



*Roche Finance Europe B.V. -
Financial Statements 2010*



Management Report

1. Review of the year ended 31 December 2010

General

Roche Finance Europe B.V., a company registered in the Netherlands (hereafter 'the Company'), is 100% indirectly owned by Roche Holding Ltd, a public company registered in Switzerland and parent company of the Roche Group. The main activity of the Company is the provision of financing to other affiliates of the Roche Group. Refinancing takes place on the bond or loan markets.

Important events

No important events have occurred during the financial year 2010.

Financial position and performance

The financial performance and the financial position did not change materially.

Employees

The Company has no employees. Roche Pharmholding B.V., Woerden, performs all administrative activities on behalf of the Company.

Result

Net income of the financial year is 171 thousand EUR.

2. Principal risks and uncertainties

Risks

The Company is exposed to various financial risks arising from its financing activities.

Credit Risk

The Company is exposed to potential default of payment of any of its loans receivable from other affiliates of the Roche Group. Therefore the credit risk ultimately depends on the financial position of the Roche Group.

Market and Liquidity Risk

The exposure to interest rates and foreign exchange rates is limited, because interest rates, duration and terms of financial assets and liabilities as well as their currency are generally matching. Therefore, the liquidity risk is reduced as well. Moreover, the Company's obligations to third parties on the bond markets are guaranteed by Roche Holding Ltd, the parent company of the Roche Group and covered by loan receivables from other members of the Roche Group that have the same maturity.

The Company's financial risk management is described in the Notes in more detail.

Uncertainties

The main activity of the Company is to provide financing to other members of the Roche Group and to refinance this on the bond or loan markets. Depending on decisions of management, the Company may potentially issue new debt securities and/or borrow funds to finance other members of the Roche Group.

Various known and unknown risks, uncertainties and other factors could lead to substantial differences between the actual and future results, financial situation development or performance of the Company and the historical results given in the Management Report and the Financial Statements.

3. Responsibility statement

The directors of Roche Finance Europe B.V. confirm that, to the best of their knowledge as of the date of their approval of the audited financial statements as at 31 December 2010:

- the audited financial statements as at 31 December 2010, which have been prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Roche Finance Europe B.V. taken as a whole and
- the management report gives a true and fair view of the development and performance of the business and the position of Roche Finance Europe B.V. together with a description of the principal risks and uncertainties that it faces.

Woerden, 27 January, 2011

The Board of Directors

B.L.A. Vanhauwere

J.W. van den Broek

P. Eisenring

D.F. Heinis

Roche Finance Europe B.V. Financial Statements

Reference numbers indicate the corresponding Notes to the Financial Statements.

Roche Finance Europe B.V., statement of comprehensive income <i>in millions of EUR</i>	2010	2009
Income		
Financial income – related parties ³	17	16
Total Income	17	16
Expenses		
Financing costs ³	(17)	(16)
Total expenses	(17)	(16)
Profit before taxes	-	-
Income tax	-	-
Net income	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-

Roche Finance Europe B.V., balance sheet in millions of EUR

	31 December 2010	31 December 2009	31 December 2008
Non-current assets			
Long-term loans receivable – related parties ⁵	285	275	252
Total non-current assets	285	275	252
Current assets			
Short-term loans receivable – related parties ⁶	-	-	-
Accounts receivable – related parties ⁶	18	17	17
Cash and cash equivalents ⁷	-	-	-
Total current assets	18	17	17
Total assets	303	292	269
Non-current liabilities			
Long-term debt ⁹	(287)	(276)	(253)
Deferred income tax liabilities ²	-	-	-
Total non-current liabilities	(287)	(276)	(253)
Current liabilities			
Short-term debt ⁹	-	-	-
Current income tax liabilities ²	-	-	(1)
Accounts payable – related parties	-	-	-
Accrued interest on debt instruments ⁸	(5)	(5)	(4)
Total current liabilities	(5)	(5)	(5)
Total liabilities	(292)	(281)	(258)
Total net assets	11	11	11
Equity			
Share capital ¹⁰	2	2	2
Retained earnings	9	9	9
Total equity	11	11	11

