

The future challenges of Healthcare

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2005: Record sales and record profits



Strong organic growth and improved quality of earnings

- Sales and profit at record level
 - Group added CHF 6 bn organic sales growth
 - Net income at virtually the same level as the year before, despite income of CHF 2.3 bn from divested OTC business in 2004
- Strong cash flow from operating activities before income taxes (CHF 12 bn)
- Outstanding clinical and regulatory news flow
- Fostered high level of promising late stage pipeline and entered new field of Autoimmune diseases
- Rating obtained by S&P and Moody's (AA+, Aa1)

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Strong Group results 2005



Record sales drive profit and margin increase

CHF bn	2004	2005	% change	
			CHF	local
Sales	29.5	35.5	+20	+19
EBITDA	9.0	11.4	+26	+25
<i>% of sales</i>	30.6	32.1	+1.5 p	
Operating profit before exceptional items	6.8	9.0	+33	+33
<i>% of sales</i>	22.9	25.4	+2.5 p	
Net financial income	-0.2	0.3	-	
Profit from continuing businesses before exceptional items	4.9	7.0	+43	
<i>% of sales</i>	16.5	19.6	+3.1 p	
Net income	7.1	6.7	-5	
<i>% of sales</i>	23.9	19.0	-4.9 p	
Core EPS diluted (CHF)	5.72	7.68	+34	
EPS diluted (CHF)	7.77	6.71	-14	

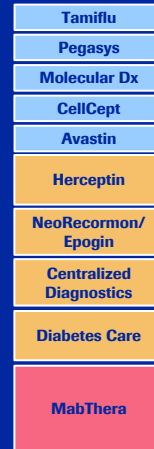
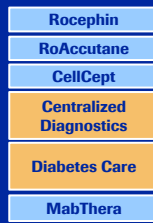
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Focus on differentiated medicines pays off

A young and growing portfolio ...



- CHF 1 billion or more
- CHF 2 billion or more
- CHF 4 billion or more



	2001	2005
Value drivers	6	10
Sales (CHF bn)	10	22

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Focus on differentiated medicines pays off

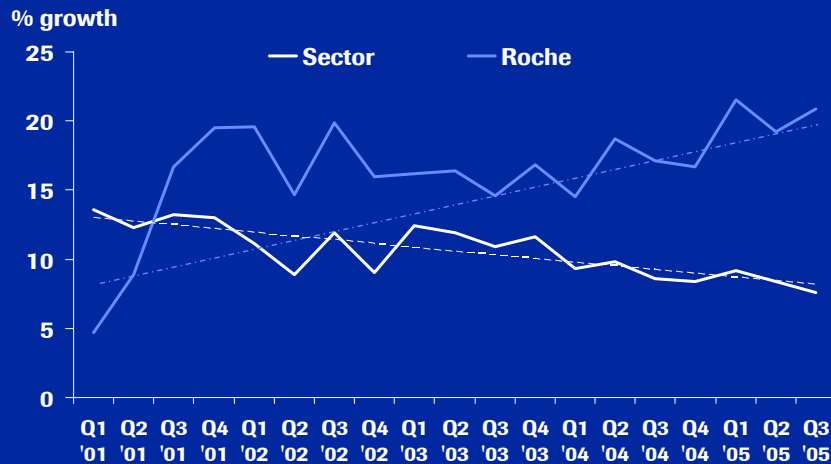
... and more than doubling operating profit



¹ before exceptional items, from 2004 including charges for all equity compensation plans

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Roche: Leading growth rate in the specialty sector based on differentiated medicines

