Annual General Meeting of Roche Holding Ltd

2 March 2010

Address by Franz B. Humer
Chairman of the Board of Directors

(Check against delivery.)

Ladies and Gentlemen, Fellow Roche Shareholders

Despite the continuing financial and economic downturn, 2009 was a very successful year for Roche. Not only did your company maintain the healthy growth of previous years, but both divisions – Pharmaceuticals and Diagnostics – reinforced their strong market positions.

We reported in detail on Roche's full-year results at our annual media conference on 3 February.

Following my remarks, Severin Schwan will recap the main achievements of 2009, including the successful completion of the Genentech integration, and discuss the outlook for the current year.

I therefore intend to speak only briefly about 2009, before turning to some of the matters that you will be voting on today.

2009 – A very successful year for Roche

Strong operating performance	• Record sales; above-market sales growth in both divisions • Solid double-digit increase in Core Earnings per Share[1]
Product highlights	• Actemra/RoActemra successfully launched for rheumatoid arthritis • Strong demand for cancer medicines and Tamiflu (for influenza)
A promising future	• Genentech integration complete • Very good progress with compounds in late-stage development

[1] In local currencies

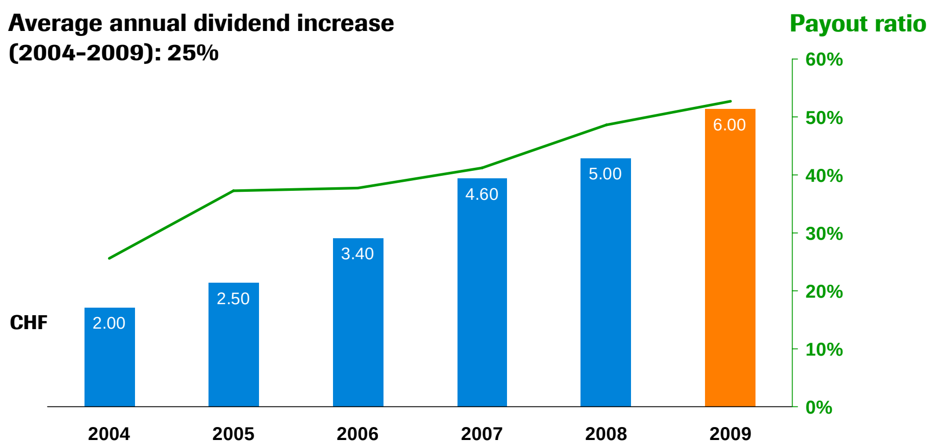
- At 49 billion Swiss francs, sales reached a new all-time high; both our divisions gained market share.
- The Group's strong operating performance is clearly reflected in the increase in Core Earnings per Share, which advanced 20% for the year.
- The launch of Actemra/RoActemra for rheumatoid arthritis got off to a very good start, and in January we received approval to market the product in the US.

- Thanks to continued strong demand for our cancer medicines, we reinforced our leading position in the key oncology market. Other highlights included a sharp increase in Tamiflu sales following the outbreak of swine flu.
- We also made excellent progress in advancing our research and development projects. Today Roche is the world's biggest biotech company, with one of the richest R&D pipelines in the industry.
- Strategically speaking, the Genentech merger was of course by far the most significant event in 2009; this is the biggest transaction in the Group's history.

In summary: In 2009 we achieved our strategic objectives, posted strong business results and made excellent progress in R&D.

I would now like to speak about two matters that you will be asked to vote on at today's meeting.

A steadily rising payout ratio



Roche has increased its annual dividend each year for the last 22 years. As already announced, the Board of Directors is proposing that the dividend for 2009 be increased to 6 Swiss francs per share and non-voting equity security – a 20% increase over the 5 Swiss franc dividend for 2008 and the 23rd dividend increase in as many years. The vote on this proposal is item 3 on today's agenda. Subject to your approval, this will increase Roche's payout ratio once again, with the result that over half of net income will be distributed to our stockholders as dividends.

Separate vote on Remuneration Report
Pages 75-85 of the Annual Report

- The Remuneration Report provides detailed information on the remuneration of Roche Directors and members of the Corporate Executive Committee
- The Board's Remuneration Committee determines base salaries, bonuses, option awards and other equity-based remuneration in accordance with well-defined performance criteria

Key remuneration principles:

- **Focus on value creation**
- **Pay for performance**
- **Enabling employees to share in the company's success**
- **Fairness and transparency in remuneration decisions**
- **Balanced mix of long- and short-term remuneration components**
- **Market-competitiveness**

As was the case last year, there will be a separate shareholder advisory vote today on Roche's Remuneration Report. You will be casting your votes on the Remuneration Report as a whole (pages 75 to 85 of the Annual Report), not on the remuneration paid to individual executives or directors.