Roche Finance Europe B.V., statement of cash flows in millions of EUR

	Year ended 31 December	
	2010	2009
Cash flows from operating activities		
Net income	-	-
Add back non-operating (income) expense		
- Financial income – related parties	-	-
- Financing costs	-	-
- Financing costs – related parties	-	-
- Income taxes	-	-
Income taxes paid	-	(1)
Total cash flows from operating activities	-	(1)
Cash flows from investing activities		
Interest received –related parties	17	16
Total cash flows from investing activities	17	16
Cash flows from financing activities		
Proceeds from issue of bonds ⁹	-	-
Issue of long-term loans receivable – related parties ⁵	-	-
Proceeds from repayment of loans receivable - related parties ⁵	-	-
Repayment and redemption of bonds ⁹	-	-
Net settlement accounts receivable - related parties	-	-
Interest paid	(17)	(15)
Financing costs paid – related parties	-	-
Total cash flows from financing activities	(17)	(15)
Net effect of currency translation on cash and cash equivalents	-	-
Increase (decrease) in cash and cash equivalents	-	-
Cash and cash equivalents at 1 January	-	-
Cash and cash equivalents at 31 December ⁷	-	-

Roche Finance Europe B.V., statement of changes in equity in millions of EUR

	Share capital	Retained earnings	Total
Year ended 31 December 2009			
At 1 January 2009	2	9	11
Net income	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Dividends paid	-	-	-
At 31 December 2009	2	9	11
Year ended 31 December 2010			
At 1 January 2010	2	9	11
Net income	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income	-	-	-
Dividends paid	-	-	-
At 31 December 2010	2	9	11

Notes to the Roche Finance Europe B.V. Financial Statements

Reference numbers indicate corresponding Notes to the Financial Statements.

1. Summary of significant accounting policies

Basis of preparation of the Financial Statements

These financial statements are the financial statements of Roche Finance Europe B.V., a company incorporated in The Netherlands ('the Company'). The Company is 100% indirectly owned by Roche Holding Ltd, a public company registered in Switzerland and parent company of the Roche Group, and therefore the Company is part of the Roche Group. The main activity of the Company is the provision of financing to other affiliates of the Roche Group. Refinancing takes place on the bond or loan markets.

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of Dutch law. They have been prepared using the historical cost convention. They were approved for issue by the Board of Directors on 27 January 2011.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the financial statements. If in the future such estimates and assumptions, which are based on management's best judgement at the date of the financial statements, deviate from the actual circumstances, the original estimates and assumptions will be modified as appropriate in the year in which the circumstances change.

Changes in accounting policies that arise from the application of new or revised standards and interpretations are applied retrospectively, unless otherwise specified in the transitional requirements of the particular standard or interpretation. Retrospective application requires that the results of the comparative period and the opening balances of that period are restated as if the new accounting policy had always been applied. In some cases the transitional requirements of the particular standard or interpretation specify that the changes are to be applied prospectively. Prospective application requires that the new accounting policy only be applied to the results of the current period and the comparative period is not restated.

Segment reporting

The Company has only one operating segment and undertakes its operations in the Netherlands. Therefore no segment reporting is included in these financial statements.

Foreign currency translation

The functional currency of the Company is Euro (EUR). Transactions in other currencies are initially reported using the exchange rate at the date of the transaction. Assets and liabilities in currencies other than EUR have been translated into EUR at year-end-market rate. Gains and losses from the settlement of such transactions and gains and losses on translation of monetary assets and liabilities denominated in other currencies than EUR are included in income.

Accounts receivable

Accounts receivable are carried at the original invoice amount less allowances made for doubtful accounts. An allowance for doubtful accounts is recorded for the difference between the carrying value and the recoverable amount where there is objective evidence that the Company will not be able to collect all amounts due. Long-term accounts receivable are discounted to take into account the time value of money, where material.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and time, call and current balances with banks and similar institutions. Such balances are only reported as cash if they are readily convertible to known amounts of cash, are subject to insignificant risk of changes in value and have a maturity of three months or less from the date of acquisition. This definition is also used for the statement of cash flows.

Provisions

Provisions are recognised where a legal or constructive obligation has been incurred which will probably lead to an outflow of resources that can be reasonably estimated. Provisions are recorded for the estimated ultimate liability that is expected to arise, taking into account the time value of money, where material. A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events or where the amount of the obligation cannot be measured with reasonable reliability. Contingent assets are not recognised, but are disclosed where an inflow of economic benefits is probable.

Fair values

Fair value is the amount for which a financial asset, liability or instrument could be exchanged between knowledgeable and willing parties in an arm's length transaction. It is determined by reference to quoted market prices or by the use of established valuation techniques such as option pricing models and the discounted cash flow method if quoted prices in an active market are not available ('Fair value hierarchy'). Valuation techniques will incorporate observable market data about market conditions and other factors that are likely to affect the fair value of a financial instrument. Valuation techniques are typically used for derivative financial instruments. The fair values of financial assets and liabilities at the reporting date are not materially different from their reported carrying values unless specifically mentioned in the Notes to the Financial Statements.

