

## Uniquely positioned for the future

*Severin Schwan, CEO Roche Group  
„Bellevue meets Management“ – Seminar, January 09*



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 document, including 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) developments in financial market conditions, including the market for acquisition financing and other capital markets and fluctuations in currency exchange rates;
- (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 and unexpected side-effects of pipeline or marketed products;
- (6) increased government pricing pressures or changes in third party reimbursement rates;
- (7) interruptions in production;
- (8) loss of or inability to obtain adequate protection for intellectual property rights;
- (9) Litigation;
- (10) the inherent uncertainties involved in negotiations with the special committee of Genentech and that there can be no assurances that a negotiated transaction will ultimately be agreed to or consummated;
- (11) potential difficulties in integrating the businesses of Genentech and Roche, and that some or all of the anticipated benefits of the proposed transaction may not be realized on the schedule contemplated or at all;
- (12) that future dividends are subject to the discretion of the board of directors of Roche and a number of other factors, some of which are beyond the control of Roche;
- (13) the ability of Roche to generate cash flow to, among other things, repay acquisition-related debt as currently contemplated;
- (14) loss of key executives or other employees; and
- (15) adverse publicity and news coverage.

The directors of Genentech who are also employees of Roche will not take part in the consideration of the proposed transaction by the Genentech board and accordingly are not permitted to comment or respond to questions regarding the transaction as representatives of Genentech.

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## Our business model works - also in the current environment

### Short term

- Acting from a position of stability and strength: ~CHF 3 bn organic sales growth<sup>1</sup>
- Products serving high medical needs - less exposed to economic climate

### Long term

- Demand will remain for products with clear medical value
- Progress in science will lead to more targeted treatment options
- Well positioned with an innovation-focused business model leveraging Pharma & Diagnostics

### Genentech minority buy-out

- Roche reaffirms commitment to Genentech offer and a negotiated agreement

<sup>1</sup> YTD Sept 2008, excluding Tamiflu government and corporate pandemic sales

## Continued strong growth in both divisions

CHF bn	YTD 9'07	YTD 9'08	% change in		USD growth
			CHF	local	
Pharmaceuticals	27.1	26.2	-3	4	11
excl. Tamiflu pandemic	25.7	26.1	1	10	17
Diagnostics	6.8	7.1	4	11	20
<b>Roche Group</b>	<b>33.9</b>	<b>33.3</b>	<b>-2</b>	<b>6</b>	<b>13</b>
excl. Tamiflu pandemic	32.5	33.2	2	10	17

