
Translating excellence in science into customer benefit

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This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as ‘believes’, ‘expects’, ‘anticipates’, ‘projects’, ‘intends’, ‘should’, ‘seeks’, ‘estimates’, ‘future’ or similar expressions or by discussion of, among other things, strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation, among others:

- 1 pricing and product initiatives of competitors;
- 2 legislative and regulatory developments and economic conditions;
- 3 delay or inability in obtaining regulatory approvals or bringing products to market;
- 4 fluctuations in currency exchange rates and general financial market conditions;
- 5 uncertainties in the discovery, development or marketing of new products or new uses of existing products, including without limitation negative results of clinical trials or research projects, unexpected side-effects of pipeline or marketed products;
- 6 increased government pricing pressures;
- 7 interruptions in production
- 8 loss of or inability to obtain adequate protection for intellectual property rights;
- 9 litigation;
- 10 loss of key executives or other employees; and
- 11 adverse publicity and news coverage.

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Performance up-date

Strategy

Summary

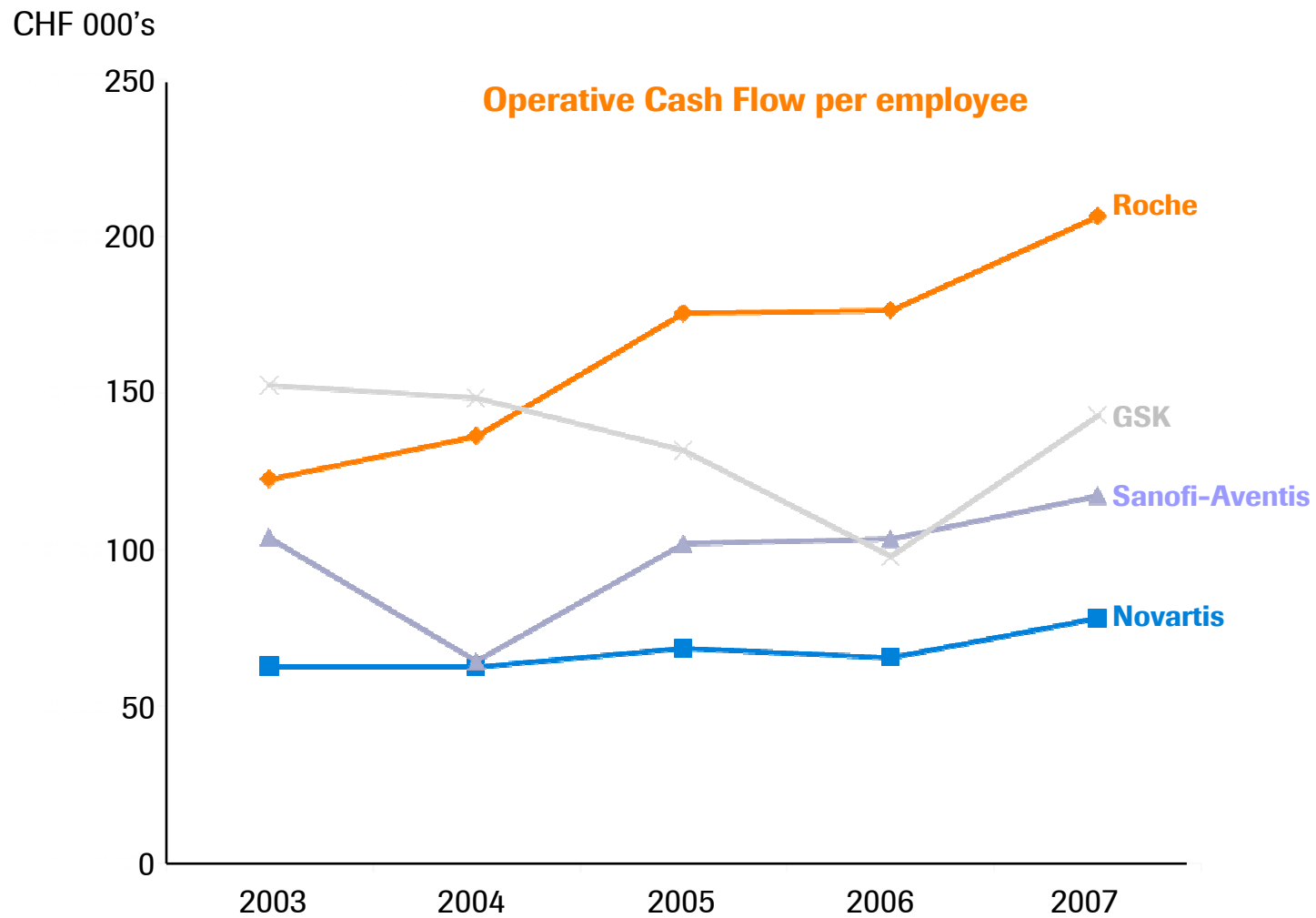
HY 2009: Group results

Core EPS grows significantly faster than sales

CHF bn	HY '08	HY '09	% change	
			CHF	local
Sales	22.0	24.0	+9	+10
Operating profit before exceptional items	7.0	8.0	+13	+20
<i>% of sales</i>	32.0	33.2	+1.2 p	
Operating profit	7.4	5.6	-24	-17
<i>% of sales</i>	33.4	23.4	-10.0 p	
Operating free cash flow	4.8	6.8	+41	+52
<i>% of sales</i>	21.8	28.2	+6.4 p	
Net financial income	0.2	-0.6	-	
Exceptional financing costs	-	-0.4	-	
Tax rate in % (before exceptional items)	23.9	22.6	-1.3 p	
Net income	5.7	4.1	-29	
<i>% of sales</i>	26.0	16.9	-9.1 p	
Net income before exceptional items	5.5	5.7	+4	
Core EPS (CHF)	5.75	6.32	+10	+20

Profitability measures

Operating cash flow per employee



Genentech Integration: Company transforming

Objectives met & integration on-track

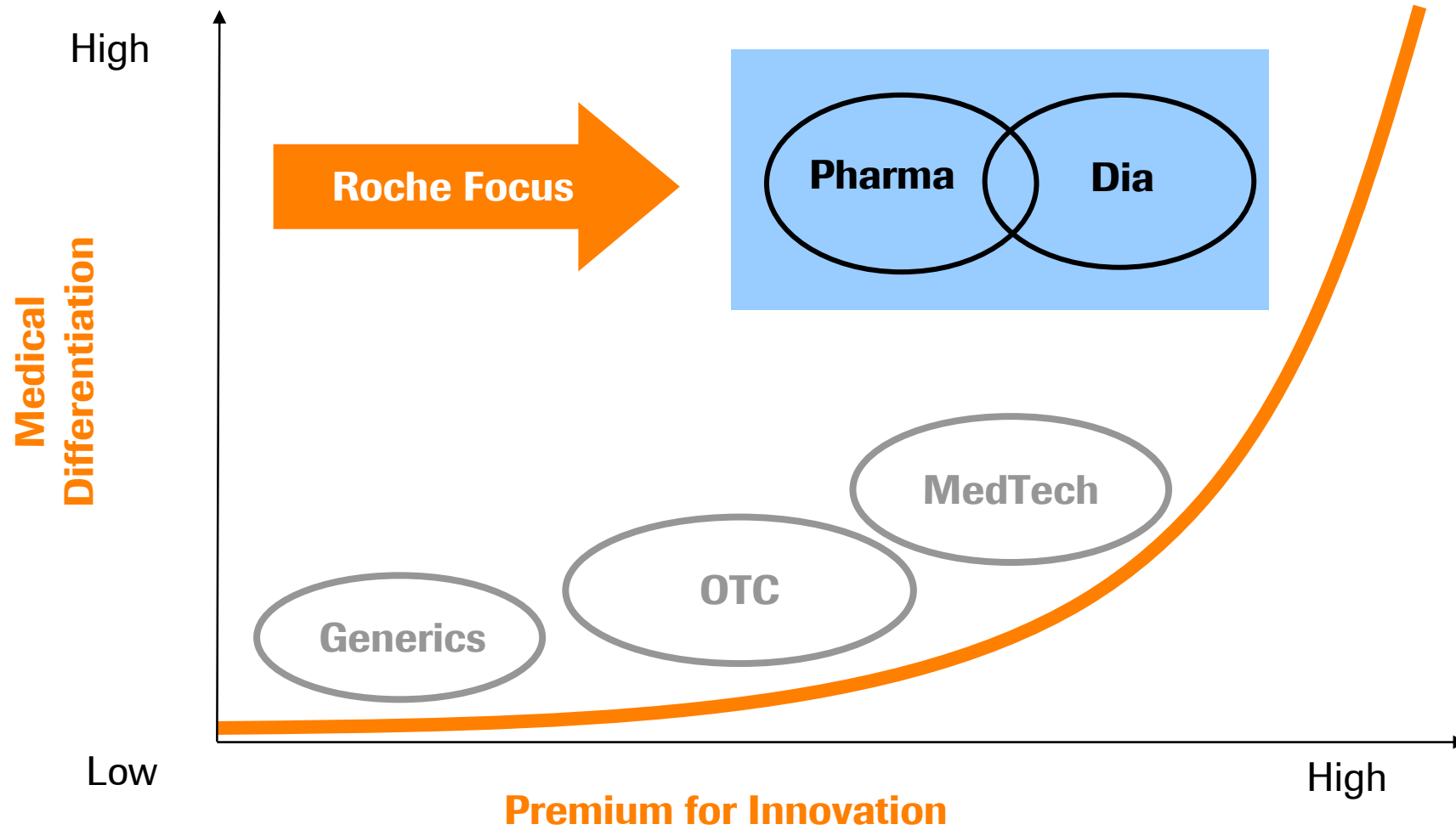
	Objective	Status
Research/Early Dev. Genentech	No disruption	Key talent retained/ 'business as usual'
US Commercial	No disruption	Sales force untouched Support from Nutley to SSF (Dec '09)
Global Dev. / Marketing	Align	New portfolio governance structure defined
Manufacturing	Streamline	Closures: Vacaville CCP2 (2009) Nutley (2010), Mannheim Chemicals (2011), Basel solids (2012)
Administration	Streamline	Closing US HQ Nutley Closing Palo Alto