Allow me to touch on a few key features of our remuneration policy and practices. The remuneration of Roche's Corporate Executive Committee (CEC) members and other senior managers is based entirely on well-defined performance criteria and is determined by the Board of Directors Remuneration Committee. This committee is composed exclusively of independent directors and is chaired by Board Vice-Chairman Professor Bruno Gehrig. Mr André Hoffmann, representing the Group's majority shareholders, also has a seat on the Remuneration Committee. The key principles underpinning the Remuneration Committee's deliberations and decisions are:

- Focus on value creation
- Pay for performance
- Enabling employees to share in the company's success
- Fairness and transparency in remuneration decisions
- A balanced mix of long- and short-term remuneration components
- Market-competitiveness

Base pay, bonuses, awards of blocked non-voting equity securities (NES) and Stock-settled Stock Appreciation Rights (S-SARs) and Performance Share Plan (PSP) awards are all guided by these principles.

Our policy on variable remuneration components, which account for up to 50% of executive remuneration, has proven its value.

Consistent with this policy, the Stock-settled Stock Appreciation Rights granted in 2006, 2007 and 2008, most of which vested in February 2010 and can now be exercised, have no value. The reason is the current price of our NES. Naturally, this can change as the NES price improves, as we all want it to do.

This year no NES will be awarded under the Performance Share Plan — a medium-term incentive plan in which members of the CEC and other members of senior management (currently 120 persons worldwide) participate. Under the provisions of this plan a number of Roche NES are reserved for each participant for performance cycles of three years each. The number of NES actually awarded depends on whether and to what extent an investment in Roche securities (shares and NES) outperforms the average return on an investment in securities issued by a peer set of 17 competitor companies. Owing to the price performance of Roche securities, none of the NES originally targeted for the 2007–2009 cycle (which ended on 31 December 2009) were awarded to participants.

The Remuneration Report also lists some specific changes to our remuneration policy which I would like to brief you on today.

- In 2009 NES were awarded to selected Roche employees, subject to a three-year blocking period. Recipients can extend the blocking period to ten years if they wish. These NES were part of the recipients' bonus payments for 2009 and were granted as a reward for achieving specific objectives and to promote an active interest in the company's long-term growth and success.
- The closing of the Genentech transaction in late March and the completion of the Genentech integration in December mark a further important step in the transfer of duties from me to Mr Schwan. Accordingly, the Board intends to reduce my base pay for 2010 to

4 million Swiss francs. The Remuneration Committee has additionally set a limit of 11 million Swiss francs on my total remuneration, including pension contributions.

Mr Schwan is the CEC member with the highest total remuneration. For full details see page 83 of the Remuneration Report. The report also contains detailed information on the remuneration of all other CEC members.

The remuneration policies of major Swiss corporations have been a topic of political discussion for some time now. Thomas Minder's initiative is aimed at strengthening shareholders' rights in this and several other areas. Now, as you know, over the past few weeks there has increasingly been talk of a possible constitutional article or federal law to address the issue.

Those of us with positions of responsibility in publicly traded companies will be well advised, I believe, to follow the ongoing debate closely but quietly – without forcing our advice on policymakers, and certainly without making threats. The issue is currently being deliberated in the Federal Assembly and at this stage is thus primarily a public policy matter requiring parliamentary action.

Allow me nevertheless to touch here on three points which I consider vital to the continued competitiveness of major Swiss corporations – and hence vital to the interests of all stakeholders:

- The main thing is to achieve and maintain the proper balance of power and responsibilities between management, boards of directors and shareholders. It's absolutely right to be examining ways to strengthen the rights vested in annual shareholder meetings. But it would be a mistake to increase shareholders' power at the expense of their company's directors. A board of directors that has to surrender too many of its rights and responsibilities to shareholders may find its ability to exercise its governance and oversight role severely weakened. There is no question in my mind: Only a strong board can effectively represent the interests of a company's owners – that is, the interests of its shareholders.
- Excessive regulation won't solve existing problems – on the contrary. The focus now is on finding a solution anchored in stock corporation law rather than in the constitution, and that's as it should be in my opinion. The constitution is the wrong instrument for

defining the specific rights and duties of a shareholders meeting. In either case, though, it is illusory to think that one can legislate abuses and distortions out of existence. Recent events are a powerful reminder that, when all is said and done, managers' and directors' principles and conduct matter as much as the letter of the law. There is no substitute for integrity.

- Finally, I find the current focus on the short term unhelpful and worrisome. What's to be gained, for example, by imposing a mandatory one-year term limit on board members? Can a director who stands for re-election every year really do a better job of promoting a company's medium- and long-term interests than one who has to stand for re-election at an AGM every two or three years? My experience makes me sceptical. Don't misunderstand: Every company should have the right to introduce one-year term limits if that is what the shareholders want. But I see no good reason why the state should impose this sort of restriction by law.

Given the many international companies based in Switzerland, what we certainly can't afford in these challenging times is a go-it-alone legislative regime that puts our companies at a disadvantage versus foreign competitors. This is another reality the current debate mustn't ignore.

