Roche

2015 results

Basel, 28 January 2016
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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Group

Severin Schwan
Chief Executive Officer
2015 performance

Outlook
# 2015: Targets fully achieved

<table>
<thead>
<tr>
<th>Targets for 2015</th>
<th>FY 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group sales growth</strong>¹</td>
<td>Mid-single digit</td>
</tr>
<tr>
<td></td>
<td>+5%</td>
</tr>
<tr>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Core EPS growth</strong>¹</td>
<td>Ahead of sales growth²</td>
</tr>
<tr>
<td></td>
<td>✓</td>
</tr>
<tr>
<td><strong>Dividend outlook</strong></td>
<td>Further increase dividend in Swiss francs³ (Payout ratio increased to 60% from 56%)</td>
</tr>
</tbody>
</table>

¹ At constant exchange rates (CER); ² Excluding sale of filgrastim rights in 2014; ³ 2015 dividend as proposed by the Board of Directors
2015: Strong sales growth in both divisions

<table>
<thead>
<tr>
<th>Division</th>
<th>2015 CHFbn</th>
<th>2014 CHFbn</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals Division</td>
<td>37.3</td>
<td>36.7</td>
<td>2</td>
</tr>
<tr>
<td>Diagnostics Division</td>
<td>10.8</td>
<td>10.8</td>
<td>0</td>
</tr>
<tr>
<td>Roche Group</td>
<td>48.1</td>
<td>47.5</td>
<td>1</td>
</tr>
</tbody>
</table>

CER=Constant Exchange Rates
**Roche: Significantly advancing patient care**  
**Recognition for innovation 2013-present**

## Breakthrough Therapy Designations

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>#</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Roche</td>
<td>11</td>
</tr>
<tr>
<td>2</td>
<td>BMS</td>
<td>8</td>
</tr>
<tr>
<td>3</td>
<td>Novartis</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Merck</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>Pfizer</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>GSK</td>
<td>5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Molecule</th>
</tr>
</thead>
</table>
| 2016 | **Venetoclax** (AML)  
**Venetoclax + Rituxan** (R/R CLL) |
| 2015 | **Actemra** (Systemic sclerosis)  
**Atezolizumab** (NSCLC)  
**Venetoclax** (R/R CLL 17p del)  
**Emicizumab**/ACE 910 (Hemophilia A) |
| 2014 | **Esbriet** (IPF)  
**Lucentis** (DR)  
**Atezolizumab** (Bladder) |
| 2013 | **Alectinib** (2L ALK+ NSCLC)  
**Gazyva** (1L CLL) |

Source: [http://www.focr.org/breakthrough-therapies](http://www.focr.org/breakthrough-therapies) as at 9 September 2015; CLL=Chronic Lymphocytic Leukemia; NSCLC=Non-Small Cell Lung Cancer; IPF=Idiopathic Pulmonary Fibrosis DR=Diabetic Retinopathy
2015: Strong underlying Core EPS growth

All growth rates at Constant Exchange Rates (CER); * Excluding sale of filgrastim rights in 2014
2016 onwards: Significant launch activities

**NMEs**

- **Venetoclax**
  - R/R CLL including 17p del

- **Cotellic + Zelboraf**
  - BRAFmut melanoma

- **Alecensa**
  - 2L ALK+ lung cancer

- **Atezolizumab**
  - 2L+ lung and bladder cancer

- **Emicizumab (ACE910)**
  - Hemophilia A

- **Lebrikizumab**
  - Severe Asthma

- **Ocrelizumab**
  - RMS/ PPMS

- **Lampalizumab**
  - Geographic atrophy

**line extensions**

- **Gazyva**
  - Refractory iNHL (GADOLIN)

- **Perjeta + Herceptin**
  - eBC HER2+ (APHINITY)

- **Gazyva**
  - 1L aNHL (GOYA)

- **Actemra**
  - Giant cell arteritis

- **Atezolizumab + Avastin + chemo**
  - 1L NSCLC

- **Atezolizumab + Avastin**
  - 1L RCC

- **Gazyva**
  - 1L iNHL (GALLIUM)

Outcome studies are event-driven: timelines may change. Standard approval timelines of 1 year assumed.
## 2016 outlook