Performance up-date

Strategy

Summary

Focus on our core businesses



Our Focus

...significant value capture from truly medically differentiated medicines

Regulatory

- **faster approval** - improved efficacy/safety profile

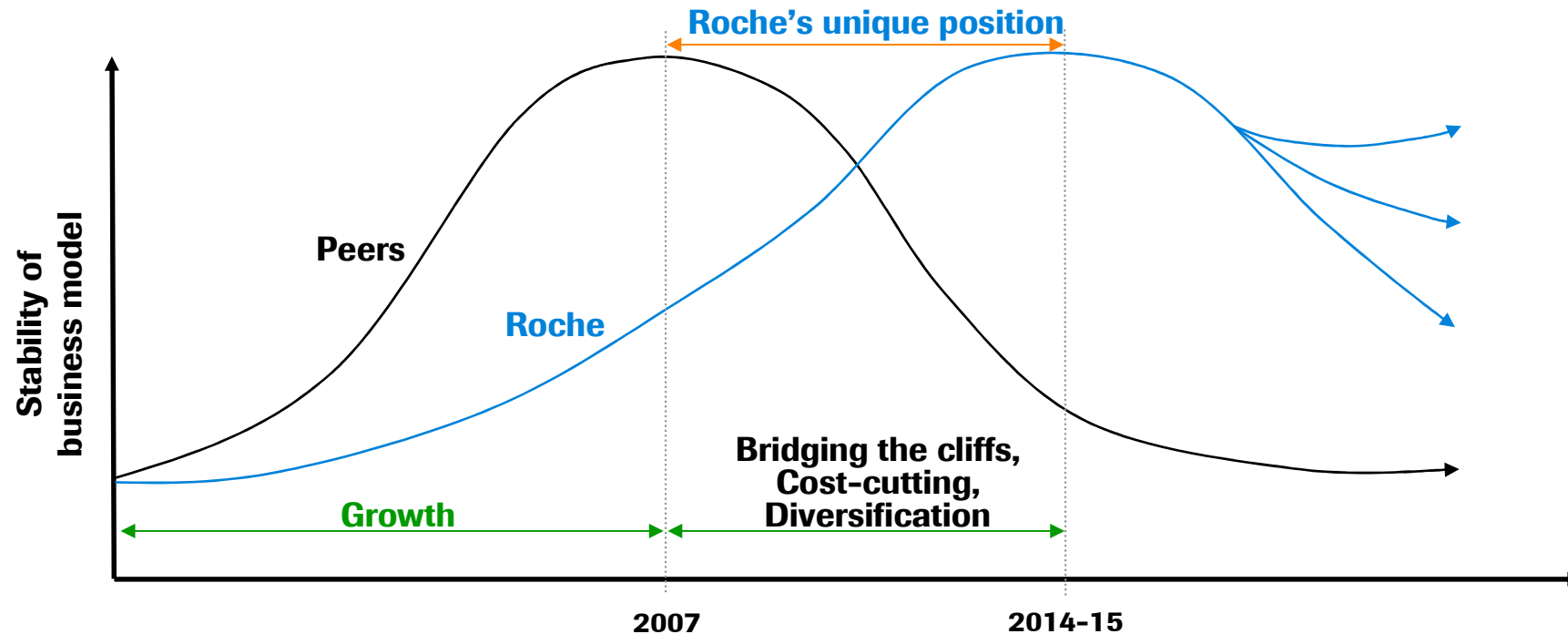
Pricing

- **value to patients/physicians** (e.g. US, Germany)
- **reward of medical innovation** (e.g. France, UK)

Commercialization

- **faster and higher market penetration**
(efficacy & compliance drive sales)

