



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](http://www.roche.com)

All mentioned trademarks are legally protected

---

**Roche Diagnostics**  
*Daniel O'Day*  
*COO Roche Diagnostics*



*Goldman Sachs Medtech Day*  
*September 7, 2011*

---

# Performance update and strategy

---

## Diagnostics

# Roche Group: Strong performance in HY 2011

## *Supporting full-year guidance, strong currency impact*

### Sales on track for full year guidance

- Group and Pharma: low-single digit sales growth <sup>1,2</sup>
- Diagnostics: above market sales growth

### Continuous productivity improvements

- On track to deliver CHF 1.8 bn OE\* savings in 2011 (CHF 2.4 bn in 2012)
- Core operating margin and cash flow further increased
- Core EPS +10%<sup>1</sup>

### Currency Impact

- Reported results significantly impacted by currency fluctuations
- Underlying exposure mitigated by majority of cost base outside Switzerland

# Increased outlook for 2011

*HY 2011 Sales reflect strong business performance*

	2010 CHF m	2011 CHF m	change in % CHF	local	Excluding Tamiflu <sup>1</sup>
<b>Pharmaceuticals Division</b>	<b>19,386</b>	<b>16,815</b>	<b>-13</b>	<b>-1</b>	<b>+1</b>
<b>Diagnostics Division</b>	<b>5,250</b>	<b>4,856</b>	<b>-8</b>	<b>+5</b>	<b>+5</b>
<b>Roche Group</b>	<b>24,636</b>	<b>21,671</b>	<b>-12</b>	<b>0</b>	<b>+2</b>

## Outlook improved

- Core EPS growth target increased to 'around 10%' <sup>1</sup>
- Grow dividend in-line with Core EPS; at least last year's dividend in CHF

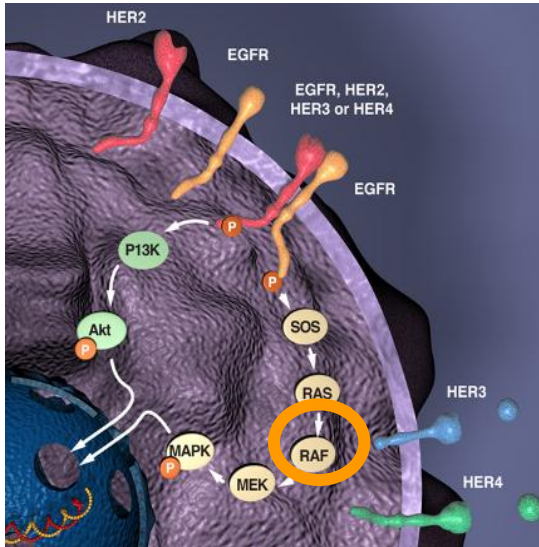
<sup>1</sup> local currency

# Joint launch of Zelboraf and cobas 4800 BRAF V600 Mutation Test

Roche

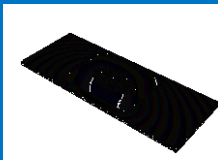


*Major step in personalising melanoma treatment*



- Mutations in BRAF protein may cause uncontrolled cell growth and survival
- Test approved to identify patients with BRAF V600E mutation for Zelboraf treatment
- Co-ordinated clinical trials, regulatory filings and commercialisation plan for the drug and test

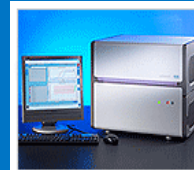
Oncologist sends patient's tumour sample for BRAF testing



