

Basel, 1 February 2017

## Roche reports good results in 2016

- Group sales increase 4%<sup>1</sup> at constant exchange rates, 5% in Swiss francs
- Pharmaceuticals Division sales up 3%, mainly driven by cancer medicines Perjeta and Herceptin as well as Actemra/RoActemra
- Diagnostics Division sales grow 7%, driven primarily by immunodiagnostic solutions
- Successful launches of four new medicines; five US FDA breakthrough therapy designations granted
- Emicizumab prophylaxis shows positive results in people with haemophilia A in pivotal trial
- Successful launch of new immunochemistry instrument cobas e 801
- Core earnings per share up 5% at constant exchange rates, 8% in Swiss francs
- Board proposes dividend increase to CHF 8.20
- Outlook for 2017: sales expected to grow low- to mid-single digit, at constant exchange rates. Core earnings per share targeted to grow broadly in line with sales, at constant exchange rates. Roche expects to further increase its dividend in Swiss francs.

Key figures 2016	CHF millions		% change	
	2016	2015	CER <sup>1</sup>	CHF
Group sales	50,576	48,145	+4	+5
Pharmaceuticals Division	39,103	37,331	+3	+5
Diagnostics Division	11,473	10,814	+7	+6
Core operating profit	18,420	17,542	+4	+5
Core EPS - diluted (CHF)	14.53	13.49	+5	+8
IFRS net income	9,733	9,056	+7	+7

<sup>1</sup> Unless otherwise stated, all growth rates in this document are at constant exchange rates (CER: average 2015).

Commenting on the Group's results, Roche CEO Severin Schwan said: «I am pleased that we have again reached all our financial targets while our product portfolio has made significant progress. We brought four new medicines to market in less than a year, including our first cancer immunotherapy Tecentriq. In Diagnostics, we launched an immunodiagnostic instrument, the cobas e 801, which represents a major step forward in realising the connected laboratory. We again look forward to a number of important clinical read-outs and regulatory milestones for Roche medicines this year, reflecting our broad and innovative product pipeline.»

## **Group results**

### **Good performance in both divisions**

Group sales rose 4% to CHF 50.6 billion. Despite high investments in the launch of new products and product development, core EPS grew faster than sales (+5%). Core EPS growth reflects the good underlying business performance and an impact from changes to the Group's Swiss pension plans. IFRS net income was up 7% at constant exchange rates and in Swiss francs.

Sales in the Pharmaceuticals Division rose 3% to CHF 39.1 billion, driven by growth of Perjeta, Herceptin and Actemra/RoActemra, partially offset by lower sales of Pegasys, Tarceva and Lucentis.

In the US, Pharmaceuticals sales advanced 3%, led by the respiratory medicines Xolair and Esbriet. The recently launched medicines Tecentriq and Alecensa contributed to the growth as well. Sales of eye drug Lucentis and cancer medicines Avastin and Tarceva declined due to growing use of other therapeutic options. In Europe, sales growth of 4% was driven by Perjeta, Actemra/RoActemra and MabThera/Rituxan. In Japan, sales grew 1% despite the biennial price cuts and a special price reduction rule for best-selling medicines. Tamiflu, Alecensa and Actemra/RoActemra were key sales contributors. In the International region, sales gained 4%, driven by the Asia-Pacific and Latin America subregions.

Diagnostics divisional sales increased 7% to CHF 11.5 billion – above market growth. Centralised and Point of Care Solutions<sup>2</sup> was the main contributor, led by its immunodiagnosics business.

In the EMEA<sup>3</sup> (+2%) and North America (+3%) regions, the division's largest markets, the sales increases were led by Centralised and Point of Care Solutions. Sales growth in North America was partially offset by a decline in Diabetes Care business, which faced continued pricing pressure. The sales increase in Asia-Pacific (+16%) was mainly driven by China. In Latin America, sales advanced 18%. Sales growth in Japan (+2%) was also led by the Centralised and Point of Care Solutions business.

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<sup>2</sup> Formerly Roche Professional Diagnostics

<sup>3</sup> EMEA= Europe, Middle East, Africa

### **High number of launches in Pharmaceuticals**

Roche recently launched four new medicines: Cotellic (advanced melanoma), Alecensa (lung cancer), Venclexta (chronic lymphocytic leukemia; jointly commercialised with AbbVie) and Tecentriq (bladder and lung cancer). In addition, five FDA breakthrough therapy designations were granted for Roche medicines in 2016. A major highlight was the US launch of Roche's cancer immunotherapy medicine Tecentriq in May. It is the first FDA-approved treatment for people with a specific type of bladder cancer in more than 30 years. Furthermore, in October the FDA cleared Tecentriq for use in previously treated metastatic non-small cell lung cancer (NSCLC). The pivotal Oak trial showed that people with this form of lung cancer who received Tecentriq live significantly longer, regardless of their PD-L1 status, compared with those receiving chemotherapy. Additional data presented at the ECTRIMS<sup>4</sup> congress in September showed that Roche's ocrelizumab increased disease control in both relapsing and primary progressive multiple sclerosis (RMS and PPMS). Roche is seeking regulatory approval for this medicine in RMS and PPMS in the US and the EU. The US FDA's action date for a decision is March 28, 2017.

