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.

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.

For marketed products discussed in this presentation, please see full prescribing information on our website – www.roche.com

Roche

# Roche
# Q1 2007- on track for long-term value creation

*William M. Burns - CEO Roche Pharmaceuticals*

*Roadshow Zurich, May 2007*

Roche

## Introduction

## Performance update

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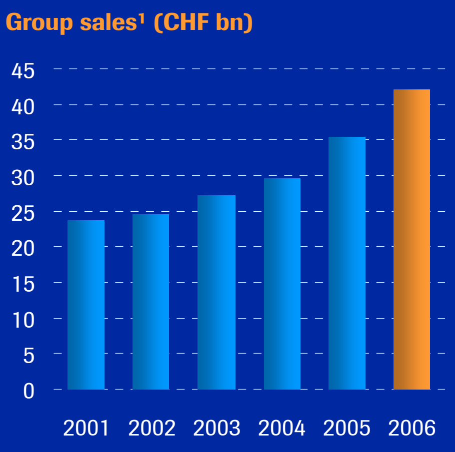
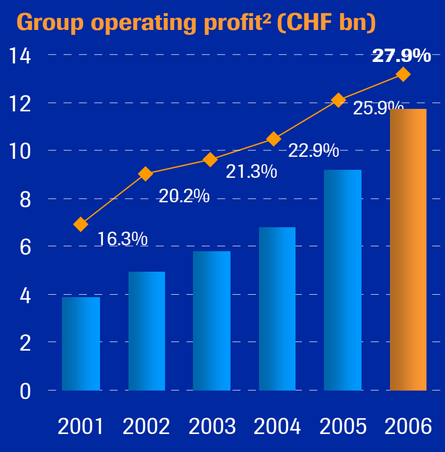
## Focus on differentiated products paying off

*Sales doubling, operating profits tripling*




[1] Pharmaceuticals and Diagnostics [2] before exceptional items

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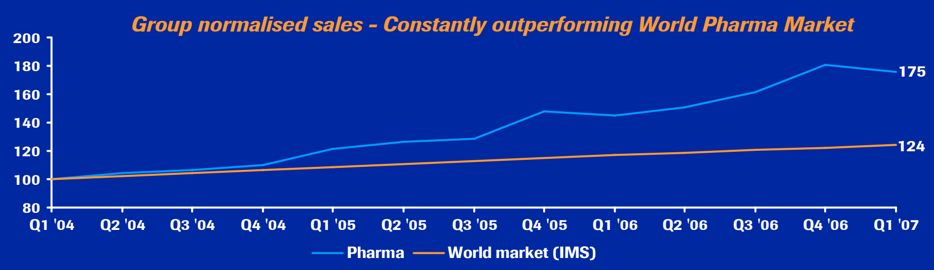
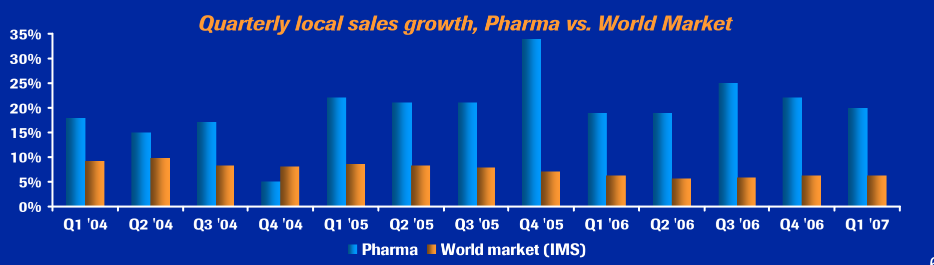
## Consistently outgrowing peers

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## Our priorities

*Value creation - now and for the future*

Focus on top & bottom line: Translation of above-peer growth into an attractive bottom line - without compromising the future

Execute on assets on hand: Maximize near-term attractive profitability via sales in existing indications and line extensions

