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- 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;
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- 10 loss of key executives or other employees; and
- 11 adverse publicity and news coverage.

Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Roche’s earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Roche.

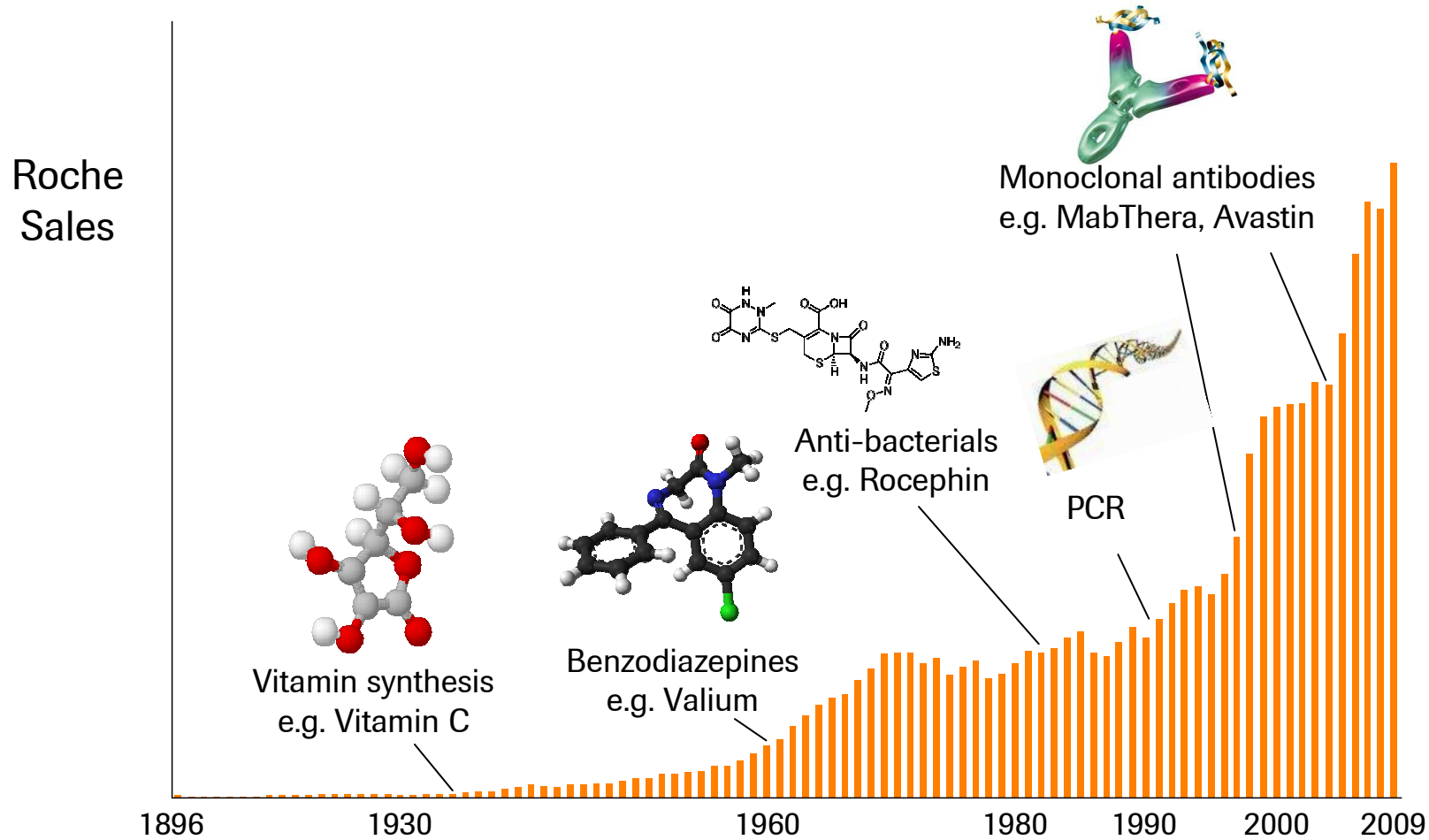
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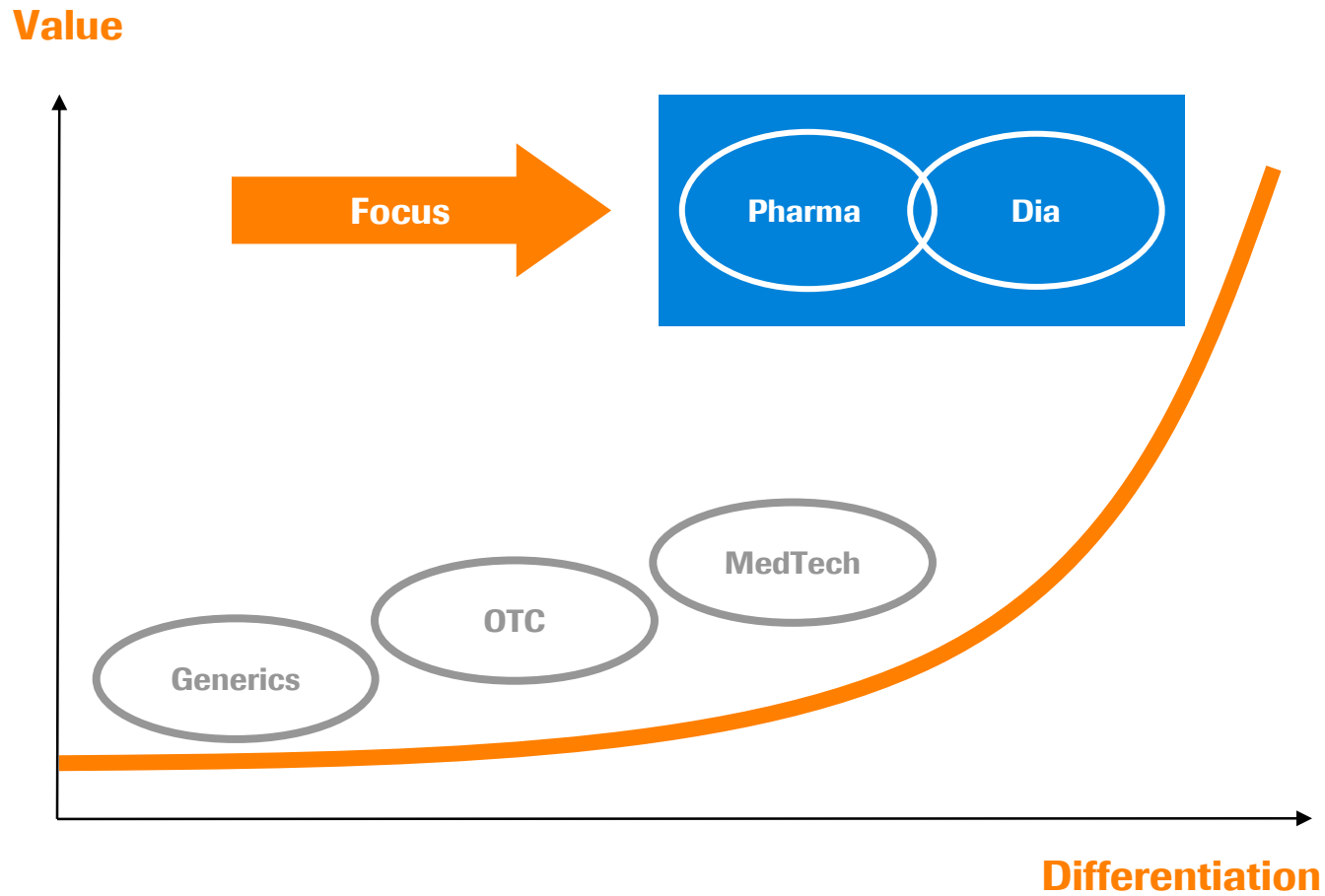
Medical breakthroughs have always driven our business