Roche also presented other important clinical results in 2016. A pivotal study in a group of people with haemophilia A (Haven 1) showed that prophylaxis with emicizumab led to a significant reduction in the number of bleeds over time. A phase III study by Chugai (J-Alex) found that first-line treatment with Alecensa significantly reduced the risk of disease worsening or death compared to crizotinib, the current standard of care, in people with ALK-positive NSCLC. While Gazyva/Gazyvaro showed positive results in a major clinical trial (Gallium) in follicular lymphoma, a separate trial (Goya) of the medicine in diffuse large B-cell lymphoma, did not reach its primary study goal. Also in 2016, Roche presented data from the largest clinical trial ever conducted in giant cell arteritis (GCA), a serious inflammatory disease of blood vessels. Initially combined with a steroid regimen, Actemra/RoActemra more effectively sustained remission compared to a steroid-only regimen in people with newly diagnosed and relapsing GCA.

### **Further broadening the Diagnostics portfolio**

During 2016, Roche added nine key instruments and tests to its comprehensive portfolio, further improving decision-making in healthcare, and supporting laboratories' efforts to increase efficiency. Among the new instruments are the cobas e 801 immunoassay module, the CoaguChek INRange system to monitor vitamin K antagonist therapy, and the Accu-Chek Guide, a next-generation blood glucose monitoring system.

The US-FDA approved two accompanying diagnostics: the Ventana PD-L1 (SP142) test is a complementary diagnostic which determines PD-L1 status of patients with bladder and lung cancer. The cobas EGFR Mutation test v2 is a companion diagnostic for lung cancer medicine Tarceva. The FDA also granted

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<sup>4</sup> European Committee for Treatment and Research in Multiple Sclerosis

premarket clearance and a CLIA<sup>5</sup> waiver for the cobas Liat Influenza A/B & RSV test. This is the first point-of-care test that extends molecular testing on the Liat system beyond influenza A/B and *Streptococcus A* to include respiratory syncytial virus (RSV). The FDA also approved Roche tests for the detection of Zika virus.

### Outlook for 2017

In 2017, Roche expects sales to grow low- to mid-single digit, at constant exchange rates. Core earnings per share are targeted to grow broadly in line with sales, at constant exchange rates. Roche expects to further increase its dividend in Swiss francs.

### Dividend proposal

The Board of Directors proposes a dividend increase to CHF 8.20 per share and non-voting equity security. Subject to approval by the Annual General Meeting of shareholders on 14 March 2017, this will be Roche's 30th consecutive annual dividend increase.

### Pharmaceuticals Division

Key figures 2016	In millions of CHF		As % of sales		% change	
	2016	2015	2016	2015	At CER	In CHF
Pharmaceuticals Division	39,103	37,331	100	100	+3	+5
United States	18,594	17,616	49	47	+3	+6
Europe	9,159	8,734	23	23	+4	+5
Japan	3,711	3,224	9	9	+1	+15
International*	7,639	7,757	19	21	+4	-2

\*Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

### Key pharmaceutical products in 2016

**Herceptin**, **Perjeta** and **Kadcyla** (combined +8%). For HER2-positive breast cancer and HER2-positive metastatic gastric cancer (Herceptin only). **Herceptin** sales were up 4%, helped by additional reimbursement approvals in China and continued growth in the US due to longer duration of treatment in combination with Perjeta. **Perjeta** sales (+26%) advanced particularly strongly in Europe and the US, where the medicine was approved for use before surgery in early breast cancer. **Kadcyla** sales (+7%) were fuelled by increasing demand in the International region, due mainly to expanded access in countries in which the medicine was newly launched.

<sup>5</sup> CLIA= Clinical Laboratory Improvement Amendments

**MabThera/Rituxan** (+3%). For common forms of blood cancer, rheumatoid arthritis and certain types of vasculitis. Sales continued to rise despite competitive pressure. Increasing demand was mainly seen in China, the US and Europe. Growth in China was supported by expanded regional access, largely in diffuse large B-cell lymphoma.

**Avastin** (0%). For advanced colorectal, breast, lung, kidney, cervical and ovarian cancer, and relapsed glioblastoma (a type of brain tumour). Sales continued to grow strongly in the International region (+18%), especially China, following the approval of the lung cancer indication in 2015. Sales in the US, where Avastin is already broadly used in its approved indications, declined 5%, largely due to growing use of new immunotherapy agents in the lung cancer setting.

**Actemra/RoActemra** (+16%). For rheumatoid arthritis and forms of juvenile idiopathic arthritis. Increasing use of Actemra/RoActemra as a single agent and of the subcutaneous formulation remained key growth drivers globally.