<table>
<thead>
<tr>
<th>Category</th>
<th>Outlook</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sales growth(^1)</td>
<td>Low to mid-single digit</td>
</tr>
<tr>
<td>Core EPS growth(^1)</td>
<td>Ahead of sales growth</td>
</tr>
<tr>
<td>Dividend outlook</td>
<td>Further increase dividend in Swiss francs</td>
</tr>
</tbody>
</table>

\(^1\) At Constant Exchange Rates (CER)
Pharmaceuticals Division

Daniel O’Day

COO Roche Pharmaceuticals
2015 results

Innovation

Outlook
### 2015: Pharma sales

**Strong growth driven by all regions**

<table>
<thead>
<tr>
<th>Pharmaceuticals Division</th>
<th>2015 CHFm</th>
<th>2014 CHFm</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>United States</strong></td>
<td>17,616</td>
<td>15,822</td>
<td>11  6</td>
</tr>
<tr>
<td><strong>Europe</strong></td>
<td>8,734</td>
<td>9,422</td>
<td>-7  4</td>
</tr>
<tr>
<td><strong>Japan</strong></td>
<td>3,224</td>
<td>3,301</td>
<td>-2  6</td>
</tr>
<tr>
<td><strong>International</strong></td>
<td>7,757</td>
<td>8,151</td>
<td>-5  5</td>
</tr>
</tbody>
</table>

CER=Constant Exchange Rates
2015: Strong performance from oncology and immunology franchises

- Herceptin: +10%
- Avastin: +9%
- Perjeta: +61%
- Esbriet: n.m.
- MabThera/Rituxan: +5%
- Actemra/RoActemra: +23%
- Kadcyla: +51%
- Xolair: +25%
- Xeloda: -31%
- Lucentis: -15%
- Tamiflu: -28%
- Valcyte/Cymevene: -45%
- Pegasys: -44%

Absolute amounts and growth rates at Constant Exchange Rates (CER)
2015: Oncology with +8% growth

YoY CER growth

- **HER2**:
  - Herceptin
  - Perjeta
  - Kadcyla
  - +19%

- **Avastin**: +9%

- **MabThera/Rituxan (Oncology)**: +4%

- **Tarceva**: -7%

- **Xeloda**: -31%

- **Zelboraf**: -21%

**CHFbn**

- **CHFbn**: 0 2 4 6 8 10

- **CER=Constant Exchange Rates; 2015 Oncology sales: CHF 23.7bn; CER growth +8%**

- **In-class competition**
  - EU: Avastin + Tarceva filed in 1L EGFR+ NSCLC

- **Loss of exclusivity**

- **Competitive pressure in US and EU**
  - Cotellic + Zelboraf approved in Q4

- **US: Growth in iNHL maintenance**

- **International: Strong growth in all regions**

- **Growth driven mainly by cervical and ovarian**

- **Strong uptake of Perjeta and Kadcyla**

- **Growth of Herceptin due to longer treatment**
Immunology: Continued strong performance

**Immunology Q4 2015**

**Xolair (+22%)**
- Allergic asthma and strong growth in chronic idiopathic urticaria

**Actemra (+25%)**
- SC formulation driving growth
- Increasing 1L monotherapy leadership focusing on MTX intolerant patients

**MabThera/Rituxan (+14%)**
- Continues to grow in rheumatoid arthritis and vasculitis (GPA and MPA)

CER=Constant Exchange Rates; MTX=methotrexate; GPA=granulomatosis with polyangiitis; MPA=microscopic polyangiitis
Esbriet: Market leadership in IPF established