Execute on late-stage pipeline

Build now the future beyond 2010/15: Strengthen the pipeline, in particular Phase I and II compounds, to keep the Roche Group amongst the industry leaders

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## Introduction

## Performance update

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## Q1 2007: Industry leading
*More than CHF 1.5 billion organic growth*

| CHF bn | Q1'06 | Q1'07 | % change in CHF | % change in local | USD growth |
|---|---|---|---|---|---|
| Pharmaceuticals | 7.7 | 9.1 | 18 | 20 | 24 |
| Diagnostics | 2.1 | 2.2 | 6 | 6 | 11 |
| Roche Group | 9.8 | 11.4 | 16 | 17 | 21 |



## Q1 2007: Highlights in Pharma
*Continuous growth on a high level*

- Strong overall double-digit growth for Pharma - all three units, Roche Rx, Genentech and Chugai growing double digit
- Top ten products now 70 % of overall Pharma sales
- Major approvals and filings on track, including Avastin in breast cancer
- Positive Phase III data on Actemra - entering the rheumatoid arthritis market
- One technology acquisition (THP) and a Phase II NME for HPV treatment licensed (Transgene)

## Pharma delivering strong double-digit growth

Roche

| Sales CHF m | Q1'06 | Q1'07 | % change in CHF | % change in local | USD growth |
|---|---|---|---|---|---|
| Roche Pharma | 4,821 | 5,702 | 18 | 18 | 24 |
| Genentech | 2,056 | 2,547 | 24 | 30 | 30 |
| Chugai | 862 | 893 | 4 | 11 | 9 |
| **Pharmaceuticals** | **7,739** | **9,142** | **18** | **20** | **24** |

| Quarterly local growth | 2006 vs. 2005 Q1 | Q2 | Q3 | Q4 | Q1'07 vs. Q1'06 |
|---|---|---|---|---|---|
| Roche Pharma | 19 | 15 | 25 | 20 | 18 |
| Genentech | 40 | 39 | 33 | 37 | 30 |
| Chugai | -8 | 1 | 2 | 2 | 11 |
| **Pharmaceuticals** | **19** | **19** | **25** | **22** | **20** |

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## Q1 2007: Growing more than three times the market

*Execution of assets on hand*

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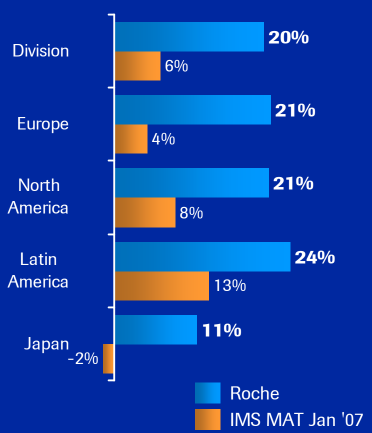
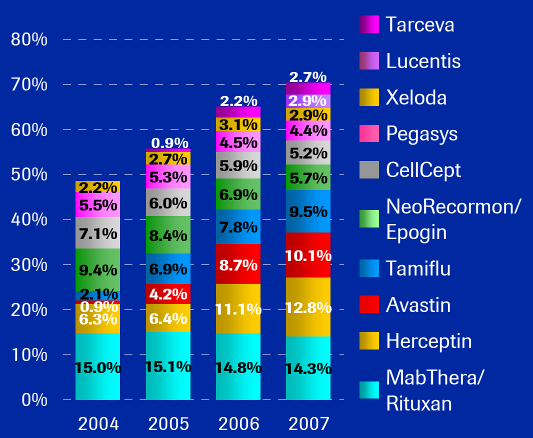
**Local sales growth**