**Esbriet** (+34%). For idiopathic pulmonary fibrosis (IPF). Sales continued to expand, mostly due to increasing use in people with moderate and progressive disease. Roche is stepping up its efforts in various markets to improve disease awareness and inform patients and caregivers of the need for early and sustained treatment of IPF.

**Gazyva/Gazyvaro** (+52%). For chronic lymphocytic leukaemia (CLL) and rituximab-refractory follicular lymphoma. Sales expanded in the US and Europe despite increasing competition in CLL. Gazyva/Gazyvaro is now approved for CLL in more than 60 countries. Following US and EU approval of the medicine in previously treated follicular lymphoma in the first half of 2016, early uptake in this indication has been encouraging.

Recently launched medicines showed good sales performance. **Alecensa** (CHF 182 million) is for people with ALK-positive advanced NSCLC whose disease has progressed on, or who are intolerant to crizotinib. There was very good uptake in the US, driven by strong demand in the previously treated patient population. Sales growth remained strong in Japan, where the medicine was launched in 2014 for a broader patient population, including people who have not received prior treatment with crizotinib. Following FDA approval of **Tecentriq** (CHF 157 million) in bladder and lung cancer, in May and October respectively, market uptake in the US has been strong. **Cotellic** (CHF 45 million) plus Zelboraf for BRAF-mutated metastatic melanoma showed good sales uptake, especially in major markets such as France and the US.

Top-selling pharmaceuticals	Total sales		United States		Europe		Japan		International*	
	CHF m	%	CHF m	%	CHF m	%	CHF m	%	CHF m	%
MabThera/Rituxan	7,300	3	3,911	2	1,879	3	291	11	1,219	4
Avastin	6,783	0	2,964	-5	1,841	0	834	-2	1,144	18
Herceptin	6,782	4	2,509	3	2,055	2	309	4	1,909	6
Perjeta	1,846	26	905	10	628	44	108	12	205	74
Actemra/RoActemra	1,697	16	647	15	558	18	284	13	208	18
Xolair	1,498	15	1,498	15	-	-	-	-	-	-
Lucentis	1,406	-10	1,406	-10	-	-	-	-	-	-
Activase/TNKase	1,108	16	1,062	17	-	-	-	-	46	3
Tarceva	1,024	-15	560	-14	174	-22	104	-1	186	-17
Kadcyla	831	7	316	0	331	2	75	13	109	46

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others.

## Diagnosics Division

Key figures 2016		CHF millions	% change		As % of sales
			CER	CHF	
Sales – Diagnostics Division		11,473	+7	+6	100
Business areas	Centralised and Point of Care Solutions	6,698	+9	+8	58
	Diabetes Care	2,016	-4	-5	18
	Molecular Diagnostics	1,845	+7	+7	16
	Tissue Diagnostics	914	+14	+15	8
Regions	Europe, Middle East, Africa	4,637	+2	+2	40
	North America	3,007	+3	+5	26
	Asia-Pacific	2,559	+16	+14	23
	Latin America	792	+18	+4	7
	Japan	478	+2	+16	4

**Centralised and Point of Care Solutions** (+9%) was the largest contributor to the division's sales performance, led by the Asia-Pacific region, with continued strong growth in China (+23%). Its Integrated Serum Work Area solutions, comprising the immunodiagnosics (+13%) and clinical chemistry (+6%) segments, were the main drivers of this growth.

In **Molecular Diagnostics**, including sequencing, sales rose 7%, led by the Asia-Pacific region. In virology, with its portfolio for the diagnosis and monitoring of hepatitis and HIV load, sales were up 9%. HPV (human papillomavirus) screening sales advanced 8%. The blood screening business grew 5%, supported by tender wins in many countries.

**Tissue Diagnostics** sales increased 14%, strongly driven by sales in North America. Sales in the advanced staining portfolio and in primary staining were up 9% and 21% respectively. Companion diagnostic sales showed continued strong growth (+46%).

The strong sales performance of the laboratory business was based on the combination of Roche's rich portfolio of modern instrumentation, very broad test menu, integrated IT solutions and wide range of services for laboratories. The launch of next-generation instruments and a number of new tests further expanded this base.

**Diabetes Care** sales decreased 4%, predominantly due to continued price pressure in the US. Higher sales were recorded in Latin America; sales in the Asia-Pacific region were stable, and they were down in EMEA and Japan.

#### **Roche's Full Year Results 2016 – Presentation in London and live video webcast**

The Roche Full Year Results 2016 presentation takes place in London today. Further details are available [here](#). A live video webcast will be available on <http://ir.roche.com>.

#### **About Roche**

Roche is a global pioneer in pharmaceuticals and diagnostics focused on advancing science to improve people's lives. The combined strengths of pharmaceuticals and diagnostics under one roof have made Roche the leader in personalised healthcare – a strategy that aims to fit the right treatment to each patient in the best way possible.