Roche's unique window of opportunity



The industry

Low replacement power of current earnings levels

Poor pipelines

Cost cutting

Roche

Extended stability

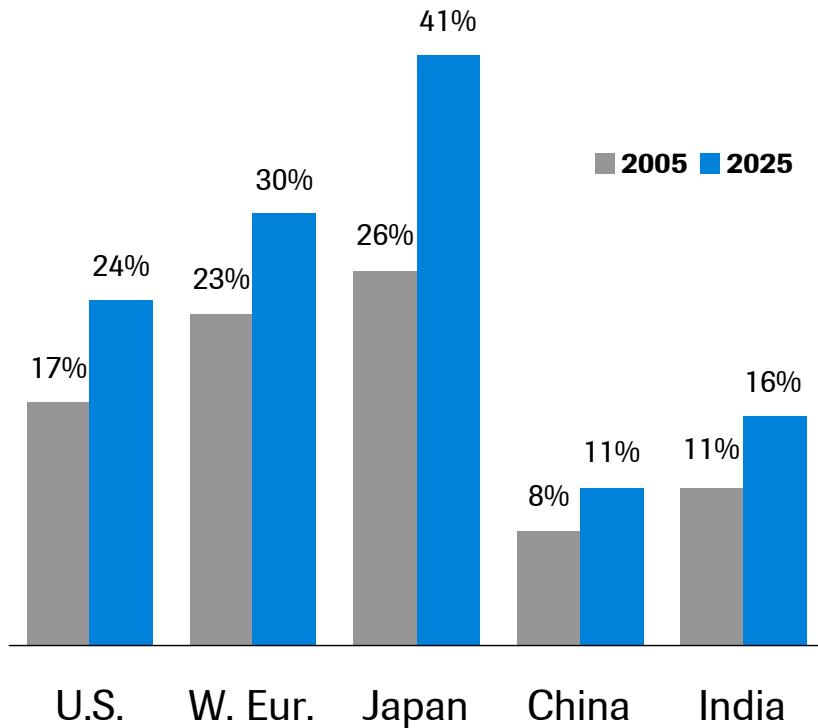
Low generic exposure

Investment into the future

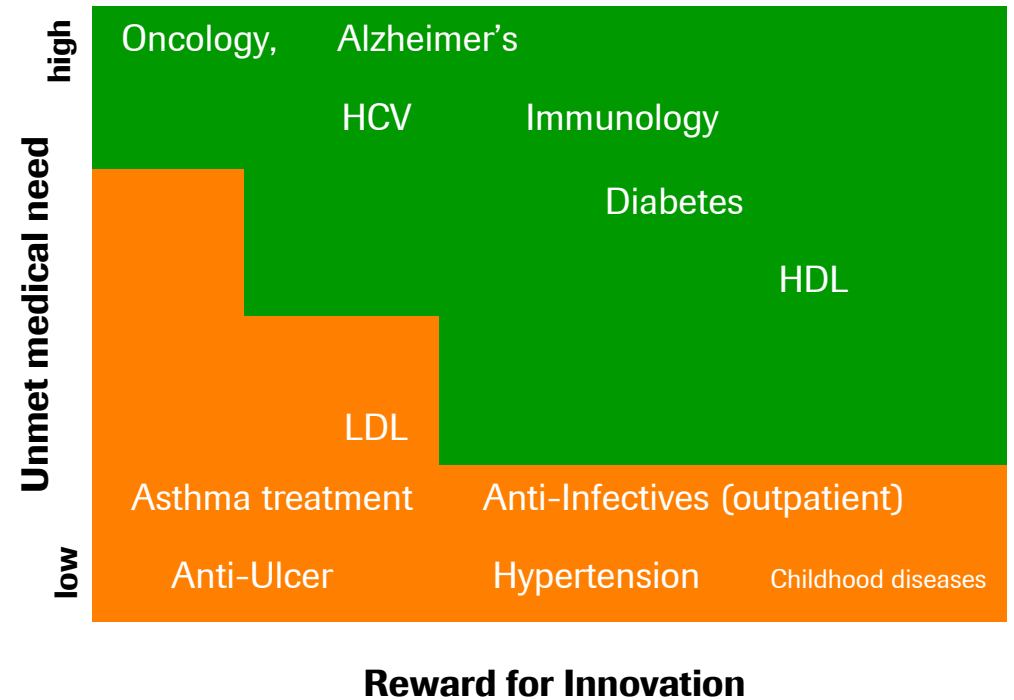
Our Focus

High unmet medical need, particularly in the elderly

Aging Population, % age >60 years



Target Map for a Research driven company



Source: Economist Intelligence Unit (2005-2010); WHO 2008: The Global Burden of Disease Data for 2004: Low Income: GNI per capita < US\$ 825; Middle Income: GNI US\$ 826-10.065; High Income: GNI > US\$ 10.066 Sources: US Census Bureau, World Bank, Deutsche Bank Nov '04 Key markets: 5 major EU countries + US, Source: Decision Resources 2005. Timely Data Resources 2005. UN World Population Prospects 2004

A risk-balanced approach to investment

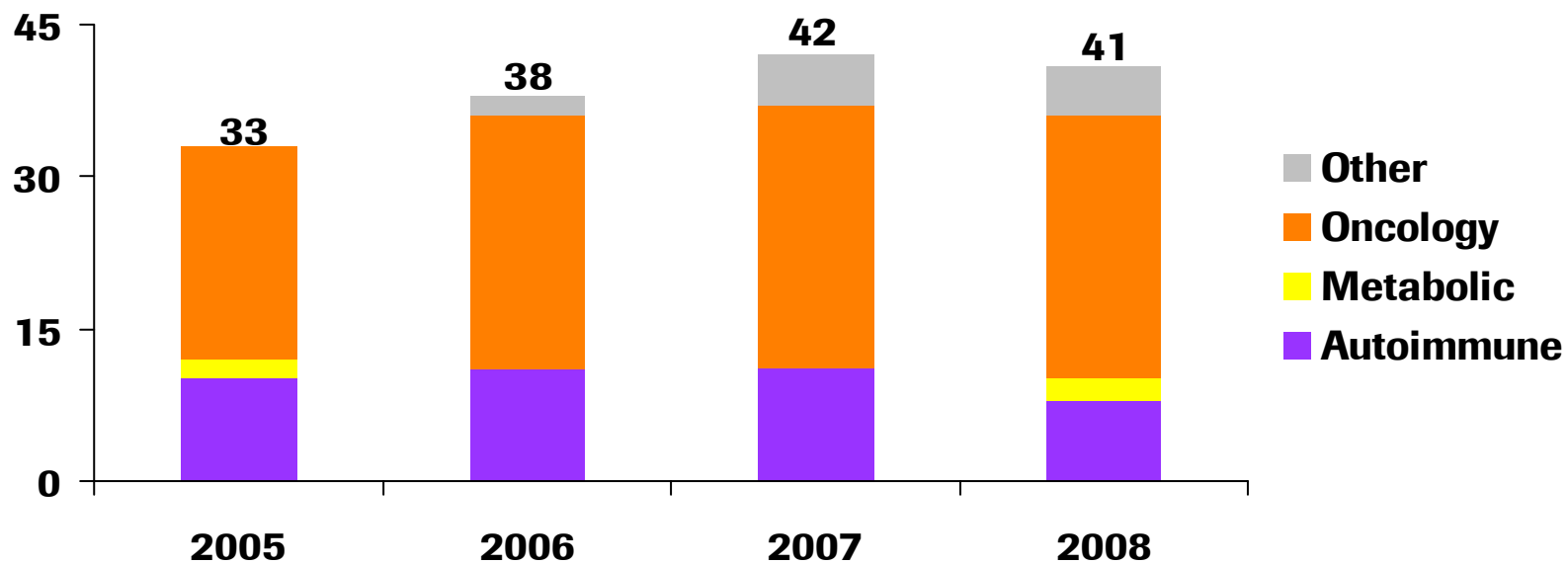
Well positioned into the next decade

NME's & LE's		Proof of concept	Expected Filing
NMEs in Ph. I	40 projects		
NMEs in Ph. II	18 projects		
10 key NMEs in late-stage studies (ongoing/planned) 1 NME in registration	dalcetrapib (CETPi)		post 2012
	aleglitazar (PPAR ag)	✓	post 2012
	ABT- 263*	✓	post 2012
	RG7159 3rd gen. Anti-CD20	✓	2012
	pertuzumab	✓	2011
	RG7204 Braf inhibitor	✓	2011
	Hedgehog pathway inhibitor	✓	2011
	tasopglutide (GLP-1)	✓	2010
	T-DM1	✓	2010
	ocrelizumab (RA)	✓	2010
Actemra	✓	2009 (US)	
LEs in Ph. III	33 projects		
LEs in Ph. II	15 projects	✓	
LEs in Ph. I	1 projects		

