



Roche in Brief



2011

Key achievements in 2011*

Business/ Finance achievements

Group sales rise 2%, excluding Tamiflu. Significant foreign exchange impact of -12 percentage points due to appreciation of the Swiss franc; overall Group sales at 42.5 billion Swiss francs

Pharmaceuticals sales, excluding Tamiflu, up 1% in line with the market; Diagnostics sales increase 6%, significantly ahead of the market

Core operating profit increases by 6%, significantly faster than sales, driven primarily by savings from the Operational Excellence programme and continued productivity improvements

Core EPS rise 11% due to solid operating performance, lower financing costs and a lower tax rate

Strong operating free cash flow of 13.7 billion Swiss francs, up 14%

Responsible business

10% dividend increase for reporting year 2010; board proposes a dividend increase of 3% to 6.80 Swiss francs for 2011, the 25th consecutive year of dividend growth

Roche named Healthcare Supersector Leader in Dow Jones Sustainability Indexes for third consecutive year

Research and development

Established IT system and process for reporting on contributions to individual healthcare professionals to meet new regulatory requirements

Excellent progress in late-stage pipeline: 17 out of 20 trials deliver positive results in 2011; 24 key drug approvals and 21 major regulatory filings; 50 diagnostic tests and 13 instruments launched in key markets

Leading position in Personalised Healthcare strengthened: targeted melanoma medicine Zelboraf and companion diagnostic test successfully launched in the US; Tarceva approved in EU for EGFR-mutated non-small cell lung cancer; launch of EGFR mutation test. Marketing applications filed in US and EU for targeted cancer medicines Erivedge (vismodegib) and pertuzumab

Very rich pipeline with 79 new molecular entities (NMEs) all of which are designed to be first in class or best in class

Manufacturing and procure- ment

Pharmaceuticals and Diagnostics Divisions collaborated on more than 200 projects

Established a unified sustainability audit protocol for suppliers, together with other industry members

Marketing and distribution

Basic principles of Swiss health technology assessments developed in joint initiative between pharmaceuticals industry and santésuisse, the association of Swiss health insurers

Continued exploring differential pricing models to increase access to our medicines in emerging markets, such as the Patient Assistance Programme in China

Hosted third annual International Experience Exchange for over 130 patient organisations to share challenges, best practices and build relationships

Our people

Ran first-ever global employee survey for Roche Group, with 80% participation rate

Prepared worldwide 2012 launch of CHRIS, a global IT solution hosting all employee-related information and 12 major human resources processes

Increased number of women in key positions from 13% in 2009 to 18% in 2011, in line with our 5-year goal of 50% increase from 2009 to 2014

Community involvement

Commenced building and equipping of two schools in Haiti and one in Pakistan following the devastation caused by natural disasters

Laid foundation stone for a new teachers training college in Malawi, designed to house and train 540 teachers by 2013

Environmental stewardship

Improved our eco-balance impact per employee by 4.3%, on target for improving our eco-balance by 15% from 2010 levels by 2020

Reduced energy consumption by 7.7%, on track with our 5-year goal of 10% efficiency improvement from 2009 to 2014 levels

* All growth rates at constant exchange rates (average full-year 2010).

Our business

From precise diagnosis to targeted therapy.



Together, a potent new drug and a blood test to guide its use can be a life changer for patients. Roche is a global leader in both sectors: the world's biggest biopharmaceuticals company, the leading supplier of *in vitro* diagnostics and an innovator across major disease areas from cancer to virology. Our business is science-driven. We are using our exceptional research and development capabilities to develop drugs, diagnostics and drug/diagnostic combinations to address some of medicine's most pressing challenges.

BUSINESS REVIEW

Group results in 2011. Roche posted strong overall results in a challenging business environment. Core operating profit grew faster than sales, and Core Earnings per Share (EPS) increased at a double-digit rate.

Outlook for 2012. Roche expects sales for Pharmaceuticals and the Group to grow in the low-single-/mid-single-digit range. Diagnostics sales expected to grow above the market. Roche targets high single-digit Core EPS growth in 2012.

Market environment. A changing healthcare sector, cost pressure and the vast potential of modern science are transforming both the development and delivery of healthcare, with innovation at the centre.

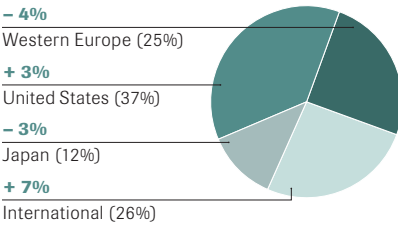
Group strategy. We strive to benefit patients and make healthcare more efficient through innovations built on excellence in science. This is our response to the medical and economic challenges facing society.