Pathology/ molecular lab assesses tumour and isolates DNA



cobas 4800 BRAF V600 Mutation Test reports mutation status



**BRAF<sup>V600E</sup>**

**YES**



**Zelboraf**



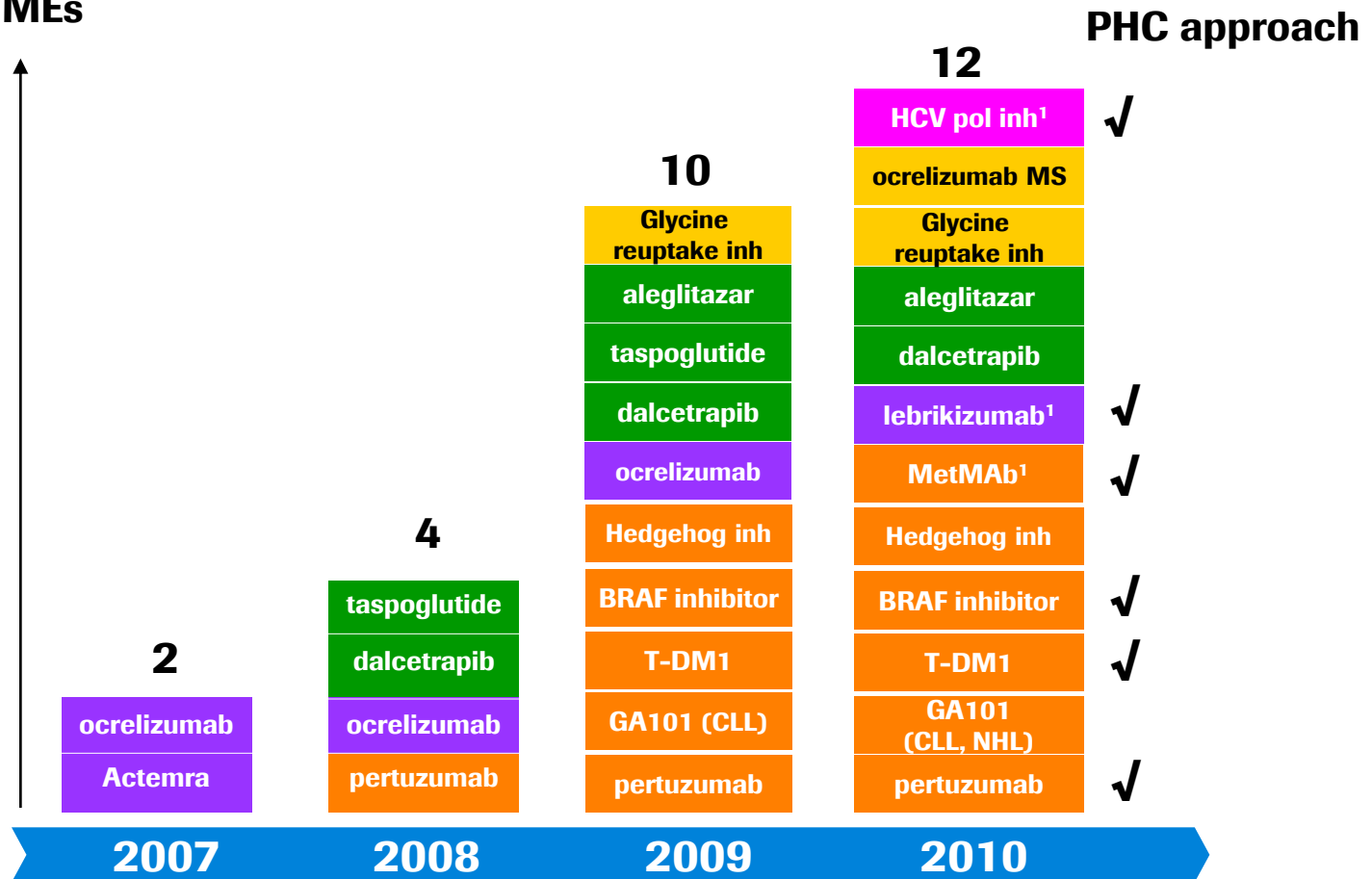
**< 8 hrs for test result**

# Roche Pharma has a leading pipeline

*12 NMEs in late-stage development, 6 with PHC approach*

Number of NMEs

- Virology
- CNS
- Metabolic
- Inflammation
- Oncology



<sup>1</sup> LIP decision made, phase III start pending