*Pivotal trials in CLL under evaluation

Roche: Late stage projects with high success rate

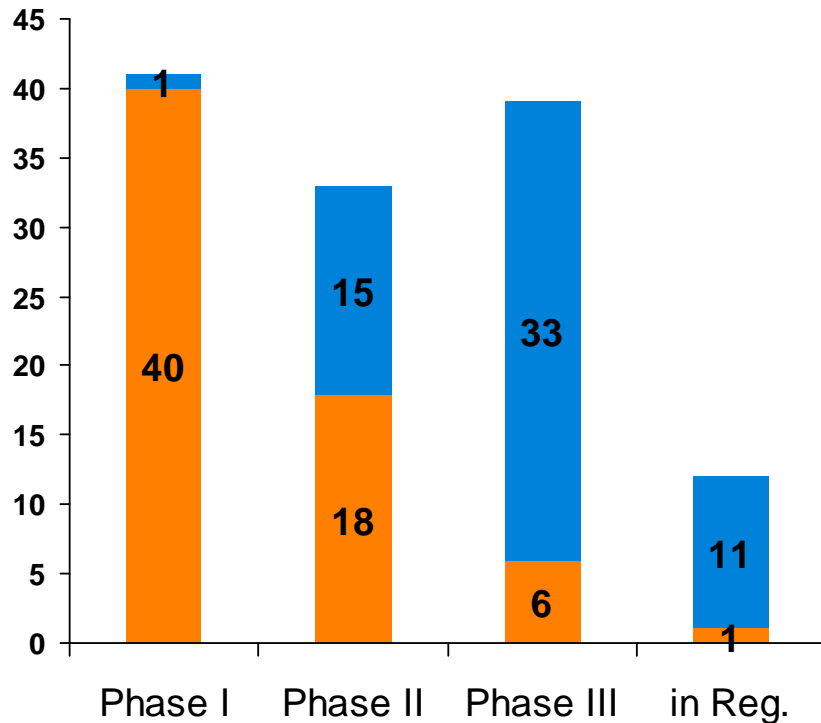
Roche R&D pipeline, phase III projects



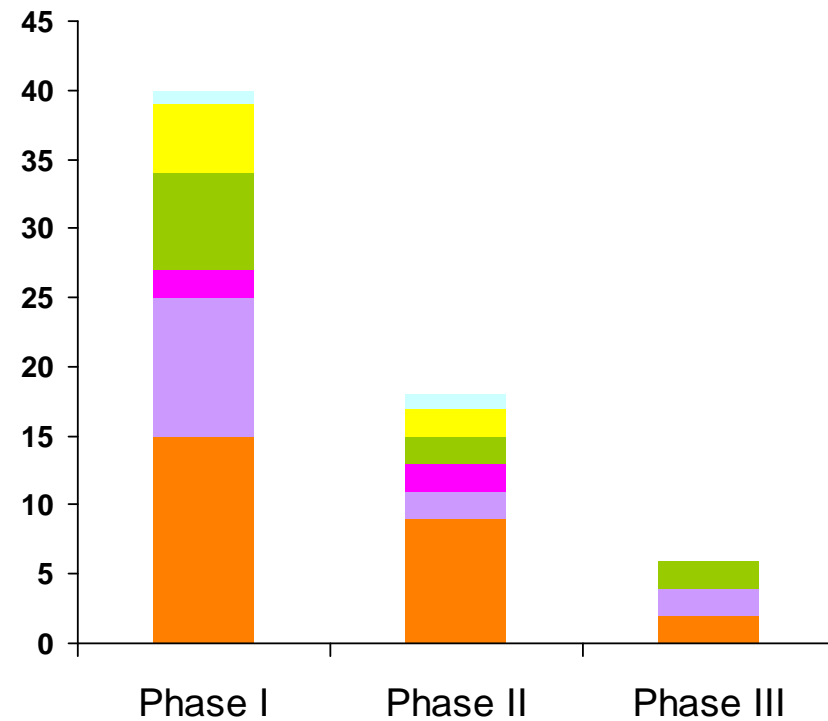
Terminations	0	1	1	2
Attrition rates %	0	2.6	2.4	4.9

