Roche: Innovation & profitable growth
Lazard Conference
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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
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Financial performance

Strategic positioning

Summary
YTD Sept 2011: Group sales
Supporting full-year guidance, strong currency impact

<table>
<thead>
<tr>
<th>CHF bn</th>
<th>2010</th>
<th>2011</th>
<th>change in %</th>
<th>CHF CER</th>
<th>Tamiflu¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals Division</td>
<td>28.4</td>
<td>24.4</td>
<td>-14</td>
<td>-1</td>
<td>+1</td>
</tr>
<tr>
<td>Diagnostics Division</td>
<td>7.7</td>
<td>7.1</td>
<td>-8</td>
<td>+6</td>
<td></td>
</tr>
<tr>
<td>Roche Group</td>
<td>35.3</td>
<td>31.5</td>
<td>-13</td>
<td>0</td>
<td>+2</td>
</tr>
</tbody>
</table>

¹ at Constant Exchange Rates, CER (average full year 2010)
# HY 2011: Group performance

**Core EPS growth +10%\(^1\)**

<table>
<thead>
<tr>
<th>CHF m</th>
<th>2010</th>
<th>2011</th>
<th>%Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2010</td>
<td>2011</td>
<td>CHF</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>24,636</td>
<td>21,671</td>
<td>-12</td>
</tr>
<tr>
<td><strong>Core operating profit</strong></td>
<td>9,159</td>
<td>8,251</td>
<td>-10</td>
</tr>
<tr>
<td>as % of sales</td>
<td>37.2</td>
<td>38.1</td>
<td></td>
</tr>
<tr>
<td><strong>Core net income</strong></td>
<td>6,062</td>
<td>5,821</td>
<td>-4</td>
</tr>
<tr>
<td>as % of sales</td>
<td>24.6</td>
<td>26.9</td>
<td></td>
</tr>
<tr>
<td>Attributable to Roche shareholders</td>
<td>5,965</td>
<td>5,697</td>
<td>-4</td>
</tr>
<tr>
<td><strong>Core EPS (CHF)</strong></td>
<td>6.95</td>
<td>6.68</td>
<td>-4</td>
</tr>
<tr>
<td><strong>IFRS net income</strong></td>
<td>5,565</td>
<td>5,259</td>
<td>-5</td>
</tr>
<tr>
<td>as % of sales</td>
<td>22.6</td>
<td>24.3</td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) local currency
Attractive dividend payout ratio

Average yearly dividend growth (2004-2010): 22%

Pay-out ratio calculated as dividend per share divided by core earnings per share (diluted)
Confirming outlook for 2011
Continued strong business performance

| **Sales growth** (in LC) | Group & Pharma (excl. Tamiflu): low single-digit  
Diagnostics: significantly above market |
<table>
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<tbody>
<tr>
<td><strong>Genentech synergies</strong></td>
<td>2011+ : CHF 1.0 bn*</td>
</tr>
</tbody>
</table>
| **Operational Excellence savings** | 2011 : CHF 1.8 bn  
2012+ : CHF 2.4 bn |
| **Core EPS growth target** (in LC) | Around 10%  |
| **Dividend outlook**     | Grow in-line with Core EPS; maintain at least last year’s dividend in CHF         |

Barring unforeseen events; LC=Local Currency; * vs. 2010: CHF 0.8 bn
Roche: Focused on medically differentiated therapies
PHC: Roche internal collaborations

Significant increase due to focused PHC strategy

- = Companion Dx Projects
- = R&D Collaborations

<table>
<thead>
<tr>
<th>Year</th>
<th>Companion Dx Projects</th>
<th>R&amp;D Collaborations</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>0</td>
<td>10</td>
</tr>
<tr>
<td>2006</td>
<td>1</td>
<td>24</td>
</tr>
<tr>
<td>2007</td>
<td>2</td>
<td>36</td>
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<tr>
<td>2008</td>
<td>3</td>
<td>66</td>
</tr>
<tr>
<td>2009</td>
<td>7</td>
<td>94</td>
</tr>
<tr>
<td>2010</td>
<td>22</td>
<td>147</td>
</tr>
</tbody>
</table>

- Genentech Privatization
- Ventana Acquisition
Roche Pharma: a leading pipeline
12 NMEs in late-stage development

New molecular entities (NMEs)
- Virology
- CNS
- Metabolic
- Inflammation
- Oncology

- 2007
  - ocrelizumab
  - Actemra

- 2008
  - dalcetrapib
  - pertuzumab

- 2009
  - taspoglutide
  - dalcetrapib
  - ocrelizumab
  - Hedgehog inh
  - BRAF inhibitor
  - T-DM1
  - GA101 (CLL)
  - pertuzumab

- 2010/2011
  - HCV pol inh
  - ocrelizumab MS
  - Glycine reuptake inh
  - aleglitazar
  - taspoglutide
  - dalcetrapib
  - lebrikizumab
  - MetMAb
  - vismodegib
  - Zelboraf
  - T-DM1
  - GA101 (CLL, NHL)
  - pertuzumab

PHC approach
- √
- √
- √
- √
- √

1LIP decision made, phase III start pending; 2approved in US, filed in EU
Our delivery

Personalized Healthcare becoming reality

T-DM1
Metastatic breast cancer
(HER-2 expression level)

Pertuzumab
Metastatic breast cancer
(HER-2/3 expression level)

Mericitabine
Hepatitis C
(HCV viral load, genotype)

MetMAb
Non-small cell lung cancer
(MET status)

Lebrikizumab
Asthma
(periostin level)

Zelboraf
Metastatic melanoma
(BRAF V600E mutation)

1 LIP decision made, phase III start pending
Portfolio outlook

Market expectations regarding peak sales

**Potential Launch Year**
- **Zelboraf**: 2011
- **Vismodegib**: 2012
- **Pertuzumab**: 2013
- **T-DM1**: 2013
- **Obinutzumab**: 2014
- **Glyt-1**: 2014
- **Dalcatrapib**: 2014
- **Ocrelizumab**: 2015
- **MetMAb**: 2015
- **Mericitabine**: 2016
- **Lebrikizumab**: 2016
- **Aleglitazar**: 2016

**Larger (> 1 bn)**
- **Zelboraf**
- **Vismodegib**
- **Pertuzumab**
- **T-DM1**
- **Obinutzumab**
- **Glyt-1**
- **Dalcatrapib**
- **Ocrelizumab**
- **MetMAb**
- **Mericitabine**
- **Lebrikizumab**
- **Aleglitazar**

**Smaller (up to ca 1 bn)**
- **Zelboraf**
- **Vismodegib**
- **Pertuzumab**
- **T-DM1**
- **Obinutzumab**
- **Glyt-1**
- **Dalcatrapib**
- **Ocrelizumab**
- **MetMAb**
- **Mericitabine**
- **Lebrikizumab**
- **Aleglitazar**

**Non risk-adjusted**
Financial performance

Strategic positioning

Summary
Roche in brief

Innovation & productivity

- **Focused innovation strategy**
  - Personalized Healthcare through Pharmaceuticals & Diagnostics
  - Medically-differentiated products & services

- **Leading businesses**
  - Biotech-based leadership in Oncology, Virology; emerging Immunology, Cardio-metabolic and Neuroscience franchises. Limited patent risk
  - World’s #1 *in-vitro* Diagnostics company

- **Strong financials**
  - Increasing profitability through growth & productivity with constant focus on cash flow
  - Attractive dividend
We Innovate Healthcare