## Performance update and strategy

---

### **Diagnostics**

---

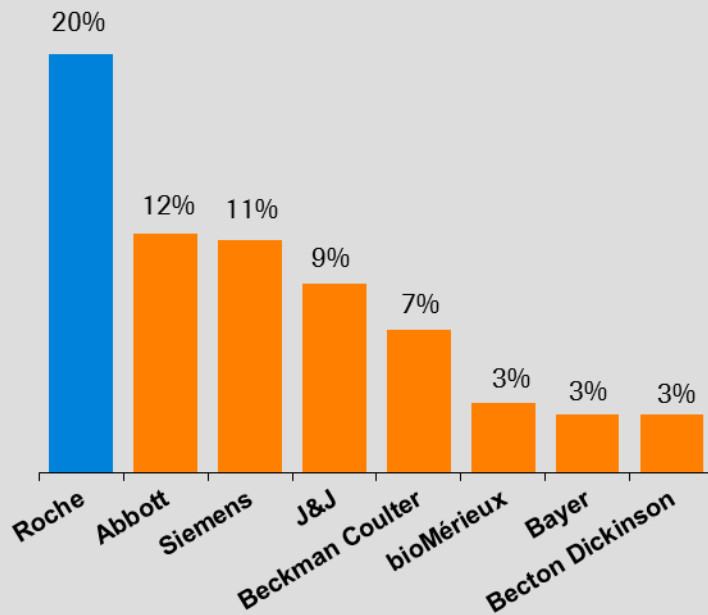
USD bn



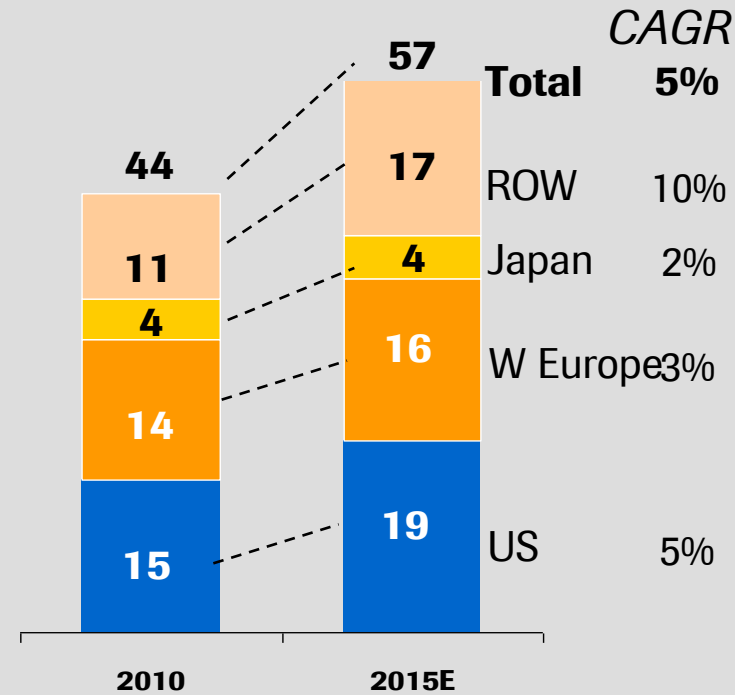
# Roche Diagnostics

## *Leader in a Growing Market*

### Number 1 in IVD...



### ... a large and growing market



\* incl. Diabetes Monitoring

Source: Industry Analyst Report

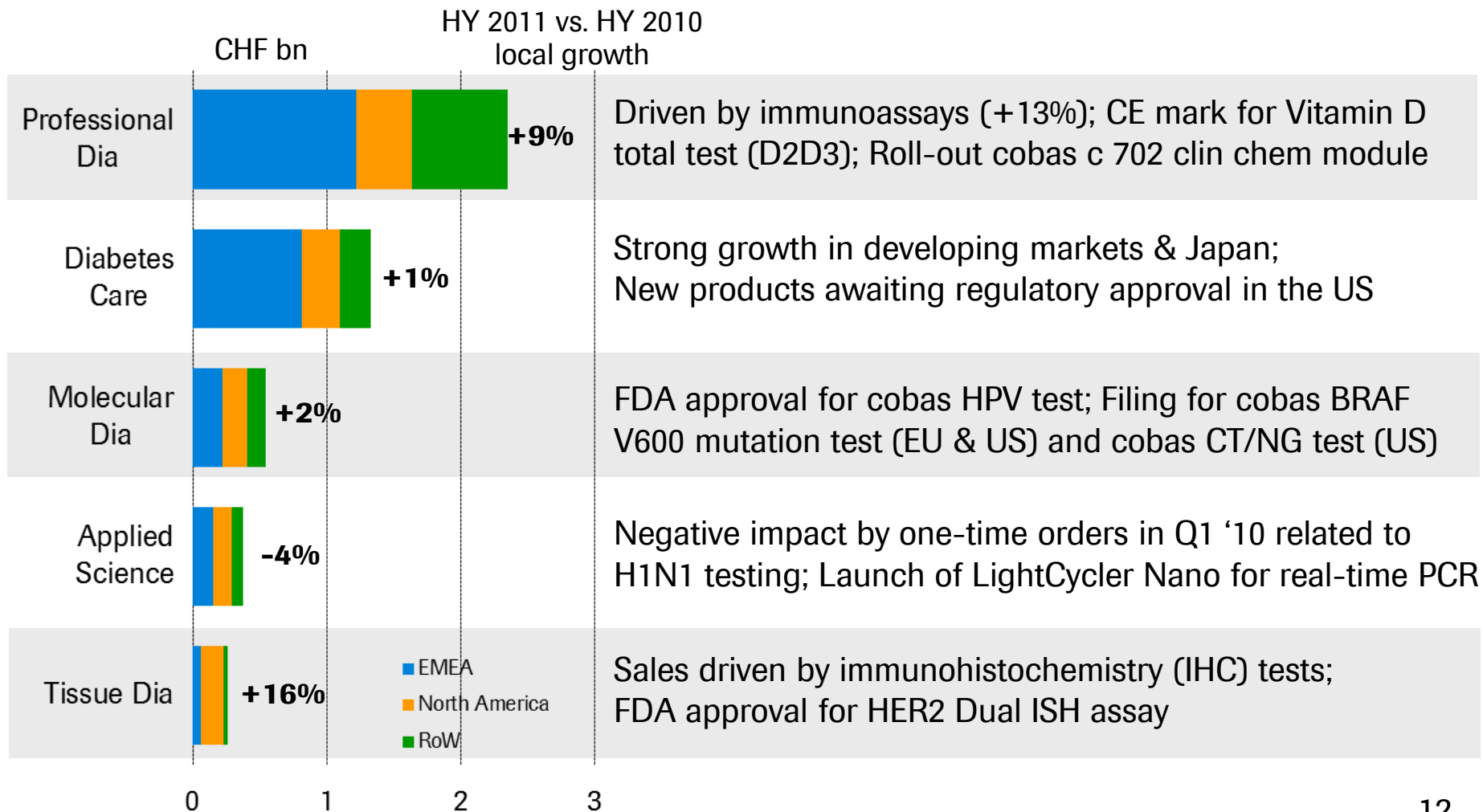
# **HY 2011: Diagnostics Division sales**