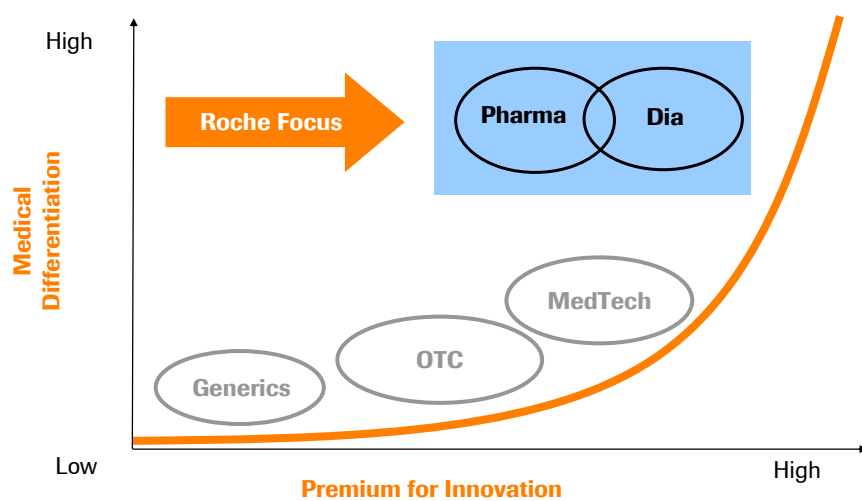
## Strategy

**Personalised healthcare**

**Roche's unique position**

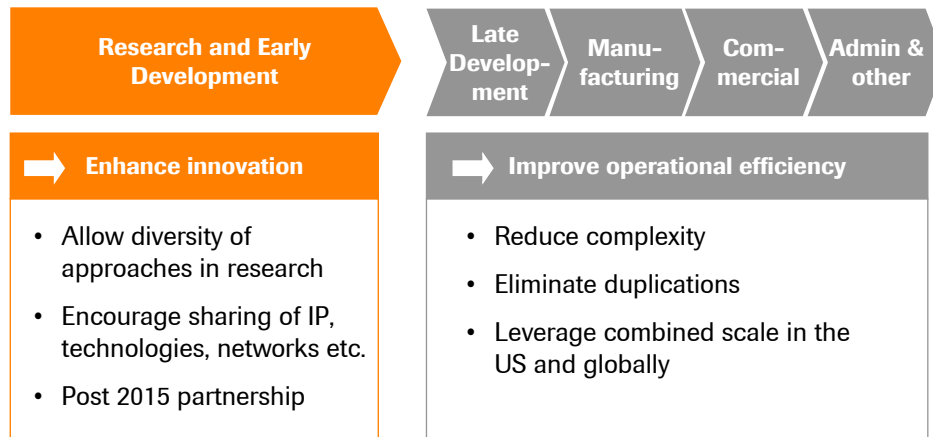
**Summary**

## Focus on our core businesses



## Key objectives of combining Genentech and Roche

*Enhance innovation and operational efficiency*



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## Strategy

### Personalised Healthcare

### Roche's unique position

### Summary



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## Personalised Healthcare

*One size does not fit all*



25-80 % of patients do not receive effective treatment<sup>1</sup>

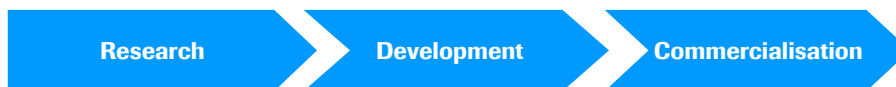
>100,000 deaths/year from adverse drug reactions in US<sup>2</sup>

1 Spears et al., Trends Mol Med, 2001; 2 Lazarou et al., JAMA, 1998

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## Personalised Healthcare

*Better understanding of molecular biology requires earlier collaboration with Diagnostics*



Improved target selection

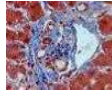
More targeted clinical trials

Safer, more efficacious medicine

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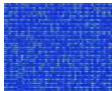
## Personalised Healthcare

### *Evolving Diagnostics tools*



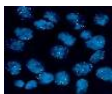
#### Protein expression

- Immunohistochemistry (IHC)
- Enzyme-linked immunosorbent assay (ELISA)



#### Gene expression

- Assessed by microarray technology or reverse transcription-polymerase chain reaction (RT-PCR)



#### Gene copy number

- Fluorescent/ chromogenic in-situ hybridisation (FISH/CISH/SISH)



#### Gene sequence

- DNA sequencing (other PCR-based methods possible for known mutations)