Key figures

Group sales	42,531 millions of CHF	+1% (CER ¹)
Core operating profit	15,149 millions of CHF	+6% (CER)
Net income	9,544 millions of CHF	+26% (CER)

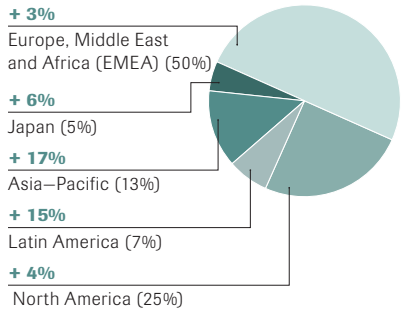
¹ CER: Constant exchange rates (average full-year 2010).

Pharmaceuticals Division – sales by region²

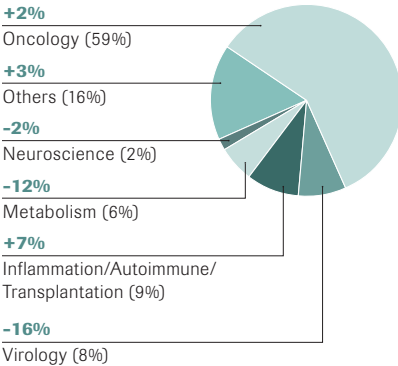


Excluding Tamiflu.

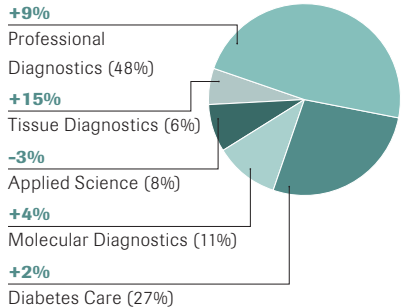
Diagnostics Division – sales by region²



Pharmaceuticals Division – sales by therapeutic area²



Diagnostics Division – sales by business area²



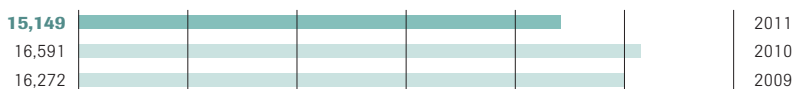
² At constant exchange rates (average full-year 2010).

Roche Group

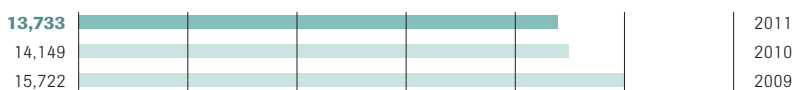
Sales by division (in millions of CHF)



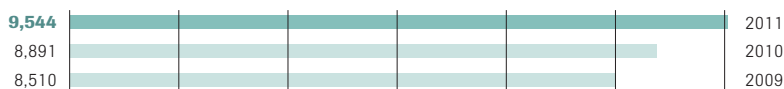
Core operating profit² (in millions of CHF)



Operating free cash flow (in millions of CHF)



Net income (in millions of CHF)



Core Earnings per Share (in CHF)



Dividend per share (in CHF)



Index¹ | 0 | 20 | 40 | 60 | 80 | 100 | 120

Pharmaceuticals Diagnostics

¹ Key figures indexed to 2009 = 100.

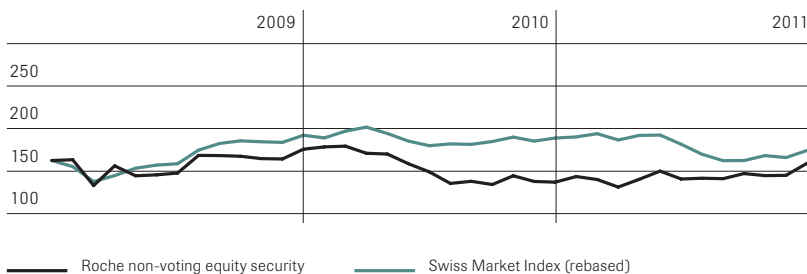
² For a full explanation of the core results concept, see page 146 of the Roche Finance Report 2011.

³ Proposed by the Board of Directors.

	In millions of CHF		CER ¹	% changes		As % of sales	
	2011	2010		in CHF	in USD	2011	2010
Group sales	42,531	47,473	1	-10	5	100	100
<i>excl. Tamiflu</i>	42,172	46,600	2	-10	6		
– Pharmaceuticals Division	32,794	37,058	0	-12	4	77	78
<i>excl. Tamiflu</i>	32,435	36,185	1	-10	5		
– Diagnostics Division	9,737	10,415	6	-7	10	23	22
Core operating profit	15,149	16,591	6	-9		35.6	34.9
– Pharmaceuticals Division	13,406	14,776	5	-9		40.9	39.9
– Diagnostics Division	2,178	2,202	14	-1		22.4	21.1
Operating free cash flow	13,733	14,149	14	-3		32.3	29.8
Core Earnings per Share (CHF)	12.30	12.78	11	-4			

1 CER: Constant exchange rates (average full-year 2010).

Price development of non-voting equity security (*Genussschein*) in CHF



Security information

Security	Symbol	No. of securities	Listing	Trading	CUSIP/ISIN
Voting share	RO	160,000,000	SIX Swiss Exchange	SIX Swiss Exchange	CH 0012032113
Non-voting equity security (NES)	ROG	702,562,700	SIX Swiss Exchange	virt-x	CH 0012032048
ADR ²	RHHBY	³	OTCQX	OTCQX	771195104

2 Four Roche American Depositary Receipts (ADRs) are equivalent to one non-voting equity security (*Genussschein*).

3 The number of ADRs in issue varies depending on demand and conversion in and out of the underlying non-voting equity security (NES).

