

Basel, 26 June 2012

Roche to streamline research and development activities

Roche site in Nutley (New Jersey, USA) to be closed – respective R&D activities to be consolidated in Switzerland and Germany

- **The planned site consolidation and the streamlining of research activities within Roche's Pharma Research and Early Development unit to support efficient allocation of resources for the Group's expanding product development pipeline.**
- **Closure of US site in Nutley, New Jersey expected to result in a reduction of around 1'000 positions. Respective R&D activities to be consolidated in Basel and Schlieren (Switzerland) and Penzberg (Germany).**
- **Roche Pharma will continue to have a presence on the US East Coast with a Pharmaceuticals Translational Clinical Research Center of about 240 positions.**
- **The Roche Group overall employs 20'800 people in the US and continues to strongly invest in Pharma research & development in the United States through its Genentech organisation, which is based in South San Francisco and not affected by this reorganisation.**
- **Reorganization will enable Roche to keep Group R&D costs stable despite a strong increase in the number of clinical development projects in the last 18 months. The financial outlook for 2012 remains unchanged.**
- **Jean-Jacques Garaud, head of Roche Pharma Research and Early Development and member of the Enlarged Corporate Executive Committee, will leave the company on 30 June 2012. Mike Burgess will become acting head of Roche Pharma Research and Early Development.**

Commenting on the consolidation, Roche CEO Severin Schwan said, “Our R&D programmes were exceptionally successful over the last 18 months, with 24 out of 28 late-stage clinical trials delivering positive results. The overall number of programs in clinical development has grown substantially. The planned consolidation of our research and early development organization and the refocusing of R&D activities in Switzerland and Germany will free up resources that we can invest in these promising clinical programs while also increasing our overall efficiency.” He added, “In its 80-year old history, our Nutley site has made significant contributions to Roche’s success. We will do everything we can to find socially responsible solutions for the employees affected by these changes.”

Consolidation of activities in Roche’s Research and Early Development Division

Roche announced today that it will consolidate activities within its Research and Early Development division. Roche’s site in Nutley, NJ in the United States will be closed and research and development activities will be consolidated at the existing sites in Germany and Switzerland, focusing on oncology, virology, metabolism and neuroscience.

The resulting savings from the global site consolidation and related infrastructure cost, the bundling of support functions as well as shifts in the portfolio will allow Roche to reallocate resources to the growing number of clinical programs. As a result overall R&D expenditures are expected to remain stable.

Roche will publish details of the expected financial impact of the planned measures, in particular one-time costs associated with the closure of the Nutley site, as part of its half-year results announcement on July 26. The financial outlook for 2012 remains unchanged.

Establishment of US East Coast Translational Clinical Research Center

A location is being identified on the East Coast to focus on translational clinical research to support Roche US-based clinical trials and early development programs, support and maintain Roche interactions with the U.S. Food and Drug Administration (FDA), and enhance Roche’s collaborations with US based partners, such as academic institutions and biotech companies. This new center is expected to host around 240 employees.

The Roche Group overall employs 20’800 people in the US and continues to strongly invest in Pharma research & development in the United States through its Genentech organisation, which is based in South San Francisco and not affected by this reorganisation.

Estimated impact on jobs and timetable

As a result of the closure of the Nutley site, Roche expects a reduction of around 1'000 positions on the US East Coast. The transferred activities can be largely absorbed by the existing sites in Switzerland and Germany with an increase of about 80 positions.

Roche is committed to handling the designated job reductions in a respectful manner and to finding socially responsible solutions for the employees affected. This includes informing employees who will be affected as soon as possible and providing appropriate plans and programs to support them during this transition process.

The new US East Coast Translational Research Clinical Center is planned to be operational by early 2013. The transfer of business operations in Nutley is planned to be completed by end of 2013.

Jean-Jacques Garaud to leave Roche Pharma Research and Early Development

Jean-Jacques Garaud, head of Roche Pharma Research and Early Development and member of the Enlarged Corporate Executive Committee, will leave the company effective 30 June 2012. Effective 1 July 2012, Mike Burgess, currently Global Head Oncology and Large Molecule Research, will become acting head of Roche Pharma Research and Early Development and a member of the Enlarged Corporate Executive Committee, reporting to Group CEO Severin Schwan.

With regard to the management change Schwan said, "Jean-Jacques Garaud has played a key role in helping to strengthen Roche's R&D pipeline. We would like to thank him for his valuable contributions to the Group's success."

About Roche

Headquartered in Basel, Switzerland, Roche is a leader in research-focused healthcare with combined strengths in pharmaceuticals and diagnostics. Roche is the world's largest biotech company with truly differentiated medicines in oncology, virology, inflammation, metabolism and CNS. Roche is also the world leader in in-vitro diagnostics, tissue-based cancer diagnostics and a pioneer in diabetes management. Roche's personalized healthcare strategy aims at providing medicines and diagnostic tools that enable tangible improvements in the health, quality of life and survival of patients. In 2011, Roche had over 80,000 employees worldwide and invested over 8 billion Swiss francs in R&D. The Group posted sales of 42.5 billion Swiss francs. Genentech, United

States, is a wholly owned member of the Roche Group. Roche has a majority stake in Chugai Pharmaceutical, Japan. For more information: www.roche.com.

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Roche Group Media Relations

Phone: +41 -61 688 8888 / e-mail: basel.mediaoffice@roche.com

- Alexander Klauser (Head)
- Silvia Dobry
- Daniel Grotzky
- Claudia Schmitt