Roche – Changing the practice of medicine

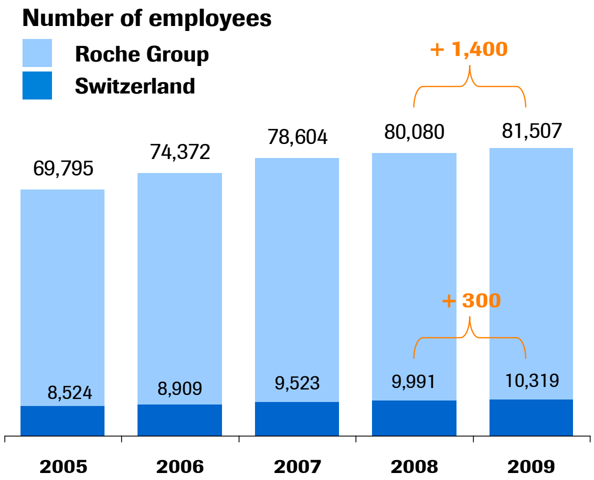
Turning again to our own sector, the pressure to contain healthcare costs is increasing – particularly in the US and Europe. The financial crisis and the resulting rise in government budget deficits and debt are two major factors behind this. At the same time the authorities continue to raise the hurdles for regulatory approval of new products. Moreover, insurers in many countries now either refuse or sharply limit reimbursement for new medicines that haven't been shown to benefit patients.

With our combined strengths in pharmaceuticals and diagnostics, we are ideally equipped to translate insights into disease biology into new treatments and tests that are more closely tailored to the needs of specific patient populations and are therefore safer and more effective. Roche is a pioneer in this kind of personalised healthcare. The more we move in this direction, the greater the gains in healthcare efficiency will be, because medicines will become safer and treatment outcomes better.

We will continue to pursue our strategy of focused innovation in an effort to create long-term value for all our stakeholders – for patients, health professionals and employees, and for you, our shareholders.

Creating jobs in 2009

Strong growth translates into new jobs



The Genentech integration – particularly the reorganisation of our global production network – resulted in job cuts last year, primarily in the United States.

Overall, however, global headcount increased last year by 1,400 to 81,500 employees, thanks to the Group's strong operating performance.

In Switzerland we created over 300 new jobs in 2009, primarily as a result of expanded research and development and production activities in Basel and expanded production at our Rotkreuz site.

Changes in Roche's executive management team

To 31 December 2009

William M. Burns
CEO Division Roche Pharmaceuticals

Dr Jürgen Schwiezer
CEO Division Roche Diagnostics

Prof. Jonathan K.C. Knowles
Head Group Research

Since 1 January 2010

Pascal Soriot
COO Pharmaceuticals Division

Daniel O'Day
COO Roche Diagnostics

Finally, 2009 was a year of changes in executive management.

Three extremely successful and highly respected members of Roche's Corporate Executive Committee stepped down at the end of 2009: William M. Burns, CEO of the Pharmaceuticals Division; Jürgen Schwiezer, CEO of the Diagnostics Division; and Jonathan K.C. Knowles, Head of Group Research. Each of these men made major contributions to Roche's success during a career spanning many years and helped write an important chapter in the Group's history. Bill Burns, Jonathan Knowles and Jürgen Schwiezer performed their duties in exemplary fashion and with deep conviction. On behalf of the entire Board of Directors and the Corporate Executive Committee, I would like to thank all three men for their many years of invaluable service and their loyalty to Roche; working with them has been a pleasure and an honour.

In addition, Professor Horst Teltschik and Peter Brabeck have decided not to stand for re-election to the Board at today's AGM. We are very grateful to them for their many years of distinguished service as members of the Group's highest governance body.

In view of their outstanding knowledge of our industry, the Board will today propose that you elect William M. Burns and Arthur D. Levinson to seats on the Board of Roche Holding Ltd. I will have more to say about these two men when we get to agenda item 4, and I look forward to saying some additional words of tribute at that time to Professor Teltschik and Mr Brabeck for their contributions as Roche Directors.

In closing, I'd like to take this opportunity to present the new members of the Corporate Executive Committee (joining me here on the podium).

- Pascal Soriot became Chief Operating Officer (COO) of the Pharmaceuticals Division at the beginning of this year. Before that he was in charge of the division's global distribution and marketing organisations, and last year he successfully headed the integration of Genentech. In his new role, he is in charge of Roche's pharmaceutical operations worldwide.
- Also since the start of 2010, Daniel O'Day has been in charge of our Diagnostics Division as COO. During his career at Roche he was most recently head of Roche Molecular Diagnostics, and before that he held various management positions in the Pharmaceuticals Division.

I think it is indicative of our corporate culture that we were able to appoint all the new CEC and Enlarged CEC members from within the Roche and Genentech organisations. Our revitalised executive management team remains strongly committed to the Group's current strategic course and will drive the Group's continued success as a global leader in healthcare.

Thank you for your attention.