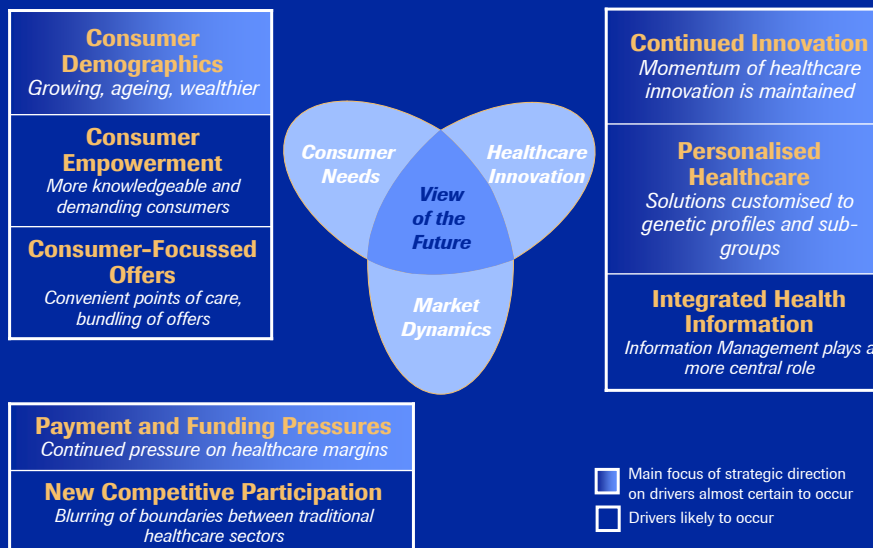


Source: IMS

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Drivers of the Future

Four key areas influencing our strategy



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A first take of our do's and don'ts *Innovation is 'key'*



Our do's

- Develop medically differentiated products in areas with high medical need
- Keep the development risk low for late stage development phase
- Invest in emerging technologies and portfolio adding opportunities

Our don'ts

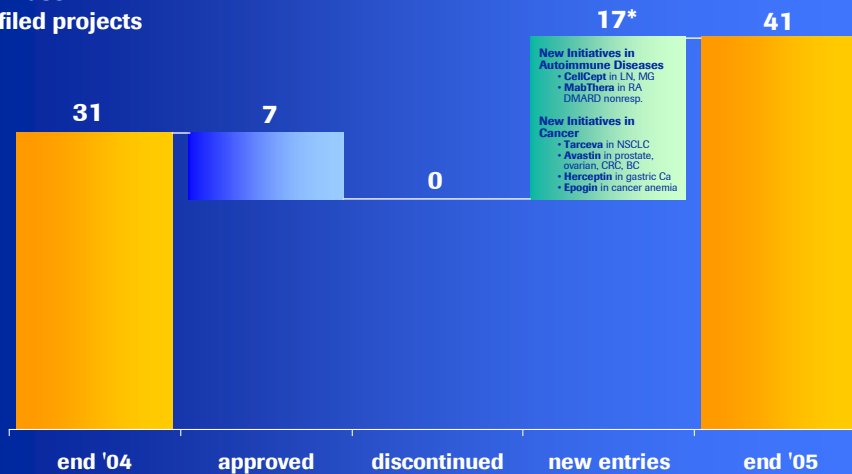
- Develop undifferentiated products in high need areas or develop differentiated products in low need areas
- Fundamentally change the Roche innovation network
- Engage in value destroying mega-mergers

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An industry leading late stage pipeline *Again strengthened*



Phase III/
filed projects



Full list of approved and newly entered projects can be found in appendix

* Including three projects previously combined and now listed as seven single indications

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Making a difference for patients - and boding well for future growth



Product	Indication (clinical trial)	Benefit
Avastin	NSCLC 1st line (E4599)	23% reduction in risk of death
	mBC 1st line (E2100)	50% reduction in risk of cancer progression
	mCRC 2nd-line (E3200)	24% reduction in risk of death
Herceptin	BC adjuvant (NSABP B-31/N9831)	52% reduction in risk of disease recurrence
	BC adjuvant (HERA)	46% reduction in risk of disease recurrence
	BC adjuvant (BCIRG 006)	51% reduction in risk of disease recurrence
MabThera	iNHL relapsed maintenance (GSLG)	>17 months prolongation of PFS
	iNHL relapsed maintenance (ECOG 20891)	50% reduction in risk of death
Tarceva	Pancreatic cancer 1st line (PA3)	19% reduction in risk of death
Xeloda	Pancreatic cancer 1st line (CR UK)	20% reduction in risk of death
Actemra	Rheumatoid arthritis (Japan)	ACR20, 50 and 70 of 89%, 70% and 47%
MabThera	Rheumatoid arthritis (REFLEX)	ACR20, 50 and 70 of 51%, 27% and 12%
NT-proBNP	Diagnosis, prognosis and monitoring of heart failure	Early detection, risk stratification, and rapid treatment decisions
SeptiFast	Detection and identification of 25 bacteria and fungi causing bloodstream infections	Rapid and reliable detection in less than 6 hours