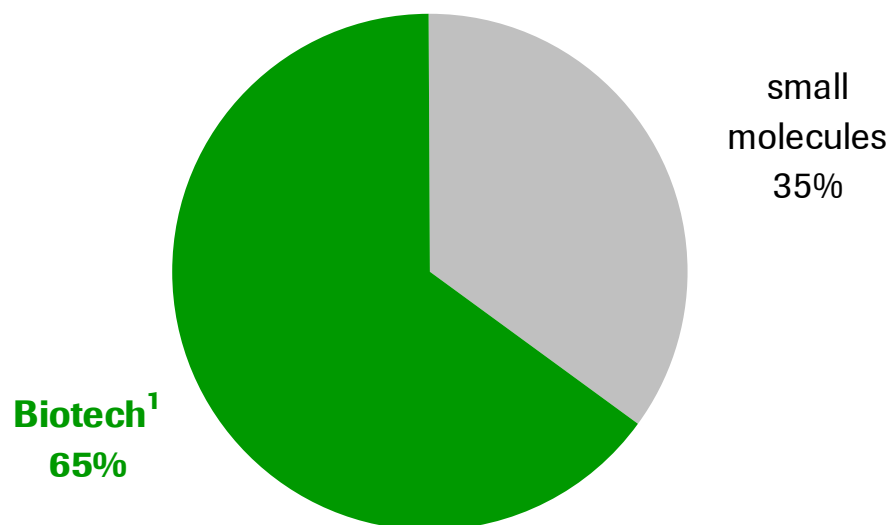
What makes Roche unique

Roche: Focused on medically differentiated therapies

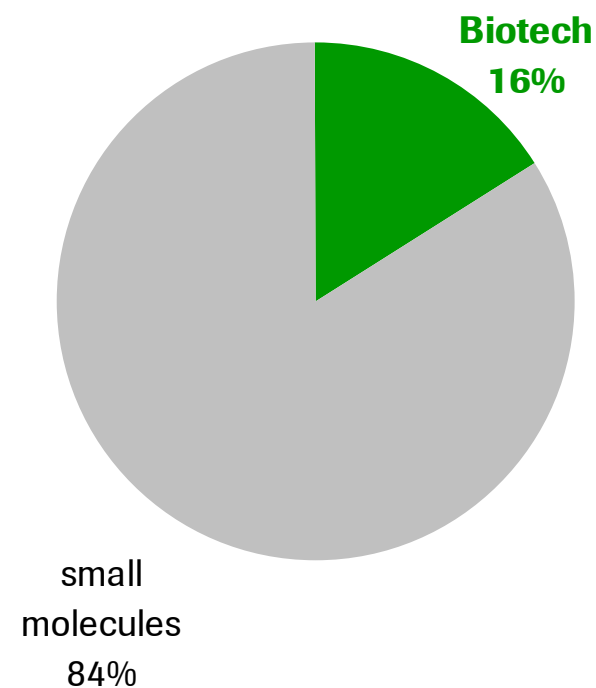


Majority of strategic assets are biotech products with high barriers of entry

Roche Pharmaceuticals

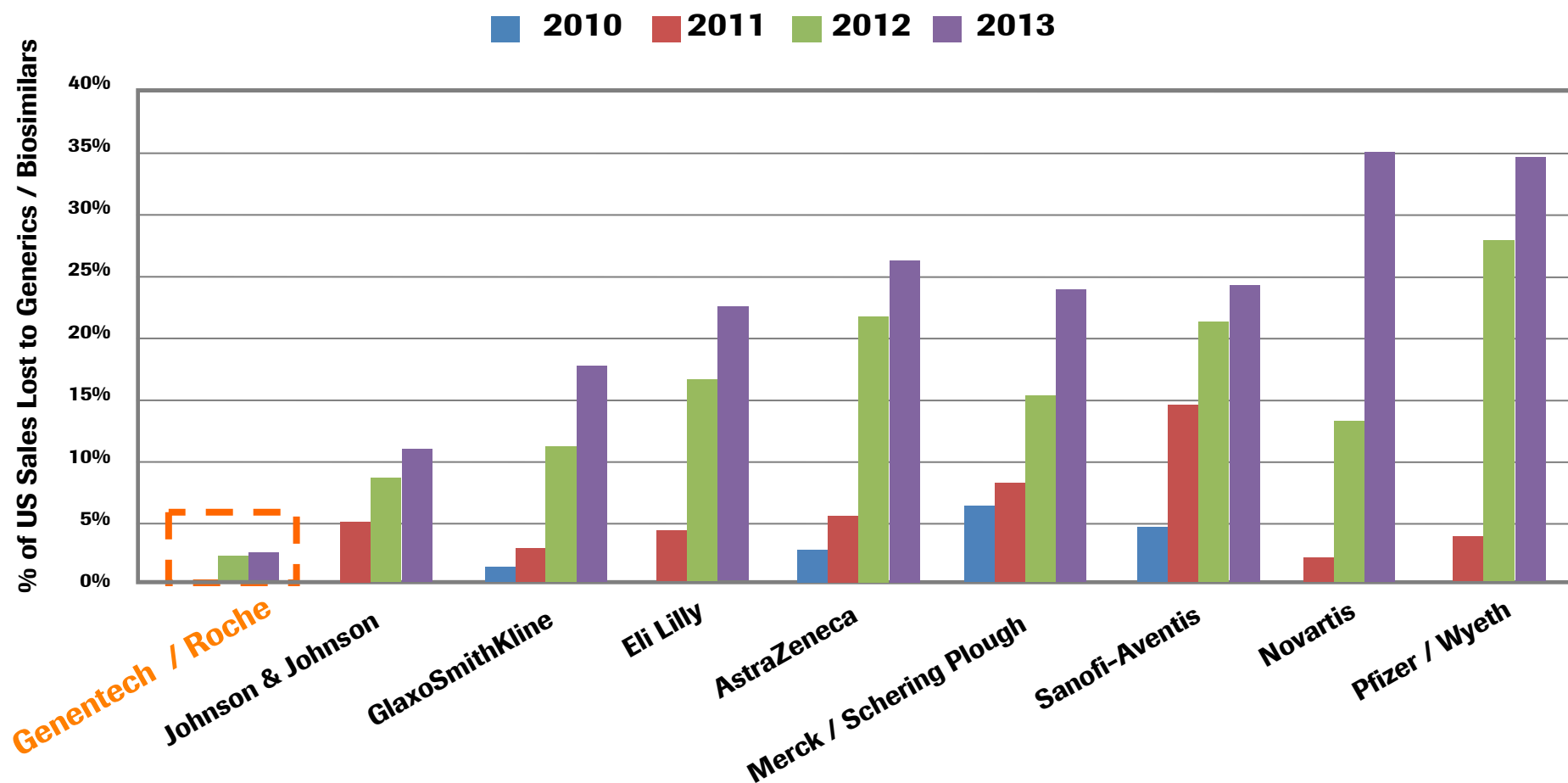


Industry average ²



¹ Biotech products: proteins and monoclonal antibodies; ² Source: Decision Resources, 2009

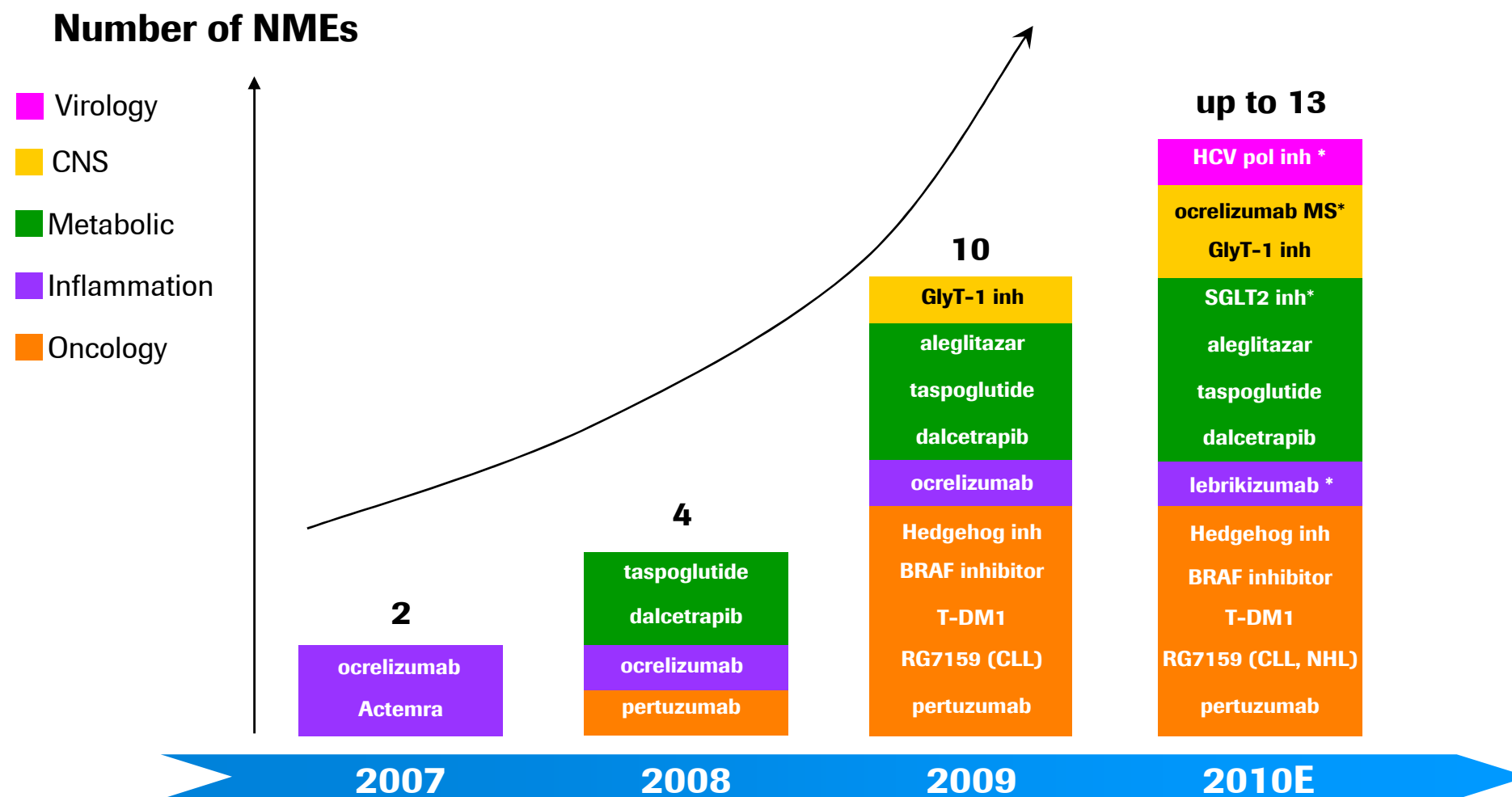
Limited patent exposure provides window of opportunity



% Sales Lost calculated by subtracting given year sales ('10, '11, '12, '13) from full year sales from year prior to LOE.
 Data excludes sales lost impact of products with LOE prior to 2010.
 Source: Evaluate Pharma

