

Basel, 28 January 2015

Roche delivers solid results in 2014

- Group sales up 5% at constant exchange rates¹, 1% in Swiss francs
- Pharmaceuticals Division sales up 4%, driven by oncology (HER2-positive breast cancer medicines, Avastin) and strong growth in immunology (Actemra, Xolair)
- Diagnostics Division sales up 6%, driven by Professional Diagnostics and Molecular Diagnostics
- Core earnings per share increased by 5% to 14.29 Swiss francs; up 7% excluding one-time double charge of the US Branded Prescription Drug fee²
- Board proposes dividend increase of 3% to 8.00 Swiss francs, 28th consecutive year of dividend growth
- Outlook for 2015³: Sales expected to grow low-to mid-single digit, at constant exchange rates. Core earnings per share targeted to grow at constant exchange rates ahead of sales. Roche expects to further increase its dividend in Swiss francs

| Key figures 2014 | In millions of CHF | | % change | |
|-------------------------------|--------------------|--------|----------|-----|
| | 2014 | 2013 | CER | CHF |
| Group sales | 47,462 | 46,780 | 5 | 1 |
| Pharmaceuticals Division | 36,696 | 36,304 | 4 | 1 |
| Diagnostics Division | 10,766 | 10,476 | 6 | 3 |
| Core operating profit | 17,636 | 17,904 | 3 | -1 |
| Core net income | 12,533 | 12,526 | 6 | 0 |
| IFRS net income ⁴ | 9,535 | 11,373 | -10 | -16 |
| Core earnings per share (CHF) | 14.29 | 14.27 | 5 | 0 |

¹ Unless otherwise stated, all growth rates in this document are at constant exchange rates (CER; average full-year 2013).

² There was a one-time double charge of CHF 202m for the US Branded Prescription Drug fee in 2014, following final regulations issued by the US Internal Revenue Service which advanced the timing of recording the liability.

³ This outlook excludes the one-time benefit of CHF 428m related to the divestment of filgrastim rights in 2014.

⁴ IFRS: International Financial Reporting Standards.

Commenting on the Group's results, Roche CEO Severin Schwan said: "We made good progress in 2014 with solid growth in both divisions driven by our newly launched medicines and diagnostic tests. In addition, we have now made ten targeted acquisitions to complement our existing portfolio in Pharma and Diagnostics. Initial demand for Esbriet, a breakthrough medicine in lung fibrosis which was recently launched in the US following the InterMune acquisition, is strong. In Diagnostics, we successfully launched the cobas 6800/8800 platform, which brings the automation of molecular testing to a new level. With our strong product portfolio and pipeline we are well positioned for the future."

Group Results

Solid sales growth in both divisions

Group sales reached 47.5 billion Swiss francs in 2014. Growth in Pharmaceuticals was driven by medicines for HER2-positive breast cancer (+20%), as well as Avastin (+6%). New products, Perjeta and Kadcylla for HER2-positive breast cancer, made a significant contribution to growth, more than offsetting declining sales of Xeloda, a medicine that now faces generic competition. There was also strong demand for immunology medicines, notably Actemra/RoActemra (+23%) for rheumatoid arthritis and Xolair (+25%) for chronic hives and allergic asthma. Sales of Tamiflu (+54%) increased considerably late in the year, as a result of the US flu epidemic. In Diagnostics, sales continued to be driven by the Professional Diagnostics business, which grew 8%, whilst Molecular Diagnostics was 6% higher. There was also positive early uptake for the new molecular laboratory testing systems, launched during the year, the cobas 6800 and the cobas 8800.

The Swiss franc rose against a number of currencies in 2014, mainly the Japanese yen, along with a number of Latin American currencies and the US dollar. Overall, this led to a negative impact on the results reported in Swiss francs.

Core⁵ operating profit and cash flow generation remains strong

Core operating profit increased by 3%. This includes a double charge of 202 million Swiss francs of the US Branded Prescription Drug fee, following final regulations issued by the Internal Revenue Service, which advanced the timing of recording the liability. Excluding this double charge, core operating profit was 5% higher.

⁵ The core basis excludes non-core items such as global restructuring costs, amortisation and impairment of goodwill and intangible assets and loss on major debt restructuring.

Operating free cash flow was 15.8 billion Swiss francs. The strong cash generation of the underlying operations was offset by higher capital investments in manufacturing facilities and other site development projects, resulting in a 2% decrease at constant exchange rates. Free cash flow was 5.3 billion Swiss francs, 1% higher at constant exchange rates.

Net income impacted by impairments and restructuring

IFRS net income was negatively impacted by debt restructuring, impairments and restructuring costs in 2014. The Group restructured part of its debt in 2014 to take advantage of the low interest environment. Net of tax, this measure resulted in a one-time loss of 279 million Swiss francs, but will lead to interest savings over the longer term. Intangible impairments increased by 1.1 billion Swiss francs, in particular in Tissue Diagnostics, following the reassessment of a product in late-stage development and cuts in US laboratory test reimbursement. Costs for restructuring increased by 252 million Swiss francs due to a non-recurring, one-time income effect in the 2013 IFRS results.

In total, these costs and impairments resulted, after taxes, in a 10% lower net income on an IFRS basis in 2014 (down 16% in Swiss francs). Core net income, which excludes these items, was 6% higher than 2013 (stable in Swiss francs).

The performance of the underlying business remained strong, with core earnings per share 5% higher at constant exchange rates, and stable in Swiss francs. Excluding the one-time double charge of the US Branded Prescription Drug fee, core earnings per share were 7% higher.

Based on the strong business results, the Board of Directors has recommended the 28th consecutive dividend increase, 3% to 8.00 Swiss francs per share.

Product approvals and positive data from the pipeline

Two new indications were approved for cancer medicine, Avastin, platinum-resistant ovarian cancer and cervical cancer, whilst Gazyvaro was approved for the treatment of chronic lymphocytic leukemia in Europe. Esbriet, the newly acquired idiopathic lung fibrosis medicine, was granted FDA Breakthrough Therapy Designation in July and subsequently launched in October. The FDA also granted Breakthrough Therapy Designation for Lucentis in diabetic retinopathy and for a new cancer immunotherapy compound, anti-PDL1, in bladder cancer.

Clinical trial data from the phase III CLEOPATRA study of Perjeta in HER2-positive metastatic breast cancer was one of the highlights of 2014. The results showed that adding Perjeta to Herceptin and chemotherapy, increased survival time for previously untreated patients to an unprecedented almost five years. Clinical trial results for cobimetinib combined with Zelboraf in advanced melanoma (tested against Zelboraf alone), were also announced during the year, showing that treatment with the combination halved the risk of the disease worsening. Roche now has over 30 different combination therapies in its oncology pipeline.

Phase III studies of bitopertin for schizophrenia did not meet primary endpoints, and a phase III study of gantenerumab in early-stage Alzheimer's disease was discontinued after a pre-planned futility analysis.

In first-line treatment of HER2-positive advanced breast cancer, the MARIANNE study of antibody drug conjugate, Kadcyla, in combination with Perjeta, showed similar progression-free survival time to Herceptin with chemotherapy, but did not show superiority in this specific setting. These results do not impact existing use of Perjeta or Kadcyla, both of which have been shown to significantly extend survival in HER2-positive breast cancer. Kadcyla is approved for people with previously treated disease (second and later lines). Perjeta is approved in combination with Herceptin and chemotherapy for people with previously untreated disease (first-line).

