Focus and value creation

Berenberg European Conference 2014

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Roche Group

London, December 2014
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Performance update

Focus

Building pillars of growth
Roche Group sales: Continued growth for 3yrs

All growth rates at Constant Exchange Rates (CER)
YTD Sept 2014: Sales of top 10 Pharma products
Oncology and immunology key therapeutic areas

Note: HER2 franchise: Herceptin, Perjeta, Kadcyla; CD20 franchise: Mabthera, Gazyva/Gazyvara
Growth rates represent YTD September 2014 vs. YTD September 2013 at CER
YTD Sept 2014: Both Divisions growing in all regions

All growth rates at Constant Exchange Rates (CER)
HY 2014: Increase in core operating profit & margin

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<thead>
<tr>
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<tr>
<td>CHFbn</td>
<td>9,16</td>
<td>8,25</td>
<td>8,64</td>
<td>9,49</td>
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</table>

37.2% 38.1% 38.5% 40.7% 41.0%

+7% at CER

CER=Constant Exchange Rates
HY 2014: Operating free cash flow and margin further increased

Roche Group

Pharma Division

Diagnostics Division

CHFm

2012 7,244
2013 7,445
2014 7,869

±11 %

(+6 %)

±3 %

(+6 %)

±3 %

(+6 %)

±10 %

(+6 %)

±2.0 %pı

(+2.3 %p)

±2.2 %pı

(+2.9 %p)

±16.1 %

13.6 %

12.3 %

±0.4 %pı

(-1.3 %p)

±3 %ı

(-10 %)

% of sales

1 CER=Constant Exchange Rates
Performance update

Focus

Building pillars of growth
Roche strategy: Focused on medically differentiated therapies

Regulators:
Optimised benefit / risk ratio

Payors:
Optimised benefit / cost ratio

Premium for innovation

Differentiation
Science is continually evolving

Classification of lung adenocarcinomas

- KRAS 25%
- EGFR 17%
- ALK 8%
- HER2 3%
- EGFR (other) 4%
- MET 1%
- NRAS 1%
- PIK3CA 1%
- BRAF 1%
- MEK1 < 1%
- >1 mutated gene 3%
- No oncoenic driver detected 35%
- Unknown 35%
- PDL1 positive

2004

2014

Future

Translating excellence in research into actionable innovation

Publications in Cell, Nature & Science

<table>
<thead>
<tr>
<th>Year</th>
<th>Publications</th>
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<tbody>
<tr>
<td>2000</td>
<td>10</td>
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<tr>
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<td>2011</td>
<td>12</td>
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<td>2012</td>
<td>13</td>
</tr>
<tr>
<td>2013</td>
<td>10</td>
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Patented inventions

<table>
<thead>
<tr>
<th>Year</th>
<th>Pharma</th>
<th>Dia</th>
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<tr>
<td>2011</td>
<td>279</td>
<td>175</td>
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<tr>
<td>2012</td>
<td>291</td>
<td>170</td>
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<tr>
<td>2013</td>
<td>248</td>
<td>198</td>
</tr>
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</table>
Roche: Diversity of approaches

“Federation” of >150 partners

Autonomous centers

- Genentech R&ED*
- Roche R&ED*
- Roche Dx
- Chugai

Research Early Dev.

Worldwide execution

- Global Product Development
- Manufacturing
- Commercialization

Diversity

Scale, Reach, Speed
Roche: Tapping into external innovation…
Mostly technologies

Number of licensing deals
(Pharma / Diagnostics combined)

- 2009: 120 (Research collaborations / technologies: 60, Development compounds / products: 60)
- 2010: 120 (Research collaborations / technologies: 60, Development compounds / products: 60)
- 2011: 140 (Research collaborations / technologies: 70, Development compounds / products: 70)
- 2012: 120 (Research collaborations / technologies: 60, Development compounds / products: 60)
- 2013: 150 (Research collaborations / technologies: 80, Development compounds / products: 70)
- Q2 2014: 50 (Research collaborations / technologies: 20, Development compounds / products: 30)
Key is to set a high bar
*Follow the science and focus on promising molecules*