**Top 10 products as % of pharmaceutical sales**

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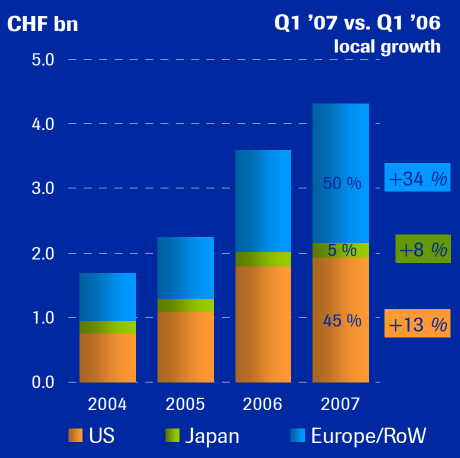
## Oncology: Europe/ RoW particularly strong




**Q1 2007**

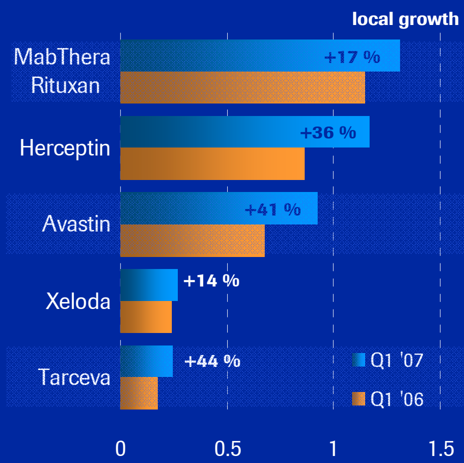
- Franchise continues to strongly outgrow market (market +14 %[1])
- Bringing innovation to 3 indications
  - Avastin in mBC
  - Tarceva in pancreatic cancer
  - Xeloda in gastric cancer

[1] IMS Q4 '06



## Oncology: Diversified portfolio of large products
*Significant growth potential*

**Major brands (CHF bn)**




- MabThera Rituxan: Continued growth driven by iNHL maintenance therapy and good adoption in RA
- Herceptin: Market share in adj BC 40 % for 5 key EU countries, hormonal combo recommended (EU)
- Avastin: mBC approved (EU), 1st line mCRC combo with oxaliplatin filed in EU
- Xeloda: Strong growth EU (+22 %), gastric Ca approved (EU), new mCRC indications filed (US and EU)
- Tarceva: Very strong growth in EU (+125 %), launch in pancreatic cancer (EU)

## Avastin approved in breast cancer
*Entering a major market opportunity*

**Metastatic breast cancer**

Approved in EU (HER2 +/-)

- Based on E2100 (paclitaxel +/- Avastin)
- Doubling of PFS from 6.7 to 13.3 m

Completing the label in mBC

- AVADO (Taxotere +/- Avastin): fully recruited in March 2007
- RIBBON-1/-2 (var. chemos +/- Avastin)
- AVEREL (Taxotere + Herceptin +/- Avastin, in HER2+ patients)

**Incidence: 100,000 cases [1, 2]**

**Adjuvant opportunity**

Safety profile established

- E2104 phase II with anthracyclines

Phase III adjuvant trials to start

- E5103 (HER2-), to start H2 '07
- BEATRICE (HER2-), to start 2007
- NSABP/BCIRG/CONTACT (HER2+) combo with Herceptin

**Incidence: 320,000 cases [1]**

[1] US and top 5 EU, [2] stage IV

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## Avastin approved for mCRC in Japan
*Significant opportunity ahead*

**Market opportunity**

- High incidence of colorectal cancer
- 115'000 new cases per year (US incidence: 157'000 per year)
- Japanese CRC market in 2006: CHF 1 billion (chemotherapies only)
- FOLFOX and FOLFIRI most frequently used chemos in 1st line mCRC
- Significant market for oncology drugs

**Launch imminent**

- Feb. 2007: Positive recommendation by expert panel of Japanese Ministry of Health, Labor and Welfare
- Approved on April 18, 2007
- Launch expected by mid-year 2007

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## The future: targeted therapy combinations