*Maintaining IVD market leadership and growth*

	<b>2010 CHF m</b>	<b>2011 CHF m</b>	<b>change in % CHF local</b>	
Professional Diagnostics	2,449	2,347	-4	+9
Diabetes Care	1,489	1,329	-11	+1
Molecular Diagnostics	604	544	-10	+2
Applied Science	449	377	-16	-4
Tissue Diagnostics	259	259	0	+16
<b>Diagnostics Division</b>	<b>5,250</b>	<b>4,856</b>	<b>-8</b>	<b>+5</b>

# Market leadership driving sales

## *Sustained high growth in Professional & Tissue Diagnostics*

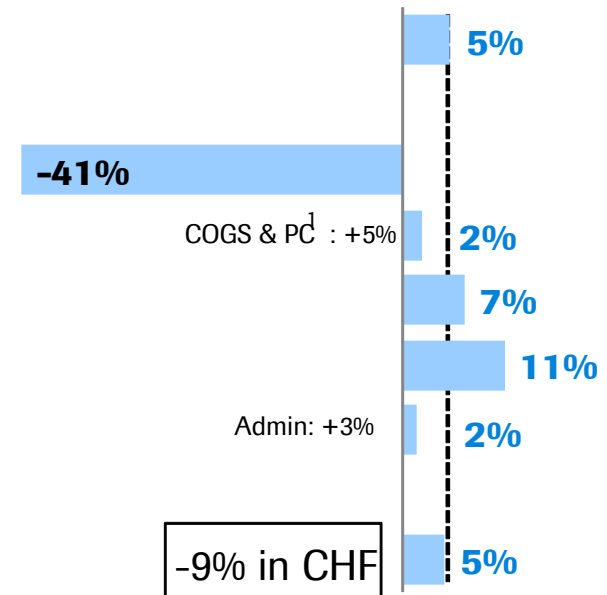


# Diagnostics Division performance HY 2011

*Profit increase primarily due to higher sales and improved CoS ratio*

	2011 CHF m	% sales
<b>Sales</b>	<b>4,856</b>	<b>100.0</b>
Royalties & other op inc	50	1.0
Cost of sales	-2,052	-42.3
M & D	-1,174	-24.1
R & D	-431	-8.9
G & A	-186	-3.8
<b>Core operating profit</b>	<b>1,063</b>	<b>21.9</b>