Roche is the world's largest biotech company, with truly differentiated medicines in oncology, immunology, infectious diseases, ophthalmology and diseases of the central nervous system. Roche is also the world leader in in vitro diagnostics and tissue-based cancer diagnostics, and a frontrunner in diabetes management.

Founded in 1896, Roche continues to search for better ways to prevent, diagnose and treat diseases and make a sustainable contribution to society. The company also aims for improving patient access to medical innovations by working with all relevant stakeholders. Twenty-nine medicines developed by Roche are included in the World Health Organization Model Lists of Essential Medicines, among them life-saving antibiotics, antimalarials and cancer medicines. Roche has been recognised as the Group Leader in sustainability within the Pharmaceuticals, Biotechnology & Life Sciences Industry eight years in a row by the Dow Jones Sustainability Indices (DJSI).

The Roche Group, headquartered in Basel, Switzerland, is active in over 100 countries and in 2016 employed more than 94,000 people worldwide. In 2016, Roche invested CHF 9.9 billion in R&D and posted sales of CHF 50.6 billion. Genentech, in the United States, is a wholly owned member of the Roche Group. Roche is the majority shareholder in Chugai Pharmaceutical, Japan. For more information, please visit [www.roche.com](http://www.roche.com).

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#### **Additional information**

- Full Year 2016 Presentation: <http://www.roche.com/irp170201-a.pdf>
- Full Year 2016 Presentation with appendix: <http://www.roche.com/irp170201.pdf>
- Pharmaceuticals: major clinical and regulatory news flow in 2016: <http://www.roche.com/pharmaar16e.pdf>
- Diagnostics: key diagnostics product launches in 2016: <http://www.roche.com/diaar16e.pdf>
- Annual Report 2016 (includes corporate responsibility report): [http://www.roche.com/annual\\_reports](http://www.roche.com/annual_reports)
- Dow Jones Sustainability Indices: <http://www.sustainability-indices.com/>

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1. Sales January to December 2016 and 2015

CHF millions	Twelve months ended		% change	
	31 December			
	2016	2015	At CER	In CHF
Pharmaceuticals Division	39,103	37,331	3	5
United States	18,594	17,616	3	6
Europe	9,159	8,734	4	5
Japan	3,711	3,224	1	15
International*	7,639	7,757	4	-2
Diagnostics Division	11,473	10,814	7	6
Roche Group	50,576	48,145	4	5

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

## 2. Quarterly sales and constant exchange rate sales growth by Division in 2016 and 2015

CHF millions	Q4 2015	% change vs. Q4 2014	Q1 2016	% change vs. Q1 2015	Q2 2016	% change vs. Q2 2015	Q3 2016	% change vs. Q3 2015	Q4 2016	% change vs. Q4 2015
Pharmaceuticals Division	9,641	3	9,800	4	9,660	5	9,680	2	9,963	3
United States	4,569	3	4,716	3	4,557	5	4,577	1	4,744	3
Europe	2,258	5	2,319	5	2,320	6	2,277	5	2,243	2
Japan	883	2	853	4	903	1	934	-3	1,021	3
International*	1,931	2	1,912	4	1,880	5	1,892	2	1,955	3
Diagnostics Division	2,979	7	2,614	5	2,948	8	2,803	8	3,108	5
Roche Group	12,620	4	12,414	4	12,608	6	12,483	3	13,071	3

\*Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

### 3. Pharmaceuticals Division

Top-selling pharmaceuticals and recent new launches	Total		United States		Europe		Japan		International*	
	CHF m	%	CHF m	%	CHF m	%	CHF m	%	CHF m	%
January - December 2016										
MabThera/Rituxan	7,300	3	3,911	2	1,879	3	291	11	1,219	4
Avastin	6,783	0	2,964	-5	1,841	0	834	-2	1,144	18
Herceptin	6,782	4	2,509	3	2,055	2	309	4	1,909	6
Perjeta	1,846	26	905	10	628	44	108	12	205	74
Actemra/RoActemra	1,697	16	647	15	558	18	284	13	208	18
Xolair	1,498	15	1,498	15	-	-	-	-	-	-
Lucentis	1,406	-10	1,406	-10	-	-	-	-	-	-
Activase/TNKase	1,108	16	1,062	17	-	-	-	-	46	3
Tarceva	1,024	-15	560	-14	174	-22	104	-1	186	-17
Kadcyla	831	7	316	0	331	2	75	13	109	46

Recent new launches										
Esbriet	768	34	569	44	179	17	-	-	20	-17
Zelboraf	213	0	47	8	118	-7	3	-32	45	18
Erivedge	203	21	134	12	53	38	-	-	16	58
Gazyva	196	52	116	49	53	148	-	-	27	-8
Alecensa	182	159	74	**	1	-	107	48	-	-
Tecentriq	157	-	154	-	2	-	-	-	1	-
Cotellic	45	**	14	**	30	**	-	-	1	-