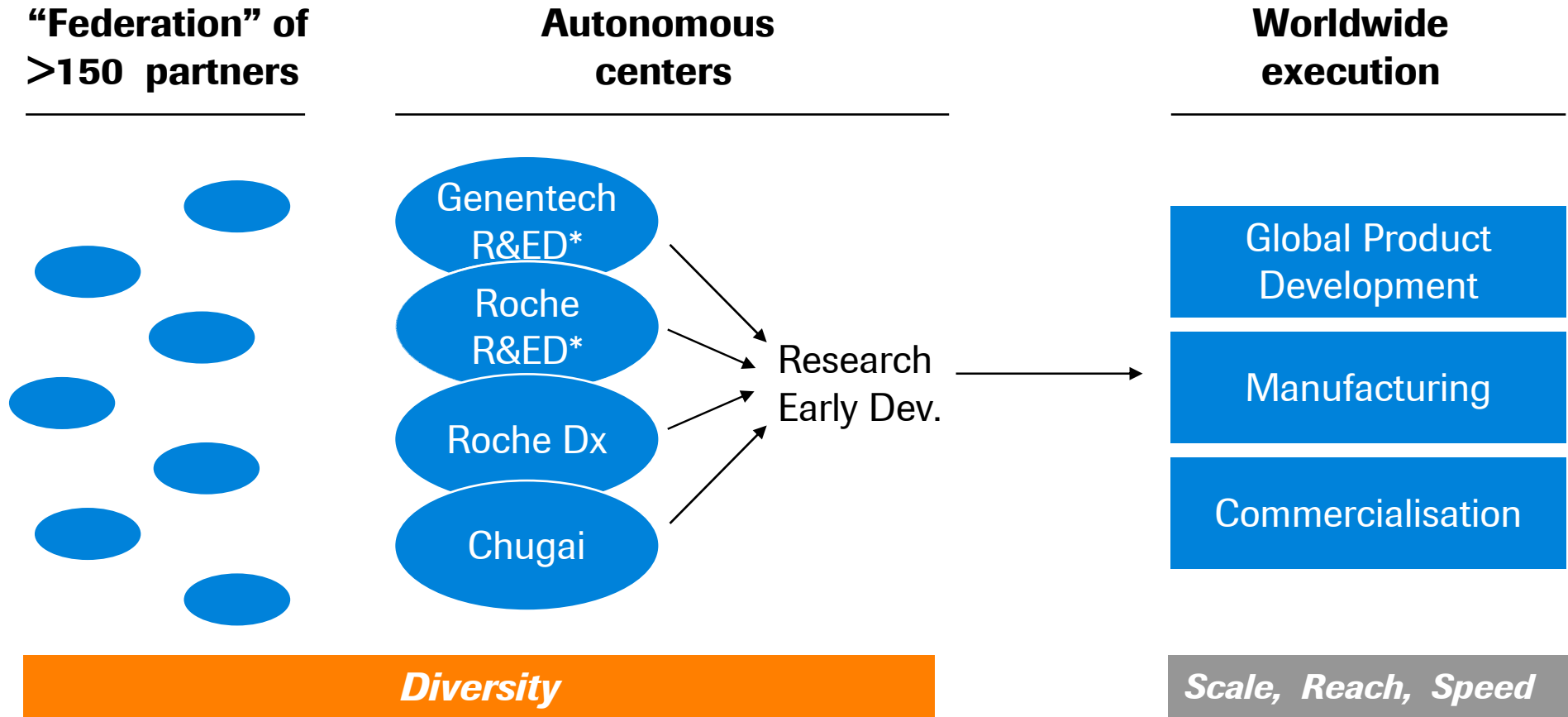
Late-stage pipeline continues to build up

Expanding into new therapeutic areas



* LIP or phase III decision pending

Unique diversity of approaches

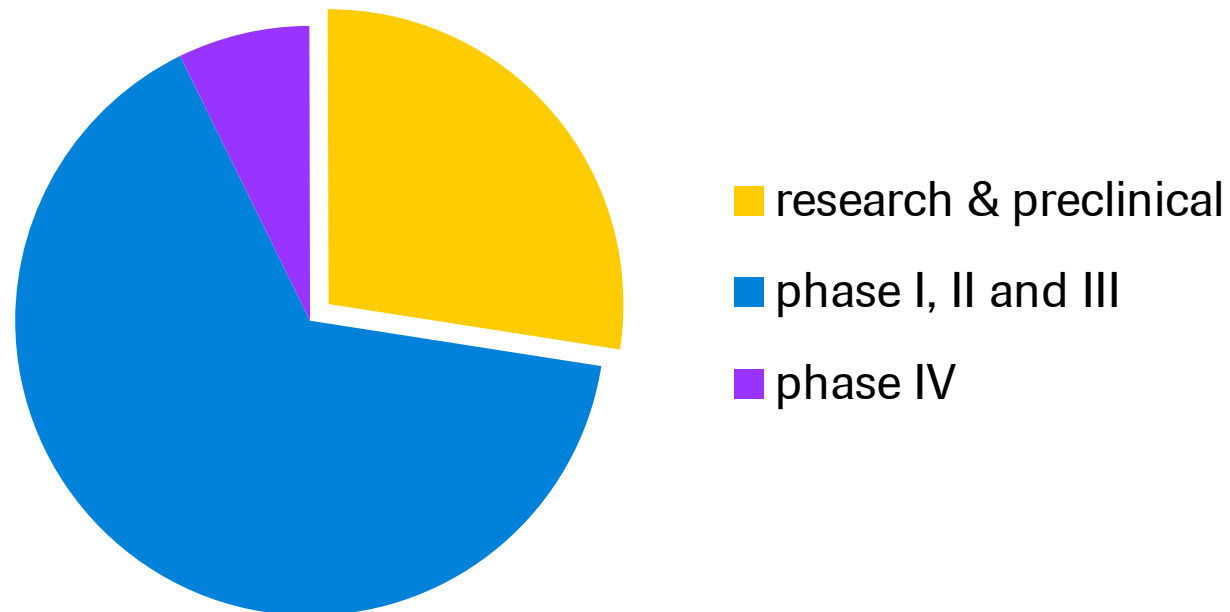


* R&ED = Research & Early Development

How much money to invest in R&D?