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## Personalised Healthcare

### *Increasing demand of stakeholders*



Patients & Physicians

Best treatment



Regulators

Better efficacy & safety profile



Payers

Better cost / benefit



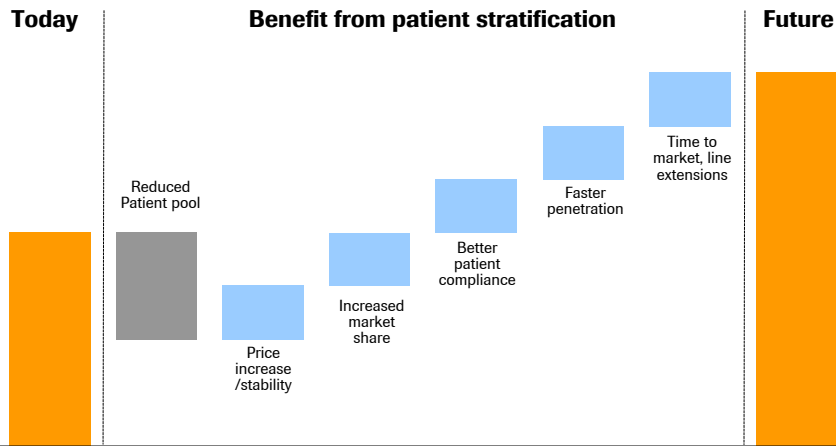
Industry

More competitive

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# Personalised Healthcare

## *Benefit for industry*



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## Strategy

## Personalised Healthcare

## Roche's unique position

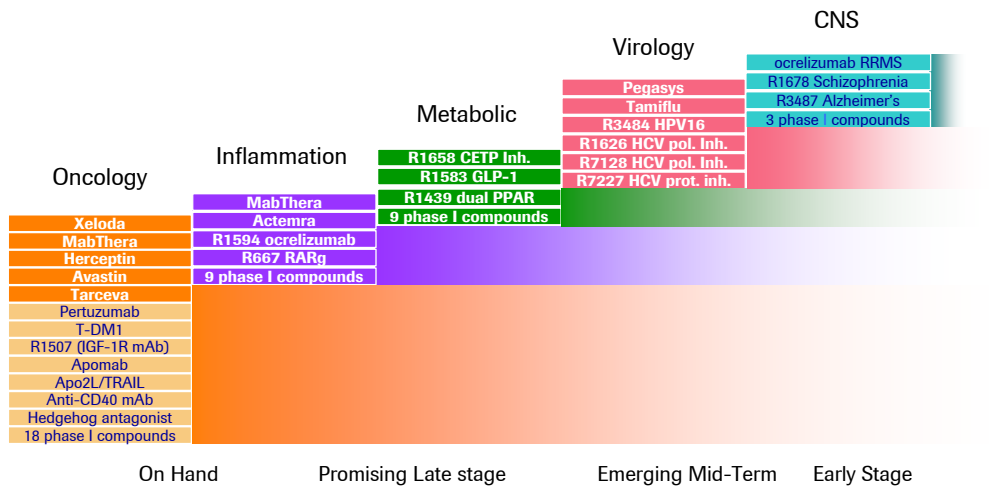
## Summary



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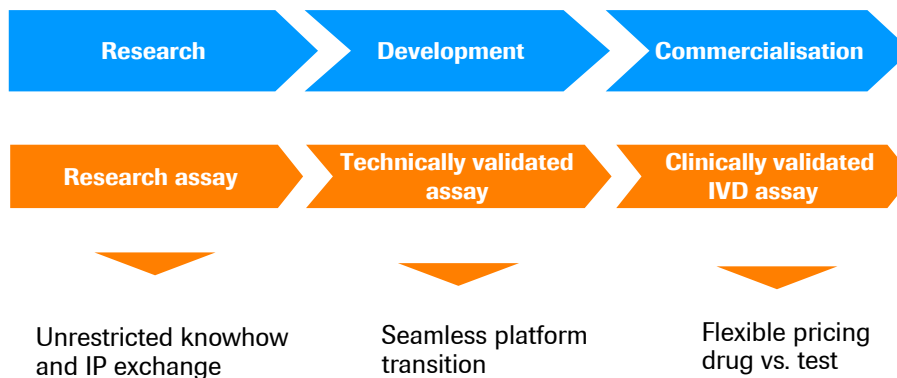
## Roche's unique position