RESEARCH AND DEVELOPMENT

Committed. 8,073 million Swiss francs invested in research and development.

Innovative. Our Pharmaceuticals pipeline is one of the strongest in the industry. As of January 2012 it included 122 projects: 79 involving new molecular entities and 43 additional indications or line extensions for existing medicines.

Successful. The Pharmaceuticals Division filed 21 major marketing applications — including three for new molecular entities — gained 24 major approvals and announced positive results from 17 out of 20 late-stage clinical trials.

Impactful. The Diagnostics Division launched 50 tests delivering enhanced information for medical decision-making and 13 new or upgraded instruments in key markets.

Integrated. Our Pharmaceuticals and Diagnostics Divisions are collaborating on more than 200 projects across all therapeutic areas of interest at Roche.

Key figures

Core research and development (R&D) expenditures in 2011

Roche Group¹	8,073 millions of CHF	-1% (CER ²)	19.0% of sales
Pharmaceuticals	7,173 millions of CHF	-2% (CER)	21.9% of sales
Diagnostics	900 millions of CHF	+12% (CER)	9.2% of sales

1 Decrease by 1% due to resource prioritisation and savings from the Operational Excellence programme.

2 CER: Constant exchange rates (average full-year 2010).

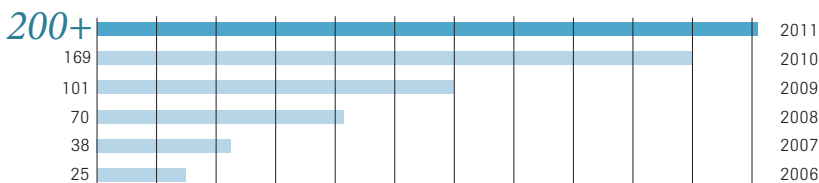
Employees in R&D

Roche Group	18,449
Pharmaceuticals	15,502
Diagnostics	2,947

Pharmaceuticals clinical development projects

	Phase I	Phase II	Phase III, registration
New molecular entities (investigational new medicines)	47	21	11
Line extensions (additional indications, new dosage forms for marketed or investigational medicines)	2	7	34

Number of collaborations between Roche Pharmaceuticals and Roche Diagnostics



Pharmaceuticals Division

Major regulatory approvals in 2011

Product	Indication or dosage form	Country
Avastin	metastatic breast cancer, combination with Xeloda	EU
Avastin	inoperable or recurrent breast cancer, first-line treatment	Japan
Avastin	metastatic ovarian cancer, following surgery	EU
Actemra/ RoActemra	rheumatoid arthritis, reduction or inhibition of progression of joint damage and improvement of physical function	USA
	systemic onset juvenile idiopathic arthritis	USA, EU, Switzerland
Herceptin	advanced HER2-positive stomach cancer in patients who are not candidates for curative surgery	Japan
Herceptin	HER2-positive breast cancer, neoadjuvant and/or adjuvant treatment	Japan, EU
MabThera/ Rituxan	advanced follicular lymphoma, first-line maintenance following induction treatment with Rituxan/MabThera plus chemotherapy	USA
	Wegener's granulomatosis, microscopic polyangiitis (severe forms of ANCA-associated vasculitis)	USA
Pegasys	chronic hepatitis B	Japan
	Pegasys pre-filled pen, Pegasys ProClick Auto-Injector	EU, USA, Switzerland
Tarceva	non-small cell lung cancer, first-line maintenance after chemotherapy	China
	metastatic non-small cell lung cancer with epidermal growth factor receptor-activating mutations, first-line treatment	EU
	pancreatic cancer not amenable to curative resection, combination with gemcitabine	Japan
Xeloda	advanced or recurrent stomach cancer in patients who are not candidates for curative surgery	Japan
	adjuvant colon cancer, combination with oxaliplatin	Switzerland
Zelboraf	BRAF-mutated inoperable or metastatic melanoma	USA, Switzerland, Brazil

Major regulatory filings in 2011

Product	Indication or dosage form	Country
Avastin	metastatic ovarian cancer	Switzerland
	ovarian cancer, relapsed	EU
Herceptin	HER2-positive breast cancer, neoadjuvant and/or adjuvant treatment	EU, Switzerland, Japan
Lucentis	diabetic macular edema	USA
MabThera/ Rituxan	anti-neutrophil cytoplasm antibody (ANCA)-associated vasculitis	Switzerland
	faster (90 minute) infusion schedule of Rituxan in combination with chemotherapy for treatment of NHL	USA
RoActemra	systemic onset juvenile idiopathic arthritis	Switzerland
Tarceva	metastatic non-small cell lung cancer with epidermal growth factor receptor-activating mutations, first-line treatment	Switzerland
Pegasys	chronic hepatitis B	Japan
pertuzumab	HER2-positive metastatic breast cancer	EU, USA
Erivedge (vismodegib)	adult patients with advanced basal cell carcinoma for whom surgery is considered inappropriate	EU, USA
Zelboraf	BRAF-mutated inoperable or metastatic melanoma	EU, USA, Switzerland, Australia, NZ, Brazil