Majority of R&D investment goes into product development

Split of R&D costs for Pharma (Roche and Genentech)
CHF 8.0 billion in 2009*



More than 70 % of our R&D investments go into product development

* Excluding Chugai and one-off impairments of intangible assets

R&D allocation

Mix of qualitative and quantitative factors

Research & Early Development

Top down

- Annual budget allocation
- Number of phase III transitions expected

Late Stage Development

Project driven

- Unmet medical need and market potential
- Probability of technical success

Best people / Quality of basic and clinical science



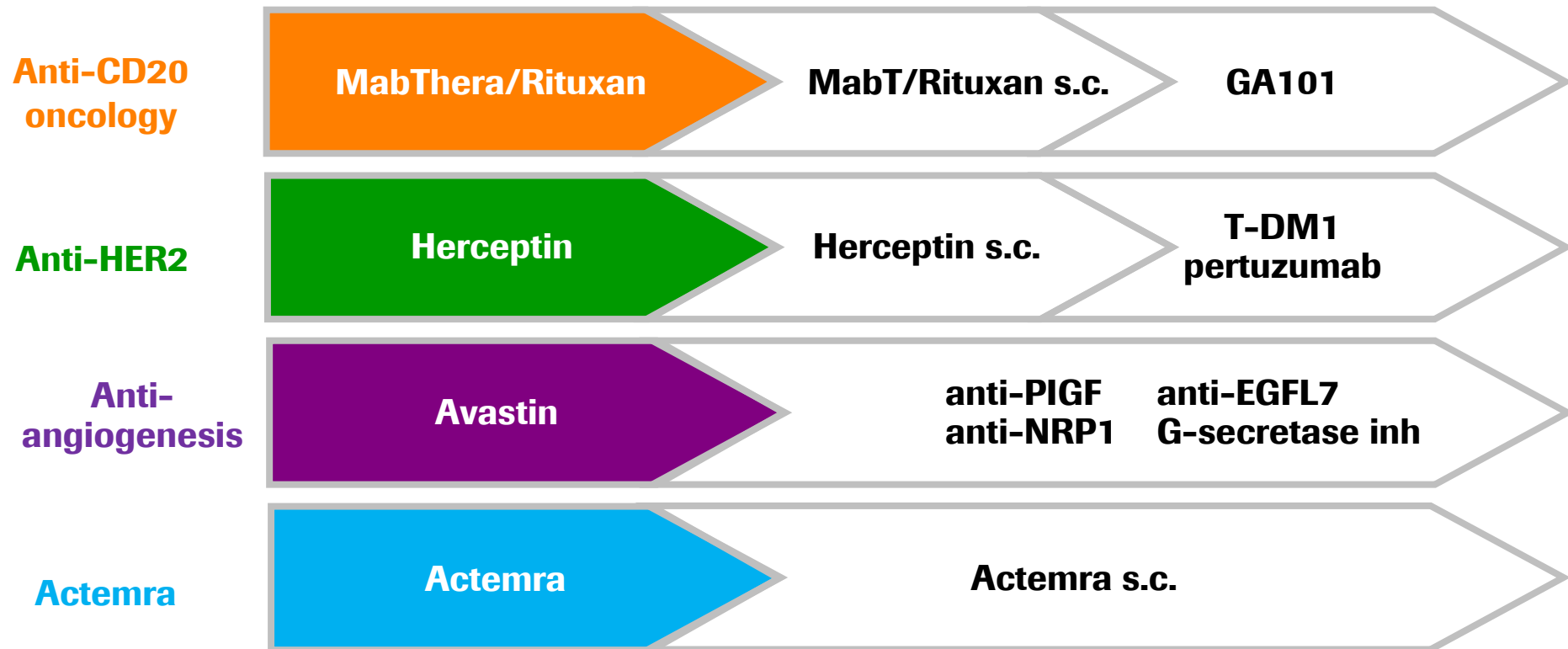
Key oncology product growth drivers

Increased penetration, new indications, longer duration, and emerging markets

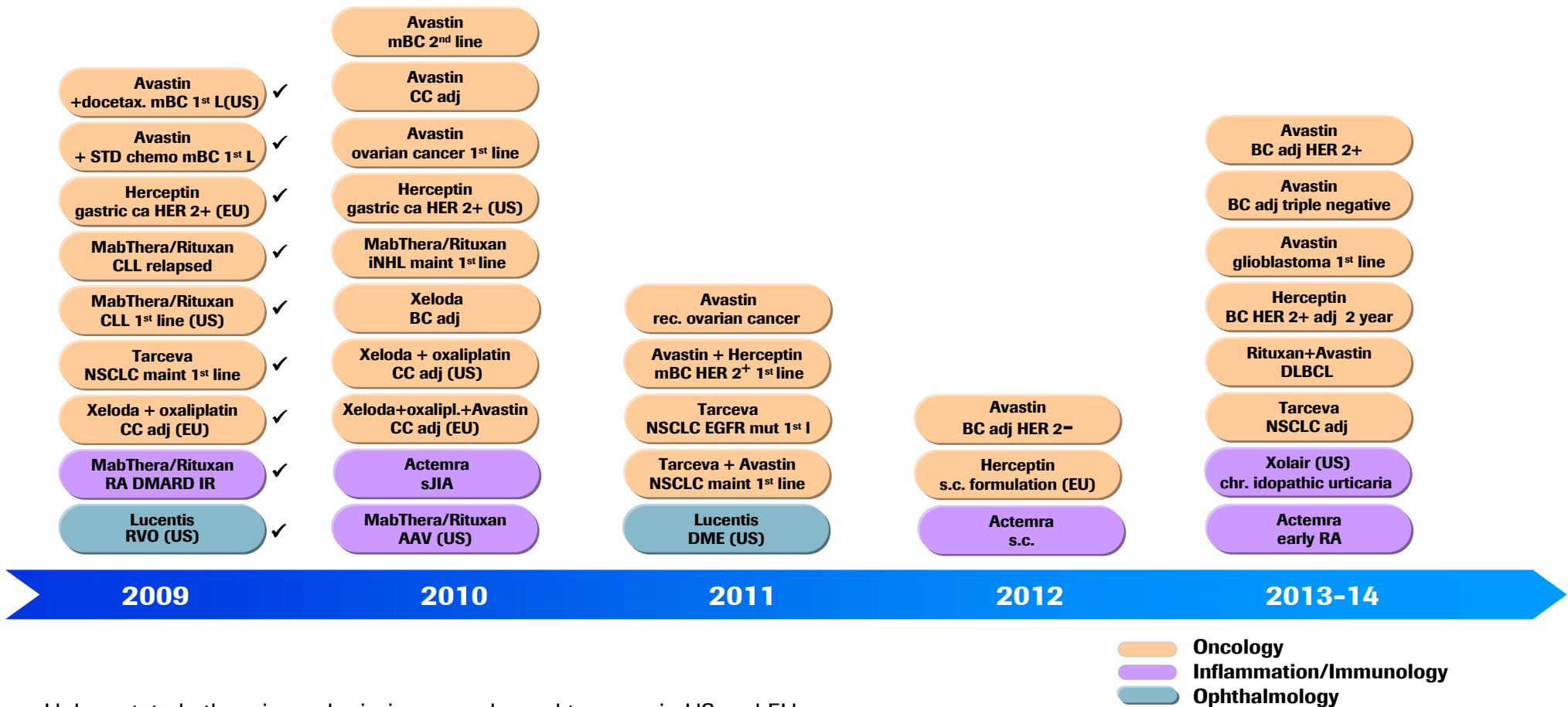
	Increased Penetration	Emerging Markets	New indications	Longer duration
Avastin	US: mBC, mNSCLC	✓	mBC extensions Ovarian cancer	mCRC TML
	EU: mBC, mNSCLC, mCRC	✓	DLBCL GBM	1L ovarian cancer Adjuvant
	Japan: mNSCLC, mCRC	✓	Adjuvant BC, CC, NSCLC 1L NSCLC + Tarceva	
MabThera/ Rituxan	EU: iNHL maintenance, CLL	✓	CLL iNHL maintenance	iNHL maintenance
Herceptin	Japan: mBC	✓	Gastric cancer	HERA 2-yr

Managing franchises

Adding benefits to key medicines; developing better ones



35 Line extensions of existing products could be filed by 2014



Unless stated otherwise, submissions are planned to occur in US and EU
 ✓ indicates a submission which has occurred

Status as of December 31, 2009



Oncology: Setting the standard of care

Combining products in our portfolio

	Avastin	Anti-PIGF	Anti-NRP1	Anti-EGFL7	G-secretase inh	Herceptin	Pertuzumab	T-DM1	Tarceva	GA201	Xeloda	MabThera/Rituxan	Anti-CD20/GA101	BRAF Inh	CIK	RG7420 (MEKi)	RG7321 (PI3Ki)	RG7422 (PI3K/mTor)	Dulanermin	ABT-263	MDM2 Antagonist	CK127	Hedgehog	MetMab	huMab Glypican-3 ¹	Topoisomerase I inh ¹	
Pathway/MOA	Angiogenesis				HER2			HER1		B-Cell		BRAF/MEK		PI3K		Apo		Other									
Breast cancer	✓					✓	✓	✓			✓						✓										
Lung Cancer	✓								✓	✓							✓			✓				✓			
Colorectal Cancer	✓										✓			✓						✓			✓				✓
Melanoma	✓													✓													
Glioblastoma	✓																										
Solid Tumors	✓	✓	✓	✓	✓	✓				✓	✓				✓	✓		✓		✓	✓	✓	✓	✓	✓	✓	
Hematology	✓											✓	✓					✓		✓	✓						
Halozyme						✓						✓															

¹ Opt-in opportunity from Chugai

Biosimilars in the US and Europe

Our innovative portfolio years away from patent expiry

US

Long primary patent protection of our key biologics

- Avastin: 2019 Lucentis: 2019
- Rituxan: 2018 Xolair: 2018
- Herceptin: 2019 Pegasys: 2018

Currently no regulatory pathway for biosimilars

- Clinical trials required
- No inter-changeability
- Reasonable exclusivity period

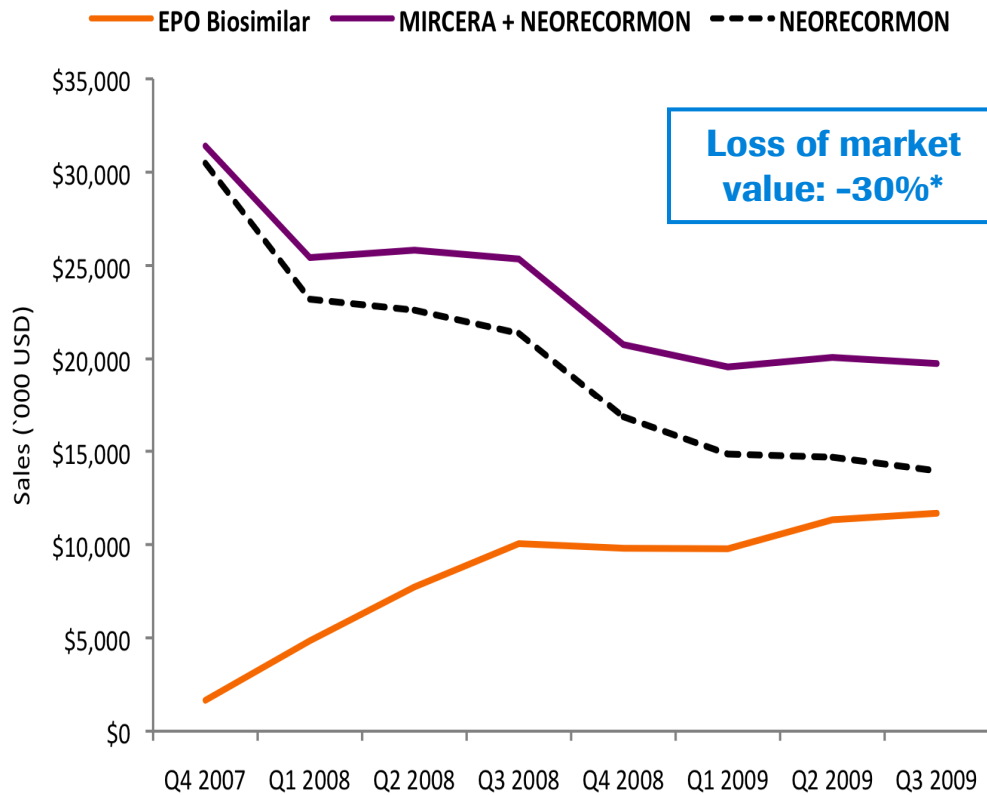
Europe / ROW

- Guidance adopted for specific classes of recombinant proteins
- Likely to have stringent regulatory standards for Monoclonals (eg. Herceptin, MabThera)