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

\*\* Over 500%

#### 4. Top 20 Pharmaceuticals Division product sales and constant exchange rate growth 2016 vs. 2015

CHF millions	Total		United States		Europe		Japan		International*	
	CHF m	%	CHF m	%	CHF m	%	CHF m	%	CHF m	%
MabThera/Rituxan	7,300	3	3,911	2	1,879	3	291	11	1,219	4
Avastin	6,783	0	2,964	-5	1,841	0	834	-2	1,144	18
Herceptin	6,782	4	2,509	3	2,055	2	309	4	1,909	6
Perjeta	1,846	26	905	10	628	44	108	12	205	74
Actemra/RoActemra	1,697	16	647	15	558	18	284	13	208	18
Xolair	1,498	15	1,498	15	-	-	-	-	-	-
Lucentis	1,406	-10	1,406	-10	-	-	-	-	-	-
Activase/TNKase	1,108	16	1,062	17	-	-	-	-	46	3
Tarceva	1,024	-15	560	-14	174	-22	104	-1	186	-17
Kadcyla	831	7	316	0	331	2	75	13	109	46
Tamiflu	794	10	467	-14	101	**	122	64	104	16
Esbriet	768	34	569	44	179	17	-	-	20	-17
CellCept	741	-6	172	-16	176	-2	71	13	322	-5
Pulmozyme	685	4	474	2	122	7	-	-	89	15
Mircera	512	2	-	-	87	-1	219	2	206	3
Xeloda	506	-3	79	38	32	-26	111	10	284	-10
NeoRecormon/Epogin	328	-9	-	-	141	-9	47	-12	140	-9
Valcyte/Cymevene	306	-17	77	-15	116	-24	-	-	113	-9
Rocephin	298	7	1	-	37	-2	30	-12	230	11
Madopar	290	6	-	-	99	2	16	-5	175	9

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

5. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth

CHF millions	Q4 2015	% change vs. Q4 2014	Q1 2016	% change vs. Q1 2015	Q2 2016	% change vs. Q2 2015	Q3 2016	% change vs. Q3 2015	Q4 2016	% change vs. Q4 2015
MabThera/Rituxan	1,777	4	1,825	3	1,877	5	1,782	0	1,816	2
Avastin	1,716	9	1,706	4	1,724	4	1,684	-3	1,669	-4
Herceptin	1,659	10	1,725	4	1,709	5	1,691	4	1,657	0
Perjeta	410	50	439	33	467	35	473	24	467	14
Actemra/RoActemra	390	25	386	14	428	21	433	15	450	14
Xolair	345	22	356	22	375	17	389	13	378	8
Lucentis	378	-17	355	-13	349	-10	373	-1	329	-14
Activase/TNKase	259	36	276	21	261	17	270	12	301	15
Tarceva	287	-9	258	-14	262	-17	245	-18	259	-11
Kadcyla	211	36	201	11	207	10	208	5	215	2
Tamiflu	170	-67	367	-6	43	5	93	-23	291	72
Esbriet	177	296	178	96	180	24	213	35	197	10
CellCept	203	13	189	-4	184	-5	186	-5	182	-10
Pulmozyme	180	8	160	7	177	10	167	0	181	1
Mircera	106	-1	118	0	123	7	134	-16	137	23
Xeloda	129	-9	111	-17	119	-5	120	-6	156	18
NeoRecormon/Epogin	94	-6	79	-14	82	-8	83	-7	84	-7
Valcyte/Cymevene	99	-41	78	-21	82	-6	67	-18	79	-20
Rocephin	73	-1	82	5	75	18	75	18	66	-9
Madopar	71	-9	71	20	69	-4	74	4	76	6

6. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth United States

CHF millions	Q4 2015	% change vs. Q4 2014	Q1 2016	% change vs. Q1 2015	Q2 2016	% change vs. Q2 2015	Q3 2016	% change vs. Q3 2015	Q4 2016	% change vs. Q4 2015
MabThera/Rituxan	938	7	978	0	1,023	6	932	-3	978	3
Avastin	772	11	775	-2	763	0	723	-9	703	-10
Herceptin	599	13	651	4	630	6	617	0	611	1
Perjeta	217	31	224	15	230	16	229	8	222	1
Actemra/RoActemra	153	32	145	12	164	23	165	13	173	11
Xolair	345	22	356	22	375	17	389	13	378	8
Lucentis	378	-17	355	-13	349	-10	373	-1	329	-14
Activase/TNKase	246	36	265	21	250	18	258	12	289	16
Tarceva	160	1	136	-15	141	-17	135	-16	148	-8
Kadcyla	79	12	79	-2	80	7	79	-1	78	-2
Tamiflu	121	-74	251	-15	12	-45	63	-39	141	16
Esbriet	124	*	127	145	134	32	158	38	150	19
CellCept	54	29	45	0	43	-18	46	-13	38	-31
Pulmozyme	128	19	112	6	121	7	116	0	125	-4
Mircera	-	-	-	-	-	-	-	-	-	-
Xeloda	13	13	5	-71	12	-24	10	-21	52	312
NeoRecormon/Epogin	-	-	-	-	-	-	-	-	-	-
Valcyte/Cymevene	33	-64	19	-25	19	15	14	-10	25	-27
Rocephin	-	-	-	-	-	-	1	-	-	-
Madopar	-	-	-	-	-	-	-	-	-	-