**US**
- Strong underlying growth
- Around 100,000 IPF patients in the US with high unmet need

**EU**
- Increasing differentiation due to strengthened label including the pooled 1 Yr mortality data

**Outlook 2016**
- Continued growth due to increased penetration and longer treatment
2015 results

Innovation

Outlook
# 2015: Key late-stage news flow

<table>
<thead>
<tr>
<th>Compound</th>
<th>Indication</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Regulatory</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avastin</td>
<td>Cervical cancer</td>
<td>EU approval</td>
</tr>
<tr>
<td>Lucentis</td>
<td>Diabetic retinopathy</td>
<td>US approval</td>
</tr>
<tr>
<td>Alecensa</td>
<td>2L ALK+ NSCLC</td>
<td>US/EU filing/approval</td>
</tr>
<tr>
<td>Cotellic + Zelboraf</td>
<td>1L Melanoma</td>
<td>US/EU approval</td>
</tr>
<tr>
<td>Gazyva</td>
<td>MabThera/Rituxan-refractory iNHL</td>
<td>Ph III GADOLIN</td>
</tr>
<tr>
<td>Gazyva</td>
<td>Front-line aNHL</td>
<td>Ph III GOYA (interim)</td>
</tr>
<tr>
<td>ocrelizumab</td>
<td>Relapsing forms of MS (RMS)</td>
<td>Ph III OPERA I/II</td>
</tr>
<tr>
<td>ocrelizumab</td>
<td>Primary progressive MS (PPMS)</td>
<td>Ph III ORATORIO</td>
</tr>
<tr>
<td>Perjeta</td>
<td>2L HER2+ mBC</td>
<td>Ph III PHEREXA</td>
</tr>
<tr>
<td>Kadcyla</td>
<td>2L HER2+ gastric cancer</td>
<td>Ph II/III GATSBY</td>
</tr>
<tr>
<td><strong>Phase III starts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>atezolizumab**</td>
<td>2/3L Bladder cancer</td>
<td>Ph III</td>
</tr>
<tr>
<td>atezolizumab**</td>
<td>1L TNBC</td>
<td>Ph III</td>
</tr>
<tr>
<td>atezolizumab**</td>
<td>1L RCC</td>
<td>Ph III</td>
</tr>
<tr>
<td>atezolizumab**</td>
<td>Adjuvant bladder</td>
<td>Ph III</td>
</tr>
<tr>
<td>etrolizumab</td>
<td>Crohn’s disease</td>
<td>Ph III</td>
</tr>
<tr>
<td>emicizumab (ACE910)</td>
<td>Hemophilia A</td>
<td>Ph III</td>
</tr>
<tr>
<td>taselisib (PI3K inhib)</td>
<td>HR+/PI3Kmut BC</td>
<td>Ph III SANDPIPER</td>
</tr>
<tr>
<td><strong>Phase II readouts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>atezolizumab</td>
<td>2/3L NSCLC</td>
<td>Ph II FIR, POPLAR, BIRCH</td>
</tr>
<tr>
<td>atezolizumab</td>
<td>Bladder cancer</td>
<td>Ph II</td>
</tr>
<tr>
<td>ipatasertib (AKT inhib)</td>
<td>Gastric/prostate cancers</td>
<td>Ph II MARTIN, JAGUAR</td>
</tr>
</tbody>
</table>

* Outcome studies are event driven, timelines may change; ** For atezolizumab (aPDL1) only P3 trials in new indications are listed (1L NSCLC starts not shown)
Unlocking the full value of cancer immunotherapy

Nine in-house immunotherapy NMEs in the clinic

Chen and Mellman. Immunity 2013

NME=new molecular entity; CIT=cancer immunotherapy; FP=fusion protein; TCB=T-cell bispecific

Clinical development
Preclinical development
Established therapies
* Partnered or external
✓ In-house immunotherapy NMEs

Clinical development
Preclinical development
Established therapies
* Partnered or external
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Clinical development
Preclinical development
Established therapies
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Clinical development
Preclinical development
Established therapies
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Clinical development
Preclinical development
Established therapies
* Partnered or external
✓ In-house immunotherapy NMEs

Clinical development
Preclinical development
Established therapies
* Partnered or external
✓ In-house immunotherapy NMEs
Combination trials as of beginning 2015…

Launched/late-stage portfolio

Immunotherapy portfolio

Targeted combinations approved
Chemotherapy combinations approved
Roche combinations in trials
Chemotherapy combinations in trials
NMEs late stage
NMEs early stage
...and combination trials as of today

Launched/late-stage portfolio

Immunotherapy portfolio

Targeted combinations approved
Chemotherapy combinations approved
Roche combinations in trials
Chemotherapy combinations in trials
Roche NMEs approval expected in 2016
Roche NMEs early stage
Approved non-Roche drugs
Ocrelizumab in multiple sclerosis
First drug active in both RMS and PPMS

- First and only investigational medicine to suppress disease progression in both RMS and PPMS
- Results confirm B cells play a central role in MS
- US/EU filing for RMS and PPMS on track for H1 2016

RMS=relapsing forms of multiple sclerosis (MS) which includes patients with RRMS and SPMS with superimposed relapses; RRMS=relapsing-remitting MS; SPMS=secondary progressive MS; PPMS=primary progressive MS
Emicizumab (ACE910) in hemophilia A