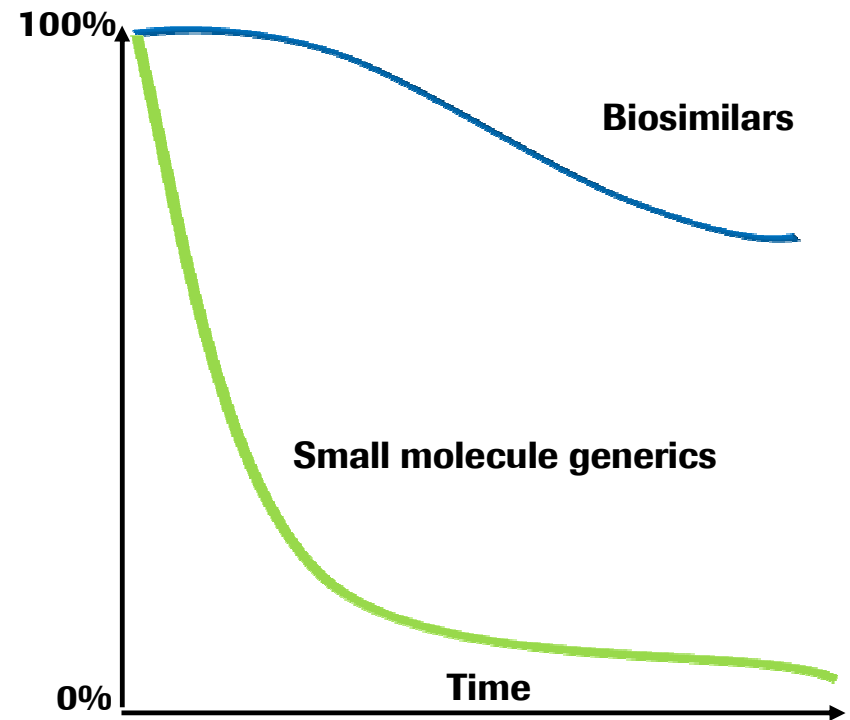
Biosimilars: Slower erosion

EPO experience in Germany

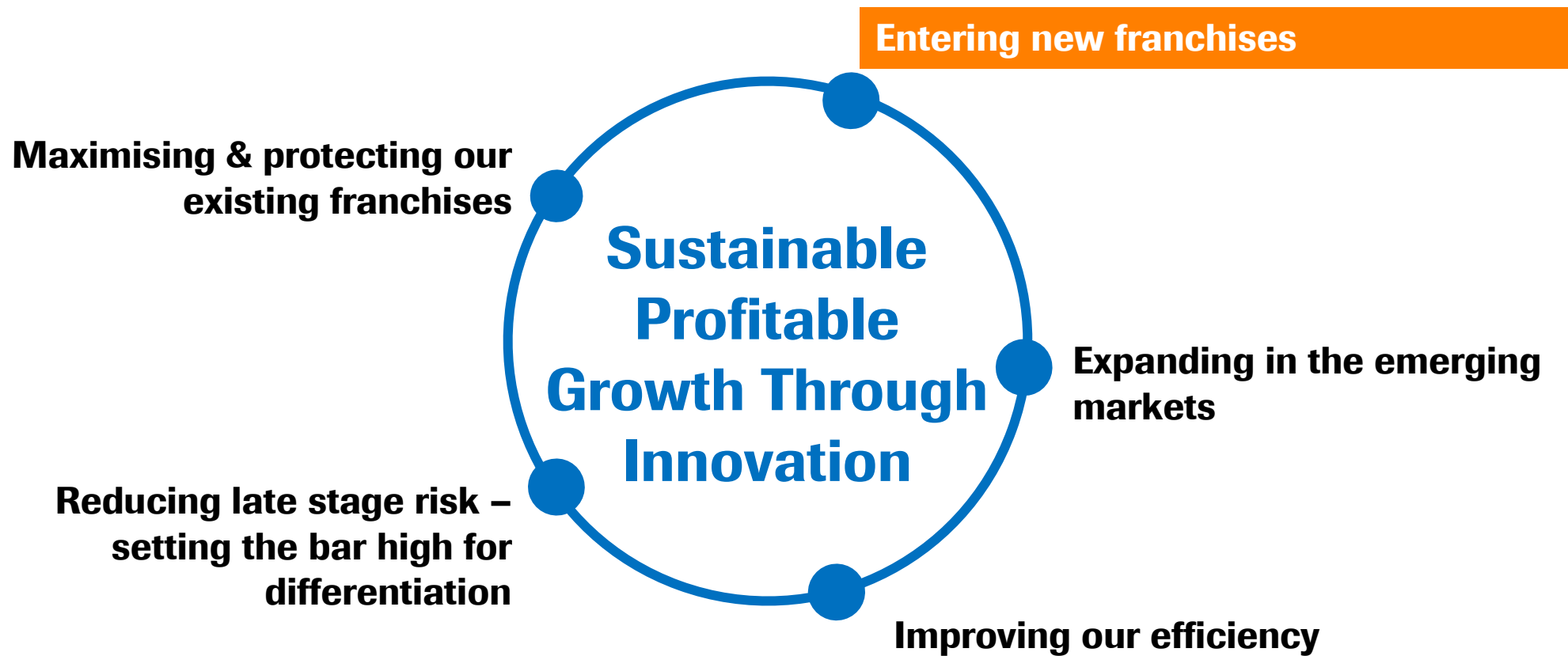
EPO product sales in Germany



Biosimilars vs. Small Molecules erosion (illustrative)