Roche Group Pipeline: 65 NMEs and 60 additional indications

Staying strong in oncology and diversifying into new areas



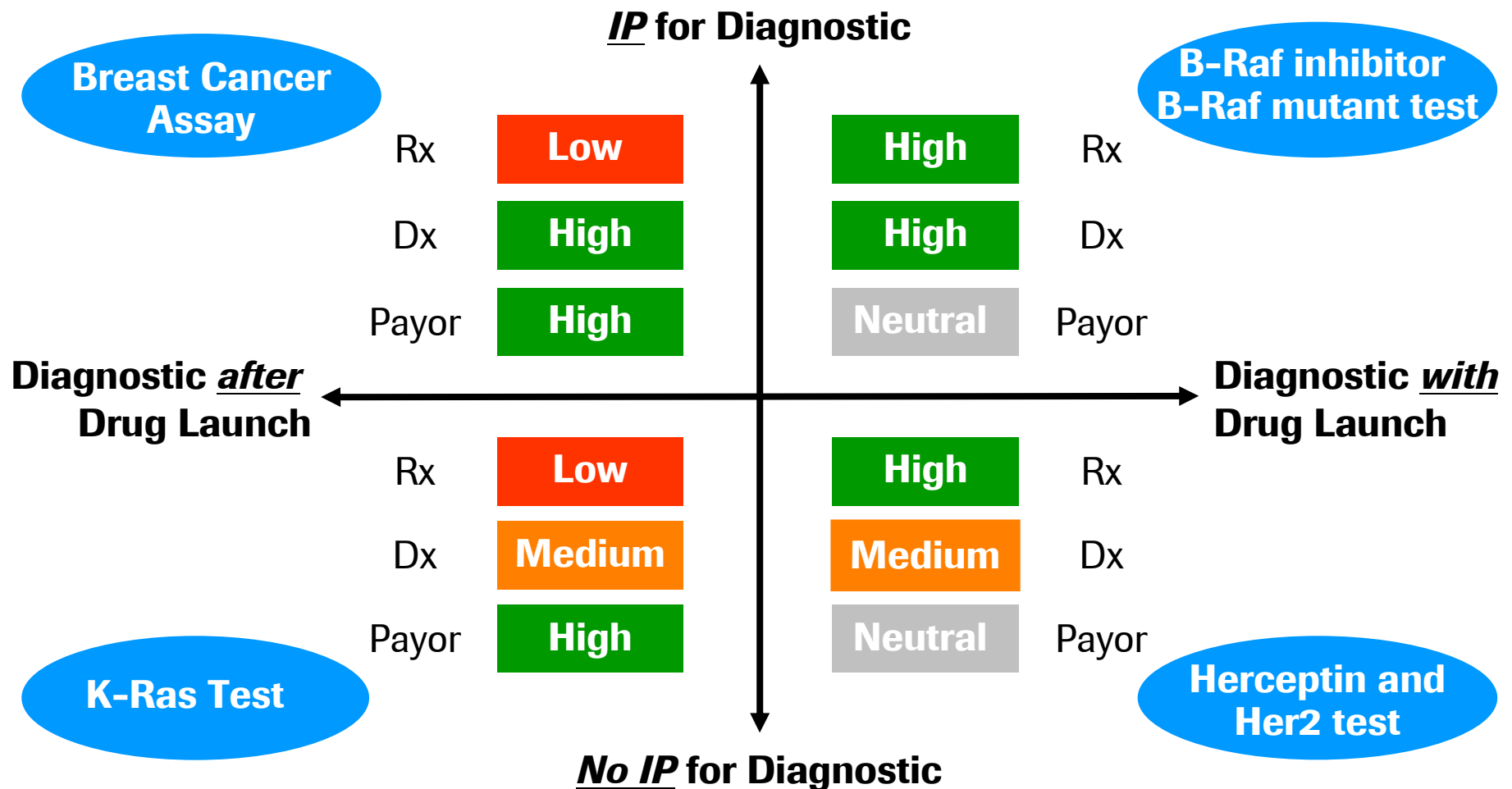
■ NMEs
 ■ Additional indications



■ Oncology
 ■ Inflammation
■ Virology
 ■ Metabolic
■ CNS
 ■ Others

Scenarios for PHC Added Value Distribution

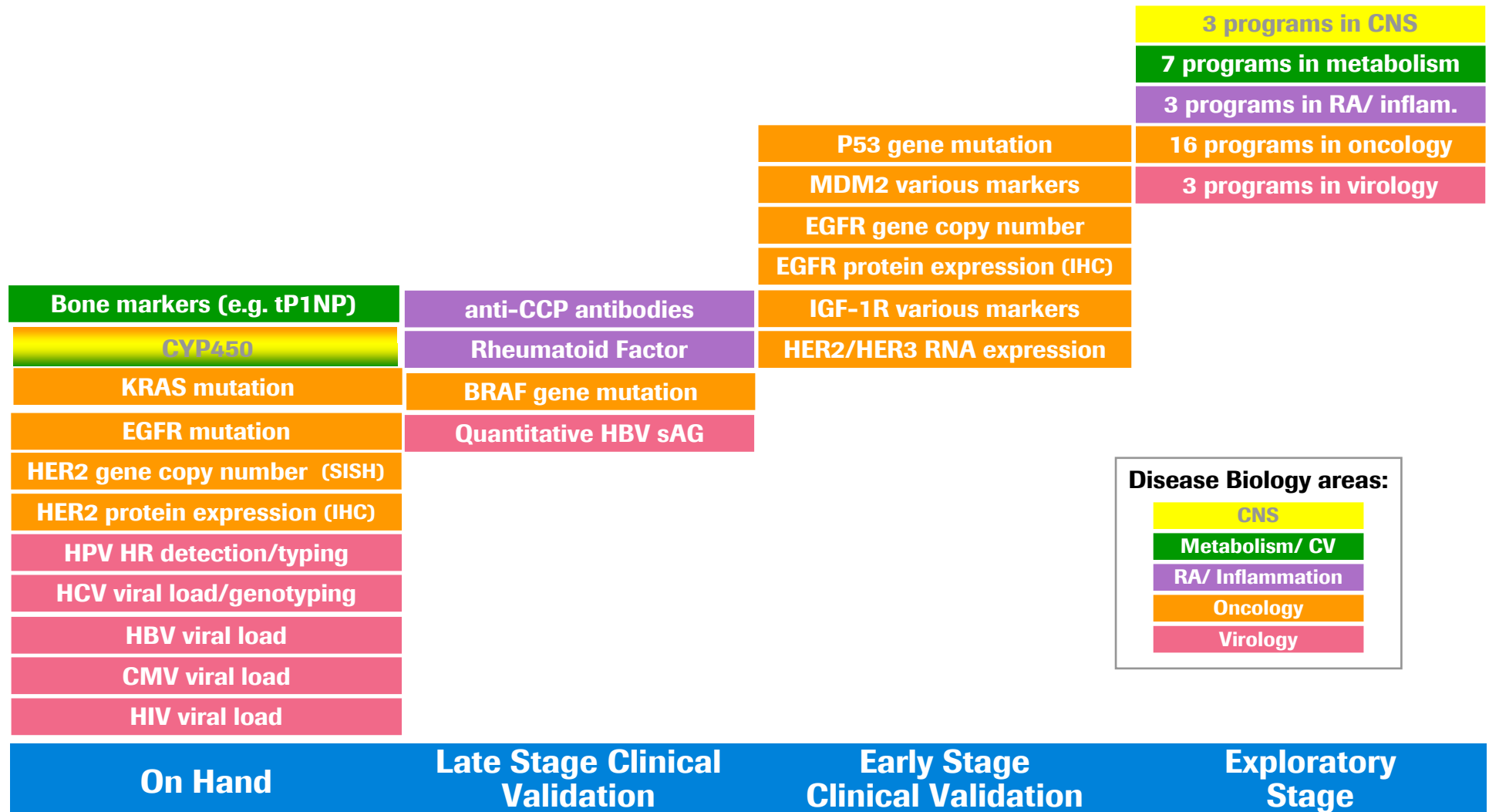
Value captured by different stakeholders depending on IP and timing of diagnostic





Roche Personalised Healthcare

A comprehensive portfolio of novel companion tests



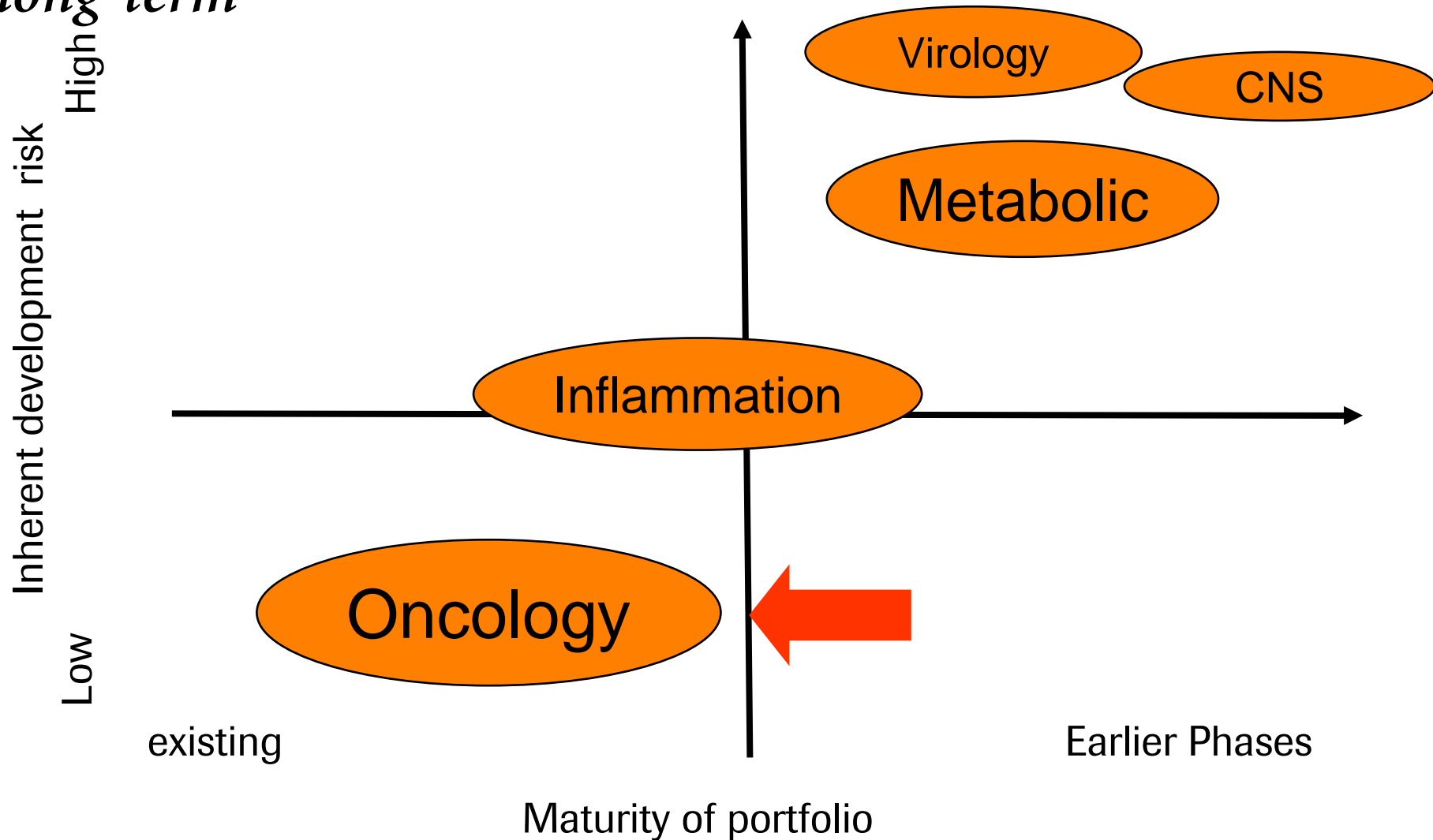
Disease Biology areas:

- CNS
- Metabolism/ CV
- RA/ Inflammation
- Oncology
- Virology

Selection of key tests on the market and in clinical validation; only formalised programs included

Key drivers for long term development in place

Develop short-term drivers while not neglecting the long-term



Understanding Biology to Improve Patient Outcomes

Cancer Type	Marketed Products	Key Products in Development
Gastrointestinal	Avastin, Tarceva, Xeloda	Avastin, Herceptin, Xeloda, Hedgehog Pathway Inhibitor
Breast	Avastin, Herceptin, Xeloda	Avastin, pertuzumab, T-DM1, Xeloda, IGF-1R mAb
Lung	Avastin, Tarceva	Avastin, Apomab, dulanermin, Tarceva, IGF-1R mAb
Hematological	MabThera/Rituxan	Avastin, MabThera/Rituxan, GA101, dacetuzumab, Apomab, dulanermin, ABT-263
Genito-urinary	Avastin	Avastin, pertuzumab, Hedgehog Pathway Inhibitor
Skin & Soft Tissue		Hedgehog Pathway Inhibitor, PLX4032 (B-raf inhibitor), IGF-1R mAb, Apomab, Avastin
Brain	Avastin	Avastin
Childhood Cancers		IGF-1R mAb, Xeloda, Avastin

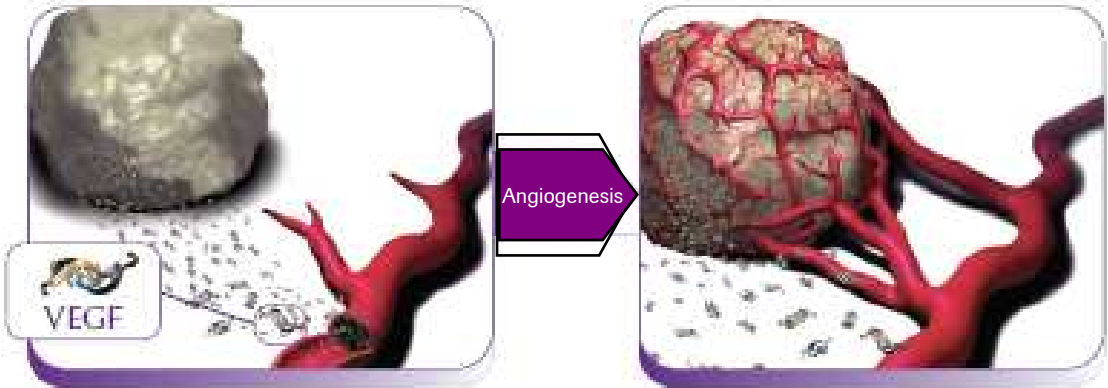
What it takes to establish standard of care