\* Over 500%



7. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth Europe

CHF millions	Q4 2015	% change vs. Q4 2014	Q1 2016	% change vs. Q1 2015	Q2 2016	% change vs. Q2 2015	Q3 2016	% change vs. Q3 2015	Q4 2016	% change vs. Q4 2015
MabThera/Rituxan	468	3	479	5	482	5	468	4	450	-1
Avastin	465	5	471	2	473	4	458	-1	439	-4
Herceptin	510	4	525	2	523	3	521	4	486	-2
Perjeta	130	74	149	65	161	56	163	42	155	22
Actemra/RoActemra	129	23	131	17	143	21	142	18	142	14
Xolair	-	-	-	-	-	-	-	-	-	-
Lucentis	-	-	-	-	-	-	-	-	-	-
Activase/TNKase	-	-	-	-	-	-	-	-	-	-
Tarceva	52	-23	48	-18	44	-27	43	-19	39	-25
Kadcyla	88	49	83	13	84	2	83	1	81	-6
Tamiflu	3	455	20	78	11	*	7	*	63	*
Esbriet	46	44	45	36	41	9	49	33	44	-4
CellCept	47	-1	43	-3	46	2	43	-1	44	-4
Pulmozyme	30	8	31	6	30	5	30	10	31	6
Mircera	22	-4	21	-7	22	-2	22	0	22	4
Xeloda	10	-30	9	-31	8	-17	8	-23	7	-30
NeoRecormon/Epogin	38	-6	36	-10	35	-11	36	-7	34	-8
Valcyte/Cymevene	36	-16	30	-26	30	-21	30	-21	26	-26
Rocephin	9	-27	13	-13	7	-13	6	2	11	26
Madopar	24	-1	24	-1	25	2	25	2	25	5

\* Over 500%

8. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth Japan

CHF millions	Q4 2015	% change vs. Q4 2014	Q1 2016	% change vs. Q1 2015	Q2 2016	% change vs. Q2 2015	Q3 2016	% change vs. Q3 2015	Q4 2016	% change vs. Q4 2015
MabThera/Rituxan	64	9	62	12	72	12	77	9	80	11
Avastin	208	12	192	7	206	-2	213	-6	223	-5
Herceptin	70	3	67	5	79	4	79	2	84	7
Perjeta	23	14	23	18	27	10	27	4	31	17
Actemra/RoActemra	61	10	60	14	70	13	75	10	79	14
Xolair	-	-	-	-	-	-	-	-	-	-
Lucentis	-	-	-	-	-	-	-	-	-	-
Activase/TNKase	-	-	-	-	-	-	-	-	-	-
Tarceva	24	-1	22	0	27	3	27	-9	28	4
Kadcyla	16	23	17	27	20	20	18	4	20	4
Tamiflu	12	-75	60	4	4	*	12	*	46	243
Esbriet	-	-	-	-	-	-	-	-	-	-
CellCept	16	11	15	11	18	16	18	12	20	14
Pulmozyme	-	-	-	-	-	-	-	-	-	-
Mircera	54	9	45	4	55	2	56	-1	63	3
Xeloda	25	10	25	12	29	16	28	8	29	4
NeoRecormon/Epogin	12	-9	10	-12	12	-12	12	-16	13	-6
Valcyte/Cymevene	-	-	-	-	-	-	-	-	-	-
Rocephin	7	-5	6	-10	7	-19	8	-11	9	-7
Madopar	4	-2	3	-7	5	-2	4	-6	4	-5

\* Over 500%

9. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth International\*

CHF millions	Q4 2015	% change vs. Q4 2014	Q1 2016	% change vs. Q1 2015	Q2 2016	% change vs. Q2 2015	Q3 2016	% change vs. Q3 2015	Q4 2016	% change vs. Q4 2015
MabThera/Rituxan	307	-2	306	11	300	3	305	0	308	3
Avastin	271	7	268	27	282	18	290	14	304	13
Herceptin	480	16	482	7	477	8	474	10	476	1
Perjeta	40	131	43	65	49	121	54	78	59	50
Actemra/RoActemra	47	31	50	10	51	23	51	18	56	22
Xolair	-	-	-	-	-	-	-	-	-	-
Lucentis	-	-	-	-	-	-	-	-	-	-
Activase/TNKase	13	32	11	13	11	3	12	12	12	-10
Tarceva	51	-18	52	-14	50	-15	40	-27	44	-11
Kadcyla	28	93	22	56	23	53	28	44	36	38
Tamiflu	34	73	36	35	16	9	11	-24	41	20
Esbriet	7	114	6	4	5	-8	6	-17	3	-43
CellCept	86	16	86	-8	77	-4	79	-4	80	-4
Pulmozyme	22	-22	17	22	26	38	21	-12	25	17
Mircera	30	-13	52	0	46	18	56	-29	52	70
Xeloda	81	-12	72	-13	70	-6	74	-6	68	-16
NeoRecormon/Epogin	44	-5	33	-18	35	-5	35	-5	37	-7
Valcyte/Cymevene	30	-22	29	-14	33	2	23	-18	28	-5
Rocephin	57	0	63	12	61	30	60	22	46	-15
Madopar	43	-13	44	39	39	-7	45	6	47	7