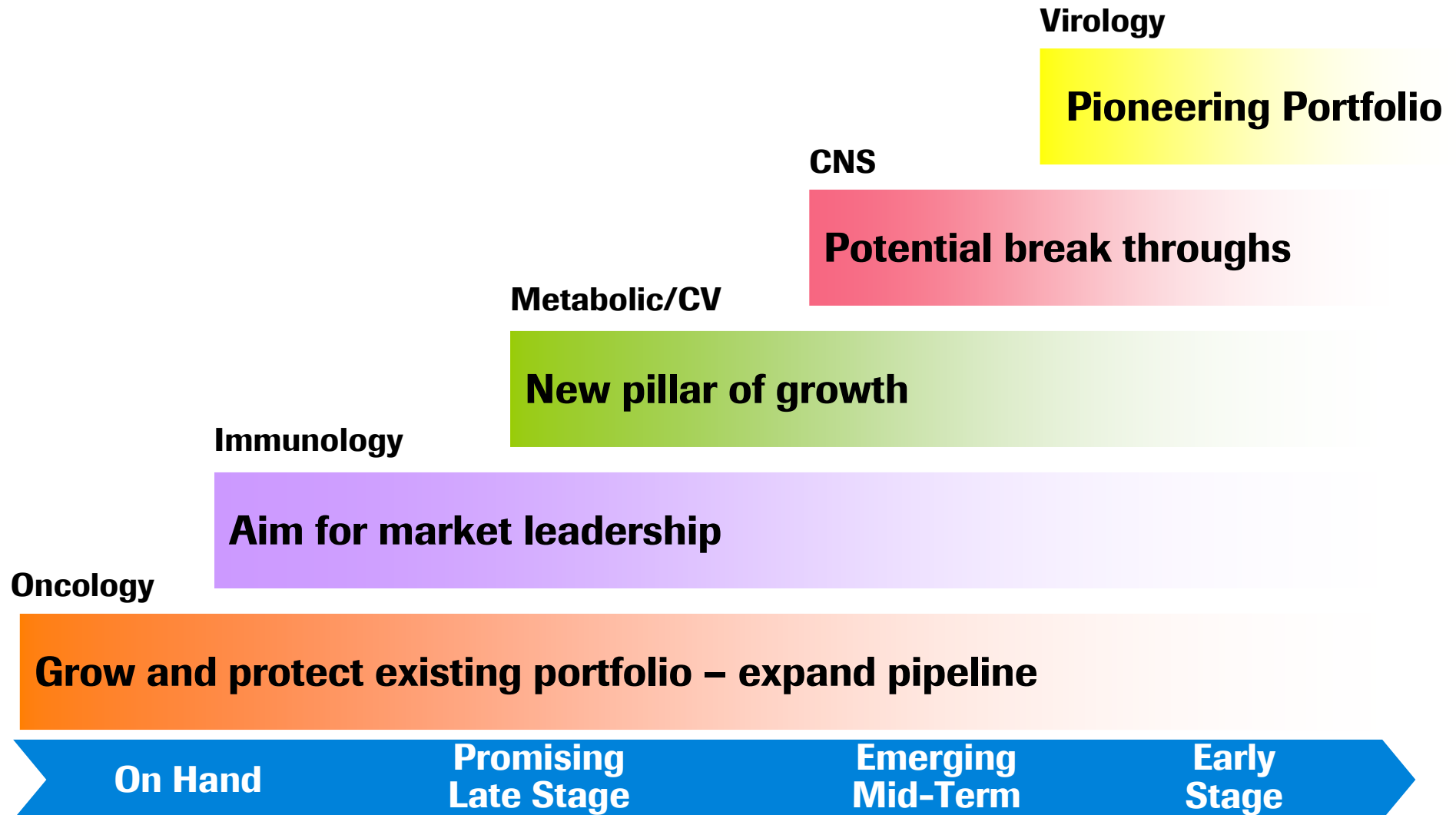


Source: IMS, Datamonitor



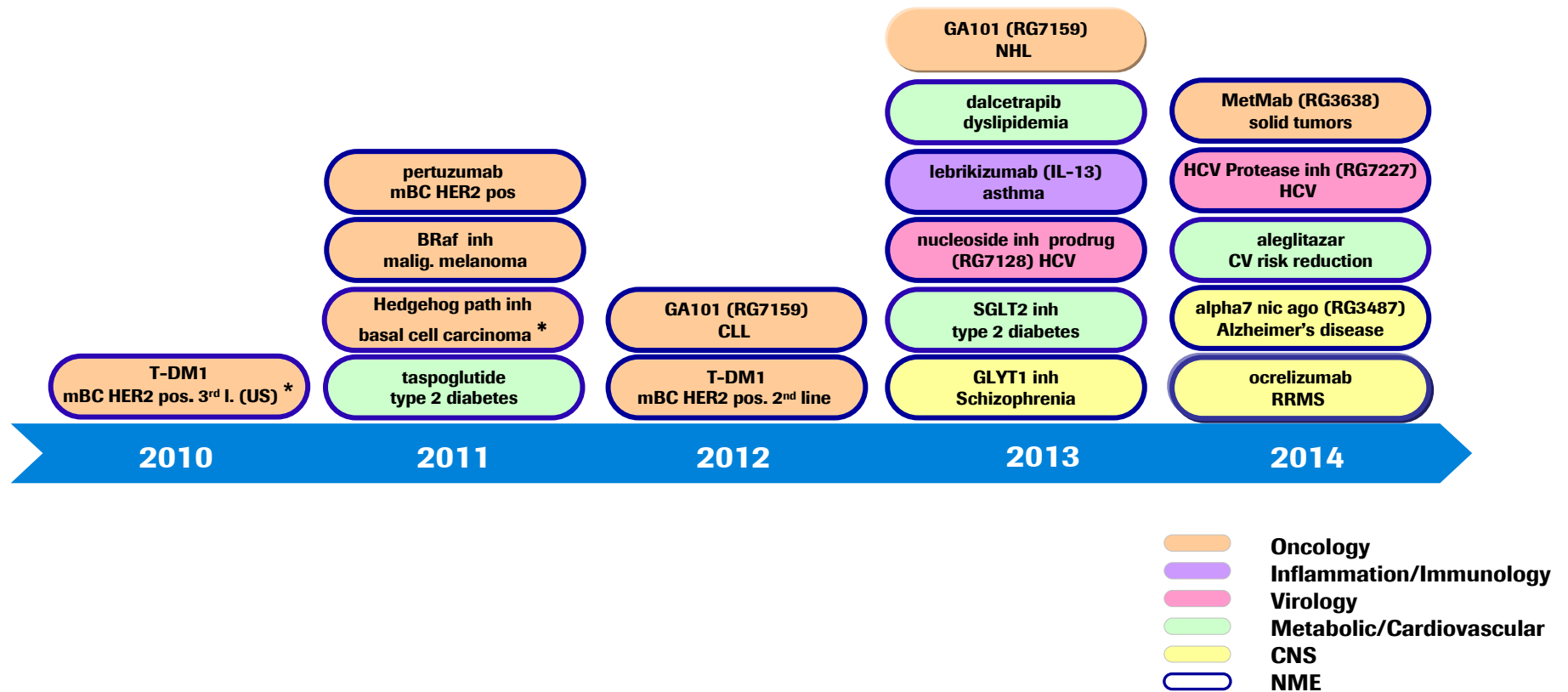
Building on innovation leadership

Strong growth through differentiated medicines

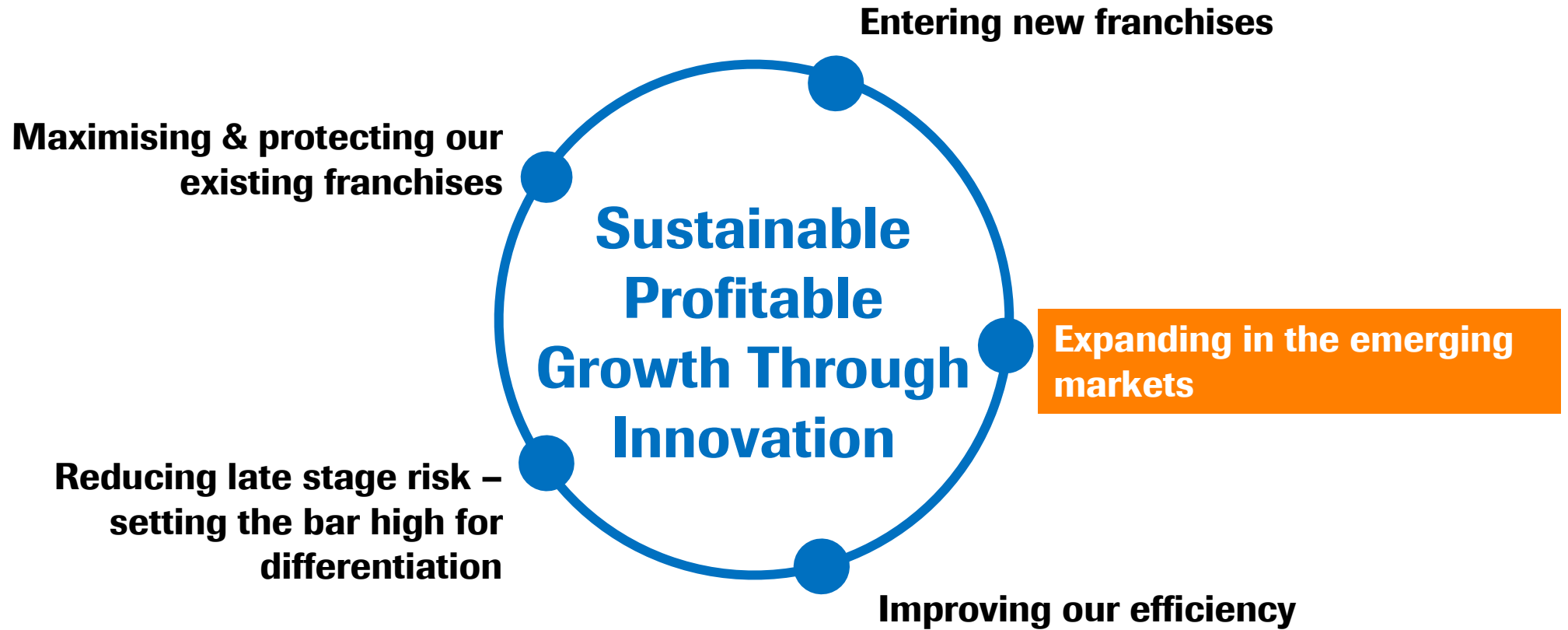


Sixteen NMEs and their additional indications could be submitted over the next 5 years

Projects Currently in Phase 2 and 3



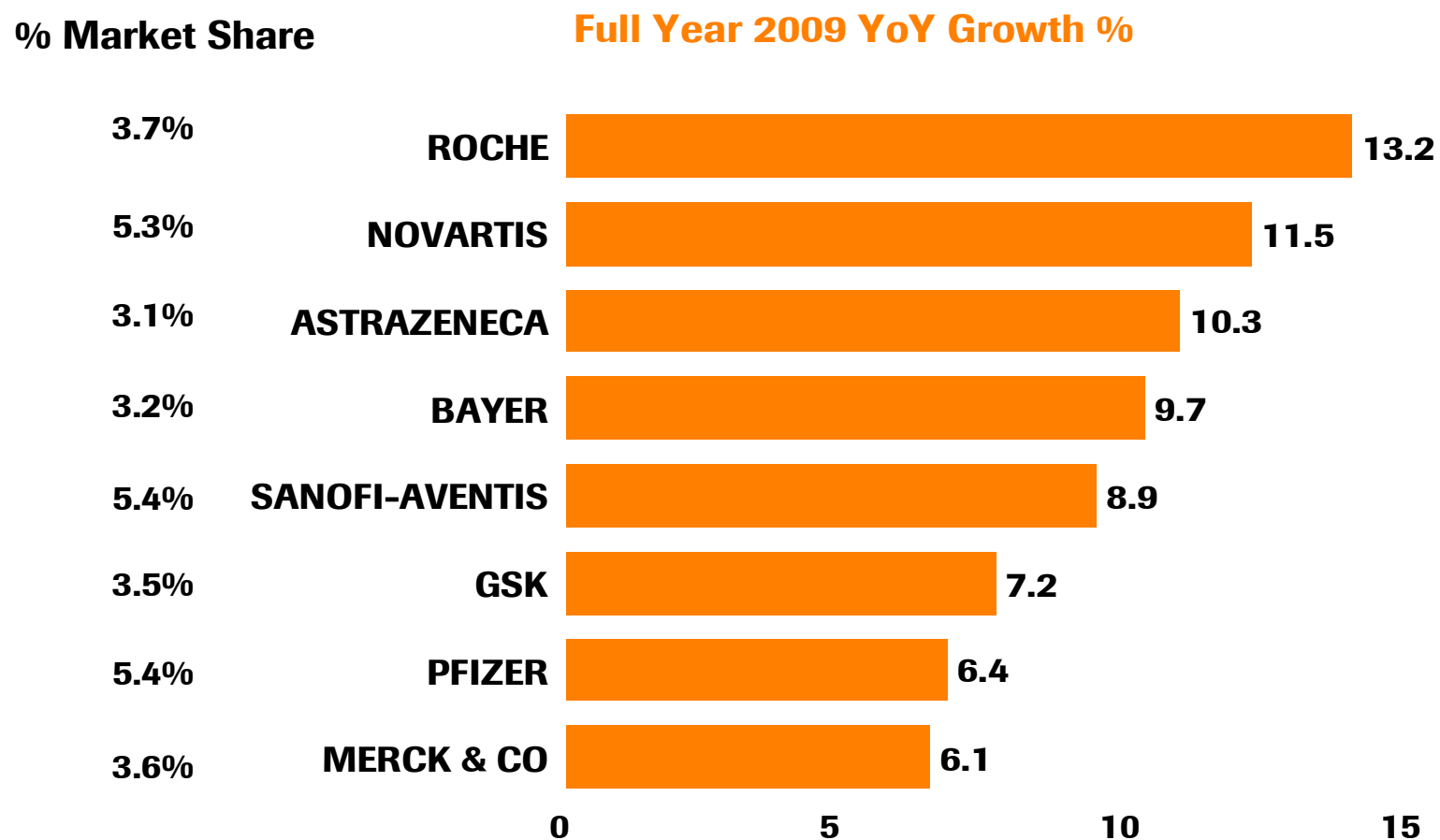
Unless stated otherwise, submissions are planned to occur in US and EU. * Potential registration with Phase 2 study
 Status as of March 15, 2010





Emerging markets also reward innovation

Roche has the leading growth rate in emerging markets

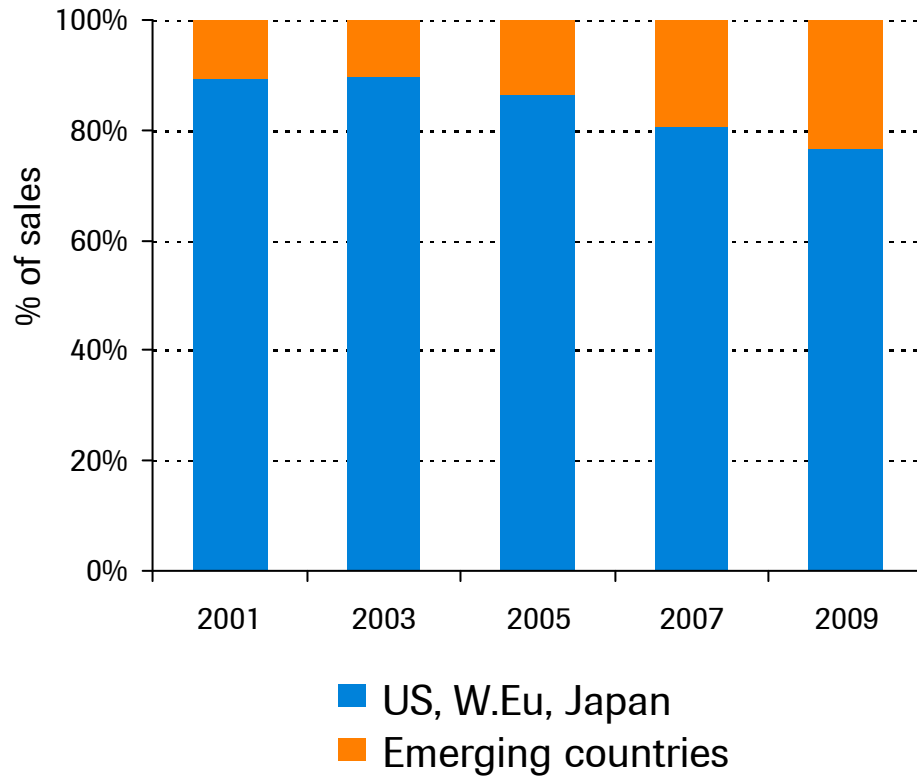


Source: IMS Health MIDAS FY 2009 US\$ LC Roche International Regions: Asia Pac, CEMAI, Lat AM (based on Roche subscription)