*Roche in the lead*

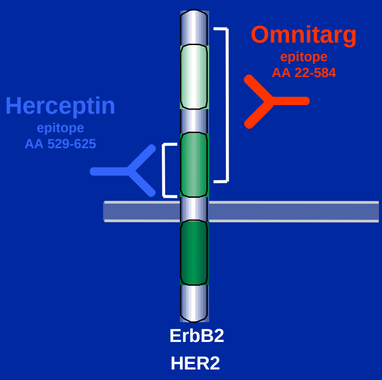
| | NSCLC | | | Breast Cancer | | | |
|---|---|---|---|---|---|---|---|
| **Study** | ATLAS (Phase III) | BETALung (Phase III) | Phase II | AVEREL (Phase III) | Pegram (Phase II) | Phase III | Phase II |
| **Patient population** | 1st line maintenance non-squam. | 2nd line | 2nd line | 1st line | 1st line | Adjuvant | 2nd line |
| **Treatment regimen** | CT + Avastin -> Avastin ± Tarceva | Tarceva ± Avastin | Avastin + Tarceva vs. Avastin + CT vs. CT | Herceptin + Taxotere ± Avastin | Herceptin + Avastin | Herceptin + Avastin tbd | Herceptin + Omnitarg |
| **Status** | Started Q4'05 | Started Q2'05 | Presented ASCO'06 SABC'06 | Started Q3 '06 | Presented SABC '06 | Planned | To be presented at ASCO'07 |

Potential patient benefits
- higher efficacy
- individualized treatment
- better tolerability

**Roche setting the standard of care in combined targeted therapies**



## Omnitarg- building a new standard of care




**Omnitarg in breast cancer**
- Herceptin+Omnitarg combo phase II trial in Herceptin pre-treated patients successful
- Phase III in preparation

**Omnitarg in ovarian cancer**
- In platinum-resistant ovarian cancer, phase II encouraging results (GNE trial)
- In platinum-sensitive ovarian cancer, Phase II data by early 2008 (Roche trial)

**Promising phase II data to be presented at ASCO**

## Oncology: a leading phase III pipeline

*Targeting main tumor types and use in early intervention*

| | ADJUVANT | MAINT. | 1st LINE | 2nd LINE |
|---|---|---|---|---|
| Filed | | | Tarceva pancreatic Ca ✓; Avastin NSCLC ✓; Avastin mBC ✓; Xeloda gastric Ca ✓; Avastin mCRC 1st line ext. ✓; Avastin RCC ✓; Herceptin mBC combo hormonal ✓; Xeloda mCRC 1st line combo ✓ | Xeloda mCRC 2nd line combo ✓ |
| Ongoing | Xeloda adjuvant BC; Xeloda adjuvant CC combo; Avastin adjuvant CC; Avastin adjuvant rectal Ca; Tarceva adjuvant NSCLC | Tarceva & Avastin NSCLC maintenance; MabThera iNHL maintenance | Avastin mBC 1st line ext.; Avastin pancreatic Ca; Avastin NSCLC 1st line ext.; Avastin ovarian Ca; MabThera 1st line CLL; Herceptin gastric Ca; Tarceva NSCLC 1st line; Avastin & Herceptin mBC 1st line ext. | MabThera relapsed CLL; Avastin prostate Ca; Tarceva & Avastin NSCLC 2nd line; Avastin mBC 2nd line |
| To start soon | Avastin adjuvant NSCLC; Avastin adjuvant BC | | | |