Fourteen key diagnostic products launched, further broadening the portfolio

Roche launched a range of new diagnostic instruments in 2014 including the cobas 6800 and cobas 8800 systems for molecular testing, the cobas 6500, which combines urine strip testing and digital urinary microscopy, and a number of new tools for the management of diabetes. New tests were also launched for the identification of infectious disease-causing microorganisms, and in women's health for fertility and pre-natal diagnosis. These tests further strengthen the broad portfolio of tests for a wide range of applications, from fertility and pregnancy testing, breast, cervical and ovarian cancer management to monitoring and management of chronic, age-related conditions like osteoporosis.

Building capabilities with strategic acquisitions

Over the last ten months, Roche has made ten targeted acquisitions to complement its current product portfolio in both divisions, including InterMune, the developer of Esbriet for idiopathic lung fibrosis, and Seragon Pharmaceuticals, which is researching treatments for hormone receptor-positive breast cancer. In Diagnostics, acquisitions were made to expand into point-of-care molecular testing and to add new technologies in gene sequencing.

In early 2015, Roche acquired Ariosa Diagnostics to enter the non-invasive prenatal and cell-free DNA testing markets. Roche also entered into a strategic partnership with Foundation Medicine in the field of molecular information and genomic analysis in oncology. The collaboration aims to advance personalised healthcare, by leveraging use of molecular information for comprehensive assessment of tumours.

Outlook for 2015

In 2015, Roche expects sales to grow low- to mid-single digit, at constant exchange rates. Core earnings per share are targeted to grow ahead of sales at constant exchange rates⁶. Roche expects to further increase its dividend in Swiss francs.

Pharmaceuticals Division

Sales increased 4% in the Pharmaceuticals Division to 36.7 billion Swiss francs in 2014, with the oncology portfolio performing strongly (+5%), particularly medicines for HER2-positive breast cancer (+20%). Sales of new cancer products made a significant contribution, as did sales of Avastin, which were 6% higher.

Immunology sales also grew strongly, especially in the treatment of rheumatoid arthritis (RA), with Actemra/RoActemra up 23% and MabThera/Rituxan (in RA) up 12%, as well as Xolair for chronic hives and allergic asthma, which grew 25%. Tamiflu (+54%) also grew very strongly towards the end of the year as a result of the flu epidemic in the US. These sales more than offset lower sales of oral chemotherapy drug Xeloda, which now has generic competition in key markets; and hepatitis medicine Pegasys, which faced competition from a new generation of treatments.

In the United States, sales were 6% higher, with medicines for HER2-positive breast cancer driving growth (+27%), along with Tamiflu (+62%). Xolair and Avastin also grew significantly, up 25% and 6% respectively. Xolair was approved by the FDA to treat a form of chronic hives in 2014, which adds to its use in allergic asthma. Early uptake of Esbriet was very positive, however, sales did not reflect demand, as patients in the US are currently transitioning from a patient assistance programme to normal commercial supply.

In Europe, 3% higher sales were driven by solid growth in Germany and the UK, particularly in sales of HER2-positive breast cancer medicines. In the UK there was also some stockpiling of Tamiflu. Ongoing pricing pressure had an impact on sales in a number of markets, however demand remained high.

⁶ This outlook excludes the benefit of 428m Swiss francs related to the divestment of filgrastim rights in 2014.

Sales in the International region were 2% higher, with strong growth in Latin America, in particular Venezuela, Argentina and Brazil, as well as in Algeria. In Russia, sales declined significantly in the fourth quarter as a result of economic conditions, whilst sales in the Middle East were impacted by a change in distributor. In China, sales were 4% higher, with demand increasing in the fourth quarter, and continued strong growth for key products such as Herceptin and MabThera/Rituxan. Growth was negatively impacted by the base effect of strong Tamiflu sales in 2013, as well as competition for Tarceva.

In Japan, 7% higher sales were driven by strong demand for HER2-positive breast cancer medicines, as well as Avastin and Actemra, in particular for the subcutaneous form. In the osteoporosis segment, there was good sales growth for Edirof, as well as Bonviva. Early uptake was very strong for the newly approved Alecensa (alectinib) in ALK-positive lung cancer.

The 2014 performance also reflected the continued increase in contribution from personalised healthcare. Sales of products with a companion diagnostic test on label now represent 23% of Pharmaceuticals Division sales.

Key pharmaceutical products in 2014

| Top-selling pharmaceuticals and recent launches Jan-Dec 2014 | Total | | US | | Europe | | Japan | | International** | |
|---|-------|-----|-------|-----|--------|-----|-------|----|-----------------|-----|
| | CHF m | %* | CHF m | %* | CHF m | %* | CHF m | %* | CHF m | %* |
| MabThera/Rituxan | 6,900 | 2 | 3,334 | 1 | 2,014 | 6 | 226 | 0 | 1,326 | -1 |
| Avastin | 6,417 | 6 | 2,682 | 6 | 1,958 | 3 | 711 | 9 | 1,066 | 12 |
| Herceptin | 6,275 | 7 | 1,967 | 12 | 2,234 | 3 | 270 | 1 | 1,804 | 8 |
| Lucentis | 1,701 | 2 | 1,701 | 2 | - | - | - | - | - | - |
| Tarceva | 1,292 | -1 | 641 | 7 | 303 | -11 | 99 | 10 | 249 | -10 |
| Actemra/RoActemra | 1,224 | 23 | 406 | 31 | 433 | 22 | 214 | 19 | 171 | 14 |
| Pegasys | 1,015 | -20 | 194 | -36 | 236 | -33 | 60 | 28 | 525 | -8 |

| | | | | | | | | | | |
|---------|-----|-----|-----|-----|-----|-----|-----|-----|----|-----|
| Xolair | 975 | 25 | 975 | 25 | - | - | - | - | - | - |
| Tamiflu | 959 | 54 | 686 | 62 | 74 | 292 | 113 | 18 | 86 | 7 |
| Perjeta | 918 | 189 | 540 | 150 | 238 | 253 | 79 | 281 | 61 | 326 |

| Recent launches | | | | | | | | | | |
|-----------------|-----|-----|-----|-----|-----|-----|----|---|----|-----|
| Kadcyla | 536 | 135 | 282 | 29 | 176 | *** | 35 | - | 43 | *** |
| Zelboraf | 301 | -12 | 69 | -44 | 188 | -3 | - | - | 44 | 41 |
| Erivedge | 128 | 75 | 83 | 27 | 39 | 399 | - | - | 6 | *** |
| Gazyva/Gazyvaro | 49 | *** | 43 | *** | 5 | - | - | - | 1 | - |
| Esbriet | 44 | - | 5 | - | 36 | - | - | - | 3 | - |

* At constant exchange rates (CER, average full-year 2013).

** Asia-Pacific, EEMEA (Eastern Europe, Middle East, Africa), Latin America, Canada, Others.

*** >500%.

Avastin (+6%), for advanced colorectal, breast, lung, kidney, cervical and ovarian cancer, and glioblastoma (a type of brain tumour). Avastin was approved in platinum-resistant ovarian cancer and cervical cancer during the year, and is now used to treat seven different cancers. Sales in the US (+6%) were driven by growing demand in colorectal, cervical and ovarian cancer, whilst in Europe growth of 3% stemmed from increased demand for treatment of ovarian cancer and strong demand across other indications. In Japan, sales were 9% up, with higher sales in breast cancer, as well as ovarian cancer and malignant glioma. In the International region, growth of 12% was driven by launches in a number of markets for ovarian cancer treatment, as well as by demand in colorectal cancer.

