2	9	11

Notes to the Roche Finance Europe B.V. Interim Financial Statements

Reference numbers indicate the corresponding Notes. The Interim Financial Statements are unaudited. The Interim Financial Statements have been reviewed by the Roche Finance Europe B.V. auditors and their review report is presented on page 8.

1 Significant accounting policies

Basis of preparation of financial statements

These financial statements are the unaudited interim financial statements (hereafter the 'the Interim Financial Statements') of Roche Finance Europe B.V., a Company incorporated in The Netherlands ('the Company'), for the six-month period ended 30 June 2009 (hereafter "the interim period"). The Company is 100% indirectly owned by Roche Holding Ltd, a public Company registered in Switzerland and parent Company of the Roche Group, and therefore the Company is part of the Roche Group. The main activity of the Company is the provision of financing to other affiliates of the Roche Group. Refinancing takes place on the bond or loan markets.

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 (IAS 34) 'Interim Financial Reporting'. They should be read in conjunction with the Financial Statements for the year ended 31 December 2008 (hereafter 'the Annual Financial Statements') as they provide an update of previously reported information. They were approved for issue by the Board of Directors on 15 July 2009. Compared to previous reports, various presentational changes have been made. Comparative information has been reclassified and condensed from the previously reported Annual and Interim Financial Statements. A more detailed description is given in the paragraph on changes in accounting policies.

The Interim Financial Statements have been prepared in accordance with the accounting policies set out in the Annual Financial Statements.

The preparation of the Interim Financial Statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the disclosure of contingent liabilities at the date of the Interim Financial Statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the Interim Financial Statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the period in which the circumstances change.

The Company has only one operating segment and undertakes its operations in The Netherlands. Therefore no segment reporting is included in these financial statements.

Income tax expense is recognised based upon the best estimate of the income tax rate expected to the full financial year.

Changes in accounting policies

In 2007 the Roche Group early adopted IFRS 8 'Operating Segments' and IAS 23 (revised) 'Borrowing Costs' which were required to be implemented from 1 January 2009 at the latest. In 2008 the Roche Group, and consequently the Company early adopted the revised versions of IFRS 3 'Business Combinations', IAS 27 'Consolidated and Separate Financial Statements' that were published in early 2008 and which are required to be implemented from 1 January 2010 at the latest. The implementation of these new and revised standards had no impact on the current results or financial position of the Company.

In 2009 the Roche Group, and consequently the Company, have implemented revisions to IAS 1 'Presentation of Financial Statements'. All items of income and expense are now presented together in one single statement – the condensed statement of comprehensive income. In addition the Company's management have made certain presentational changes in this statement to align it with the format used by other Roche Group companies that issue financial statements in

accordance with International Financial Reporting Standards. The changes from the implementation of the revised standard and these other changes are purely presentational and have no impact on the overall results or financial position of the Company.

The Roche Group is currently assessing the potential impacts of the other new and revised standards and interpretations that will be effective from 1 January 2010 and beyond, and which the Roche Group has not early adopted. The Company does not anticipate that these will have a material impact on the Company's overall results and financial position.

2. Financial income and financing costs

Financial income – related parties in millions of EUR

	Six months ended 30 June	
	2009	2008
Interest income – related parties	9	25
Total financial income – related parties	9	25

Financing costs in millions of EUR

	Six months ended 30 June	
	2009	2008
Interest expense	(9)	(23)
Amortisation of discount on debt instruments	-	(1)
Total financing costs	(9)	(24)

3. Loans receivable – related parties

Loans to affiliates in millions of EUR

	30 June 2009	31 December 2008
Roche Deutschland Holding GmbH, Germany, due 29 August 2023, principal 125 million GBP, interest rate 5.67%	147	129
Roche Products Limited, United Kingdom, due 29 August 2023, principal 85 million GBP (2008: 120 million GBP), interest rate 5.67%	100	123
Roche Diagnostics Limited, United Kingdom, due 29 August 2023, principal 35 million GBP (2008: zero), interest rate 5.67%	41	-
Total loans to affiliates	288	252

On 30 June 2009, Roche Products Limited assigned to Roche Diagnostics Limited an amount of 35 million GBP from the existing 120 million GBP loan with the Company.

4. Debt

Outstanding bonds

On 29 August 2003 the Company issued GBP denominated 5.375% bond due 2023 with a principal amount of 250 million GBP. The net proceeds were 245 million GBP and the effective interest rate is 5.46%. This bond is guaranteed by Roche Holding Ltd., the parent Company of the Roche Group.

5. Equity

Share Capital

The authorised share capital of the Company consists of 100,000 shares with a nominal value of 100 EUR each of which 20,000 shares have been issued and fully paid in. Roche Pharmholding B.V., a Company registered in The Netherlands is the sole shareholder.

Dividends

There were no dividend payments in the interim period (2008: none).

Own equity instruments

The Company holds none of its own shares (2008: none).

6. Contingent liabilities

No changes in the Company's contingent liabilities have occurred since the approval of the Annual Financial Statements by the Board of Directors.

7. Related parties

Controlling shareholders

As a member of the Roche Group, all of the Company's related party transactions are with Roche Group affiliates. The transactions include interest on and repayments of loans given by the Company. In addition the Company has a current account with Roche Pharmholding B.V., the corporate cash pool leader, as described in the Annual Financial Statements.

Related party transactions in millions of EUR

	30 June 2009	30 June 2008
Interest income – related parties	9	25
Net settlement accounts receivable – related parties	1	1

Related party balances in millions of EUR

	30 June 2009	31 December 2008
Long-term loans receivable – related parties	288	252
Accounts receivable – related parties	26	17

The Company deposits surplus funds (30 June 2009: 12 million EUR, 31 December 2008: 12 million EUR) with Roche Pharmholding B.V. in its function as corporate cash pool leader for numerous Roche affiliates. Amounts deposited are immediately available and bear variable interest referenced to one month LIBOR.

To: The Board of Directors of Roche Finance Europe B.V.

Review report

Introduction

We have reviewed the accompanying condensed interim financial information for the six month period ended 30 June 2009, of Roche Finance Europe B.V., Woerden, which comprises the condensed balance sheet as at 30 June 2009, the statement of comprehensive income, the condensed statement of cash flows, statement of changes in equity and the selected explanatory notes for the six month period then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, 'Interim Financial Reporting' as adopted by the European Union. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Dutch law including standard 2410, "Review of Interim Financial Information Performed by the Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at 30 June 2009 is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting', as adopted by the European Union.

Rotterdam, 15 July 2009

KPMG ACCOUNTANTS N.V.


P.B. Maris RA