First-patient-in achieved in inhibitor study

- First-patient-in in the inhibitor phase III study achieved
- Inhibitor non-interventional study has recruited >90 patients and will be expanded to non-inhibitors
- Non-inhibitor and pediatrics studies expected to start in 2016
- New data at ASH 2015: Patient underwent surgery without need for any Factor VIII replacement therapy

QW=weekly dosing; Q2W= dosing every 2 weeks; Q4W=monthly dosing; PK=pharmacokinetic study; OLE=open label extension
Strengthening Pharma through collaborations
Data analysis driving innovation and efficiencies

Access meaningful data
Create insights
Realise value

Diagnostic Data
Clinical Trial Data
Real World Data

Advanced analytics of integrated data

Smarter, more efficient R&D
Improved access & personalised patient care
2015 results

Innovation

Outlook
2016 onwards: Significant launch activities

NMEs

2016
- Venetoclax
  R/R CLL including 17p del
- Cotellic + Zelboraf
  BRAFmut melanoma
- Alecensa
  2L ALK+ lung cancer
- Atezolizumab
  2L+ lung and bladder cancer
- Gazyva
  Refractory iNHL (GADOLIN)

2017
- Emicizumab (ACE910)
  Hemophilia A
- Lebrikizumab
  Severe Asthma
- Ocrelizumab
  RMS/ PPMS
- Perjeta + Herceptin
  eBC HER2+ (APHINITY)
- Gazyva
  1L aNHL (GOYA)
- Actemra
  Giant cell arteritis

2018
- Lampalizumab
  Geographic atrophy
- Atezolizumab + avastin
  TNBC
- Atezolizumab + Avastin + chemo
  1L NSCLC
- Atezolizumab + Avastin
  1L RCC
- Gazyva
  1L iNHL (GALLIUM)

Outcome studies are event-driven: timelines may change. Standard approval timelines of 1 year assumed.
### 2016: Key late-stage news flow

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<td>Gazyva</td>
<td>MabThera/Rituxan-refractory iNHL</td>
<td>US/EU approval</td>
</tr>
<tr>
<td>venetoclax</td>
<td>R/R CLL</td>
<td>US approval</td>
</tr>
<tr>
<td>ocrelizumab</td>
<td>RMS/PPMS</td>
<td>US/EU filing</td>
</tr>
<tr>
<td>atezolizumab</td>
<td>Bladder cancer</td>
<td>US approval</td>
</tr>
<tr>
<td>atezolizumab</td>
<td>2/3L NSCLC</td>
<td>US approval</td>
</tr>
<tr>
<td>Alecensa</td>
<td>2L ALK+ NSCLC</td>
<td>EU approval</td>
</tr>
<tr>
<td><strong>Phase III readouts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lebrikizumab</td>
<td>Severe asthma</td>
<td>Ph III LAVOLTA I/II</td>
</tr>
<tr>
<td>atezolizumab</td>
<td>2/3L NSCLC</td>
<td>Ph III OAK</td>
</tr>
<tr>
<td>Gazyva</td>
<td>Front-line aNHL</td>
<td>Ph III GOYA</td>
</tr>
<tr>
<td>Perjeta + Herceptin</td>
<td>Adjuvant HER2+ BC</td>
<td>Ph III APHINITY</td>
</tr>
<tr>
<td>Actemra</td>
<td>Giant cell arthritis</td>
<td>Ph III GiACTA</td>
</tr>
<tr>
<td>Alecensa</td>
<td>1L ALK+ NSCLC</td>
<td>Ph III ALEX</td>
</tr>
<tr>
<td><strong>Phase II readouts</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>lebrikizumab</td>
<td>Atopic dermatitis</td>
<td>Ph II TREBLE, ARBAN</td>
</tr>
<tr>
<td>atezolizumab</td>
<td>Bladder cancer</td>
<td>Ph II IMvigor 210 (1L cohort)</td>
</tr>
<tr>
<td>atezolizumab + Avastin</td>
<td>1L Renal cancer</td>
<td>Ph II Immotion 150</td>
</tr>
<tr>
<td>venetoclax</td>
<td>R/R FL (iNHL)</td>
<td>Ph II CAVALLI</td>
</tr>
<tr>
<td>venetoclax</td>
<td>1L aNHL</td>
<td>Ph II CONTRALTO</td>
</tr>
</tbody>
</table>