Pharmaceuticals pipeline phase III/ registration

Oncology

Project ID	Project/product	Indication
RG105	MabThera/Rituxan	non-Hodgkin's lymphoma, s.c. dosage form
RG435	Avastin	HER2-positive breast cancer, adjuvant treatment
RG435	Avastin	HER2-negative breast cancer, adjuvant treatment
RG435	Avastin	triple-negative breast cancer, adjuvant treatment
RG435	Avastin	metastatic breast cancer, 2nd-line
RG435	Avastin	non-small cell lung cancer, adjuvant treatment
RG435	Avastin	high-risk carcinoid
RG435	Avastin	glioblastoma, 1st-line
RG435	Avastin	metastatic CRC, treatment through multiple lines
RG435 ¹	Avastin	ovarian cancer, 1st-line
RG597	Herceptin	HER2-positive breast cancer, s.c. dosage form
RG597	Herceptin	HER2-positive BC, adjuvant treatment (2 years)
RG1273	pertuzumab	HER2-positive early breast cancer
RG1415 ¹	⊗ Tarceva	NSCLC, EGFR-activating mutations, 1st-line
RG1415	Tarceva	NSCLC, adjuvant treatment
RG3502	T-DM1 (ADC)	HER2-positive advanced metastatic breast cancer
RG3502	T-DM1 (ADC)	HER2-positive metastatic breast cancer, 3rd-line
RG3502	T-DM1 (ADC)	HER2-positive metastatic breast cancer, 1st-line
RG3638	⊗ Onartuzumab (MetMab)	metastatic non-small cell lung cancer
RG7159	obinituzumab (GA101)	chronic lymphocytic leukemia
RG7159	obinituzumab (GA101)	indolent non-Hodgkin's lymphoma, relapsed
RG7159	obinituzumab (GA101)	diffuse large B cell lymphoma
RG7159	obinituzumab (GA101)	indolent non-Hodgkin's lymphoma, front-line
RG105	MabThera/Rituxan	non-Hodgkin's lymphoma, fast infusion
RG435 ²	Avastin	relapsed ovarian cancer
RG1273	pertuzumab	HER2-positive metastatic breast cancer, 1st-line
RG3616	Erivedge (vismodegib)	advanced basal cell carcinoma
RG7204 ³	⊗ Zelboraf	metastatic melanoma

Inflammation, immunology

Project ID	Project/product	Indication
RG105	MabThera/Rituxan	ANCA-associated vasculitis
RG1569	Actemra/RoActemra	rheumatoid arthritis, s.c. dosage form
RG1569	Actemra/RoActemra	early rheumatoid arthritis
RG1569	Actemra/RoActemra	rheumatoid arthritis, DMARD-IR, vs adalimumab
RG3648	Xolair	chronic idiopathic urticaria
CHU	Suvenyl	enthesopathy

Metabolic, cardiovascular

Project ID	Project/product	Indication
RG1439	aleglitazar	cardiovascular risk reduction in type 2 diabetes
RG1658	dalcetrapib	atherosclerosis, cardiovascular risk reduction
CHU	tofogliflozin (SGLT2)	type 2 diabetes
RG3626 ^a	Activase	extended time window, acute ischemic stroke

Central nervous system

Project ID	Project/product	Indication
RG1594	ocrelizumab	relapsing-remitting multiple sclerosis
RG1594	ocrelizumab	primary-progressive multiple sclerosis
RG1678	⊗ bitopertin (GRI)	schizophrenia, negative symptoms
RG1678	bitopertin (GRI)	schizophrenia, suboptimally controlled

Ophthalmology, others

Project ID	Project/product	Indication
RG3645	Lucentis	AMD, 0.5 mg, pro re nata (as needed)
RG3645 ^a	Lucentis	diabetic macular edema
CHU	EPOCH	chemotherapy-induced anemia

- 1 approved in the EU
- 2 submitted in the EU
- 3 approved in US, CHMP positive opinion in EU
- 4 submitted in the US

ADC	antibody-drug conjugate
AMD	age-related macular degeneration
BC	breast cancer
CRC	colorectal cancer
DMARD-IR	disease-modifying antirheumatic drug, inadequate response
NSCLC	non-small cell lung cancer
s.c.	subcutaneous
RG-No	Roche- and/or Genentech-managed
CHU	Chugai-managed
RG105	MabThera is branded as Rituxan in the US and Japan
RG1569	Actemra is branded as RoActemra in the EU
⊗	Personalised Healthcare project