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

## 1. Roche Group consolidated income statement for the twelve months ended 31 December 2016

in millions of CHF	Pharma- ceuticals	Diagnostics	Corporate	Group
<b>Sales</b>	<b>39,103</b>	<b>11,473</b>	-	<b>50,576</b>
Royalties and other operating income	1,944	116	-	2,060
Cost of sales	(10,393)	(5,787)	-	(16,180)
Marketing and distribution	(6,391)	(2,749)	-	(9,140)
Research and development	(10,156)	(1,376)	-	(11,532)
General and administration	(822)	(464)	(429)	(1,715)
<b>Operating profit</b>	<b>13,285</b>	<b>1,213</b>	<b>(429)</b>	<b>14,069</b>
Financing costs				(1,099)
Other financial income (expense)				37
<b>Profit before taxes</b>				<b>13,007</b>
Income taxes				(3,274)
<b>Net income</b>				<b>9,733</b>
Attributable to				
- Roche shareholders				9,576
- Non-controlling interests				157
<b>Earnings per share and non-voting equity security</b>				
Basic (CHF)				11.24
Diluted (CHF)				11.13

## 2. Roche Group core results reconciliation – Full Year 2016

in millions of CHF	IFRS	Global restructuring	Intangibles amortisation	Intangibles impairment	Alliances & business combinations	Legal & environmental	Pension plan settlements	Normalisation of ECP tax benefit	Core
<b>Sales</b>	<b>50,576</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>50,576</b>
Royalties and other operating income	2,060	0	0	0	0	0	0	0	2,060
Cost of sales	(16,180)	837	1,637	70	167	0	0	0	(13,469)
Marketing and distribution	(9,140)	128	5	0	0	0	0	0	(9,007)
Research and development	(11,532)	133	141	1,343	0	0	0	0	(9,915)
General and administration	(1,715)	135	0	95	(401)	77	(16)	0	(1,825)
<b>Operating profit</b>	<b>14,069</b>	<b>1,233</b>	<b>1,783</b>	<b>1,508</b>	<b>(234)</b>	<b>77</b>	<b>(16)</b>	<b>0</b>	<b>18,420</b>
Financing costs	(1,099)	2	0	0	53	10	0	0	(1,034)
Other financial income (expense)	37	0	0	0	0	0	0	0	37
<b>Profit before taxes</b>	<b>13,007</b>	<b>1,235</b>	<b>1,783</b>	<b>1,508</b>	<b>(181)</b>	<b>87</b>	<b>(16)</b>	<b>0</b>	<b>17,423</b>
Income taxes	(3,274)	(270)	(871)	(362)	(41)	(30)	5	108	(4,735)
<b>Net income</b>	<b>9,733</b>	<b>965</b>	<b>912</b>	<b>1,146</b>	<b>(222)</b>	<b>57</b>	<b>(11)</b>	<b>108</b>	<b>12,688</b>
Attributable to									
- Roche shareholders	9,576	961	897	1,141	(222)	57	(11)	108	12,507
- Non-controlling interests	157	4	15	5	0	0	0	0	181
EPS - diluted (CHF)	11.13	1.12	1.03	1.33	(0.27)	0.07	(0.01)	0.13	14.53

### 3. Divisional core results reconciliation – Full Year 2016

in millions of CHF	IFRS	Global restructuring	Intangibles amortisation	Intangibles impairment	Alliances & business combinations	Legal & environmental	Pension plan settlements	Core
<b>Pharmaceuticals</b>								
Sales	39,103	-	-	-	-	-	-	39,103
Royalties and other operating income	1,944	-	-	-	-	-	-	1,944
Cost of sales	(10,393)	737	1,314	-	167	-	-	(8,175)
Marketing and distribution	(6,391)	26	3	-	-	-	-	(6,362)
Research and development	(10,156)	90	135	1,343	-	-	-	(8,588)
General and administration	(822)	82	-	95	(376)	18	(10)	(1,013)
<b>Operating profit</b>	<b>13,285</b>	<b>935</b>	<b>1,452</b>	<b>1,438</b>	<b>(209)</b>	<b>18</b>	<b>(10)</b>	<b>16,909</b>
<b>Diagnostics</b>								
Sales	11,473	-	-	-	-	-	-	11,473
Royalties and other operating income	116	-	-	-	-	-	-	116
Cost of sales	(5,787)	100	323	70	-	-	-	(5,294)
Marketing and distribution	(2,749)	102	2	-	-	-	-	(2,645)
Research and development	(1,376)	43	6	-	-	-	-	(1,327)
General and administration	(464)	66	-	-	(26)	28	(6)	(402)
<b>Operating profit</b>	<b>1,213</b>	<b>311</b>	<b>331</b>	<b>70</b>	<b>(26)</b>	<b>28</b>	<b>(6)</b>	<b>1,921</b>
<b>Corporate</b>								
General and administration	(429)	(13)	-	-	1	31	-	(410)
<b>Operating profit</b>	<b>(429)</b>	<b>(13)</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>31</b>	<b>-</b>	<b>(410)</b>