Herceptin, Perjeta, Kadcyla (+20%), for HER2-positive breast cancer and Herceptin for HER2-positive metastatic (advanced) gastric cancer. Herceptin sales were particularly strong in the US (+12%), as demand increased with use in combination with Perjeta in treating HER2-positive breast cancer. In Europe, where the subcutaneous formulation is now available in many markets, sales increased 3%. Sales in Japan were 1% higher, mainly in use with Perjeta. In the International region (+8%), sales growth was strong in Latin America, with high demand in the public sector; as well as in Asia, where growth came particularly in China

from the patient assistance programme. Perjeta sales (918 million Swiss francs) grew in all regions, with strong uptake in the US, Germany and France. Kadcyla sales (536 million Swiss francs) continued to grow well in Europe and the US, and in Japan, where Kadcyla was launched in 2014 and early uptake has been very positive.

MabThera/Rituxan (+2%), for common forms of blood cancers, non-Hodgkin's lymphoma, follicular lymphoma and chronic lymphocytic leukemia; as well as for rheumatoid arthritis and certain types of ANCA-associated vasculitis. Sales were up 6% in Europe, where demand increased in the treatment of follicular lymphoma, as well as for chronic lymphocytic leukemia. In the US, sales were 1% higher and reflected a base effect from the release of sales reserves in 2013 (from the 340B Program). Excluding this effect, sales in the US in 2014 were 5% higher. In the International region (-1%), sales were impacted by economic conditions in Russia. Sales remained strong in Latin America, where demand increased in key markets.

Lucentis (+2%, US only), for eye conditions, wet age-related macular degeneration, macular edema following retinal vein occlusion and diabetic macular edema. Growth was driven largely by increased adoption of Lucentis in treating diabetic macular edema. Lucentis has been granted Priority Review and Breakthrough Therapy Designation by the FDA for treatment in diabetic retinopathy.

Actemra/RoActemra (+23%), for rheumatoid arthritis, systemic juvenile idiopathic arthritis and polyarticular juvenile idiopathic arthritis. Demand was strong in all regions, particularly the US (+31%), Europe (+22%) and Japan (+19%), driven by increased use in monotherapy and earlier use in treatment for rheumatoid arthritis, with significant uptake of the new subcutaneous formulation. In the International region, sales were 14% higher, driven by strong launches in China and Turkey and continued fast uptake in Australia and Argentina. RoActemra was approved to treat early-stage rheumatoid arthritis in the EU in 2014.

Zelboraf (-12%), for BRAF V600 mutation-positive metastatic melanoma. As the standard of care is now moving to combination-targeted therapy in advanced melanoma, Zelboraf has been under intense competitive pressure, as expected, particularly in the US. In Europe sales were stable, and in the International region (+41%), there was strong growth in a number of markets including Argentina and Brazil. Recent phase III clinical trial data for Zelboraf in combination with cobimetinib, have shown very positive results and the data was filed with the FDA and European Medicines Agency in 2014. Zelboraf was approved in Japan in 2014.

Gazyva/Gazyvaro (49 million Swiss francs), for treatment of chronic lymphocytic leukemia. Initial uptake in Europe has been positive, whilst limited use of chlorambucil (the chemotherapy medicine approved with Gazyva), as well as competition have impacted uptake in the US. In late December 2014, the FDA approved a supplemental biologics licence application expanding Gazyva's label to include data which showed significant improvements of Gazyva plus chlorambucil over MabThera/Rituxan plus chlorambucil. As of January 2015, Gazyva/Gazyvaro has been approved in 40 different countries worldwide.

Major clinical and regulatory news flow in 2014

Cancer immunotherapy is a key focus area for Roche, with seven investigational medicines in five types of cancer currently in development. Roche's most advanced investigational medicine in this area, anti-PDL1, showed promising early results in combination with Avastin in renal cell carcinoma, as well as positive early data in other solid tumours. There was also positive news from two phase III studies of Avastin in HER2-negative breast cancer, a very aggressive and common form of breast cancer.

In hemophilia A, early data on ACE910, an innovative bispecific antibody, showed an encouraging reduction in bleeding rates for all patients on the trial. Lampalizumab, the first potential treatment for geographic atrophy, initiated phase III clinical trials in September.

Development of onartuzumab was discontinued in advanced MET-positive non-small cell lung cancer, as it failed to show clinically meaningful efficacy.

| Compound | Indication | Milestone | |
|--------------------------------------|------------------------------|---|------|
| MabThera (subcutaneous formulation) | non-Hodgkin's lymphoma | EU approval | Q1 ✓ |
| Xolair | chronic idiopathic urticaria | FDA approval | Q1 ✓ |
| Lebrikizumab | severe uncontrolled asthma | Phase IIb study results (LUTE, VERSE) | Q1 ✓ |
| Onartuzumab and Tarceva | non-small cell lung cancer | Phase III study results (MetLung) | Q1 ✗ |
| RoActemra (subcutaneous formulation) | rheumatoid arthritis | EU approval | Q2✓ |
| Anti-PDL1 (MPDL3280A) | metastatic bladder cancer | Phase I study results led to FDA Breakthrough Therapy Designation | Q2✓ |
| LptD antibiotic (RG7929) | bacterial infections | FDA fast track designation | Q2✓ |
| Avastin | cervical cancer | EU filing | Q2✓ |

| | | | |
|-----------------------------------|---|---|------|
| Bitopertin | schizophrenia | Phase III study results | Q3 ✘ |
| Alecensa (alectinib) | ALK-positive non-small cell lung cancer | Japanese approval | Q3✓ |
| Gazyvaro | chronic lymphocytic leukemia | EU approval | Q3✓ |
| RoActemra | early rheumatoid arthritis | EU approval | Q3✓ |
| Avastin | cervical cancer | FDA approval | Q3✓ |
| Avastin | platinum-resistant recurrent ovarian cancer | EU and FDA approval | Q3✓ |
| Avastin | glioblastoma | EU approval | Q3✘ |
| Cobimetinib and Zelboraf | BRAF V600 mutation-positive metastatic melanoma | Phase III study results (coBRIM) filed in EU and US with FDA fast track designation | Q3✓ |
| Perjeta | HER2-positive breast cancer (neo-adjuvant) | Phase II (NEOSPHERE) study results filed in EU | Q3✓ |
| Perjeta | metastatic HER2-positive breast cancer (first-line) | Final overall survival data from Phase III (CLEOPATRA) | Q3✓ |
| Esbriet | idiopathic pulmonary fibrosis | FDA approval, European update to prescribing information strengthening mortality benefit and reinforcing safety profile | Q4 ✓ |
| MabThera subcutaneous formulation | chronic lymphocytic leukemia | EU filing | Q4 ✓ |
| Lucentis | diabetic retinopathy | FDA Breakthrough Therapy Designation, phase III RIDE/RISE study results filed in US | Q4✓ |
| Kadcyla and Perjeta | previously untreated HER2-positive metastatic breast cancer | MARIANNE study did not meet primary endpoints | Q4✘ |
| ACE910 | hemophilia A | Phase I data | Q4✓ |
| gantenerumab | prodromal Alzheimer's disease | SCarlet RoAD study stopped after futility analysis | Q4✘ |
| Zelboraf | advanced melanoma | Japanese approval | Q4✓ |

Diagnostics Division

Sales increased 6% in the Diagnostics Division to 10.8 billion Swiss francs in 2014. Professional Diagnostics, with 8% growth, was the main growth contributor led by its immunodiagnosics business. Sales of Molecular Diagnostics increased by 6%, with 8% growth in the underlying molecular businesses. Sales were 10% higher in Tissue Diagnostics and 1% higher in Diabetes Care.

Sales growth was driven by Asia–Pacific (+15%) and EMEA (+4%). Growth in Asia–Pacific was driven by a strong performance in China (+23%). Sales increased 4% in North America, 13% in Latin America and were flat in Japan.