Source: Evaluate Pharma, Decision Resources, Roche internal analysis

*Market shares represent either % sales of target product relative to sales competing products in similar indications or patient shares*
**Roche: A pipeline of distinct products**

### Oncology
- Avastin
- Rituxan/MabThera
- Herceptin
- Xeloda
- Tarceva
- Zelboraf
- Erivedge
- Perjeta
- Kadcyla
- Gazyva/Gazyvaro

### Immunology/Ophthalmology
- Esbriet
- Pulmozyme
- Xolair
- Actemra/RoActemra
- Lucentis
- Rituxan/MabThera RA

### Neuroscience
- etrolizumab
- lampalizumab

### Launched
- 8 phase II

### Phase III
- pictilisib
- taselisib
- anti-PDL1
- BCL2i
- cobiimetinib
- alectinib

### Phase II
- 1 phase II
- 7 phase II

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1 Phase III decision pending; 2 FPI in 1H 2014; 3 FPI in 2H 2014

= Respiratory portfolio highlighted
Performance update

Focus

Building pillars of growth
Roche oncology: Continued sales growth

A portfolio of differentiated medicines

Sales at 2013 exchange rates
Cancer Immunology
Where do we stand? What is our aim?

High immune response

Lung | Bladder | Renal | Melanoma | TNBC | Head & Neck | Hematology | Solid tumours

1L | 2L | 4L / 3L

likely monotherapy ~10-30%

likely combination therapy

Increasing patient population

Adjuvant
Onco-immunology Pipeline
Many “immune doublet” opportunities

Adapted from Chen & Mellman, Immunity 39, p1 (2013).
Roche in cancer immunotherapy: A comprehensive program in monotherapy and combination

<table>
<thead>
<tr>
<th>Compound</th>
<th>Combination</th>
<th>Indication</th>
<th>Ph 1</th>
<th>Ph 2</th>
<th>Ph 3</th>
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<tbody>
<tr>
<td>PDL1</td>
<td>Mono + Tarceva</td>
<td>Lung</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>PDL1</td>
<td>Mono</td>
<td>Bladder</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>PDL1</td>
<td>Mono + Avastin</td>
<td>Renal</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>PDL1</td>
<td>+ Zelboraf</td>
<td>Melanoma</td>
<td>✓</td>
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<tr>
<td>PDL1</td>
<td>Mono + Avastin + cobimetinib</td>
<td>Solid tumors</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>PDL1</td>
<td>Mono + Avastin + ipilimumab</td>
<td>Solid tumors</td>
<td>✓</td>
<td>✓</td>
<td></td>
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<tr>
<td>PDL1</td>
<td>Mono + Avastin + IFN alfa-2b</td>
<td>Solid tumors</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PDL1</td>
<td>+ Avastin + FOLFOX</td>
<td>Colorectal</td>
<td>✓</td>
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<td>PDL1</td>
<td>Mono + Gazyva</td>
<td>Hematology</td>
<td>✓</td>
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<tr>
<td>CSF1R</td>
<td>Mono + PDL1 + CD40</td>
<td>Solid tumors</td>
<td>✓</td>
<td>✓</td>
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<tr>
<td>CEA IL-2v</td>
<td>Mono</td>
<td>Solid tumors</td>
<td>✓</td>
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<tr>
<td>OX-40</td>
<td>Mono</td>
<td>Solid tumors</td>
<td>✓</td>
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<tr>
<td>CD-40</td>
<td>Mono</td>
<td>Solid tumors</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>DNA vaccine</td>
<td>Mono</td>
<td>Prostate</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IDO</td>
<td>Mono / combo</td>
<td>various</td>
<td>✓</td>
<td></td>
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</table>

✓ Study ongoing  ✓ Study planned/imminent
Urothelial bladder carcinoma (UBC)

High unmet need for patients with advanced disease

New therapies in RCC, prostate and bladder cancer

- US: 74,690 new cases diagnosed p.a.\(^1\)
- Metastatic UBC prognosis:
  - 5-year OS \(~17\%\) \(^2,3\)
- US: no therapies approved for patients who relapse on Pt-based chemo