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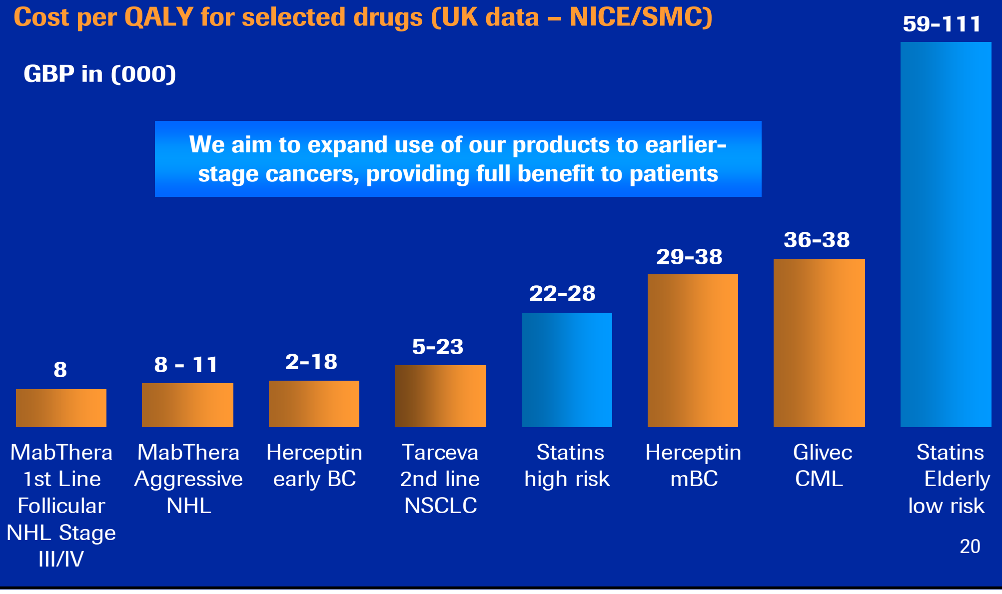
## Roche oncology products are cost-effective

*Favorable comparison to other products*

**Cost per QALY for selected drugs (UK data – NICE/SMC)**

**GBP in (000)**

**We aim to expand use of our products to earlier-stage cancers, providing full benefit to patients**

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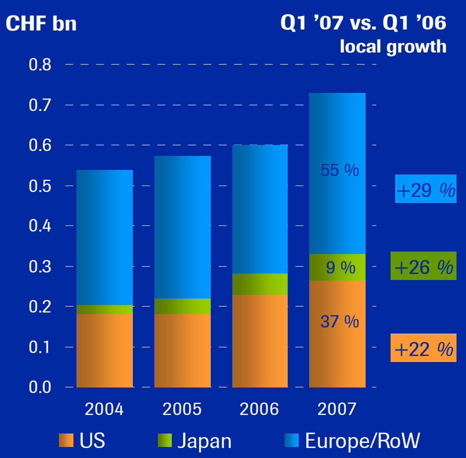
## Inflammation/ Autoimmune/ Transplantation
*Building in rheumatoid arthritis and beyond*




**Q1 2007**

MabThera/ Rituxan

- RA label expanded with radiographic data (EU)
- Promising phase II data in MS (HERMES) to be presented at AAN
- Systemic lupus erythematosus (SLE) phase III (EXPLORER) completed recruitment

Actemra

- First international phase III trial (OPTION) met primary endpoint

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## Actemra phase III trial meets primary endpoint
*Potential to become significant new RA treatment*

**First positive international trial (OPTION) reported**

- Met primary efficacy endpoint (in MTX IR)
- Competitive safety profile
- Submitted to EULAR (June 2007)

**Large phase III program – recruitment completed**

- 5 registration trials in total (4,200 patients)
- Various moderate-to-severe patient populations studied
- Further clinical data until mid-2007

**Filed in Japan in 2006, global filing planned Q4 2007**

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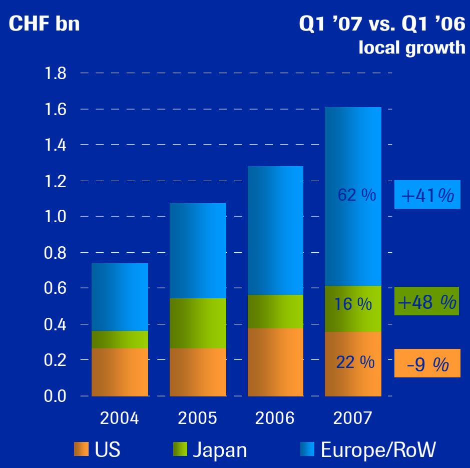
## Virology
*Building on our leading position in hepatitis C*