Professional Diagnostics

Professional Diagnostics outperformed the market in all regions with strong growth of 8%. Growth was primarily driven by the immunodiagnosics business (+13%), which now represents 26% of Divisional sales. This was supported by the clinical chemistry business (+7%) and coagulation monitoring (+8%). In 2014, the cobas 6500, a new fully automated instrument for urine analysis, the Elecsys Syphilis and the Elecsys Anti-Müllerian Hormone tests were launched. New study results also demonstrated the value of the Elecsys preeclampsia test for pregnant women. This test is already available in the EU and all countries accepting the CE mark.

The Professional Diagnostics business was the major contributor to Divisional performance in all regions, especially in Asia–Pacific (+18%), with continued strong sales in China.

Molecular Diagnostics

Sales increased 6% with strong growth in the underlying molecular businesses (+8%, excluding sequencing), with the major contributions coming from virology (+7%) and HPV screening (+48%).

In 2014, the fully automated cobas 6800 and the 8800 systems and assays for blood screening, as well as virology testing, were launched in markets accepting the CE mark designation. The cobas HPV test was approved for primary screening for cervical cancer in Australia, Canada and the US. A further three diagnostic tests (MRSA/SA, C-difficile, HSV) which expand the menu of the cobas 4800, were launched in CE-marked countries.

All regions, except Japan, showed positive sales development with the biggest growth contribution coming from North America as a result of strong performance in HPV, blood screening and HCV monitoring.

Roche made a number of acquisitions in Diagnostics, IQuum, Inc., and Genia Technologies, Inc. in 2014, and Ariosa Diagnostics Inc. in early 2015.

IQuum provides Roche with access to the Liat™ (Laboratory-in-a-tube) system, which performs rapid point-of-care molecular diagnostic testing. The analyser and two initial assays, cobas Influenza A/B and cobas Strep A, are CE-marked and FDA-cleared. Genia is developing a single-molecule, semiconductor-based DNA sequencing platform using nanopore technology. Ariosa adds a highly targeted and accurate non-invasive prenatal testing service to Roche's portfolio. Ariosa's proprietary Harmony™ Prenatal Test is a blood test that is performed as early as ten weeks in pregnancy and it is designed to assess the risk of Down's syndrome and other genetic abnormalities.

Roche signed the Global Market Access for HIV viral load testing in conjunction with UNAIDS, President's Emergency Plan for AIDS Relief, Clinton Health Access Initiative and the Global Fund. This programme will provide state-of-the-art HIV testing to those countries most in need. In addition, a diagnostic test for the Ebola virus was approved for emergency use by the FDA.

Tissue Diagnostics

Sales rose 10%, driven by 9% growth in the advanced staining portfolio, which includes immunohistochemistry reagents (+10%). The CINtec franchise for cervical cancer diagnosis grew by 18%, showing a continued good uptake. Regionally, growth was driven by EMEA, North America and Asia-Pacific. In North America sales increased despite reimbursement reductions.

Diabetes Care

Sales were up 1%, despite continuing challenging market conditions for the blood glucose monitoring portfolio in major markets such as the US. Sales of the premium product, Accu-Chek Mobile, grew 19% and Accu-Chek Aviva/Performa grew by 7%. The Accu-Chek Insight system, the new insulin delivery system combining insulin pump and a blood glucose meter, and the Accu-Chek Connect system, which connects a blood glucose meter to mobile applications via smartphones and web-based platforms for Diabetes Care self-management were launched in the EU in 2014.

Sales increased in EMEA, Asia-Pacific and Latin America, which strengthened the business unit's global market leadership position in blood glucose monitoring. In North America, sales were down by 6% as a result of the Medicare changes in the reimbursement of test strips and changes in the number of reimbursed strips in Canada. In Japan, sales declined by 6% impacted by strong competition and the bi-annual price cut by the health authorities.

Business efficiencies were gained with the implementation of specific initiatives that were initiated in 2013, helping to streamline processes and decision-making.

Key diagnostic products launched in 2014

| Area | Product | Description | Market |
|----------------------------|-------------------|---|--------|
| Instruments/devices | | | |
| Laboratories | cobas 6800/8800 | next-generation molecular (PCR) system | WW* |
| | cobas 6500 | automated urinalysis work area | EU |
| | Connect-V | middleware providing connectivity to hospital information systems | WW* |
| Diabetes Care | Accu-Chek Insight | next-generation insulin pump plus blood glucose monitoring system | EU |
| | Accu-Chek Connect | blood glucose meter with connectivity to smartphones, mobile applications and cloud | EU |

| Tests/ assays | | | |
|---------------------------------------|---|---|-----|
| Blood screening / infectious diseases | MPX 2.0 | next-generation blood screening multiplex test | US |
| | MPX (HIV, HCV, HBV), HEV, DPX ¹ , WNV ² | full NAT blood screening menu for cobas 6800/8800 | WW* |
| | HIV, HBV, HCV, CMV | virology tests for cobas 6800/8800 | WW* |
| | HSV | <i>Herpes simplex</i> virus detection on cobas 4800 | EU |
| | Syphilis | <i>Treponema pallidum</i> detection (immunoassay) | EU |
| Microbiology | MRSA/SA | next-generation assay on cobas 4800 | EU |
| | C-difficile | diagnosis of infections and associated diarrhea | EU |
| Women's health | AMH | assessment of ovarian reserve for fertility | EU |
| | PE Prognosis | short-term prediction of pre-eclampsia in pregnancy (claim extension) | EU |

¹ Parvovirus B19 and hepatitis A virus

² West Nile virus.

*Excluding the US.

About Roche

Headquartered in Basel, Switzerland, Roche is a leader in research-focused healthcare with combined strengths in pharmaceuticals and diagnostics. Roche is the world's largest biotech company, with truly differentiated medicines in oncology, immunology, infectious diseases, ophthalmology and neuroscience. Roche is also the world leader in *in vitro* diagnostics and tissue-based cancer diagnostics, and a frontrunner in diabetes management. Roche's personalised healthcare strategy aims at providing medicines and diagnostics that enable tangible improvements in the health, quality of life and survival of patients. Founded in 1896, Roche has been making important contributions to global health for more than a century. Twenty-four medicines developed by Roche are included in the World

Health Organization Model Lists of Essential Medicines, among them life-saving antibiotics, antimalarials and chemotherapy.

In 2014, the Roche Group employed 88,500 people worldwide, invested 8.9 billion Swiss francs in R&D and posted sales of 47.5 billion Swiss francs. Genentech, in the United States, is a wholly owned member of the Roche Group. Roche is the majority shareholder in Chugai Pharmaceutical, Japan. For more information, please visit roche.com.