Diagnostics Division

Major product launches in 2011

Area	Product	Market
Instruments/devices		
Laboratories	cobas c 702: clinical chemistry module for high-volume laboratories	EU, US
	OptiView: detection system for BenchMark tissue staining instruments	EU, US
	Ultimate Reagent Access: upgrade to BenchMark ULTRA tissue stainer	WW
	iScan Coreo: digital tissue scanner	EU
Diabetes Care	Accu-Chek Mobile: strip-free blood glucose meter	EU, APAC
	Accu-Chek FastClix: one-click lancing device	EU
Life sciences	LightCycler Nano: desktop unit for real-time PCR analysis	WW
	GS FLX+System: upgraded sequencing instrument and kit	WW
	SeqCap EZ Choice, SeqCap EZ Exome v3: microarrays	WW
	4.2M CGH, 2.1M CGH/SNP: microarrays	WW
	Cedex Bio: bioprocess analyser	WW
Tests/assays		
Oncology	HE4: immunoassay, ovarian cancer	EU
	HPV: PCR test, cervical cancer	US
	BRAF: PCR test, melanoma, companion diagnostic for Zelboraf	EU, US
	KRAS: PCR test, colorectal cancer	EU
	EGFR: PCR test, lung cancer	EU
	HER2 Dual ISH: tissue test, breast cancer	US
	29 IHC Primary Antibodies for IHC tissue testing including BCL2 (lymphomas), ERG (prostate cancer), H. pylori (precursor of gastritis and ulcers), MLH1 (colorectal cancer) and PR (breast cancer)	WW
	HER2 (4B5) Algorithm: software, breast cancer	US
	HBsAg quant: immunoassay, hepatitis B infections	EU
	CMV Avidity, Toxo IgG Avidity: immunoassays, cytomegalovirus infections in pregnancy	EU
Virology/ Infectious diseases	MPX 2.0: PCR test, HIV, HCV and HBV	EU
	DPX: PCR test, parvovirus B19 and HAV	US
	CMV: PCR test, cytomegalovirus infections	EU
	HIV-1 2.0: PCR test, HIV infections	EU
	HCV 2.0: PCR test, HCV infections	US
	HCV 2.0 (qual. and quant.): PCR tests, HCV infections	EU
	HLA-B 5701: PCR test, hypersensitivity to abacavir	EU
	Vitamin D total: immunoassay, vitamins D2 and D3	EU
	hGH: immunoassay, human growth hormone disorders	EU, US
	PTH (1-84): immunoassay, chronic kidney disease	EU
Metabolism	Maltose-independent test strip chemistries for the Accu-Chek Aviva blood glucose meter	US, Japan
	GS GType HLA Primer Sets: gene sequencing, immune system	WW

black type = new product/first market launch, grey type = new product/launch in additional markets.
APAC = Asia-Pacific; EU = European Union; US = United States; WW = worldwide.

BCL2 = B-cell lymphoma 2 gene; BRAF = B-isoform of the rapidly growing fibrosarcoma oncogene; CGH = comparative genomic hybridisation; EGFR = epidermal growth factor receptor; ERG = ETS (E-twenty-six)-related gene; GS = Genome Sequencer; HAV = hepatitis A virus; HBV = hepatitis B virus; HBsAg = hepatitis B surface antigen; HCV = hepatitis C virus; HE4 = human epididymis secretory protein E4; HER2 = human epidermal growth receptor 2; HIV = human immunodeficiency virus; HLA = human leucocyte antigen; HPV = human papillomavirus; IHC = immunohistochemistry; ISH = *in situ* hybridisation; KRAS = member of the Ras family of oncogenes; MLH1 = MutL Homolog 1 gene; PCR = polymerase chain reaction; PR = progesterone receptor; PTH = parathyroid hormone; SNP = single nucleotide polymorphism; Toxo IgG = toxoplasma-specific immunoglobulin G antibodies.

Key product launches planned for 2012

Area	Product	Market
Instruments/devices		
Laboratories	cobas t 611: coagulation analyser	EU
	BenchMark Special Stains: tissue stainer	WW
	VENTANA iScan HT: digital tissue scanner	WW
Point-of-care	cobas b 101: multi lipid and glucose analyser	EU
	cobas b 123*: blood gas analyser	US
Diabetes Care	Accu-Chek Nano SmartView*: small blood glucose meter	US
	Accu-Chek Mobile: strip-free blood glucose meter	EU
	Accu-Chek Combo*: insulin pump and blood glucose meter	US
	SOLO Micropump: insulin micropump and blood glucose meter	EU
Tests/assays		
Oncology	HE4: immunoassay, ovarian cancer	US
	p16 Histology: IHC tissue test, cervical cancer	EU, US
	ER*: IHC tissue test, breast cancer	US
	GS GType TET2/CBL/KRAS & RUNX1 Primer Sets: gene sequencing, leukemia	WW
Infectious diseases	CMV: PCR test, cytomegalovirus infections	US
	CT/NG: PCR test, chlamydia and gonorrhoea infections	US
Metabolism	Vitamin D total: immunoassay, vitamins D2 and D3	US

black type = new product/first market launch, grey type = new product/launch in additional markets.
EU = European Union; US = United States; WW = worldwide.