Sources:
1 Siegel R, CA Cancer J Clin 2014; 64:9-29
Anti-PDL1 in bladder: Confirming strength in cancer immunotherapy

<table>
<thead>
<tr>
<th>PD-L1 IHC (n)</th>
<th>ORR (95% CI)</th>
<th>Dx+ vs Dx- ORR (95% CI)</th>
<th>Median PFS (range), weeks</th>
</tr>
</thead>
<tbody>
<tr>
<td>IHC 3 (n=10)</td>
<td>60% (27-85)</td>
<td>52% (34-69)</td>
<td>Not reached (5 to 48+)</td>
</tr>
<tr>
<td>IHC 2 (n=23)</td>
<td>48% (27-68)</td>
<td></td>
<td>24 (5 to 50+)</td>
</tr>
<tr>
<td>IHC 1 (n=24)</td>
<td>17% (6-37)</td>
<td>14% (6-28)</td>
<td>11 (0.1+ to 30+)</td>
</tr>
<tr>
<td>IHC 0 (n=12)</td>
<td>8% (0-35)</td>
<td></td>
<td>7 (5 to 24+)</td>
</tr>
</tbody>
</table>

Durability of response

- 3 complete responses in PD-L1+
- Sustained durability: 19/22 responders continuing to respond
- Benign side effect profile
- Phase 3 trials planned

Anti-PDL1 is listed as MPDL3280A in clinicaltrials.gov. Diagnostic PD-L1-positive: IHC 2 (≥ 5% but < 10% ICs); IHC 3 (≥ 10% ICs), PD-L1 negative: IHC 0 (< 1% of ICs) and IHC 1 (≥ 1% but < 5%).
Roche Hematology pipeline

Broad range of indications and approaches

### Phase I

- **Bcl-2 inh (GDC 199) + Gazyva**
  - CLL
- **Bcl-2 inh (GDC 199)**
  - NHL
- **Bcl-2 inh (GDC 199)**
  - AML
- **Bcl-2 inh (GDC 199)**
  - Multiple myeloma
- **LSD1 inh (RG6016)**
  - AML
- **MDM2 (RG738)**
  - AML
- **ADC (RG7598)**
  - Multiple myeloma
- **ChK1 inh (RG7741)**
  - Lymphoma
- **RG 7845**
  - Heme tumors

### Phase II

- **Bcl-2 inh (GDC 199)**
  - CLL R/R 17p del
- **Erivedge**
  - AML
- **Polatuzumab ved. (CD 79b)**
  - NHL
- **Pinatuzumab ved. (CD22)**
  - NHL

### Phase III

- **Gazyva**
  - DLBCL
- **Gazyva**
  - iNHL relapsed
- **Gazyva**
  - iNHL front-line
- **Bcl-2 inh. (GDC 199)**
  - CLL R/R

### Registration

- **Gazyva¹**
  - CLL

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1 Approved in US, submitted in EU
Lampalizumab

High medical need - Geographic Atrophy (GA)

AMD (Drusen) → Extrafoveal GA → Advanced GA
Lampalizumab: Anti-factor D

**High efficacy in subpopulation with exploratory biomarker**

- GA progression rate decreased by 44% at 18 months.
- In the subset of patients with better vision (20/50 to 20/100), progression was reduced by 54%.
- All comers: 20.4% reduction rate at 18 months.

**Safety**

- No unexpected or unmanageable SAEs.
- Intraocular inflammation AE rates and intraocular pressure elevation AE rates were consistent with Lucentis rates in wAMD.

MAHALO study, presented at ASRS 2013, SAE= Serious Adverse Events
Planned data presentations in H2 2014

1 In collaboration with Chugai
### 2014 Outlook

<table>
<thead>
<tr>
<th><strong>Group sales growth</strong>&lt;sup&gt;1&lt;/sup&gt;</th>
<th>Low- to mid-single digit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Core EPS growth</strong>&lt;sup&gt;1&lt;/sup&gt;</td>
<td>Ahead of sales growth</td>
</tr>
<tr>
<td><strong>Dividend outlook</strong></td>
<td>Further increase dividend</td>
</tr>
</tbody>
</table>

<sup>1</sup>At constant exchange rates
Doing now what patients need next