*Portfolio where stratification matters*



## Collaboration Pharma and Diagnostics

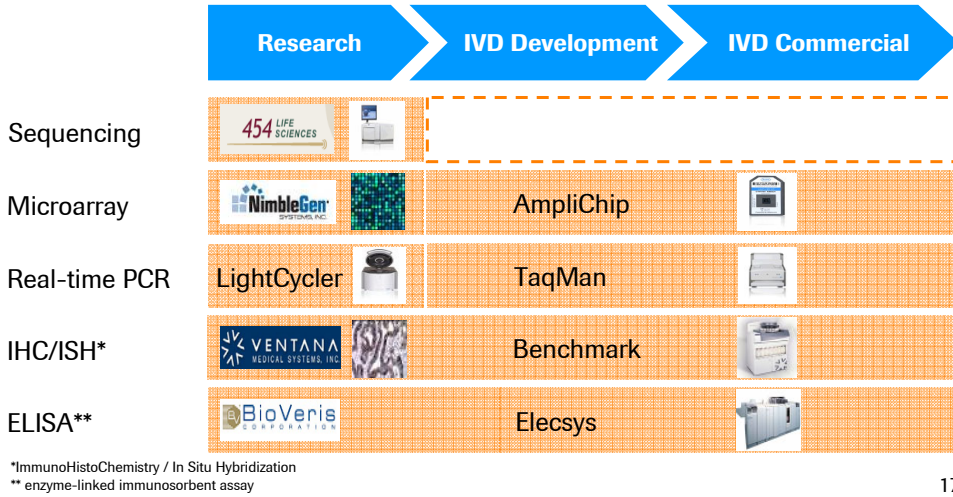
*Benefits of in-house collaboration*





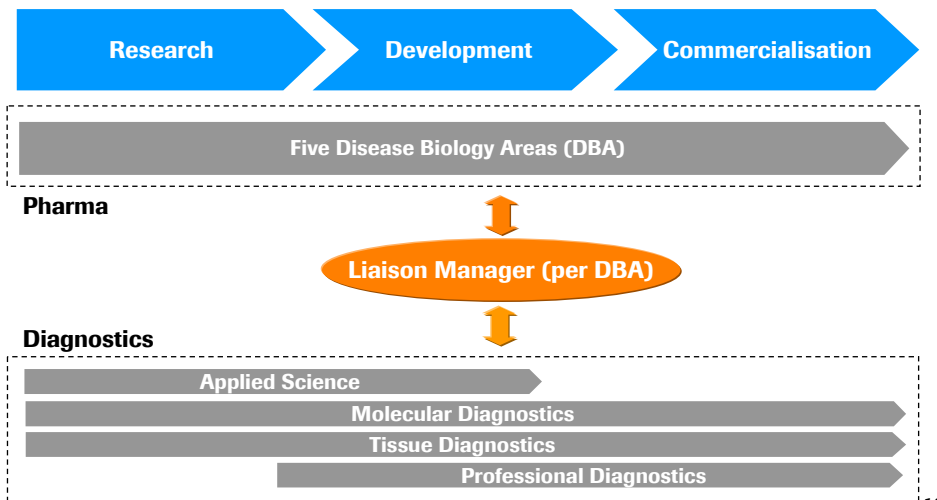
## Collaboration Pharma and Diagnostics

*Full range of diagnostic capabilities*



## Collaboration Pharma and Diagnostics

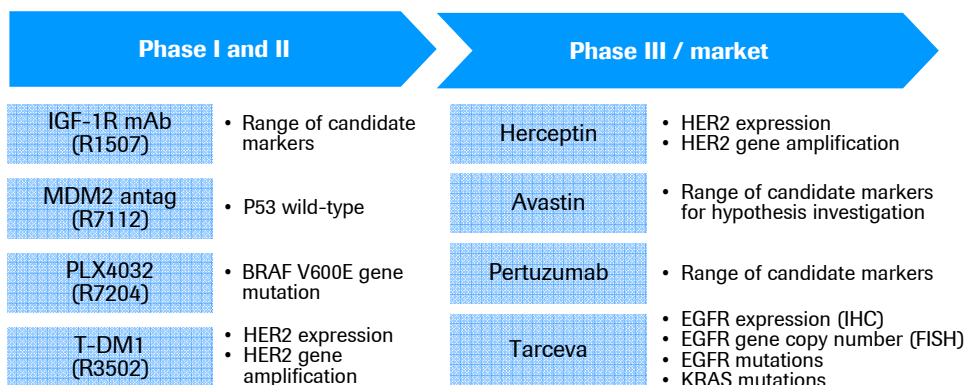
*Organisational alignment*



## Collaboration Pharma and Diagnostics

### *Biomarker programs for all pharma projects*

Example Oncology



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**Strategy**

**Personalised Healthcare**

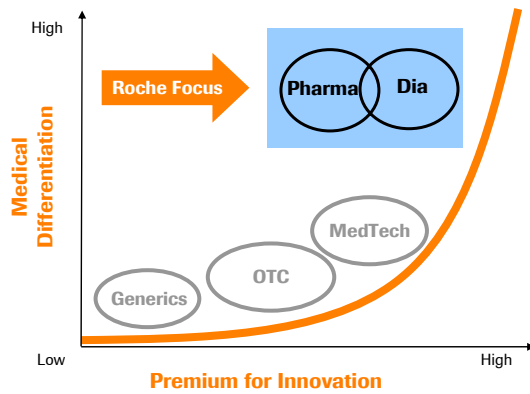
**Roche's unique position**

**Summary**

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## Roche's unique strategy

*Driving personalised healthcare*



- Focus on our two core businesses Pharma and Dia
- Leveraging collaboration:
  - along entire value chain
  - broad range of technologies