* These products were initially scheduled for launch in 2011; they have been filed with the FDA and will be launched as soon as they are approved.

CBL = Casitas B-cell lymphoma gene; CT/NG = *Chlamydia trachomatis/Neisseria gonorrhoeae*; ER = estrogen receptor; GS = Genome Sequencer; HE4 = human epididymis secretory protein E4; IHC = immunohistochemistry; KRAS = member of the Ras family of oncogenes; p16 = protein p16INK4a; PCR = polymerase chain reaction; RUNX1 = Runt-related transcription factor 1; TET2 = member of the TET family of oncogenes.

MARKETING AND DISTRIBUTION

Demonstrating value. We collaborated with payers and other stakeholders on developing systematic methods for evaluating the cost and efficacy of new medicines and diagnostics.

Improving access. We continued to pilot differential drug pricing programmes for several leading Roche therapies in Egypt, Brazil, China and other emerging countries.

Strengthening healthcare. We worked with governments and other organisations on strengthening healthcare systems through further education of healthcare professionals and supporting hospital infrastructure.

Improving outcomes. We funded programmes to increase awareness and understanding of disease, to improve screening and early diagnosis and to foster treatment compliance and rehabilitation.

Key figures

Core marketing and distribution (M&D) expenditures in 2011

Roche Group	7,967 millions of CHF	-2% (CER ³)	18.7% of sales
Pharmaceuticals¹	5,564 millions of CHF	-6% (CER)	16.9% of sales
Diagnostics²	2,403 millions of CHF	+8% (CER)	24.7% of sales

1 Decrease by 6% due to tight cost management and savings from the Operational Excellence programme.

2 Increase by 8% reflecting higher launch costs by several business areas along with increased distribution costs following the earthquake in Japan.

3 CER: Constant exchange rates (average full-year 2010).

Employees in M&D

Roche Group	27,748
Pharmaceuticals	16,967
Diagnostics	10,781

Bringing products to patients

Answering the demand for medical innovation and improved healthcare is a challenge that requires the cooperation of many different segments. Breakthroughs in science are enabling Roche to improve the lives of patients and transform the delivery of medicine. However, to be truly effective we must identify and meet the differing needs of patients and customers through collaboration and partnership.

Our objective is to deliver innovative pharmaceuticals and diagnostics that offer significant medical, economic and social value over existing options.

Improving access to healthcare

Patients everywhere are seeking more and better healthcare options and better access to healthcare. Our market access strategy addresses this need, while focusing on the growing demand in emerging and developing markets. Our approach is to increase our emphasis on regional and local activities that deliver value, improve access and affordability, and maintain high standards of patient care and safety. We also tackle wider problems, such as lack of disease awareness, low use of diagnostics and limited healthcare infrastructure and budgets in order to improve health conditions generally.

Top-selling pharmaceuticals in millions of CHF



Product				
MabThera/ Rituxan	Avastin	Herceptin	Lucentis**	Pegasys
Sales growth (CER)*				
+8%	-7%	+9%	+23%	-3%
Active substance				
rituximab	bevacizumab	trastuzumab	ranibizumab	peginterferon alfa-2a
Indications				
non-Hodgkin's lymphoma, chronic lymphocytic leukemia, rheumatoid arthritis, ANCA-associated vasculitis	colorectal cancer, breast cancer, non-small cell lung cancer, kidney cancer, ovarian cancer, glioblastoma	HER2-positive breast cancer, advanced HER2-positive stomach cancer	wet age-related macular degeneration, macular edema following retinal vein occlusion	hepatitis B and C

* Constant exchange rates (average full-year 2010).

** US sales. Lucentis is marketed outside the United States by Novartis.

Top-selling diagnostics in millions of CHF



Accu-Chek
Aviva Nano

2,470



cobas e 602

1,987



cobas c 502

1,397



cobas TaqMan 48

541



Ventana IHC
reagents

444

Product				
Accu-Chek monitoring systems	cobas e modules, Modular Analytics, Elecsys	cobas c modules, Modular Analytics, Cobas Integra	Cobas AmpliPrep/ Cobas TaqMan	immunohistochemistry and <i>in situ</i> hybridisation
Sales growth (CER)				
+3%	+13%	+7%	+3%	+15%
Market segment				
Blood glucose monitoring	Immunoassays	Clinical chemistry	Virology (hepatitis B, hepatitis C, HIV)	Advanced tissue staining
Business area				
Diabetes Care	Professional Diagnostics	Professional Diagnostics	Molecular Diagnostics	Tissue Diagnostics

PEOPLE, COMMUNITIES AND THE ENVIRONMENT

Key figures

Roche employees worldwide (headcount)		81,735
Women in key positions	18%	+38% ¹ since 2009
Roche accident rate (RAR)	0.067	+3.2% ²
Energy efficiency	0.164 t/employee	-7.7% ¹
CO₂ efficiency	12.67 t/employee	-4.3% ¹
Total environmental impact	6.88 million impact points/employee	-4.0% ²

¹ On track to reach 2014 goal.

