Roche: Innovation & profitable growth
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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.

Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Roche’s earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Roche.

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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 % CHF</th>
<th>change in % CER</th>
<th>Excluding 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>
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<tr>
<td>Diagnostics Division</td>
<td>7.7</td>
<td>7.1</td>
<td>-8</td>
<td>+6</td>
<td></td>
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<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 CHF</th>
<th>%Change LC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>24,636</td>
<td>21,671</td>
<td>-12</td>
<td>0</td>
</tr>
<tr>
<td>Core operating profit</td>
<td>9,159</td>
<td>8,251</td>
<td>-10</td>
<td>+5</td>
</tr>
<tr>
<td>as % of sales</td>
<td>37.2</td>
<td>38.1</td>
<td></td>
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<tr>
<td>Core net income</td>
<td>6,062</td>
<td>5,821</td>
<td>-4</td>
<td>+11</td>
</tr>
<tr>
<td>as % of sales</td>
<td>24.6</td>
<td>26.9</td>
<td></td>
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<tr>
<td>Attributable to Roche shareholders</td>
<td>5,965</td>
<td>5,697</td>
<td>-4</td>
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<tr>
<td>Core EPS (CHF)</td>
<td>6.95</td>
<td>6.68</td>
<td>-4</td>
<td>+10</td>
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<tr>
<td>IFRS net income</td>
<td>5,565</td>
<td>5,259</td>
<td>-5</td>
<td>+10</td>
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<tr>
<td>as % of sales</td>
<td>22.6</td>
<td>24.3</td>
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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)

2010 Payout Ratio of 52%
## Confirming outlook for 2011

**Continued strong business performance**

| **Sales growth** (in LC) | Group & Pharma (excl. Tamiflu): low single-digit  
Diagnostics: significantly above market |
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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
Financial performance

Strategic positioning

Summary
Roche: Focused on medically differentiated therapies
PHC: Roche internal collaborations

Significant increase due to focused PHC strategy

- **Companion Dx Projects**
- **R&D Collaborations**

![Diagram showing Roche internal collaborations from 2005 to 2010](image)

- 2005: 0 projects
- 2006: 1 project
- 2007: 2 projects
- 2008: 66 projects (3 projects for Ventana Acquisition)
- 2009: 94 projects
- 2010: 169 projects (22 projects for Genentech Privatization)

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The graph illustrates a significant increase in Roche’s collaborations from 2005 to 2010, driven by a focused PHC strategy.
Roche Pharma: a leading pipeline
12 NMEs in late-stage development

New molecular entities (NMEs)

- Virology
- CNS
- Metabolic
- Inflammation
- Oncology

2007
2008
2009
2010/2011

12
10
4
2

PHC approach

1. Ocrelizumab MS
2. T-DM1
3. GA101 (CLL, NHL)
4. MetMAb
5. Vismodegib
6. Lebrikizumab
7. Aleglitazar
8. Dalcetrapib
9. Taspoglutide
10. Hedgehog inh
11. BRAF inhibitor
12. HCV pol inh

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)*

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1 LIP decision made, phase III start pending
Portfolio outlook

Market expectations regarding peak sales

<table>
<thead>
<tr>
<th>Potential Launch Year</th>
<th>Zelboraf</th>
<th>Vismodegib</th>
<th>Pertuzumab</th>
<th>T-DM1</th>
<th>Obinutuzumab</th>
<th>Glyt-1</th>
<th>Dalceprapib</th>
<th>Ocrelizumab</th>
<th>MetMAb</th>
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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
Roche

We Innovate Healthcare