#### 4. Roche Group consolidated balance sheet

in millions of CHF	31 December 2016	31 December 2015
<b>Non-current assets</b>		
Property, plant and equipment	19,957	18,473
Goodwill	11,282	11,082
Intangible assets	12,046	13,861
Deferred tax assets	2,826	2,564
Defined benefit plan assets	738	642
Other non-current assets	1,300	959
<b>Total non-current assets</b>	<b>48,149</b>	<b>47,581</b>
<b>Current assets</b>		
Inventories	7,928	7,648
Accounts receivable	8,760	8,329
Current income tax assets	335	239
Other current assets	2,540	2,795
Marketable securities	4,944	5,440
Cash and cash equivalents	4,163	3,731
<b>Total current assets</b>	<b>28,670</b>	<b>28,182</b>
<b>Total assets</b>	<b>76,819</b>	<b>75,763</b>
<b>Non-current liabilities</b>		
Long-term debt	(16,992)	(17,100)
Net deferred tax liabilities	(838)	(545)
Defined benefit plan liabilities	(7,678)	(8,341)
Provisions	(1,777)	(2,204)
Other non-current liabilities	(532)	(505)
<b>Total non-current liabilities</b>	<b>(27,817)</b>	<b>(28,695)</b>
<b>Current liabilities</b>		
Short-term debt	(5,363)	(6,151)
Current income tax liabilities	(2,713)	(2,781)
Provisions	(2,271)	(2,432)
Accounts payable	(3,375)	(3,207)
Other current liabilities	(8,878)	(9,197)
<b>Total current liabilities</b>	<b>(22,600)</b>	<b>(23,768)</b>
<b>Total liabilities</b>	<b>(50,417)</b>	<b>(52,463)</b>
<b>Total net assets</b>	<b>26,402</b>	<b>23,300</b>
<b>Equity</b>		
Capital and reserves attributable to Roche shareholders	23,911	20,979
Equity attributable to non-controlling interests	2,491	2,321
<b>Total equity</b>	<b>26,402</b>	<b>23,300</b>

## 5. Roche Group consolidated statement of cash flows

in millions of CHF	FY 2016	FY 2015
<b>Cash flows from operating activities</b>		
Cash generated from operations	21,225	20,651
(Increase) decrease in net working capital	(1,023)	(431)
Payments made for defined benefit plans	(880)	(538)
Utilisation of provisions	(762)	(835)
Disposal of products	179	70
Other operating cash flows	-	30
<b>Cash flows from operating activities, before income taxes paid</b>	<b>18,739</b>	<b>18,947</b>
Income taxes paid	(3,738)	(3,696)
<b>Total cash flows from operating activities</b>	<b>15,001</b>	<b>15,251</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,144)	(3,468)
Purchase of intangible assets	(1,001)	(642)
Disposal of property, plant and equipment	151	45
Disposal of intangible assets	-	-
Business combinations	(74)	(2,140)
Divestment of subsidiaries	-	6
Interest and dividends received	24	28
Sales of marketable securities	36,784	55,660
Purchases of marketable securities	(36,135)	(53,738)
Other investing cash flows	(118)	(27)
<b>Total cash flows from investing activities</b>	<b>(4,513)</b>	<b>(4,276)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of bonds and notes	3,158	2,663
Redemption and repurchase of bonds and notes	(3,985)	(4,058)
Increase (decrease) in commercial paper	(454)	(791)
Increase (decrease) in other debt	(133)	130
Hedging and collateral arrangements	(211)	(400)
Changes in non-controlling interests	-	(2)
Equity contribution by non-controlling interests - capital injection	-	40
Interest paid	(849)	(967)
Dividends paid	(7,040)	(6,954)
Equity-settled equity compensation plans, net of transactions in own equity	(557)	(169)
Other financing cash flows	-	-
<b>Total cash flows from financing activities</b>	<b>(10,071)</b>	<b>(10,508)</b>
Net effect of currency translation on cash and cash equivalents	15	(478)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>432</b>	<b>(11)</b>
Cash and cash equivalents at beginning of period	3,731	3,742
<b>Cash and cash equivalents at end of period</b>	<b>4,163</b>	<b>3,731</b>