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Additional information

- Investor Update including a full set of tables: <http://www.roche.com/inv-update-2015-01-28.htm>
- Full Year 2014 Presentation: <http://www.roche.com/irp150128-a.pdf>
- Full Year 2014 Presentation with appendix: <http://www.roche.com/irp150128.pdf>
- Sustainable Development at Roche: <http://www.roche.com/sustainability.htm>
- Roche Annual Report 2014 (includes corporate responsibility report): www.roche.com/annual_reports
- Dow Jones Sustainability Indices: www.sustainability-indexes.com
- SAM: www.sam-group.com

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Appendix: Tables

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1. Sales January to December 2014 and 2013

| CHF millions | Twelve months ended 31 December | | % change | | |
|--------------------------|------------------------------------|--------|----------|--------|--------|
| | 2014 | 2013 | At CER* | In CHF | In USD |
| Pharmaceuticals Division | 36,696 | 36,304 | 4 | 1 | 2 |
| United States | 15,822 | 15,097 | 6 | 5 | 6 |
| Europe | 9,422 | 9,254 | 3 | 2 | 3 |
| Japan | 3,301 | 3,405 | 7 | -3 | -2 |
| International** | 8,151 | 8,548 | 2 | -5 | -3 |
| Diagnostics Division | 10,766 | 10,476 | 6 | 3 | 4 |
| Roche Group | 47,462 | 46,780 | 5 | 1 | 3 |

* At constant exchange rates versus January to December 2013;

**Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

2. Quarterly sales and constant exchange rate sales growth by Division in 2014 and 2013

| CHF millions | Q4 2013 | Q4 2013 vs. Q4 2012 | Q1 2014 | Q1 2014 vs. Q1 2013 | Q2 2014 | Q2 2014 vs. Q2 2013 | Q3 2014 | Q3 2014 vs. Q3 2013 | Q4 2014 | Q4 2014 vs. Q4 2013 |
|--------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|
| Pharmaceuticals Division | 9,114 | 7% | 9,040 | 4% | 8,794 | 4% | 9,131 | 4% | 9,731 | 5% |
| United States | 3,668 | 5% | 3,873 | 3% | 3,699 | 8% | 3,956 | 4% | 4,294 | 10% |
| Europe | 2,302 | 2% | 2,425 | 5% | 2,350 | 1% | 2,295 | 1% | 2,352 | 4% |
| Japan | 913 | 2% | 845 | 19% | 736 | -4% | 825 | 8% | 895 | 5% |
| International* | 2,231 | 18% | 1,897 | 1% | 2,009 | 3% | 2,055 | 6% | 2,190 | 0% |
| Diagnostics Division | 2,799 | 5% | 2,456 | 7% | 2,684 | 5% | 2,652 | 7% | 2,974 | 7% |
| Roche Group | 11,913 | 7% | 11,496 | 5% | 11,478 | 4% | 11,783 | 5% | 12,705 | 6% |

*Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

3. Pharmaceuticals Division

| Top-selling pharmaceuticals and recent new launches January to December 2014 | Total | | United States | | Europe | | Japan | | International*** | |
|--|-------|------|---------------|------|--------|------|-------|------|------------------|------|
| | CHF m | %** | CHF m | %** | CHF m | %** | CHF m | %** | CHF m | %** |
| MabThera/Rituxan | 6,900 | 2% | 3,334 | 1% | 2,014 | 6% | 226 | 0% | 1,326 | -1% |
| Avastin | 6,417 | 6% | 2,682 | 6% | 1,958 | 3% | 711 | 9% | 1,066 | 12% |
| Herceptin | 6,275 | 7% | 1,967 | 12% | 2,234 | 3% | 270 | 1% | 1,804 | 8% |
| Lucentis | 1,701 | 2% | 1,701 | 2% | - | - | - | - | - | - |
| Tarceva | 1,292 | -1% | 641 | 7% | 303 | -11% | 99 | 10% | 249 | -10% |
| Actemra/RoActemra | 1,224 | 23% | 406 | 31% | 433 | 22% | 214 | 19% | 171 | 14% |
| Pegasys | 1,015 | -20% | 194 | -36% | 236 | -33% | 60 | 28% | 525 | -8% |
| Xolair | 975 | 25% | 975 | 25% | - | - | - | - | - | - |
| Tamiflu | 959 | 54% | 686 | 62% | 74 | 292% | 113 | 18% | 86 | 7% |
| Perjeta | 918 | 189% | 540 | 150% | 238 | 253% | 79 | 281% | 61 | 326% |
| Kadcyla | 536 | 135% | 282 | 29% | 176 | * | 35 | - | 43 | * |
| Zelboraf | 301 | -12% | 69 | -44% | 188 | -3% | - | - | 44 | 41% |
| Erivedge | 128 | 75% | 83 | 27% | 39 | 399% | - | - | 6 | * |
| Gazyva | 49 | * | 43 | * | 5 | - | - | - | 1 | - |
| Esbriet | 44 | - | 5 | - | 36 | - | - | - | 3 | - |

* Over +500%

** At constant exchange rates versus January to December 2013;

*** Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

4. Top 20 Pharmaceuticals Division product sales and constant exchange rate growth YTD December 2014 vs. YTD December 2013: US, Europe, Japan and International**

| CHF millions | Total | | United States | | Europe | | Japan | | International** | |
|--------------------|-------|------|---------------|------|--------|------|-------|------|-----------------|------|
| | CHF m | % | CHF m | % | CHF m | % | CHF m | % | CHF m | % |
| MabThera/Rituxan | 6,900 | 2% | 3,334 | 1% | 2,014 | 6% | 226 | 0% | 1,326 | -1% |
| Avastin | 6,417 | 6% | 2,682 | 6% | 1,958 | 3% | 711 | 9% | 1,066 | 12% |
| Herceptin | 6,275 | 7% | 1,967 | 12% | 2,234 | 3% | 270 | 1% | 1,804 | 8% |
| Lucentis | 1,701 | 2% | 1,701 | 2% | - | - | - | - | - | - |
| Tarceva | 1,292 | -1% | 641 | 7% | 303 | -11% | 99 | 10% | 249 | -10% |
| Actemra/RoActemra | 1,224 | 23% | 406 | 31% | 433 | 22% | 214 | 19% | 171 | 14% |
| Pegasys | 1,015 | -20% | 194 | -36% | 236 | -33% | 60 | 28% | 525 | -8% |
| Xolair | 975 | 25% | 975 | 25% | - | - | - | - | - | - |
| Tamiflu | 959 | 54% | 686 | 62% | 74 | 292% | 113 | 18% | 86 | 7% |
| Perjeta | 918 | 189% | 540 | 150% | 238 | 253% | 79 | 281% | 61 | 326% |
| CellCept | 811 | -4% | 195 | -3% | 216 | -8% | 57 | -9% | 343 | -1% |
| Xeloda | 776 | -46% | 185 | -70% | 92 | -70% | 90 | -8% | 409 | -9% |
| Activase/TNKase | 747 | 11% | 698 | 11% | - | - | - | - | 49 | 13% |
| Valcyte/Cymevene | 726 | 7% | 386 | 9% | 182 | 6% | - | - | 158 | 5% |
| Pulmozyme | 597 | 7% | 386 | 10% | 122 | -1% | - | - | 89 | 5% |
| Kadcyla | 536 | 135% | 282 | 29% | 176 | * | 35 | - | 43 | * |
| NeoRecormon/Epogin | 460 | -8% | - | - | 189 | -12% | 57 | -37% | 214 | 12% |
| Mircera | 417 | 5% | - | - | 101 | -1% | 195 | 0% | 121 | 18% |
| Zelboraf | 301 | -12% | 69 | -44% | 188 | -3% | - | - | 44 | 41% |
| Madopar | 292 | -3% | - | - | 106 | -4% | 17 | -3% | 169 | -1% |