*Outcome studies are event driven, timelines may change*
Diagnostics Division

Roland Diggelmann
COO Roche Diagnostics
## 2015: Diagnostics sales

*Strong sales performance*

<table>
<thead>
<tr>
<th>Diagnostics Division</th>
<th>2015 CHFm</th>
<th>2014 CHFm</th>
<th>Change in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diagnostics Division</td>
<td>10,814</td>
<td>10,766</td>
<td>0</td>
</tr>
<tr>
<td>Professional Diagnostics</td>
<td>6,175</td>
<td>6,045</td>
<td>2</td>
</tr>
<tr>
<td>Diabetes Care</td>
<td>2,128</td>
<td>2,392</td>
<td>-11</td>
</tr>
<tr>
<td>Molecular Diagnostics</td>
<td>1,719</td>
<td>1,613</td>
<td>7</td>
</tr>
<tr>
<td>Tissue Diagnostics</td>
<td>792</td>
<td>716</td>
<td>11</td>
</tr>
</tbody>
</table>

CER=Constant Exchange Rates; Underlying growth of Molecular Diagnostics excluding Sequencing business: +7%
Roche outgrowing the market in a challenging environment

Quarterly growth (%)

FY 2015: 6%

- Worldwide IVD market leader
- Strong commercial presence
- Broadest test menu

Sources: 3rd party IVD consultancy, Analyst reports, Roche Analysis; *Q4 2015 market growth is an estimate
2015: Diagnostics regional sales

Growth driven by APAC and EMEA

North America
+3%
26% of divisional sales

Latin America
+11%
7% of divisional sales

EMEA\(^1\)
+4%
42% of divisional sales

Japan
0%
4% of divisional sales

Asia Pacific
+15%
21% of divisional sales

14% growth in E7 countries\(^2\)

\(^1\)Europe, Middle East and Africa; \(^2\)Brazil, China, India, Mexico, Russia, South Korea, Turkey
All growth rates at Constant Exchange Rates
Immunodiagnostics: 15 years of consecutive double digit growth

Continuous extension
- 100+ assays
- Largest installed instrument base
- Mfc capacity expansion in 2015

Outlook
- Launch of cobas e801 instrument: Double throughput with same footprint
- New reagent plant in China

All growth at CER=Constant Exchange Rates
Elecsys Troponin T high sensitive (TnT-hs)
Safe and effective AMI* rule-in and rule-out in 1 hour**

Reduces diagnosis time to 1h in 76-78% of acute chest pain patients

Conventional assays 6 hours
High sensitive assays 3 hours
TnT-hs One-hour algorithm 1 hour

Enables faster treatment decisions and reduced ER waiting times

* AMI: acute myocardial infarction; ** 1 hour refers to time for analysis between two samples
Molecular Diagnostics: cobas 6800/8800

US launch of instruments and viral load tests*

- Fully automated PCR systems
- Highest throughput (3x above closest competitor)
- Highest walk-away time to increase lab efficiency

**Blood Screening**
- MPX (HIV, HCV, HBV)
- West Nile Virus
- DPX (B19 & HAV)
- Hepatitis E

**Virology**
- HIV-1
- Hepatitis B
- Hepatitis C
- CMV

**Menu Expansion**
- HPV
- CT/NG
- HIV 1/2 Qualitative
- MTB/MAI & RIF/INH

* US approved tests for cobas 6800/8800: HBV, HCV and HIV-1
Tissue Diagnostics: Launch of VENTANA HE 600

Potential to change standard of care in H&E*

staining

• Latest platform with individual slide staining technology, avoids sample cross contamination

• Platform features:
  – Highest result quality and reproducibility
  – Highest test capacity and most efficient workflow
  – Easy and safe to operate

* hematoxylin and eosin tissue staining
Diabetes Care: Challenging US market

Launch of innovative products in 2016

Challenges in 2015:
• US: Spillover effect of Medicare prices to private sector

Opportunities in 2016:
• Product launches
  – Accu-Chek Guide: New blood glucose monitoring device with universal test strip for improved accuracy
  – Accu-Chek Insight CGM*: New sensor technology
• Growth prospect
  – Insulin Delivery Systems: Sustaining current growth momentum