Loans and receivables

Loans and receivables are financial assets created by the Company or acquired from the issuer in a primary market. They are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are initially recorded at fair value, including transaction costs, and are subsequently carried at amortised cost using the effective interest rate method.

Loans and receivables are assessed individually for possible impairment at each reporting date. An impairment charge is recorded where there is objective evidence of impairment, such as where the issuer is in bankruptcy, default or other significant financial difficulty. An impairment charge is the difference between the carrying value and the recoverable amount, calculated using estimated future cash flows discounted using the original effective interest rate.

A financial asset is derecognised when the contractual cash flows from the asset expire or when the Company transfers the rights to receive the contractual cash flows from the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

Debt instruments

Debt instruments are initially recorded at cost, which is the proceeds received, net of transaction costs. Subsequently they are reported at amortised cost. Any discount between the net proceeds received and the principal value due on redemption is amortised over the duration of the debt instrument and is recognised as part of financing costs using the effective interest rate method. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

Taxation

Income taxes include all taxes based upon the taxable profits of the Company using the tax rates that are enacted or substantially enacted at the balance sheet date, including withholding taxes payable on the distribution of retained earnings within the Roche Group. Other taxes not based on income, such as property and capital taxes, are included within other expenses.

Deferred income tax assets and liabilities are recognised on temporary differences between the tax bases of assets and liabilities and their carrying values in the financial statements. Deferred income tax assets relating to the carry-forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them. Deferred income taxes are determined based on the currently enacted or substantially enacted tax rates applicable in each tax jurisdiction where the Company operates.

Management judgements made in applying accounting policies

The application of the Company's accounting policies may require management to make judgements, apart from those involving estimates, that can have a significant effect on the amounts recognised in the financial statements. Management judgement may be particularly required when assessing the substance of transactions that have a complicated structure or legal form. There were no transactions that required specific application of management judgement in these financial statements.

Key assumptions and sources of estimation uncertainty

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses and related disclosures. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Changes in accounting estimates may be necessary if there are changes in the circumstances on which the estimate was based, or as a result of new information or more experience. Such changes are recognised in the period in which the estimate is revised.

There are currently no key assumptions about the future and no key sources of estimation uncertainty that the Company's management believe have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next twelve months.

Changes in accounting policies adopted by the Roche Group and, consequently, by the Company

The Roche Group is currently assessing the potential impacts of new and revised standards and interpretations that will be effective from 1 January 2011 and beyond, and which the Group has not early adopted. The Company does not anticipate that these will have a material impact on the Company's overall results and financial position.

2. Income taxes

Income tax expenses in millions of EUR

	2010	2009
Current income taxes	-	-
Adjustments recognised for current tax of prior periods	-	-
Deferred income taxes	-	-
Total income (expense)	-	-

The Company's local statutory tax rate is 25.5 % (2009: 25.5 %) and this is also the effective tax rate in these financial statements.

Income tax assets (liabilities) in millions of EUR

	2010	2009	2008
Current income taxes			
- Assets	-	-	-
- Liabilities	-	-	(1)
Net current income tax assets (liabilities)	-	-	(1)
Deferred income taxes			
- Assets	-	-	-
- Liabilities	-	-	-
Net deferred income tax assets (liabilities)	-	-	-

3. Financial income and financing costs

Financial income – related parties in millions of EUR

	Year ended 31 December	
	2010	2009
Interest income – related parties	17	16
Total financial income – related parties	17	16

Financing costs in millions of EUR

	Year ended 31 December	
	2010	2009
Interest expense on debt instruments	17	16
Amortisation of debt discount	-	-
Total financing costs	17	16

4. Employee benefits

The Company has no employees. Roche Pharmholding B.V., Woerden, performs all administrative activities on behalf of the Company.

5. Loans receivable – related parties

Loans to affiliates in millions of EUR

	31 December 2010	31 December 2009
Roche Deutschland Holding GmbH, Germany, due 29 August 2023, principal 125 million GBP (2009: 125 million GBP), interest rate 5.67%	145	141
Roche Products Limited, United Kingdom, due 29 August 2023, principal 85 million GBP (2009: 85 million GBP), interest rate 5.67%	99	95
Roche Diagnostics Limited, United Kingdom, due 29 August 2023, principal 35 million GBP (2009: 35 million GBP), interest rate 5.67%	41	39
Total loans to affiliates	285	275

6. Accounts receivable - related parties

The Company deposits surplus funds with Roche Pharmholding B.V. in its function as corporate cash pool leader for numerous Roche affiliates. Amounts deposited are immediately available and bear variable interest referenced to one month LIBOR. As at 31 December 2010 the Company also had interest receivables from Roche affiliates in respect of the loans given (see Note 5).