Aiming for first and best in class cancer medicines

- Clinically meaningful and statistically superior benefit
- Broad combinability, especially with established backbones
- Positive risk-benefit profile, improving or maintaining quality of life
- Clinical data for all relevant settings and combinations
- Building trust through strong scientific rationale and breadth of clinical data, including phase IV and real-life experience

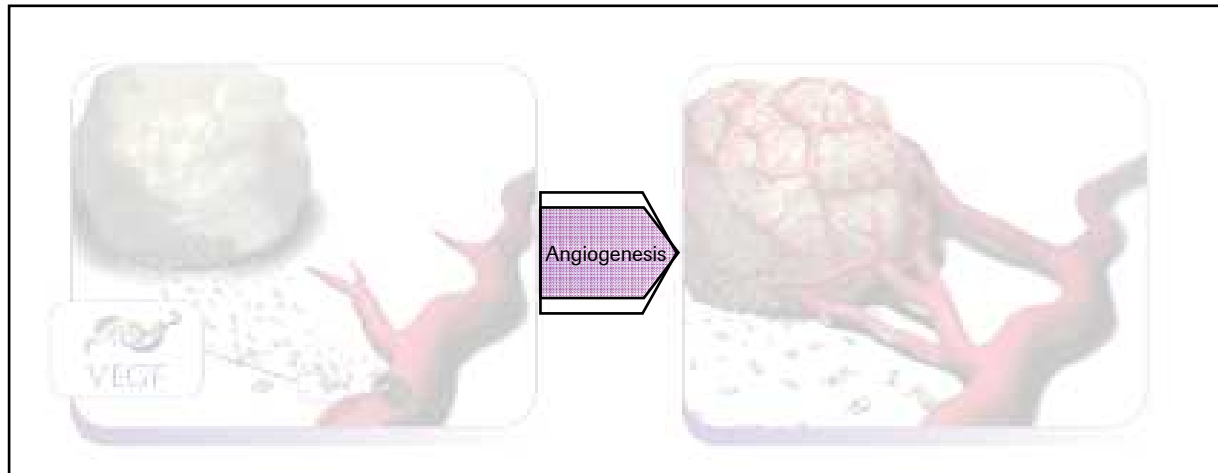
The translation of science: the example of Avastin

The first direct VEGF inhibitor

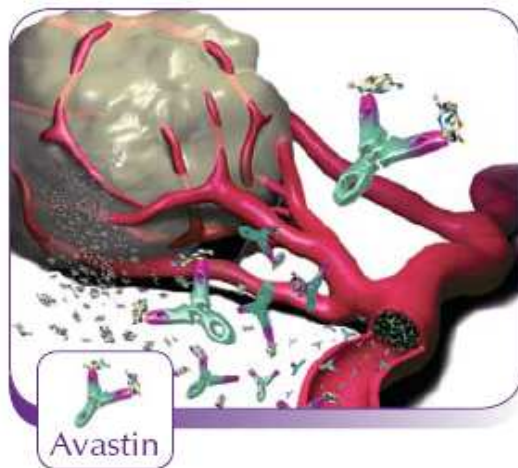


The translation of science: the example of Avastin

The first direct VEGF inhibitor



Avastin: Precise VEGF inhibition



Regression of tumour vasculature

Normalization of surviving vasculature

Inhibition of new and recurrent vessel growth

Avastin, a humanized monoclonal antibody which inhibits tumour angiogenesis by directly targeting VEGF

... maintains control of tumour growth and metastases

Avastin: significant potential for additional indications in the metastatic setting

Important Phase III news flow over next 2 years

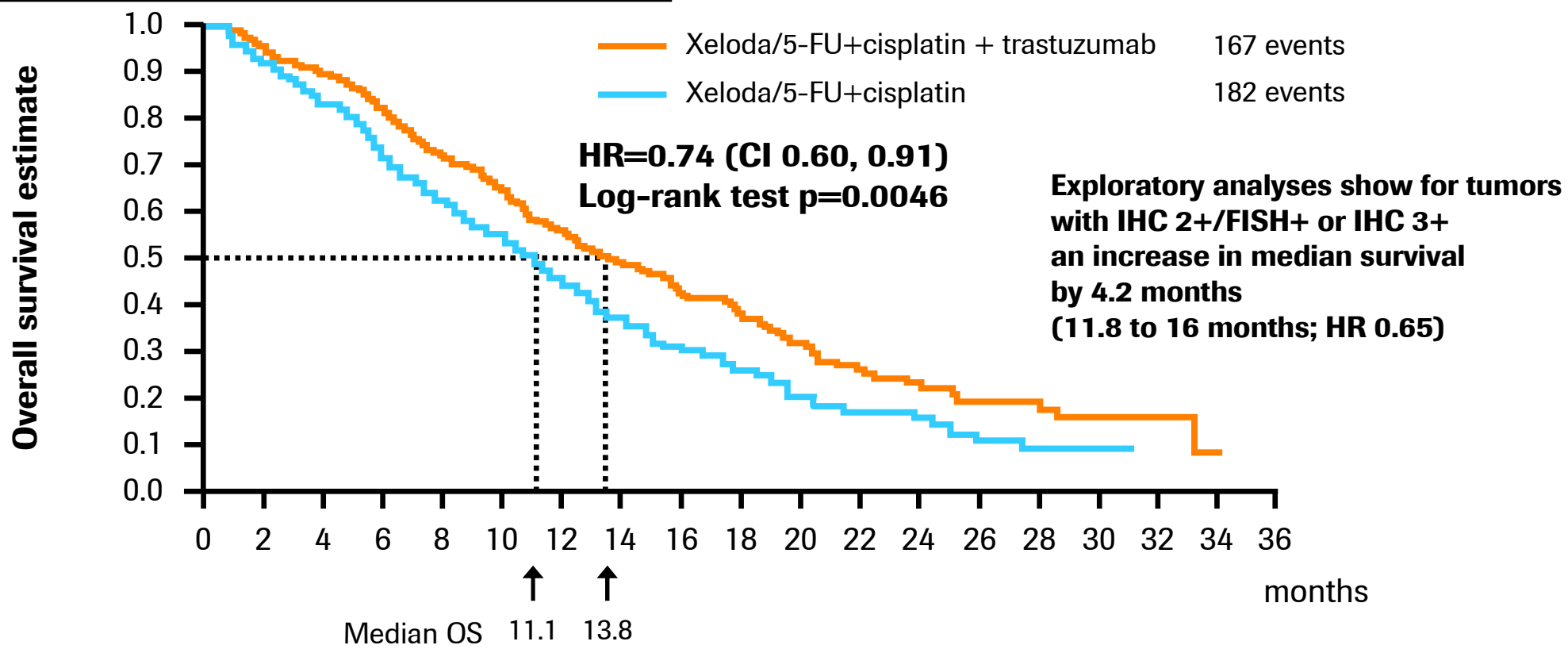
Indication	Study name	Status	Regulatory Submission
2 nd -line metastatic HER2 negative breast cancer	RIBBON-2	Expect data Q3 2009	2010
1 st -line advanced gastric cancer	AVAGAST	Expect data 2010	2010
Adjuvant colon cancer	AVANT	Event-driven analysis, expect data 2010	TBD
1 st -line metastatic ovarian cancer	GOG-0218	Expect data 2010	2010
	ICON-7	Expect data 2010	2010
Relapsed platinum-sensitive ovarian cancer	OCEANS	Expect data 2010	2011
	GOG-0213	Expect data 2013	2013
1 st -line hormone-refractory prostate cancer	CALGB 90401	Interim analysis Q4 2009; expect data 2010	2011
1 st -line metastatic HER2+ breast cancer	AVEREL (combo with Herceptin)	Expect data 2011	2011