* Over +500%

** Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

5. Top 20 Pharmaceuticals Division quarterly product sales and constant exchange rate sales growth

| CHF millions | Q4 2013 | Q4 2013 vs. Q4 2012 | Q1 2014 | Q1 2014 vs. Q1 2013 | Q2 2014 | Q2 2014 vs. Q2 2013 | Q3 2014 | Q3 2014 vs. Q3 2013 | Q4 2014 | Q4 2014 vs. Q4 2013 |
|--------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|
| MabThera/Rituxan | 1,745 | 7% | 1,667 | 3% | 1,693 | 5% | 1,764 | 1% | 1,776 | -1% |
| Avastin | 1,544 | 13% | 1,565 | 9% | 1,532 | 4% | 1,652 | 6% | 1,668 | 7% |
| Herceptin | 1,485 | 7% | 1,526 | 3% | 1,556 | 9% | 1,597 | 9% | 1,596 | 7% |
| Lucentis | 438 | 22% | 407 | 8% | 421 | 4% | 432 | 2% | 441 | -5% |
| Tarceva | 321 | 4% | 304 | -5% | 347 | 3% | 320 | 0% | 321 | -2% |
| Actemra/RoActemra | 274 | 23% | 273 | 23% | 295 | 21% | 329 | 28% | 327 | 20% |
| Pegasys | 285 | -20% | 287 | -19% | 295 | -10% | 229 | -22% | 204 | -29% |
| Xolair | 200 | 17% | 205 | 15% | 232 | 22% | 264 | 33% | 274 | 29% |
| Tamiflu | 221 | -27% | 344 | 9% | 28 | -36% | 80 | 121% | 507 | 129% |
| Perjeta | 140 | 394% | 178 | 274% | 210 | 277% | 245 | 227% | 285 | 103% |
| CellCept | 193 | -10% | 215 | -1% | 198 | -11% | 210 | 0% | 188 | -4% |
| Xeloda | 345 | -3% | 293 | -19% | 181 | -50% | 149 | -61% | 153 | -56% |
| Activase/TNKase | 169 | 19% | 181 | -1% | 178 | 26% | 200 | 19% | 188 | 5% |
| Valcyte/Cymevene | 194 | 26% | 177 | 12% | 176 | 12% | 192 | 19% | 181 | -9% |
| Pulmozyme | 160 | 18% | 138 | 3% | 140 | 8% | 149 | 13% | 170 | 4% |
| Kadcyla | 78 | - | 102 | 474% | 125 | 105% | 144 | 103% | 165 | 110% |
| NeoRecormon/Epogin | 120 | -14% | 112 | -9% | 119 | -8% | 111 | -12% | 118 | -1% |
| Mircera | 118 | 23% | 103 | 21% | 100 | 2% | 101 | -1% | 113 | 0% |
| Zelboraf | 94 | 26% | 79 | -2% | 76 | -9% | 75 | -13% | 71 | -24% |
| Madopar | 78 | 9% | 59 | -20% | 76 | 3% | 71 | -6% | 86 | 13% |

6. Top 20 Pharmaceuticals Division quarterly product sales and constant exchange rate sales growth United States

| CHF millions | Q4 2013 | Q4 2013 vs. Q4 2012 | Q1 2014 | Q1 2014 vs. Q1 2013 | Q2 2014 | Q2 2014 vs. Q2 2013 | Q3 2014 | Q3 2014 vs. Q3 2013 | Q4 2014 | Q4 2014 vs. Q4 2013 |
|--------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|
| MabThera/Rituxan | 755 | 2% | 799 | -2% | 825 | 8% | 859 | -4% | 851 | 5% |
| Avastin | 591 | 4% | 670 | 6% | 630 | 6% | 702 | 3% | 680 | 7% |
| Herceptin | 412 | 3% | 473 | 4% | 464 | 17% | 514 | 10% | 516 | 17% |
| Lucentis | 438 | 22% | 407 | 8% | 421 | 4% | 432 | 2% | 441 | -5% |
| Tarceva | 131 | -8% | 141 | -6% | 184 | 16% | 161 | 11% | 155 | 9% |
| Actemra/RoActemra | 81 | 20% | 86 | 22% | 94 | 30% | 112 | 39% | 114 | 31% |
| Pegasys | 44 | -55% | 63 | -40% | 74 | -14% | 30 | -51% | 27 | -49% |
| Xolair | 200 | 17% | 205 | 15% | 232 | 22% | 264 | 33% | 274 | 29% |
| Tamiflu | 189 | -24% | 178 | -9% | 10 | 22% | 64 | 155% | 434 | 127% |
| Perjeta | 83 | 201% | 110 | 161% | 127 | 205% | 143 | 202% | 160 | 86% |
| CellCept | 46 | 5% | 48 | -7% | 47 | -6% | 58 | 16% | 42 | -18% |
| Xeloda | 136 | -8% | 130 | -15% | 29 | -80% | 12 | -93% | 14 | -92% |
| Activase/TNKase | 158 | 22% | 170 | 0% | 165 | 27% | 187 | 18% | 176 | 4% |
| Valcyte/Cymevene | 97 | 19% | 94 | 26% | 94 | 8% | 107 | 21% | 91 | -13% |
| Pulmozyme | 91 | 16% | 91 | 2% | 90 | 10% | 100 | 20% | 105 | 9% |
| Kadcyla | 70 | - | 73 | 315% | 70 | 16% | 70 | 3% | 69 | -7% |
| NeoRecormon/Epogin | - | - | - | - | - | - | - | - | - | - |
| Mircera | - | - | - | - | - | - | - | - | - | - |
| Zelboraf | 28 | -1% | 19 | -40% | 17 | -46% | 17 | -38% | 16 | -51% |
| Madopar | - | - | - | - | - | - | - | - | - | - |

7. Top 20 Pharmaceuticals Division quarterly product sales and constant exchange rate sales growth Europe

| CHF millions | Q4 2013 | Q4 2013 vs. Q4 2012 | Q1 2014 | Q1 2014 vs. Q1 2013 | Q2 2014 | Q2 2014 vs. Q2 2013 | Q3 2014 | Q3 2014 vs. Q3 2013 | Q4 2014 | Q4 2014 vs. Q4 2013 |
|--------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|
| MabThera/Rituxan | 472 | 0% | 503 | 6% | 515 | 8% | 499 | 4% | 497 | 7% |
| Avastin | 483 | 9% | 499 | 8% | 484 | 2% | 489 | 1% | 486 | 3% |
| Herceptin | 537 | -2% | 568 | 2% | 570 | 4% | 558 | 4% | 538 | 2% |
| Lucentis | - | - | - | - | - | - | - | - | - | - |
| Tarceva | 84 | -3% | 76 | -12% | 78 | -12% | 75 | -9% | 74 | -9% |
| Actemra/RoActemra | 95 | 21% | 99 | 20% | 108 | 20% | 113 | 25% | 113 | 22% |
| Pegasys | 80 | -14% | 77 | -19% | 67 | -32% | 50 | -38% | 42 | -46% |
| Xolair | - | - | - | - | - | - | - | - | - | - |
| Tamiflu | 9 | - | 71 | * | 1 | -71% | 1 | 49% | 1 | -93% |
| Perjeta | 31 | * | 41 | * | 51 | 287% | 65 | 228% | 81 | 171% |
| CellCept | 59 | -5% | 55 | -10% | 55 | -5% | 54 | -6% | 52 | -11% |
| Xeloda | 72 | -9% | 34 | -57% | 24 | -71% | 18 | -76% | 16 | -77% |
| Activase/TNKase | - | - | - | - | - | - | - | - | - | - |
| Valcyte/Cymevene | 52 | 28% | 46 | 5% | 46 | 10% | 43 | 22% | 47 | -9% |
| Pulmozyme | 31 | 1% | 31 | 2% | 31 | -1% | 30 | -5% | 30 | -2% |
| Kadcyla | 6 | - | 25 | - | 38 | * | 48 | * | 65 | * |
| NeoRecormon/Epogin | 50 | -19% | 49 | -14% | 49 | -10% | 47 | -15% | 44 | -10% |
| Mircera | 28 | 29% | 26 | 8% | 26 | -1% | 24 | -3% | 25 | -8% |
| Zelboraf | 52 | 17% | 52 | 12% | 48 | 8% | 45 | -12% | 43 | -16% |
| Madopar | 28 | -1% | 26 | -9% | 27 | -2% | 26 | -5% | 27 | -2% |