Accounts receivable – related parties in millions of EUR

	2010	2009	2008
Accounts receivable with Roche Pharmholding B.V.	13	12	12
Loans to affiliates (short term)	-	-	-
Interest Receivables from affiliates	5	5	5
Total accounts receivable	18	17	17

7. Cash and cash equivalents

As at 31 December 2010 the Company had no cash in its bank account.

8. Accrued interest

Accrued interest in millions of EUR

	2010	2009	2008
Interest payable	5	5	4
Total accrued interest	5	5	4

9. Debt

Debt: movements in carrying value of recognised liabilities in millions of EUR

	2010	2009
At 1 January	276	253
Proceeds from issue of bonds	-	-
Repayment and redemption of bonds	-	-
Amortisation of debt discount ³	-	-
Currency translation effects	11	23
At 31 December	287	276
Consisting of		
- Bonds	287	276
Total debt	287	276
Reported as		
- Long-term debt	287	276
- Short-term debt	-	-
Total debt	287	276

On 29 August 2003 the Company issued GBP denominated 5.375% bond due 2023 with a principal amount of 250 million GBP. The net proceeds were 245 million GBP and the effective interest rate is 5.46%. This bond is guaranteed by Roche Holding Ltd, the parent company of the Roche Group.

The fair value of the bonds is 317 million EUR (2009: 281 million EUR). This is calculated based on the observable market prices of the debt instruments.

There are no pledges on the Company's assets in connection with the debt.

10. Equity

Share Capital

The authorised share capital of the Company consists of 100,000 shares with a nominal value of 100 EUR each of which 20,000 shares have been issued and fully paid in. Roche Pharmholding B.V., a company registered in The Netherlands is the sole shareholder.

Dividends

There were no dividend payments in 2010 (2009: none).

Own equity instruments

The Company holds none of its own shares (2009: none).

11. Contingent liabilities

The operations and earnings of the Company may, from time to time and in varying degrees, be affected by political, legislative, fiscal or regulatory developments, in the countries in which it operates. The nature and frequency of these developments and events, not all of which are covered by insurance, as well as their effect on future operations and earnings, are not predictable. As of 31 December 2010, the Company does not have any material contingent liabilities (2009: none).

12. Related parties

Controlling shareholders

As a member of the Roche Group, all of the Company's related party transactions are with Roche Group affiliates. The transactions include interest on and repayments of loans given by the Company. In addition the Company has a current account with Roche Pharmholding B.V., the corporate cash pool leader, as described in Note 6.

Related party transactions in millions of EUR

	2010	2009
Interest income – related parties	17	16
Repayment of loans receivable - related parties ⁶	-	-
Net settlement accounts receivable – related parties	-	-
Issue of long-term loans receivable – related parties ⁵	-	-

Related party balances in millions of EUR

	2010	2009	2008
Long-term loans receivable – related parties ⁵	285	275	252
Short-term loans receivable – related parties ⁶	-	-	-
Accounts receivable – related parties ⁶	18	17	17
Accounts payable – related parties	-	-	-

13. Risk management

Roche Group risk management

Risk management is a fundamental element of the Roche Group's business practice on all levels and encompasses different types of risks. At a group level risk management is an integral part of the business planning and controlling processes. Material risks are monitored and regularly discussed with the Corporate Executive Committee and the Audit Committee of the Board of Directors.

Financial risk management

The Company is exposed to financial risks arising from its corporate finance activities of providing financing to other affiliates of the Roche Group and obtaining refinancing on the bond markets. The Company's financial risk exposures are related to changes in interest rates and the creditworthiness and solvency of the Company's counterparties.

Financial risk management within the Roche Group is governed by policies reviewed by the Board of Directors. These policies cover credit risk, liquidity risk and market risk and are also applicable to the Company. These policies provide guidance on risk limits, type of authorised financial instruments and monitoring procedures. As a general principle, the policies prohibit the use of derivative financial instruments for speculative trading purposes. Policy implementation and day-to-day risk management are carried out by the relevant treasury functions and regular reporting on these risks is performed by the relevant accounting and controlling functions within Roche.

Credit risk

Credit risk arises from the possibility that counterparties to transactions may default on their obligations, causing financial losses for the Company. The objective of managing counterparty credit risk is to prevent losses of liquid funds deposited with or invested in such counterparties. The maximum exposure to credit risk resulting from financial activities, without considering netting agreements and without taking account of any collateral held or other credit enhancements, is equal to the carrying value of the Company's financial assets.