* CGM: Continuous glucose monitoring
## Key launches 2016

<table>
<thead>
<tr>
<th>Area</th>
<th>Product</th>
<th>Market</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Instruments / Devices</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Central Laboratory</strong></td>
<td>cobas 8000 &lt;e 801&gt; - high throughput immunochemistry analyzer</td>
<td>EU</td>
</tr>
<tr>
<td></td>
<td>cobas c 513 - high throughput dedicated HbA1c analyzer</td>
<td>US</td>
</tr>
<tr>
<td><strong>Point of Care</strong></td>
<td>CoaguChek INRange (Zenith) – modified analyzer for intuitive self testing with full blue tooth connectivity</td>
<td>EU</td>
</tr>
<tr>
<td><strong>Sequencing</strong></td>
<td>Roche SMRT Sequencer – single molecule sequencer for clinical research (in collaboration with Pacific Biosciences)</td>
<td>WW</td>
</tr>
<tr>
<td><strong>Diabetes Care</strong></td>
<td>Accu-Chek Guide – next-generation blood glucose monitoring system</td>
<td>EU</td>
</tr>
<tr>
<td></td>
<td>Accu-Chek Insight CGM - new high-performance continuous glucose monitoring system</td>
<td>EU</td>
</tr>
<tr>
<td><strong>Tests / Assays</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Virology</strong></td>
<td>cobas 6800/8800 HIV Qual – early Infant Diagnosis and Confirmatory HIV Test</td>
<td>EU</td>
</tr>
<tr>
<td><strong>HPV / Microbiology</strong></td>
<td>cobas 6800/8800 CT/NG – fully automated solution for screening and diagnosis of <em>Chlamydia trachomatis</em> and <em>Neisseria gonorrhoeae</em> in symptomatic &amp; asymptomatic patients</td>
<td>EU</td>
</tr>
<tr>
<td><strong>Point of Care</strong></td>
<td>cobas Liat Influenza A/B plus RSV (CLIA) – automated multiplex real time RT-PCR assay for qualitative detection and discrimination of Influenza A virus, Influenza B virus and respiratory syncytial virus (RSV)</td>
<td>US</td>
</tr>
<tr>
<td><strong>Sequencing</strong></td>
<td>ctDNA oncology panels – liquid biopsy for circulating tumor DNA for cancer therapy selection</td>
<td>US</td>
</tr>
<tr>
<td><strong>Companion Diagnostics</strong></td>
<td>PD-L1 (SP142) for Bladder Cancer* – companion diagnostic for atezolizumab</td>
<td>US</td>
</tr>
<tr>
<td></td>
<td>PD-L1 (SP142) for NSCLC* – companion diagnostic for atezolizumab</td>
<td>US</td>
</tr>
</tbody>
</table>

* achieve commercial readiness, dependent on Pharma label and approval
Finance

Alan Hippe
Chief Financial Officer
2015: Highlights

Business

• Strong sales growth of +5%\(^1\) and Core EPS growth +7%\(^1\) excluding filgrastim\(^2\)
• Core operating profit up +5%\(^1\), excluding filgrastim\(^2\) +7%\(^1\)
• Dividend in Swiss franc and payout ratio further increased

Cash flow

• Cash generation remains strong (Op. FCF of CHF 14.9bn) despite expanding manufacturing network and investments in intangible assets
• Accounts receivable in Southern Europe further decreased

Debt restructuring

• Attractive financing conditions in capital markets used for major debt restructuring
  – Total major restructuring of USD 0.9bn and EUR 0.4bn in 2015
• Lower interest expenses of CHF 61m despite average gross debt of CHF 24bn in 2015 vs. CHF 21bn in 2014

\(^1\) At Constant Exchange Rates (CER); \(^2\) Excluding sale of filgrastim rights in 2014
### 2015: Group performance

**Core EPS growth +4%, +7% excluding filgrastim**

<table>
<thead>
<tr>
<th></th>
<th>2015 CHFm</th>
<th>2014 CHFm</th>
<th>Change in %</th>
<th>Excl. filgrastim*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>48,145</td>
<td>47,462</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Core operating profit as % of sales</td>
<td>17,542</td>
<td>17,636</td>
<td>-1</td>
<td>5</td>
</tr>
<tr>
<td>Core net income as % of sales</td>
<td>11,837</td>
<td>12,533</td>
<td>-6</td>
<td>1</td>
</tr>
<tr>
<td>Core EPS (CHF)</td>
<td>13.49</td>
<td>14.29</td>
<td>-6</td>
<td>4</td>
</tr>
<tr>
<td>IFRS net income</td>
<td>9,056</td>
<td>9,535</td>
<td>-5</td>
<td>4</td>
</tr>
<tr>
<td>Operating free cash flow as % of sales</td>
<td>14,872</td>
<td>15,778</td>
<td>-6</td>
<td>-7</td>
</tr>
<tr>
<td>Free cash flow as % of sales</td>
<td>3,352</td>
<td>5,322</td>
<td>-37</td>
<td>-41</td>
</tr>
</tbody>
</table>