* Over +500%

8. Top 20 Pharmaceuticals Division quarterly product sales and constant exchange rate sales growth Japan

| CHF millions | Q4 2013 | Q4 2013 vs. Q4 2012 | Q1 2014 | Q1 2014 vs. Q1 2013 | Q2 2014 | Q2 2014 vs. Q2 2013 | Q3 2014 | Q3 2014 vs. Q3 2013 | Q4 2014 | Q4 2014 vs. Q4 2013 |
|--------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|
| MabThera/Rituxan | 69 | 8% | 56 | 20% | 48 | -17% | 61 | 5% | 61 | -4% |
| Avastin | 198 | 12% | 175 | 27% | 157 | -5% | 187 | 13% | 192 | 5% |
| Herceptin | 82 | 11% | 70 | 23% | 60 | -12% | 70 | 5% | 70 | -7% |
| Lucentis | - | - | - | - | - | - | - | - | - | - |
| Tarceva | 29 | 25% | 25 | 42% | 24 | 6% | 24 | 7% | 26 | -6% |
| Actemra/RoActemra | 57 | 24% | 53 | 49% | 47 | 5% | 56 | 21% | 58 | 11% |
| Pegasys | 12 | -28% | 13 | 16% | 19 | 45% | 17 | 48% | 11 | -1% |
| Xolair | - | - | - | - | - | - | - | - | - | - |
| Tamiflu | 18 | -47% | 60 | -17% | 2 | -74% | 1 | 238% | 50 | 190% |
| Perjeta | 18 | - | 18 | - | 19 | - | 21 | 375% | 21 | 32% |
| CellCept | 18 | 8% | 14 | 5% | 14 | -14% | 14 | -12% | 15 | -13% |
| Xeloda | 27 | 0% | 24 | 8% | 20 | -23% | 23 | -6% | 23 | -8% |
| Activase/TNKase | - | - | - | - | - | - | - | - | - | - |
| Valcyte/Cymevene | - | - | - | - | - | - | - | - | - | - |
| Pulmozyme | - | - | - | - | - | - | - | - | - | - |
| Kadcyla | - | - | - | - | 9 | - | 12 | - | 14 | - |
| NeoRecormon/Epogin | 24 | -22% | 16 | -26% | 13 | -45% | 14 | -38% | 14 | -39% |
| Mircera | 62 | 21% | 51 | 36% | 43 | -12% | 50 | -2% | 51 | -11% |
| Zelboraf | - | - | - | - | - | - | - | - | - | - |
| Madopar | 5 | 3% | 4 | 4% | 4 | -6% | 4 | -2% | 5 | -5% |

9. Top 20 Pharmaceuticals Division quarterly product sales and constant exchange rate sales growth International**

| CHF millions | Q4 2013 | Q4 2013 vs. Q4 2012 | Q1 2014 | Q1 2014 vs. Q1 2013 | Q2 2014 | Q2 2014 vs. Q2 2013 | Q3 2014 | Q3 2014 vs. Q3 2013 | Q4 2014 | Q4 2014 vs. Q4 2013 |
|--------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|---------|---------------------------|
| MabThera/Rituxan | 449 | 26% | 309 | 12% | 305 | -2% | 345 | 9% | 367 | -17% |
| Avastin | 272 | 49% | 221 | 7% | 261 | 9% | 274 | 15% | 310 | 16% |
| Herceptin | 454 | 21% | 415 | 0% | 462 | 12% | 455 | 14% | 472 | 6% |
| Lucentis | - | - | - | - | - | - | - | - | - | - |
| Tarceva | 77 | 27% | 62 | -6% | 61 | -9% | 60 | -13% | 66 | -13% |
| Actemra/RoActemra | 41 | 31% | 35 | 3% | 46 | 28% | 48 | 21% | 42 | 6% |
| Pegasys | 149 | 1% | 134 | -7% | 135 | 3% | 132 | -8% | 124 | -17% |
| Xolair | - | - | - | - | - | - | - | - | - | - |
| Tamiflu | 5 | -72% | 35 | -8% | 15 | -44% | 14 | 37% | 22 | 350% |
| Perjeta | 8 | * | 9 | * | 13 | * | 16 | 341% | 23 | 177% |
| CellCept | 70 | -24% | 98 | 6% | 82 | -16% | 84 | -3% | 79 | 13% |
| Xeloda | 110 | 9% | 105 | -3% | 108 | -2% | 96 | -19% | 100 | -10% |
| Activase/TNKase | 11 | -13% | 11 | -4% | 13 | 19% | 13 | 27% | 12 | 12% |
| Valcyte/Cymevene | 45 | 38% | 37 | -7% | 36 | 24% | 42 | 12% | 43 | -1% |
| Pulmozyme | 38 | 41% | 16 | 10% | 19 | 9% | 19 | 10% | 35 | -1% |
| Kadcyla | 2 | - | 4 | - | 8 | * | 14 | * | 17 | * |
| NeoRecormon/Epogin | 46 | -2% | 47 | 7% | 57 | 12% | 50 | 3% | 60 | 28% |
| Mircera | 28 | 20% | 26 | 8% | 31 | 32% | 27 | 1% | 37 | 30% |
| Zelboraf | 14 | 425% | 8 | 98% | 11 | 56% | 13 | 65% | 12 | -1% |
| Madopar | 45 | 18% | 29 | -29% | 45 | 7% | 41 | -7% | 54 | 24% |

* Over +500% ** Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

10. Roche Group consolidated income statement for the year ended 31 December 2014 | in millions of CHF

| | Pharma- ceuticals | Diagnostics | Corporate | Group |
|--|----------------------|---------------|--------------|---------------|
| Sales | 36,696 | 10,766 | - | 47,462 |
| Royalties and other operating income | 2,273 | 131 | - | 2,404 |
| Cost of sales | (8,013) | (5,368) | - | (13,381) |
| Marketing and distribution | (6,130) | (2,527) | - | (8,657) |
| Research and development | (8,380) | (1,515) | - | (9,895) |
| General and administration | (2,142) | (1,242) | (459) | (3,843) |
| Operating profit | 14,304 | 245 | (459) | 14,090 |
| Financing costs | | | | (1,821) |
| Other financial income (expense) | | | | 246 |
| Profit before taxes | | | | 12,515 |
| Income taxes | | | | (2,980) |
| Net income | | | | 9,535 |
| Attributable to | | | | |
| - Roche shareholders | | | | 9,332 |
| - Non-controlling interests | | | | 203 |
| Earnings per share and non-voting equity security | | | | |
| Basic (CHF) | | | | 10.99 |
| Diluted (CHF) | | | | 10.81 |