Carrying value and fair value of financial assets in millions of EUR

By line items in notes	Asset class	2010		2009	
		Carrying value	Fair value	Carrying value	Fair value
Long-term loan receivable – related parties ⁵	Loans and receivables	285	317	275	293
Accounts receivable – related parties ⁶	Loans and receivables	18	18	17	17
Total		303	335	292	310

The counterparties to the Company's financial assets are members of the Roche Group and therefore the credit risk ultimately depends on the financial position of the Roche Group.

As at 31 December 2010 the Company has no financial assets which are past due but not impaired (2009: none) and no financial assets whose terms have been renegotiated (2009: none).

Liquidity risk

Liquidity risk arises through a surplus of financial obligations over available financial assets due at any point in time. The Company's obligations to third parties on the bond markets are guaranteed by Roche Holding Ltd, the parent company of the Roche Group and covered by loan receivables from other members of the Roche Group that have the same maturity.

As described in Note 9, at 31 December 2010 the Company had financial liabilities with a principal amount of 250 million GBP due August 2023 (2009: 250 million GBP). Interest coupons of 13.4 million GBP are payable annually on 29th August relating to this bond. There are no other contractual cash flows from financial liabilities.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instrument. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

As at 31 December 2010 the Company's exposure to interest rate risk was insignificant, as the outstanding principal amount on the Company's debt (see Note 9) and the loans receivable from related parties (see Note 5) are both at fixed interest rate. The Company's only variable interest-bearing financial asset/liability referenced to one month LIBOR was the receivable balance of 13 million EUR (2009: 12 million EUR) with the corporate cash pool leader (see Note 6). The foreign exchange risk was also insignificant as the terms of financial assets and liabilities as well as the currency are matching.

Capital

The capital management of the Company is managed within the Roche Group. The Company's objectives when managing capital are:

- To safeguard the Company's ability to continue as a going concern, so that it can continue to provide financing activities on behalf of the Roche Group.
- To maintain sufficient financial resources to mitigate against risks and unforeseen events.

Capital is monitored on the basis of the capitalisation, which is calculated as being debt plus equity. Information on the Company's debt and equity is reported to senior management as part of the Roche Group's regular internal management reporting. The Company's capitalisation is shown in the table below.

Capital in millions of EUR

	2010	2009
Debt ⁹	287	276
Equity	11	11
Capitalisation	298	287

The Company is not subject to regulatory capital adequacy requirements as known in the financial services industry.

Subsidiaries and associates

The Company has no subsidiaries or associates.

Key management personnel

The purpose of the Company is to act as a financing company for the operations of the Roche Group. The members of the Company's Board of Directors act as the chief operating decision-maker.

Board of Directors of Roche Finance Europe

Bart L.A. Vanhauwere	Chairman	Appointed 1 December 2010
Beat R. Lieberherr	Chairman	Until 30 November 2010
Peter Eisenring	Member of the Board	Appointed 31 January 2003
Johannes W. van den Broek	Member of the Board	Appointed 31 January 2003
Dieter F. Heinis	Member of the Board	Appointed 1 November 2009

The directors did not receive remuneration or payment from the Company for their time and expenses related to their services during 2010 and 2009.

Woerden, 27 January, 2011

The Board of Directors

B.L.A. Vanhauwere

J.W. van den Broek

P. Eisenring

D.F. Heinis

Other information

To: The Board of Directors of Roche Finance Europe B.V.

Auditor's report

Report on the financial statements

We have audited the accompanying financial statements 2010 of Roche Finance Europe B.V., Woerden, which comprise the balance sheet as at 31 December 2010, the statements of comprehensive income, of the changes in equity and of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code, and for the preparation of the management report in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

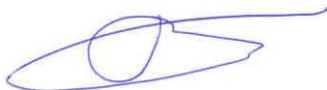
In our opinion, the financial statements give a true and fair view of the financial position of Roche Finance Europe B.V. as at 31 December 2010, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Netherlands Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Netherlands Civil Code, we have no deficiencies to report as a result of our examination whether the management report, to the extent we can assess, has been prepared in accordance with part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b - h has been annexed. Further, we report, that the management report to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Netherlands Civil Code.

Rotterdam, 27 January 2011

KPMG ACCOUNTANTS N.V.



P.B. Maris RA

Appropriation of results for the year 2010

In accordance with Article 21 of the Articles of Association the result for the year is at the disposal of the shareholder.

Proposed profit appropriation

The directors recommend that the entire profit for the financial year is to be taken to reserves.
The proposal has been included in the Company's 2010 financial statements.