² On track to reach 2015 goal.

Responsible business

Our corporate culture is built on the values of integrity, courage and passion. We are passionate about improving patients' lives. And we have the courage to take appropriate risks, knowing that we can manage those risks competently and with high standards of integrity. Our values also underpin our

corporate responsibility and that of our employees to comply with laws, regulations and standards. Our commitment to responsible behaviour goes beyond strict legal compliance to demand conduct that is ethical and open and that creates long-term value for our stakeholders.

Roche employees worldwide (full-time equivalents/FTE*)

	2011	2010	2009
Europe	35,509	35,811	35,310
North America	22,429	23,695	25,412
Asia	16,251	14,964	14,169
Latin America	4,506	4,633	4,930
Australia	755	858	891
Africa	679	692	795
Total	80,129	80,653	81,507

Employees (FTE) by operating unit

	2011	2010	2009
Roche Pharmaceuticals	44,397	46,335	48,181
Chugai	6,908	6,852	6,632
Diagnostics Division	27,380	26,194	25,508
Other	1,444	1,272	1,186
Total	80,129	80,653	81,507

Employees (FTE) by function

	2011	2010	2009
Servicing	15,041	15,160	13,408
Manufacturing and logistics	14,786	14,770	16,395
Marketing and distribution	27,748	27,536	28,682
Research and development	18,449	19,039	18,894
General and administration	4,105	4,148	4,128
Total	80,129	80,653	81,507

Employees by contract type

	2011	2010	2009
Regular (FTE)	78,013	78,537	79,631
Fixed term (FTE)	2,116	2,116	1,876
Full time (headcount)	76,911	76,767	77,866
Part time (headcount)	4,824	4,845	4,562

* Full Time Equivalent (FTE) is used to reflect the actual working time of full and part time employees. For example, two part-time employees working 50% would result in the equivalent of one FTE versus two employees (headcount).

Our people

Roche is dedicated to translating innovation in science into clear benefits for patients. To do so, we need highly skilled, passionate and motivated people who are inspired to make a difference in improving health around the world.

We work to achieve this by:

- developing our people at all levels to realise their full potential
- offering an inclusive culture that draws on the diverse skill, background and knowledge of every employee
- identifying our internal and external talent
 - those who have the right skillsets for current and future business requirements.

It is our people worldwide who set us apart and who make Roche an employer of choice. Our ability to attract, engage and retain diverse talent ensures that we can continue to deliver innovative healthcare solutions for patients well into the future.

Community involvement

As with our core business activities, Roche's philanthropic work aims to leverage innovation and collaboration to create lasting benefit. For this reason, we evaluate our philanthropic projects by their impact and not by their cost.

We direct our giving to four areas of priority: humanitarian and social projects, science and education, arts and culture, and community and environment. We also seek to respond to needs that would not be addressed without Roche involvement.

Emphasis is placed on projects that reflect four criteria:

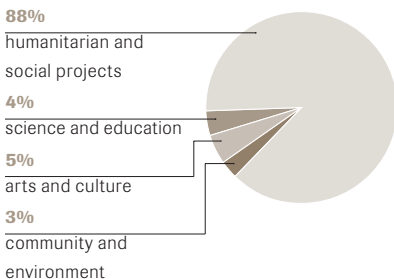
- Innovation
- Sustainability
- Collaboration
- Outcomes

Safety, security, health and environmental protection

Protecting people and the environment is essential to our business. At Roche, we refer to safety, security, health and environmental protection as SHE, and approach it with the same sense of responsibility, and just as methodically, as we do issues concerning quality, productivity and cost efficiency.

We strive for continuous improvement in SHE wherever possible and economically viable. We seek sustainable long-term improvement by changing behaviour, adapting equipment to the most recent standards and by developing innovative processes throughout our organisation.

Breakdown of giving by area, 2011



Key Performance Indicators of the Roche Group

Economic and business performance

	2011	2010	2009
Sales (mCHF)	42,531	47,473	49,051
Research and development (mCHF) ¹	8,073	9,050	9,509
– Research and development as % of sales	19.0%	19.1%	19.4%
Marketing and distribution (mCHF) ¹	7,967	9,167	9,472
– Marketing and distribution as % of sales	18.7%	19.3%	19.3%
Operating profit (mCHF) ¹	15,149	16,591	16,272
– Operating profit margin	35.6%	34.9%	33.2%
Net financial income (mCHF) ¹	-1,581	-2,272	-1,668
Net income (mCHF)	9,544	8,891	8,510
Core Earnings per Share (CHF)	12.30	12.78	12.34
Operating free cash flow	13,733	14,149	15,722
– Operating free cash flow as % of sales	32.3%	29.8%	32.1%
Net assets (mCHF)	14,482	11,662	9,414
Net debt (mCHF)	-15,566	-19,157	-23,867
Equity ratio	24%	19%	13%