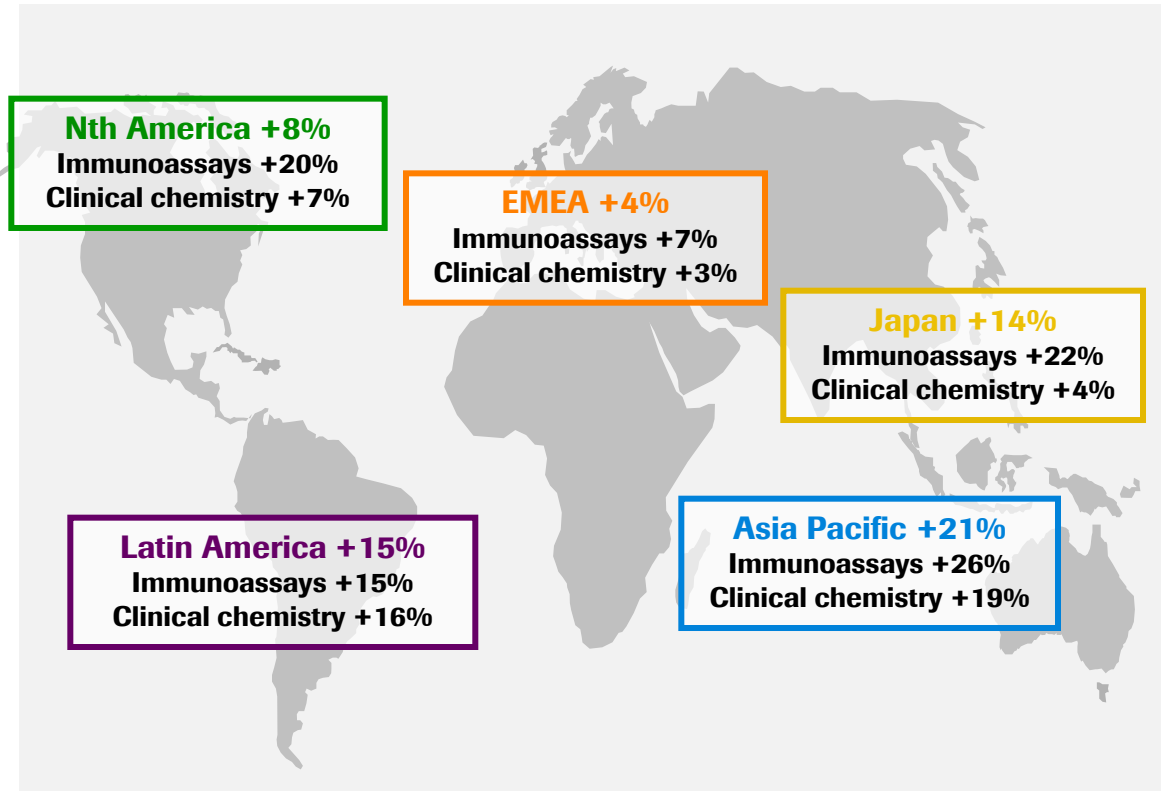
## 2011 vs. 2010 local growth



<sup>1</sup> Cost of goods sold & period cost

# Professional Diagnostics

## *Serum work area driving revenue growth*



EMEA = Europe, Middle East, Africa  
All growth in local currencies

### 5 new immunoassays launched in EU and/or US

Total Vit D total, HE4, HBsAg quant, CMV Avidity, hGH

### 1 billion tests per year!

Immunoassay tests in 2010	
945'000'000	Total Tests
2'589'041	Tests per Day
107'877	Tests per Hour
1'798	Tests per minute
30	Tests per second

# Building a cervical cancer portfolio

## Complementary solutions for risk identification and detection of disease



### cobas HPV test

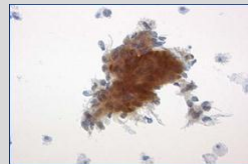
detects HPV DNA plus genotypes 16 & 18 in cytology preparations