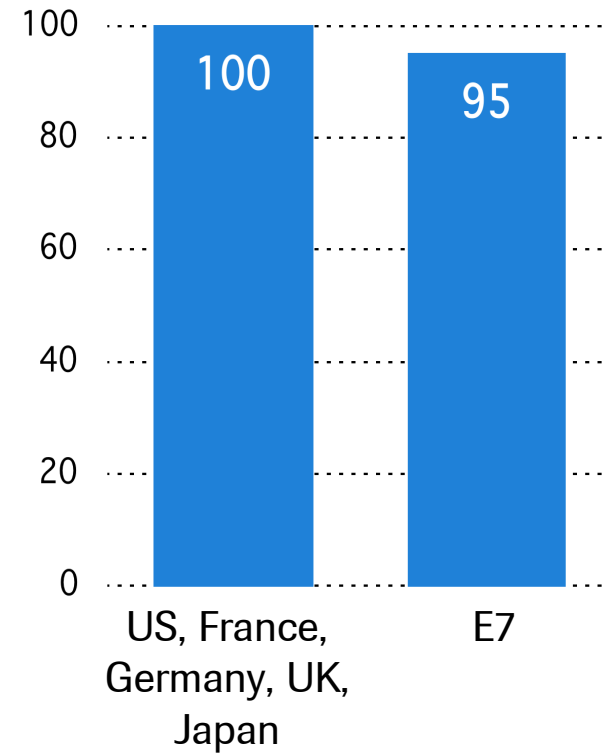
Emerging markets also reward innovation

Increased sales contribution from emerging markets

Herceptin sales



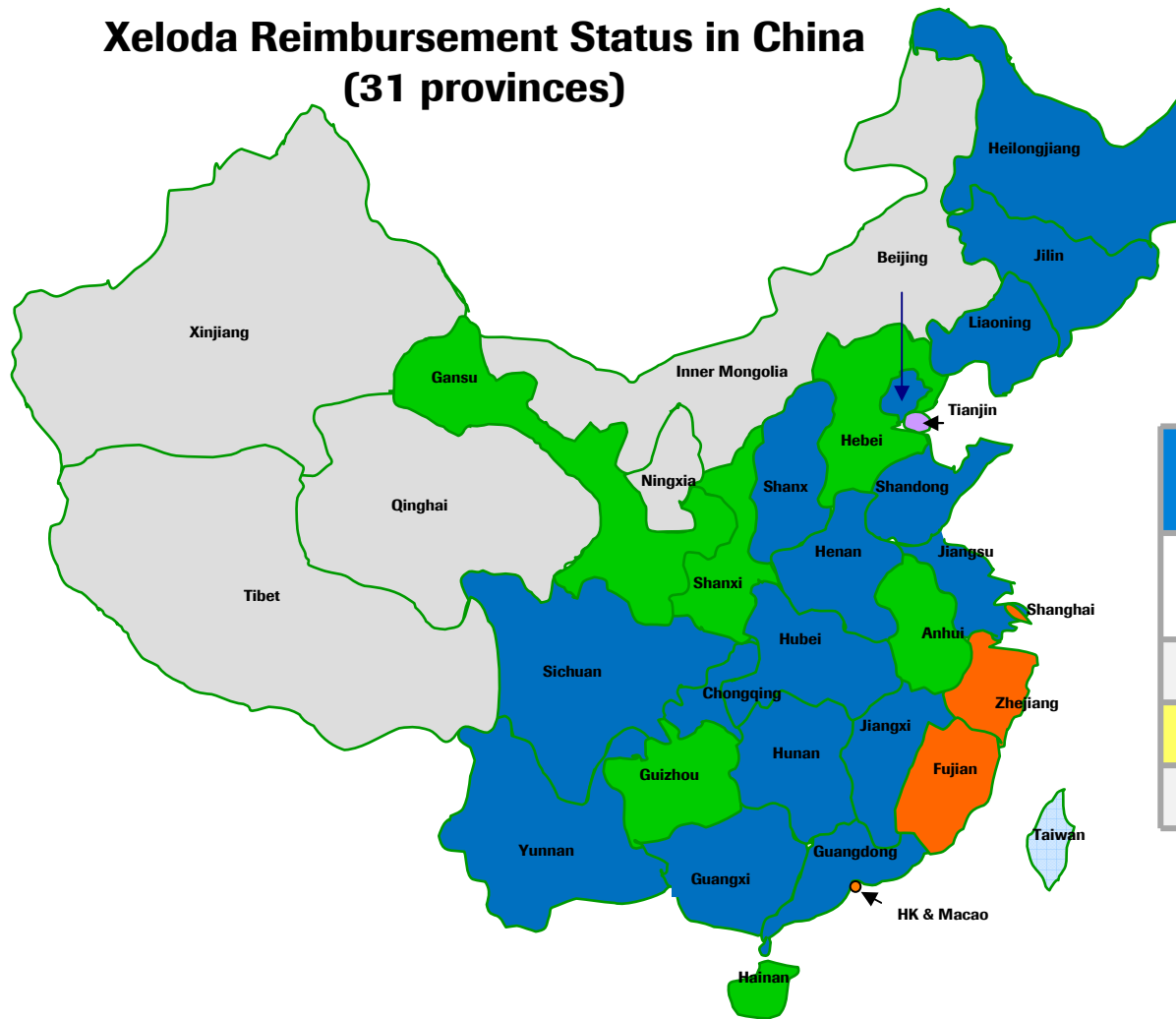
Average Herceptin price (indexed)



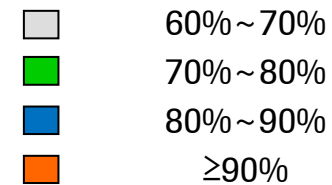
Significant growth potential in emerging markets

Improving formulary access drives adoption

**Xeloda Reimbursement Status in China
(31 provinces)**



Xeloda reimbursement ratio:

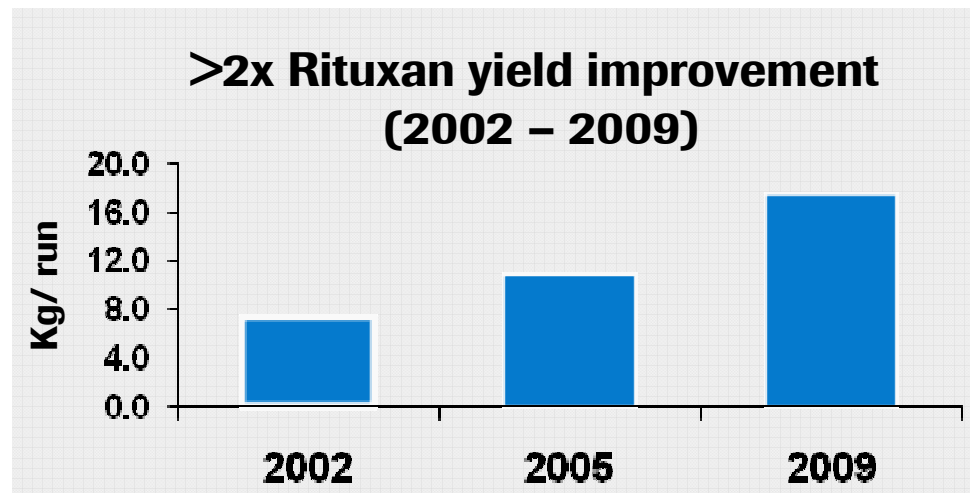
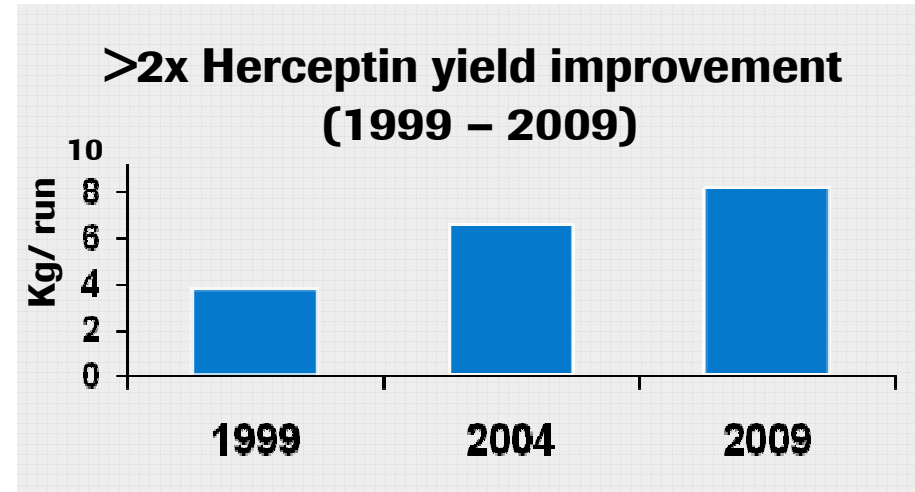
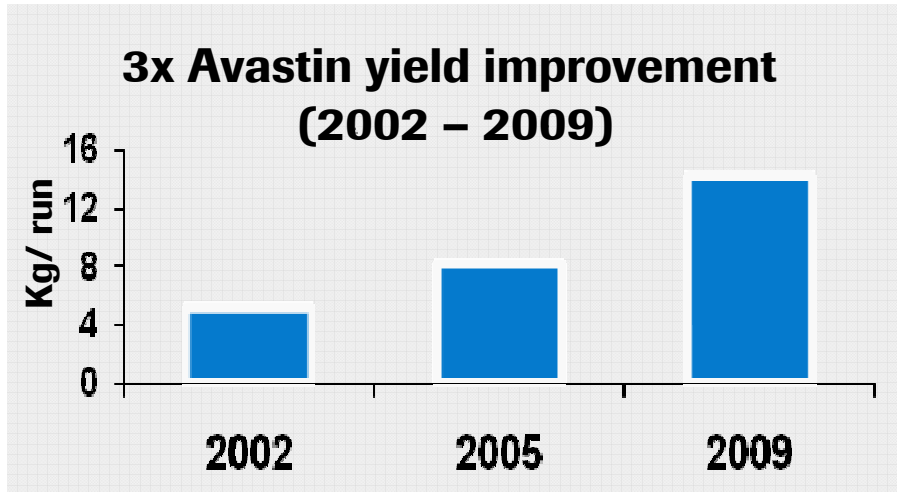