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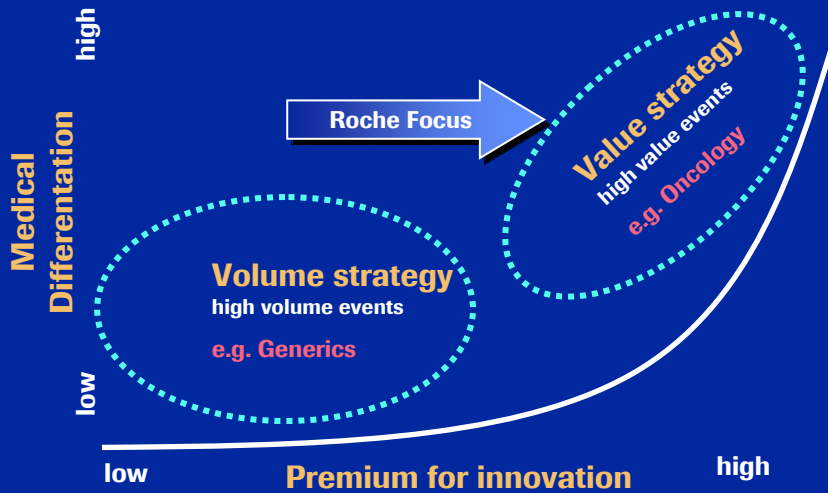
Our short term priorities



- Secure growth from assets on hand over the next years
- Deliver on our strong late stage pipeline with 41 phase III projects in Pharma
- Continue to drive productivity across the organization

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Premium for innovation' must be earned by 'medical differentiation'



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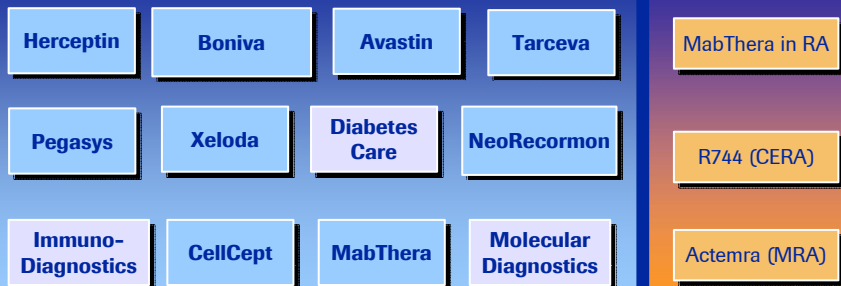
Roche has a unique profile for investors



Roche: unique geographic risk diversification



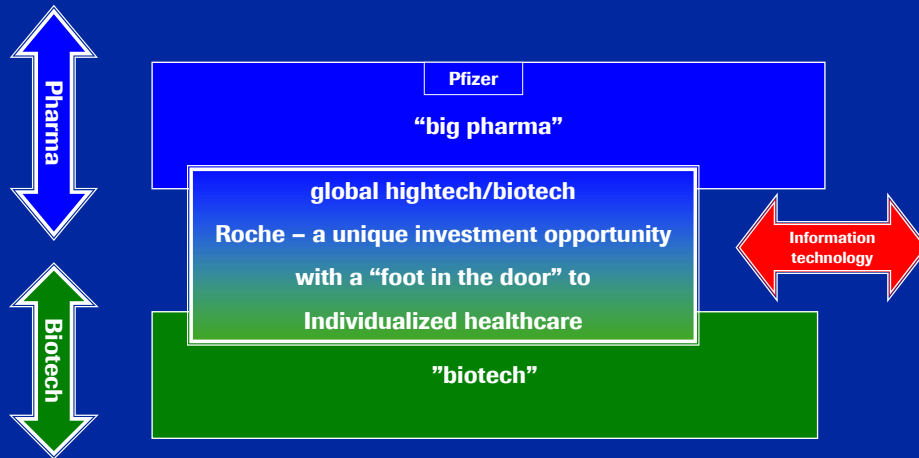
Roche: unique "pillars of value" risk diversification



Future pillars

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Roche ambition: to be a unique investment opportunity in the healthcare industry



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