11. Core results reconciliation - 2014 | in millions of CHF

| | IFRS | Global restructuring | Intangibles amortisation | Intangibles impairment | Alliances & business combinations | Legal & environmental | Major debt restructuring | Normalisation of ECP tax benefit | Core |
|--------------------------------------|----------|----------------------|--------------------------|------------------------|-----------------------------------|-----------------------|--------------------------|----------------------------------|----------|
| Sales | 47,462 | - | - | - | - | - | - | - | 47,462 |
| Royalties and other operating income | 2,404 | - | - | - | - | - | - | - | 2,404 |
| Cost of sales | (13,381) | 139 | 637 | 225 | 39 | - | - | - | (12,341) |
| Marketing and distribution | (8,657) | 219 | 2 | - | - | - | - | - | (8,436) |
| Research and development | (9,895) | 106 | 67 | 809 | - | - | - | - | (8,913) |
| General and administration | (3,843) | 191 | - | 874 | 23 | 215 | - | - | (2,540) |
| Operating profit | 14,090 | 655 | 706 | 1,908 | 62 | 215 | - | - | 17,636 |
| Financing costs | (1,821) | 2 | - | - | 9 | 19 | 429 | - | (1,362) |
| Other financial income (expense) | 246 | - | - | - | - | - | - | - | 246 |
| Profit before taxes | 12,515 | 657 | 706 | 1,908 | 71 | 234 | 429 | - | 16,520 |
| Income taxes | (2,980) | (241) | (237) | (328) | (39) | (44) | (150) | 32 | (3,987) |
| Net income | 9,535 | 416 | 469 | 1,580 | 32 | 190 | 279 | 32 | 12,533 |
| Attributable to | | | | | | | | | |
| - Roche shareholders | 9,332 | 416 | 468 | 1,580 | 32 | 190 | 279 | 32 | 12,329 |
| - Non-controlling interests | 203 | - | 1 | - | - | - | - | - | 204 |
| EPS | 10.81 | 0.48 | 0.54 | 1.84 | 0.04 | 0.22 | 0.32 | 0.04 | 14.29 |

12. Divisional core results reconciliation - 2014 | in millions of CHF

| | IFRS | Global restructuring | Intangibles amortisation | Intangibles impairment | Alliances & business combinations | Legal & environmental | Core |
|--------------------------------------|---------|----------------------|--------------------------|------------------------|-----------------------------------|-----------------------|---------|
| Pharmaceuticals | | | | | | | |
| Sales | 36,696 | - | - | - | - | - | 36,696 |
| Royalties and other operating income | 2,273 | - | - | - | - | - | 2,273 |
| Cost of sales | (8,013) | 82 | 341 | - | 39 | - | (7,551) |
| Marketing and distribution | (6,130) | 155 | 1 | - | - | - | (5,974) |
| Research and development | (8,380) | 101 | 66 | 337 | - | - | (7,876) |
| General and administration | (2,142) | 53 | - | 322 | 21 | 179 | (1,567) |
| Operating profit | 14,304 | 391 | 408 | 659 | 60 | 179 | 16,001 |
| Diagnostics | | | | | | | |
| Sales | 10,766 | - | - | - | - | - | 10,766 |
| Royalties and other operating income | 131 | - | - | - | - | - | 131 |
| Cost of sales | (5,368) | 57 | 296 | 225 | - | - | (4,790) |
| Marketing and distribution | (2,527) | 64 | 1 | - | - | - | (2,462) |
| Research and development | (1,515) | 5 | 1 | 472 | - | - | (1,037) |
| General and administration | (1,242) | 138 | - | 552 | 2 | 38 | (512) |
| Operating profit | 245 | 264 | 298 | 1,249 | 2 | 38 | 2,096 |
| Corporate | | | | | | | |
| General and administration | (459) | - | - | - | - | (2) | (461) |
| Operating profit | (459) | - | - | - | - | (2) | (461) |

13. Roche Group consolidated balance sheet | in millions of CHF

| | 31 December 2014 | 31 December 2013 | 31 December 2012 |
|---|---------------------|---------------------|---------------------|
| Non-current assets | | | |
| Property, plant and equipment | 17,195 | 15,760 | 15,402 |
| Goodwill | 9,949 | 7,145 | 7,480 |
| Intangible assets | 12,881 | 3,944 | 4,214 |
| Deferred tax assets | 2,829 | 4,707 | 4,849 |
| Defined benefit plan assets | 691 | 636 | 678 |
| Other non-current assets | 982 | 811 | 814 |
| Total non-current assets | 44,527 | 33,003 | 33,437 |
| Current assets | | | |
| Inventories | 7,743 | 5,906 | 5,542 |
| Accounts receivable | 9,003 | 8,808 | 9,465 |
| Current income tax assets | 244 | 218 | 339 |
| Other current assets | 2,421 | 2,297 | 2,034 |
| Marketable securities | 7,961 | 7,935 | 9,461 |
| Cash and cash equivalents | 3,742 | 4,000 | 4,530 |
| Total current assets | 31,114 | 29,164 | 31,371 |
| Total assets | 75,641 | 62,167 | 64,808 |
| Non-current liabilities | | | |
| Long-term debt | (19,347) | (16,423) | (17,860) |
| Deferred tax liabilities | (605) | (1,282) | (1,397) |
| Defined benefit plan liabilities | (8,994) | (6,062) | (7,231) |
| Provisions | (1,778) | (1,097) | (1,042) |
| Other non-current liabilities | (251) | (302) | (319) |
| Total non-current liabilities | (30,975) | (25,166) | (27,849) |
| Current liabilities | | | |
| Short-term debt | (6,367) | (2,220) | (6,730) |
| Current income tax liabilities | (2,616) | (1,805) | (2,210) |
| Provisions | (2,465) | (2,148) | (2,158) |
| Accounts payable | (2,883) | (2,162) | (1,945) |
| Other current liabilities | (8,777) | (7,425) | (7,166) |
| Total current liabilities | (23,108) | (15,760) | (20,209) |
| Total liabilities | (54,083) | (40,926) | (48,058) |
| Total net assets | 21,558 | 21,241 | 16,750 |
| Equity | | | |
| Capital and reserves attributable to Roche shareholders | 19,586 | 19,294 | 14,514 |
| Equity attributable to non-controlling interests | 1,972 | 1,947 | 2,236 |
| Total equity | 21,558 | 21,241 | 16,750 |

14. Roche Group consolidated statement of cash flows | in millions of CHF

| | 2014 | 2013 |
|---|-----------------|-----------------|
| Cash flows from operating activities | | |
| Cash generated from operations | 20,305 | 20,796 |
| (Increase) decrease in net working capital | (258) | (209) |
| Payments made for defined benefit plans | (520) | (483) |
| Utilisation of provisions | (873) | (1,000) |
| Disposal of products | 255 | 6 |
| Other operating cash flows | 3 | 3 |
| Cash flows from operating activities, before income taxes paid | 18,912 | 19,113 |
| Income taxes paid | (2,982) | (3,341) |
| Total cash flows from operating activities | 15,930 | 15,772 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (2,966) | (2,451) |
| Purchase of intangible assets | (368) | (403) |
| Disposal of property, plant and equipment | 64 | 65 |
| Disposal of intangible assets | - | - |
| Business combinations | (9,633) | (233) |
| Divestment of subsidiaries | - | 2 |
| Interest and dividends received | 35 | 51 |
| Sales of marketable securities | 68,426 | 47,954 |
| Purchases of marketable securities | (67,887) | (46,310) |
| Other investing cash flows | 325 | 23 |
| Total cash flows from investing activities | (12,004) | (1,302) |
| Cash flows from financing activities | | |
| Proceeds from issue of bonds and notes | 6,407 | - |
| Redemption and repurchase of bonds and notes | (3,662) | (6,633) |
| Increase (decrease) in commercial paper | 2,342 | 404 |
| Increase (decrease) in other debt | 124 | 151 |
| Hedging and collateral arrangements | (669) | 247 |
| Equity contribution by non-controlling interests – capital injection | - | 20 |
| Interest paid | (976) | (1,299) |
| Dividends paid | (6,718) | (6,362) |
| Equity-settled equity compensation plans, net of transactions in own equity | (812) | (1,190) |
| Other financing cash flows | - | (7) |
| Total cash flows from financing activities | (3,964) | (14,669) |
| Net effect of currency translation on cash and cash equivalents | (220) | (331) |
| Increase (decrease) in cash and cash equivalents | (258) | (530) |
| Cash and cash equivalents at beginning of period | 4,000 | 4,530 |
| Cash and cash equivalents at end of period | 3,742 | 4,000 |