Avastin in Ovarian and Prostate Cancer: Summary of Phase II Results

Indication	n	Prior regim.	Disease setting		Study therapy	OR, %	SD, %	Median PFS, months	Median OS, months
Ovarian ca			Platinum sensitive	Platinum resistant					
Burger 2007	62	≤2	✓	✓	SA Avastin	21	52	4.7	17
Cannistra 2007	44	2-3		✓	SA Avastin	16	25	4.4	
Micha 2007	20	0	Frontline therapy		Avastin + carbo + paclitaxel	80	5	NR	NR
Campos 2007	58	0	Frontline therapy		Avastin + carbo + paclitaxel => Avastin maint.	75		11	
Prostate ca						PSA RR/RR			
Di Lorenzo 2008	20		Docetaxel-pretreated, hormone refractory		Avastin+ docetaxel	55/38		4	9
Picus 2003	79		Hormone-refractory		Avastin+ docetaxel + estramustine	77/44		10.3	22.4
Ning 2008	60		Hormone-refractory		Avastin+ docetaxel + thalidomide	90/64		18.2	-

The translation of science: the example of Herceptin in gastric cancer

Primary endpoint: overall survival

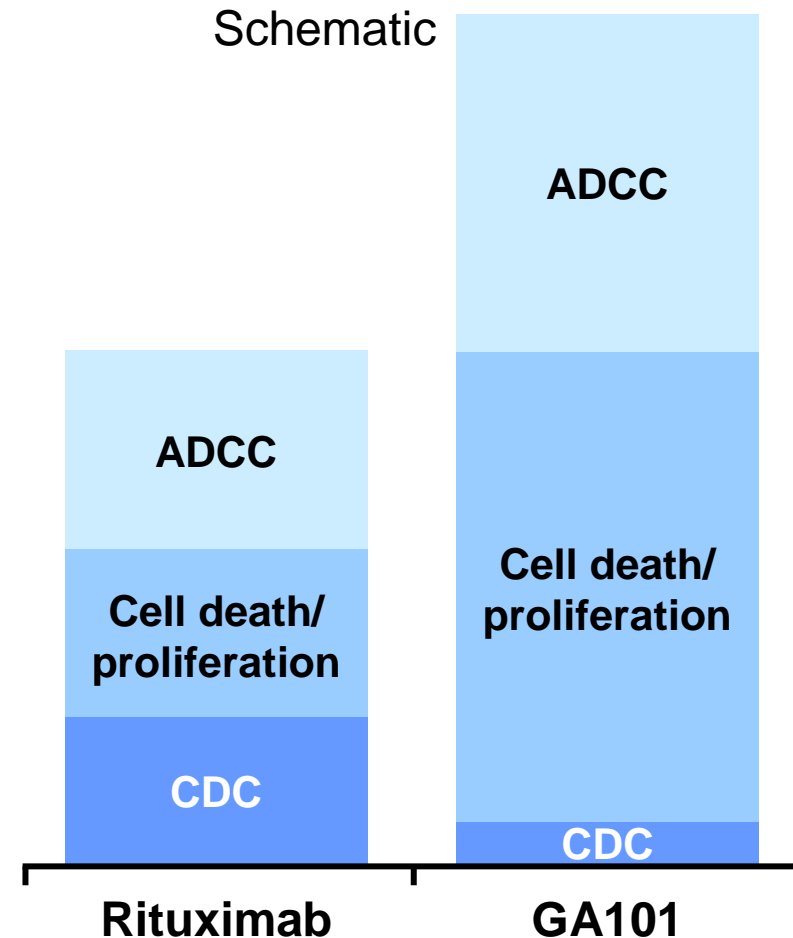
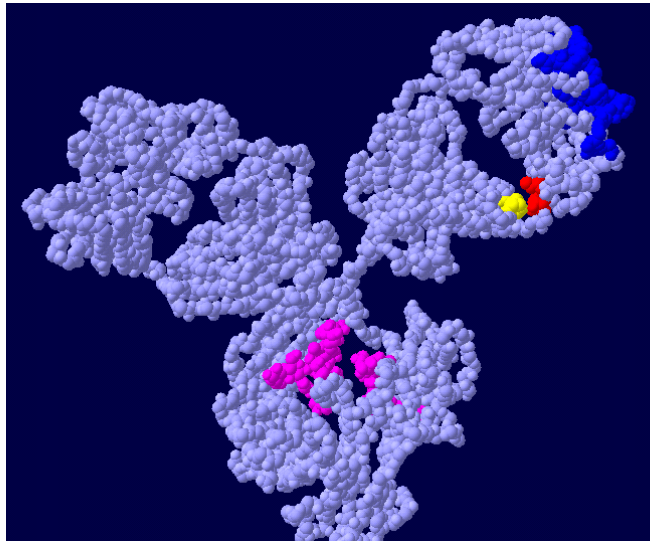


No. at risk	0	2	4	6	8	10	11.1	12	13.8	14	16	18	20	22	24	26	28	30	32	34	36
Xeloda/5-FU+cisplatin + trastuzumab	294	277	246	209	173	147	113	90	64	47	32	24	16	14	7	6	5	0	0	0	0
Xeloda/5-FU+cisplatin	290	266	223	185	143	117	90	64	47	32	24	16	14	7	6	5	0	0	0	0	0

Safety conclusion: no difference in overall safety profile with addition of Herceptin

R7159 / GA101: First glycoengineered, humanized, type II CD20 antibody in clinical development

- First type II, glyco-engineered, humanised anti-CD20 antibody in clinical development
- Compared with rituximab, GA101 provides*:
 - Enhanced direct cell-death induction^{1,2}
 - Enhanced ADCC^{1,2}



*based on preclinical studies

ADCC, antibody-dependent cell-mediated cytotoxicity; CDC, complement-dependent cytotoxicity

1. Umaña P, et al. Blood 2006;108:Abstract 229

2. Umaña P, et al. Ann Oncol 2008;19 (Suppl. 4):Abstract 098

The translation of science: the example of GA 101 in NHL patients (MabThera / Rituxan pre-treated patients)

Population	Pre-treatment	Best response (%)
21 NHL patients various histology subtypes	Median 4 prior regimen (range 1-7) Rituximab 95% High dose therapy with autologous stem cell transplant 52%	4 CR, 5 PR (ORR=43%)

- 8 of 9 responses ongoing as of March 2009

The translation of science: the example of Hedgehog pathway inhibitor (RG3616 or GDC-0449) in Basal Cell Carcinoma

- The Hedgehog Inhibitor GDC-0449 is a first-in-class, small-molecule inhibitor of the hedgehog signaling pathway
 - Demonstrated activity in hedgehog ligand-independent tumors i.e. advanced basal cell carcinoma (aBCC) and medulloblastoma
 - First launch potentially in advanced BCC (fast to market strategy)
- Activity in ligand-dependent tumors (mCRC and mOvCa) currently being investigated in proof of concept trials

Phase I Results	Objective Response	Stable Disease	Progressive Disease
n = 33	18 (55%): aBCC	11	4