**Q1 2007**

Pegasys

- Copegus combo approved in Japan
- Further competitive differentiation by personalized treatment options
  - Approval of 24 weeks treatment in genotype 1&4 rapid responders (EU)
  - Fixed dose in heavy weight patients, genotype 1, PROGRESS trial initiated

R1626 (HCV-polymerase inhibitor)

- Phase IIa: encouraging
- Phase IIb: to be initiated soon

Therapeutic HPV vaccine

- from Transgene (phase III in preparation)

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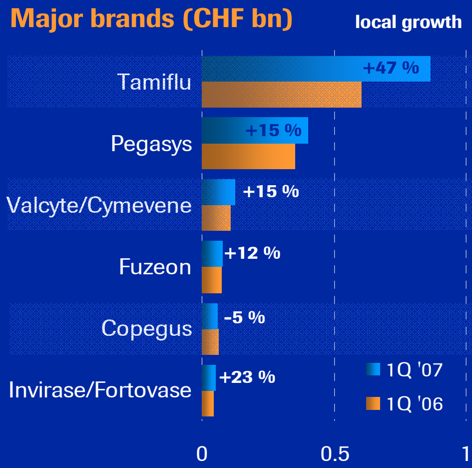
## Virology
*Tamiflu sales remain strong – Pegasys back to growth*

**Major brands (CHF bn)**




- Tamiflu: Guidance maintained for pandemic sales of CHF 0.8 to 1.2 bn in 2007 (Q1: pandemic CHF 0.7 bn)
- Pegasys: Weak Q1 '06 in the US, strong EU growth
- Valcyte/Cymevene: Growth driven by increased use in transplant and HIV/ AIDS indications
- Fuzeon: Combo use with major protease inhibitors
- Copegus: First launch in Japan, Genericisation in US
- Invirase/Fortovase: Growth in US and EU driven by Invirase 500mg

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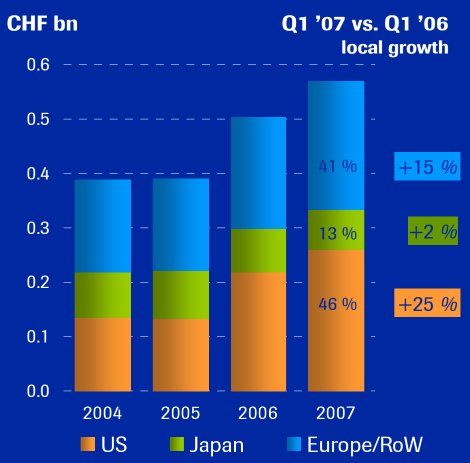
## Metabolism/ Bone

*Franchise growth driven by Boniva*




**Q1 2007**

Xenical

- Life cycle management on track: Alli launch (US) by GSK; non-Rx rights outside US also out-licensed to GSK

GLP-1 (R1583)

- Phase II sustained release formulation (qw and q2w) initiated

CETP Inhibitor (R1658)

- Committed to progress development
- Decision on phase III trial to include full available data review on class, and regulatory discussions
- Decision to be taken in 2007

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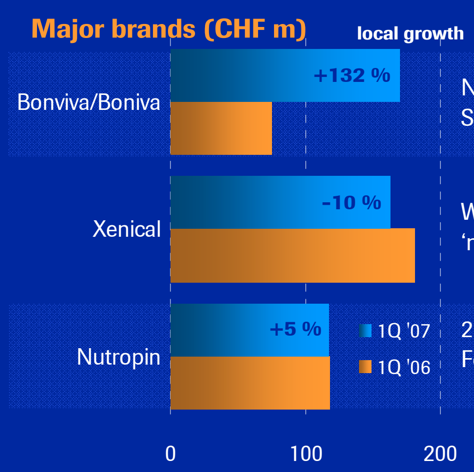
## Metabolism/ Bone