Increasing value for our shareholders and investors

	2011	2010	2009
Dividend per share (CHF) ²	6.80	6.60	6.00
Dividend (mCHF) ²	5,865	5,693	5,175
– Dividend as % of sales	13.8%	12.0%	10.6%
Payout ratio (dividend per share divided by core EPS)	55%	52%	49%
Price of non-voting equity security (<i>Genussschein</i>) at 31 st of December (CHF)	159.20	137.00	175.80
Market capitalisation (CHF billions)	136	118	151
Total Shareholder Return (TSR) at 31 st of December	22%	-19%	12%
Dow Jones and FTSE4Good sustainability indexes	Sector leader/ included	Sector leader/ included	Sector leader/ included

Access to healthcare and patient benefits

	2011	2010	2009
Patients actively participating in clinical trials ³	332,183	277,079	268,614
Number of clinical trials	2,174	2,173	2,182
Number of new molecular entities in clinical development	79	62	51
Number of major regulatory filings (Pharma)	21	15	23
Number of major regulatory approvals received (Pharma)	24	18	13
Patients benefiting from Patient Assistance Programs (US only)	40,000	47,000	40,000
Number of countries where we don't file or enforce our patents	54	55	49

1 Core results.

2 For the year 2011 as proposed by the Board of Directors.

3 Excludes number of patients in Genentech studies initiated prior to the merger (historical figures got restated).

Commitment to our employees

	2011	2010	2009
Number of employees (full-time equivalent – FTE)	80,129	80,653	81,507
Growth in full-time equivalent employees	-524	-854	1,427
Total employees' remuneration (mCHF)	10,300	11,934	12,080
– Total employees' remuneration as % of sales	24.2%	25.1%	24.6%
Percentage of eligible employees purchased shares through Roche CONNECT	37%	37%	37%
Percentage of women in total workforce	46%	46%	46%
Percentage of women in management positions	35%	37%	37%
Percentage of women in key positions	18%	16%	13%
Percentage of women in top 120 executives	15%	15%	9%
Percentage of women on the Board	15%	15%	15%
Employee total turnover rate (fluctuation)	10.1%	9.5%	7%
Average number of training hours per employee	26	23	26
Business ethics incident cases reported	114	110	141
Roche Group SpeakUp Line cases ⁴	81	122	not yet initiated

Safety, health and environmental protection

	2011	2010	2009
Investments in SHE (mCHF)	118	163	159
Operating costs for SHE (mCHF)	311	311	294
Roche Accident Rate	0.067	0.065	0.074
Occupational accidents	390	432	392
– Occupational accidents per million working hours	2.67	2.97	2.92
Occupational illnesses	141	184	227
Eco-Efficiency Rate	0.538	0.414	0.46
eco-balance	6.88	7.17	7.27
Total energy consumption (TJ/year)	13,372	14,495	13,898
– Total energy consumption (TJ/year per mCHF sales)	0.314	0.305	0.283
Greenhouse gas emissions (tonnes CO ₂ equivalents)	1,023,521	1,077,301	1,053,118
– Greenhouse gas emissions (tonnes CO ₂ equivalents per mCHF sales)	24.23	22.69	21.47
NO _x (t/year)	222	262	286
SO ₂ (t/year)	8	7	9
Volatile organic compounds (VOCs) (t/year)	124	164	177
Particulate matter (t/year)	20	33	27
Water consumption (million cubic meters per year)	3.3	3.6	2.8
– Water consumption (cubic meters per year per mCHF sales)	76.89	75.70	56.12
Total organic carbon (TOC) (t/year)	228	242	154
Heavy metals (kg/year)	288	463	426
Chemical waste (t/year)	30,170	29,020	27,605
General waste (t/year)	24,121	27,249	19,828
Number of Fatalities	0	0	0

⁴ Case collection started 1st december 2009 period 2010 covers 13 months.

Commitment to society and the communities we operate in

	2011	2010	2009
Income taxes (mCHF) ¹	2,895	3,135	3,287
- Income taxes as % of sales	6.8%	6.6%	6.7%
Community support by area			
- Humanitarian and social projects	88%	87%	75%
- Science and education	4%	6%	17%
- Arts and culture	5%	4%	5%
- Community and environment	3%	3%	3%
Contributions to healthcare institutions			
- Education of patients and general public	7%	6%	6%
- Education of healthcare professionals	41%	50%	53%
- Research	52%	44%	41%
Contributions to patient organisations			
- Disease awareness and general education	36%	59%	67%
- Treatment adherence projects	45%	24%	15%
- Workshops, seminars and meetings	9%	4%	3%
- Educational grants	10%	15%	14%

¹ Core results.

Published by

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Roche in Brief is published in English and German.

Printed on non-chlorine bleached, FSC-certified paper.



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4070 Basel, Switzerland
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