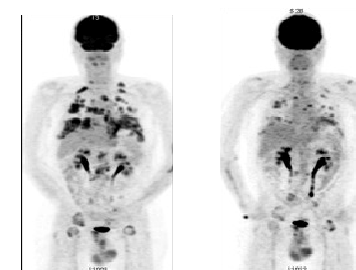
NR Locally Advanced BCC



Baseline

3 months

Metastatic BCC



Baseline

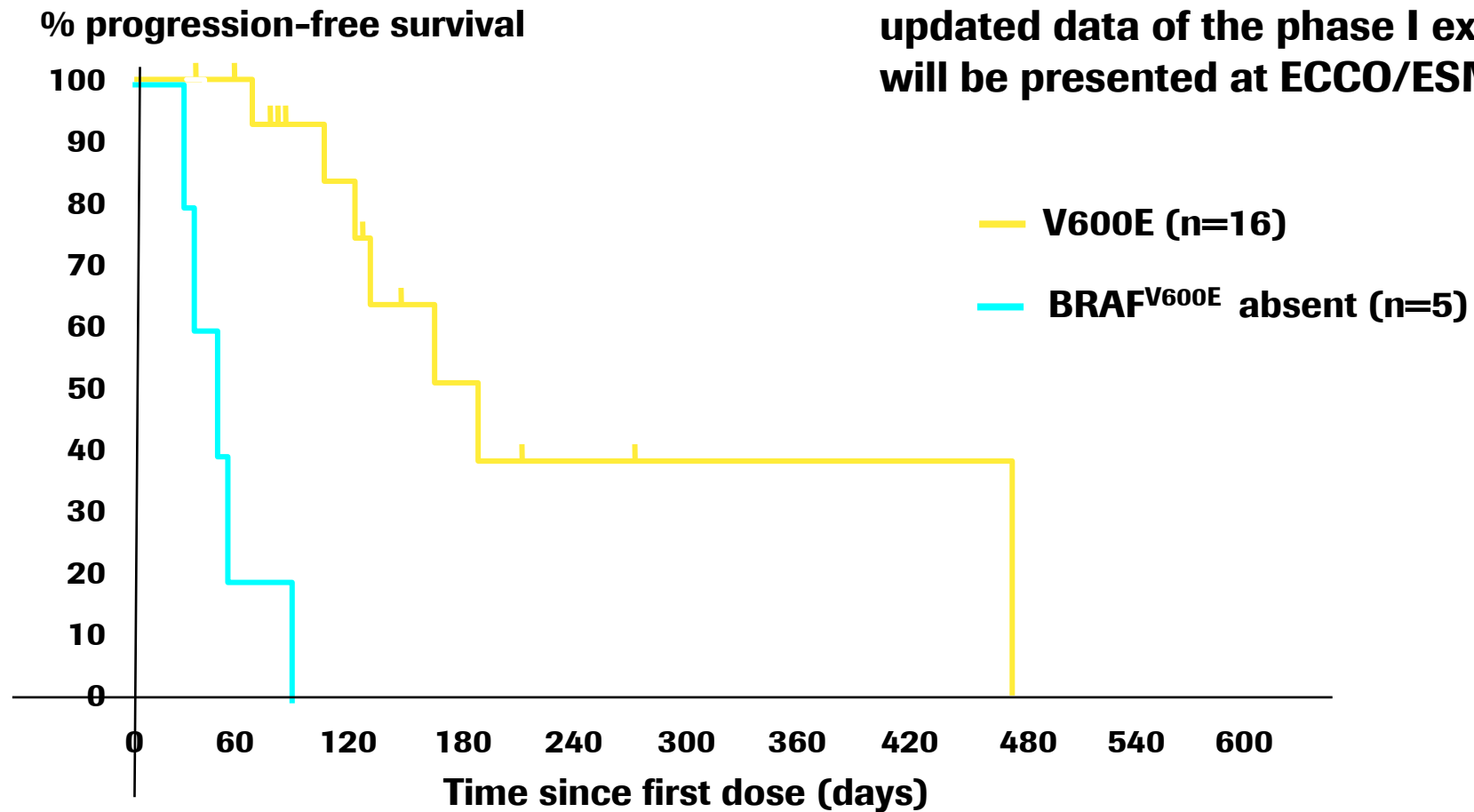
3 months

The translation of science: the example of b-raf inhibitor R7204 in malignant melanoma exemplifying Personalized Health Care

- R7204 highly selective inhibitor for BRAF V600E mutations
 - demonstrated by in vitro assays and in vivo preclinical models
- Mutation associated with certain tumors (e.g., melanoma, CRC, thyroid) and poorer prognosis (compared to wild type)
- Co-development with companion diagnostic for identification of target patient population:
 - Mutation testing in Phase I provided early POC in melanoma based on response rates in mutation-positive patients
- Focus on V600E-positive melanoma patients for initial fast to market registration strategy
 - Frequency of mutation in target population consistent with expectations (~50% for melanoma)
 - Companion diagnostic will be used for patient selection in registration studies

The translation of science: the example of PLX4032 in metastatic melanoma patients

~ 50% ORR reported at ASCO 09, updated data of the phase I extension will be presented at ECCO/ESMO














Strategy

Pipeline update on key programs

Summary

Our Distinctiveness

Our key strategic assets are strongly positioned

Product	Standard of care	% of total Pharma HY '09 sales
 AVASTIN™ (bevacizumab)	✓	16 %
  MABTHERA® RITUXAN ® Rituximab	✓	~14 %
 Herceptin® trastuzumab	✓	14 %
 Xeloda® capecitabine		3 %
 Tarceva™ erlotinib HCl	✓*	3 %
 PEGASYS®	✓	5 %
 LUCENTIS™ RANIBIZUMAB INJECTION	✓	3 %
  MABTHERA® RITUXAN ® B CELL THERAPY. LASTING SUCCESS. Rituximab	✓ RA TNF-IR	~2 %
 ACTEMRA™ tocilizumab	Leading efficacy	n/a

* In 2nd and 3rd line advanced non-small cell lung cancer

Roche Group: leading late-stage development pipeline



PHASE III (6 NMEs)

ONCOLOGY (2 NMEs)

Avastin

- Adjuvant colon cancer
- Adjuvant HER2- breast cancer
- Adjuvant HER2+ breast cancer
- Adjuvant non-small cell lung cancer (NSCLC)
- Diffuse large B-cell lymphoma
- First-line advanced gastric cancer
- First-line HER2- metastatic breast cancer
- First-line HER2+ metastatic breast cancer
- First-line metastatic ovarian cancer
- Gastrointestinal stromal tumors
- High risk carcinoid
- Hormone refractory prostate cancer
- Newly diagnosed glioblastoma multiforme
- Relapsed platinum-sensitive ovarian cancer
- Second-line HER2- metastatic breast cancer
- Second-line Metastatic Colorectal Cancer

Avastin +/- Tarceva

- First-line metastatic non-squamous, NSCLC

Herceptin

- Adjuvant HER2+ breast cancer (HERA 2-year)

MabThera/Rituxan

- Follicular non-Hodgkin's lymphoma

Pertuzumab (RG1273)

- First-line HER2+ metastatic breast cancer
- Platinum-resistant ovarian cancer¹

Tarceva

- Adjuvant NSCLC
- First-line metastatic EGFR mutant+ NSCLC

Trastuzumab-DM1 (RG3502)

- Second-line HER2+ metastatic breast cancer

Xeloda

- Adjuvant breast cancer
- Adjuvant colon cancer

INFLAMMATION (2 NMEs)

Actemra

- Systemic juvenile idiopathic arthritis (sJIA)

MabThera/Rituxan

- ANCA-associated vasculitis

Ocrelizumab (RG1594)

- Lupus nephritis
- Rheumatoid arthritis

Eldecacitol/ED-71²

- Osteoporosis

Xolair

- Asthma
- Liquid formulation

METABOLIC (2 NMEs)

Dalcetrapib (RG1658)

- Dyslipidemia High CV risk

Taspoglutide (RG1583)

- Type II diabetes

OTHERS

EPOCH²

- Chemo induced anemia

Lucentis

- Diabetic macular edema
- Retinal vein occlusion

TNKase

- Central venous catheter clearance
- Hemodialysis catheter clearance

Operational priorities: 2009 / 2010

Genentech Integration	<ul style="list-style-type: none">• Enhance innovation capability• Leverage commercial force in US• Deliver the synergies
Products	<ul style="list-style-type: none">• Maximise oncology• Grow inflammation
Financial	<ul style="list-style-type: none">• Drive operational efficiency• Deliver consistent EPS growth & strong cash flow

Improved outlook for 2009 & 2010

Sales growth (in LC)	2009: Group & Pharma: high single-digit Diagnostics: well above market
Synergies	2009: CHF 300 m 2010: CHF 800 m 2011: CHF 1,000 m
Core EPS growth (in LC)	2009: Double-digit 2010: Double-digit
Debt	2010: 25% debt reduction 2015: Aim to return to net cash position
3 yr Dividend outlook	Maintained (as announced in 2008)

Barring unforeseen events;
Total Tamiflu sales of CHF 400 million assumed for 2010



We Innovate Healthcare