CER=Constant Exchange Rates; * Excluding sale of filgrastim rights in 2014
2015: Strong Core operating profit and margin

Roche Group Pharma Division Diagnostics Division

2013 | 2014 | 2015
---|---|---
38.3% | 37.2% | 36.4%
44.4% | 43.6% | 43.0%
20.8% | 19.5% | 18.0%

CHFm

- 38.3% (37.2%) - 0.2%p\(^1\) (-0.8%p)
- 44.4% (43.6%) +0.2%p\(^1\) (-0.6%p)
- 20.8% (19.5%) +0.2%p\(^1\) (-0.6%p)

\(^1\) At CER=Constant Exchange Rates; \(^2\) Excluding sale of filgrastim rights in 2014
### Balance sheet 31 December 2015

<table>
<thead>
<tr>
<th>CHFbn</th>
<th>31/12/14</th>
<th>31/12/15</th>
<th>% change in CER vs 31/12/14</th>
<th>31/12/14</th>
<th>31/12/15</th>
<th>% change in CER vs 31/12/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and marketable securities</strong></td>
<td>11.7</td>
<td>9.2</td>
<td>-15%</td>
<td>23.1</td>
<td>23.8</td>
<td>+6%</td>
</tr>
<tr>
<td><strong>Other current assets</strong></td>
<td>19.4</td>
<td>19.0</td>
<td>+4%</td>
<td>30.8</td>
<td>28.7</td>
<td>-4%</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>44.4</td>
<td>47.6</td>
<td>+10%</td>
<td>21.6</td>
<td>23.3</td>
<td>+14%</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>75.5</td>
<td>75.8</td>
<td>+4%</td>
<td>75.5</td>
<td>75.8</td>
<td>+4%</td>
</tr>
</tbody>
</table>

**Net debt/total assets:** 19%

CER = Constant Exchange Rates
2015: Operating free cash flow and margin

- Capex driven by expanding manufacturing network
- Investments in intangible assets

1 At CER=Constant Exchange Rates
Exchange rate impact on sales growth

Negative impact from EUR, LATAM and Europe more than offsetting positive impact of USD

CER = Constant Exchange Rates (avg full year 2014)
## Currency impact in 2015/2016

### CHF / USD

<table>
<thead>
<tr>
<th>Monthly avg fx rates 2015</th>
<th>Fx rates at 31 Dec 2015</th>
<th>Average YTD 2014</th>
<th>Average YTD 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
</tr>
<tr>
<td>0.95</td>
<td>0.93</td>
<td>0.98</td>
<td>0.96</td>
</tr>
</tbody>
</table>

### CHF / EUR

<table>
<thead>
<tr>
<th>Monthly avg fx rates 2015</th>
<th>Fx rates at 31 Dec 2015</th>
<th>Average YTD 2014</th>
<th>Average YTD 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
</tr>
<tr>
<td>1.10</td>
<td>1.06</td>
<td>1.06</td>
<td>1.04</td>
</tr>
</tbody>
</table>

### In 2015 impact

<table>
<thead>
<tr>
<th>Q1</th>
<th>HY</th>
<th>Sep</th>
<th>YTD</th>
<th>FY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>-2</td>
<td>-3</td>
<td>-4</td>
<td>-4</td>
</tr>
<tr>
<td>Core operating profit</td>
<td>-4</td>
<td>-6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Core EPS</td>
<td>-7</td>
<td>-10</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### In 2016 currency impact expected is (based on 31 Dec 2015 FX rates):

- No FX impact on sales
- -2%p on Core OP and up to -5%p on Core EPS

---

1 On Group growth rates
2016 outlook

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group sales growth¹</td>
<td>Low to mid-single digit</td>
</tr>
<tr>
<td>Core EPS growth¹</td>
<td>Ahead of sales growth</td>
</tr>
<tr>
<td>Dividend outlook</td>
<td>Further increase dividend in Swiss francs</td>
</tr>
</tbody>
</table>

¹ At Constant Exchange Rates (CER)
Doing now what patients need next