XELODA	2009 sales	Growth vs. '08
Roche Pharma	1184	6.4%
US	473	10.2%
China	99	23.2%
France	47	1.3%

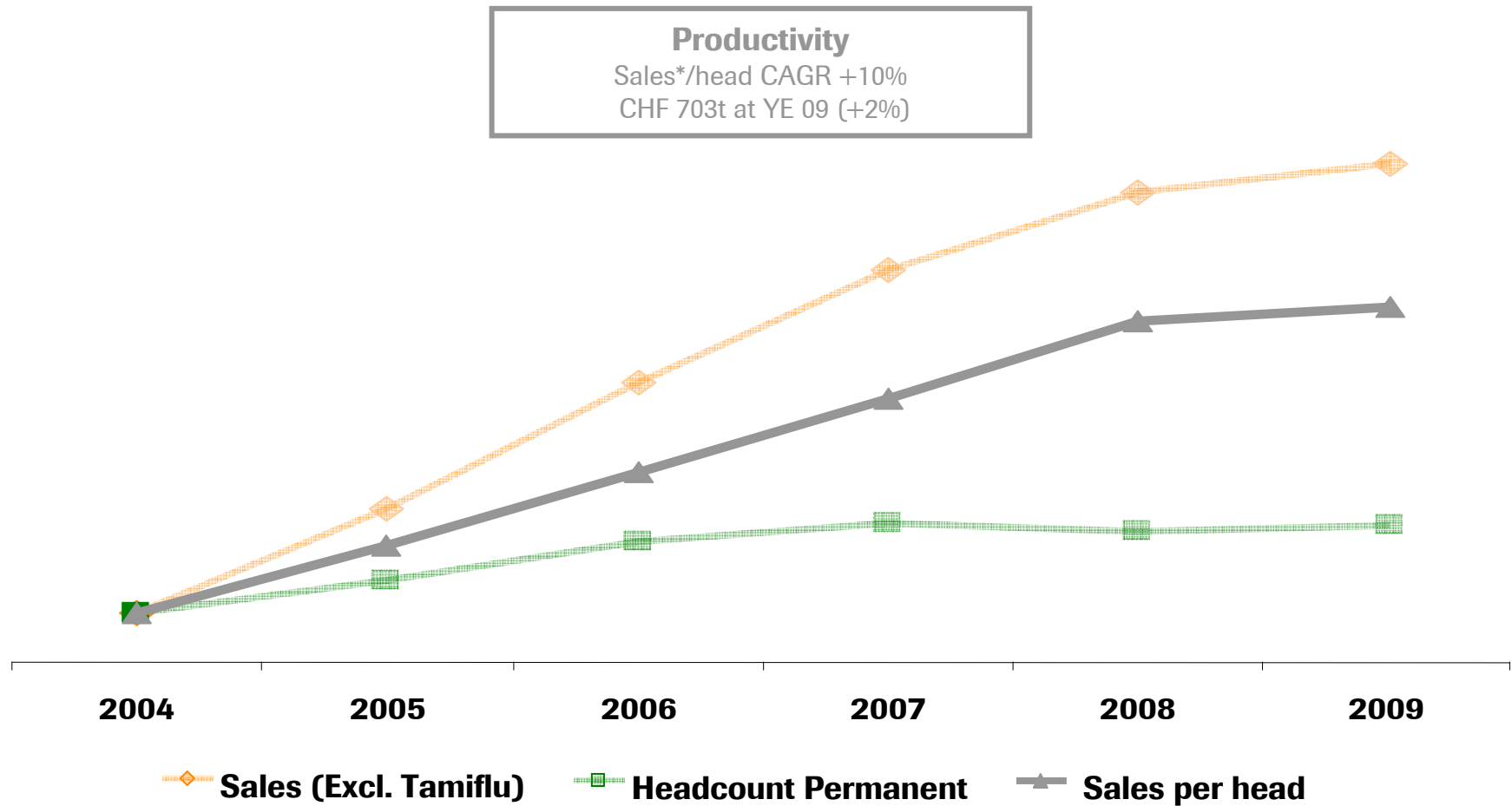
Source: Office of National Social Insurance Centre, Q3 2009



Sustained yield improvements



Improved commercial productivity



* Sales excluding Tamiflu
 CAGR: compound annual growth rate (2004-2009)
 Financial data & growth rates @A08 fx



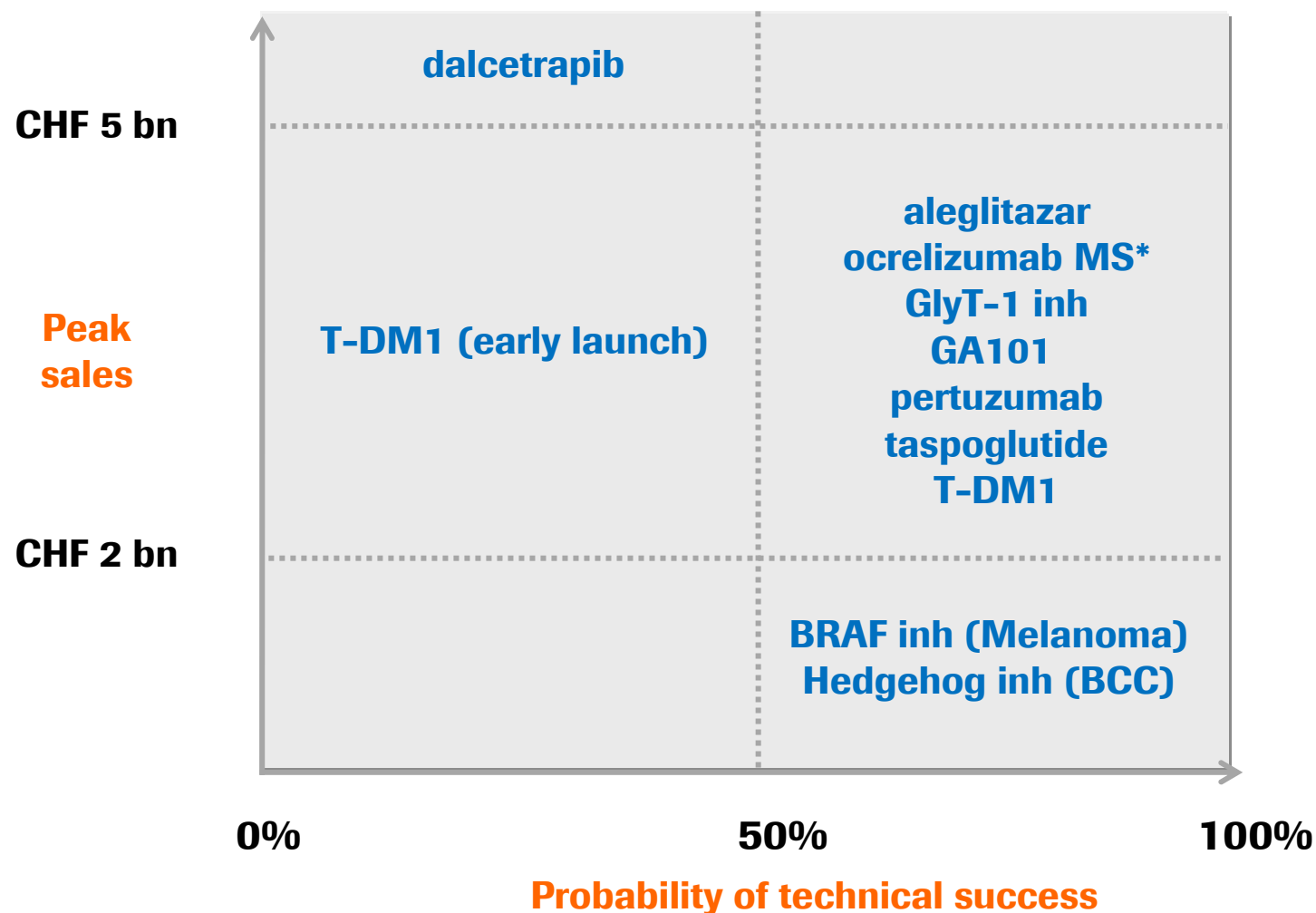
10 NMEs in ongoing or planned late-stage studies

DBA	Molecule	Indication	Status	Innovation
Oncology	pertuzumab	1L HER2+ mBC	Phase III	First in class
	T-DM1	2L HER2+ mBC	Phase III	First in class
	GA101	Front-line CLL	Phase III	Best in class
	BRAF inh	1L malignant melanoma	Phase III	First in class
	Hedgehog Inh	Advanced basal cell carcinoma	Pivotal Phase II	First in class
Metabolism	taspoglutide	Type 2 diabetes	Phase III	Best in class
	dalcetrapib	Dyslipidemia, CV high risk	Phase III	First in class
	aleglitazar	Type 2 diabetes, CV high risk	Phase III	Best in class
CNS	GlyT1 inh	Negative symptoms of schizophrenia	Phase III	First in class
	ocrelizumab	RRMS	Phase II *	Best in class

* Phase III go / no go decision in 2010

Strong late-stage portfolio of NMEs

Limited risk due to rigorous proof of concept studies



* Phase III "go/no go" decision pending



Roche: Uniquely positioned to deliver long-term growth

Combination of biotech portfolio and strong pipeline

Roche Pharmaceuticals sales

Illustrative