*Boniva being launched in Europe*




NRx share in US approx. 15 %
Successful launches in Europe (France, Spain)

Weak quarter in US and Russia, due to lower 'noise level' on the sector

2nd generation AQ Pen submitted to FDA in February

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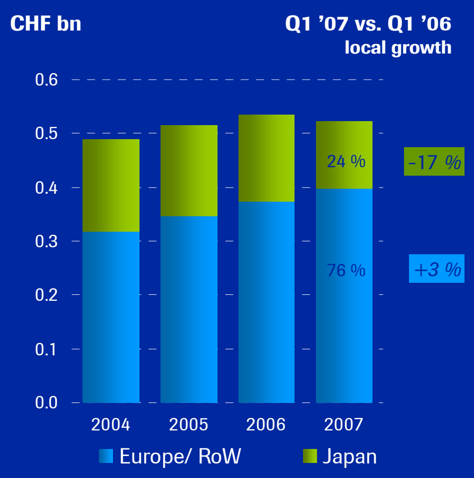
## Anemia
*NeoRecormon: Growing despite a highly competitive market*




**Q1 2007**

NeoRecormon/ Epogin

- Growth in Europe/ RoW (+3 %) in spite of intense competition
- Japan: base effect following April 2006 reimbursement change

Mircera in anemia

- Filed in US and EU- Review by FDA to be completed by May 19, 2007
- Solid clinical data based on largest phase III development program ever conducted in renal anemia
- Future development in oncology will benefit from FDA/ ODAC (May '07)

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## Strong clinical newsflow in Q2 2007
*Key data submitted to upcoming medical meetings*

**Roche ASCO IR event on June 4th**

| Product | Trial | Phase | Indication | Congress |
|---|---|---|---|---|
| MabThera | HERMES | II | RRMS | AAN, April 2007 |
| Avastin | AVOREN | III | 1st line RCC | ASCO, June 2007 |
| Avastin | "Avastin in Lung" | III | 1st line NSCLC | ASCO, June 2007 |
| Avastin/Xeloda | NO16966 | III | 1st line mCRC | ASCO, June 2007 |
| Xeloda | NO16967 | III | 2nd line mCRC | ASCO, June 2007 |
| Omnitarg | | II | Platinum-resistant ovarian cancer | ASCO, June 2007 |
| Omnitarg | | II | HER2+ BC (Herceptin pre-treated) | ASCO, June 2007 |
| Actemra | OPTION | III | RA MTX inadequate responders | EULAR, June 2007 |

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## Our objectives for 2007 - Pharmaceuticals

Major clinical data

| Compound | Phase | Indication | Data | Status |
|---|---|---|---|---|
| R1503 (p38 kinase inh.) | II | Rheumatoid arthritis | Final | |
| R1658 (CETP inh.) | II | Dyslipidemia | Final | |
| R1440 (GKA) | II | T2D | Final | |
| R1626 (polymerase inh.) | II | HCV | Final | |
| Omnitarg | II | Solid tumors | Final | |
| MabThera | II | RRMS | Full data | |
| Actemra | III | Rheumatoid arthritis | Final | ✓ (OPTION) |
| CellCept | III | Lupus nephritis | Final | |
| Avastin | III | NSCLC (Avastin in Lung) | Final | ✓ |
| Xeloda | III | Adjuvant CC (NO16968) | Final '07/ '08 | |
| Xeloda | III | mCRC 2nd line (NO16967) | Full data | |
| Avastin | III | RCC (AVOREN) | Full data | |

Filings

| Compound | Indication | Status |
|---|---|---|
| Avastin | mCRC 1st line combo extension (EU) | ✓ |
| Avastin | RCC (EU) | ✓ |
| Xeloda | mCRC 1st/2nd line combo (US / EU) | ✓ |
| Actemra | Rheumatoid arthritis (US / EU) | |
| CellCept | Lupus nephritis (US / EU) | |

**Divisional sales growth**

**Double-digit growth in local currencies**

barring unforeseen events