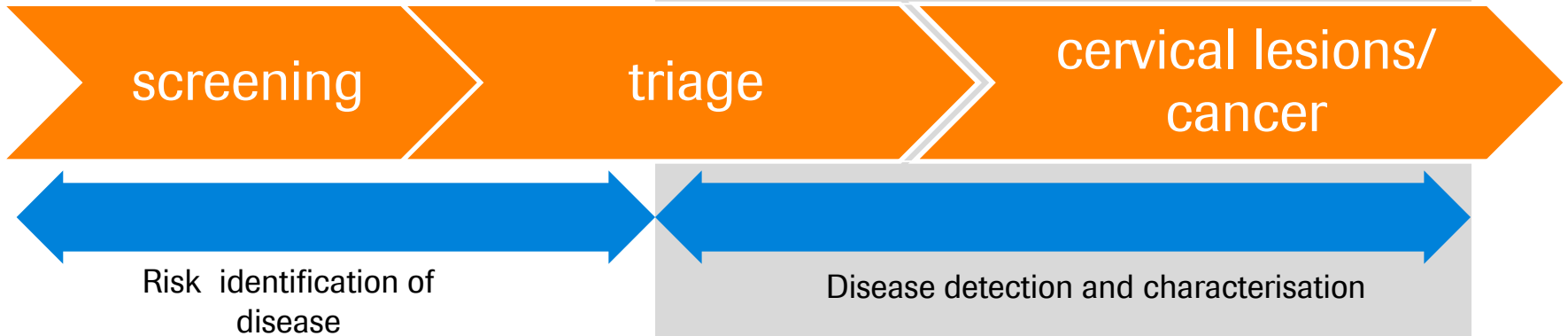
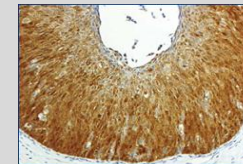
### mtm Acquisition



detects p16 & Ki-67 protein expression in cytology preparations



detects p16 protein expression in tissue biopsies



# HER2 Dual ISH provides fully automated alternative to HER2 FISH assays

Roche



## **Fits into anatomic pathology lab workflow**

- Rapid time to result (12 hr vs 36 hr)
- No darkroom or fluorescent microscope required

## **Improves visualization for the pathologist**

- View entire tissue sample and HER2 gene status shown in context of tumor morphology

## **Delivers patient value**

- Showed 96% concordance to FISH, with majority discordant cases correctly identified by Dual ISH\*

## **Leading and changing the market**

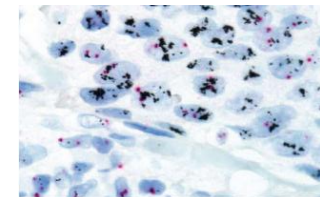
- Achieved leading position in EU just 12 months post-launch
- Large BenchMark installed base in US



Fully Automated IHC/ ISH  
BenchMark XT



Brightfield detection



Dual ISH staining  
HER2 gene (black) and  
chromosome 17 (red)

ISH = in situ hybridisation; FISH: fluorescence in situ hybridisation

\* Publication in progress



# Key launches for 2011\*

**Diagnostics PHC Investor Event**  
**London, Sept 21<sup>st</sup> 2011**



<b>Professional Diagnostics</b>	<ul style="list-style-type: none"> <li>▪ Vitamin D total and HE4 immunoassays (EU) ✓</li> <li>▪ cobas 8000 modular analyzer series, cobas c 702 module (EU, US) ✓</li> <li>▪ cobas b 123 POC system for bloodgas &amp; electrolytes (US)</li> </ul>
<b>Diabetes Care</b>	<ul style="list-style-type: none"> <li>▪ Accu-Chek Mobile LCM (EU)</li> <li>▪ Accu-Chek Combo (US)</li> <li>▪ Accu-Chek Nano (US)</li> </ul>
<b>Molecular Diagnostics</b>	<ul style="list-style-type: none"> <li>▪ cobas 4800 HPV Test (US) ✓</li> <li>▪ cobas 4800 EGFR Mutation Test (EU)</li> <li>▪ cobas 4800 KRAS Mutation Test (EU) ✓</li> <li>▪ cobas 4800 BRAF V600 Mutation Test (EU, US) ✓</li> </ul>
<b>Applied Science</b>	<ul style="list-style-type: none"> <li>▪ HLA genotyping on GS Junior &amp; FLX sequencing systems (global) ✓</li> <li>▪ GS FLX Titanium-XL system (global) ✓</li> <li>▪ Ultra-high resolution CGH arrays (global)</li> <li>▪ LightCycler Nano for real time PCR analysis (global) ✓</li> </ul>
<b>Tissue Diagnostics</b>	<ul style="list-style-type: none"> <li>▪ ER/PR antibody for IHC (US)</li> <li>▪ HER2 dual colour ISH probe (US) ✓</li> <li>▪ OptiView detection system (US, EU) ✓</li> </ul>

**Diagnostics Division Outlook: Sales growth significantly above the market**

\* Subject to appropriate regulatory approvals

barring unforeseen events



*We Innovate Healthcare*