

Basel, 26 July 2012

Roche posts strong operating first-half results; on track to meet 2012 guidance

- **Group sales** 22.4 billion Swiss francs: +4% at constant exchange rates¹ (+3% in Swiss francs).
- **Core operating profit** up 7% at 8.6 billion Swiss francs. Core operating profit margin rises 1.0 percentage point (+0.4 percentage points in Swiss francs) to 38.5% due to underlying business performance and productivity measures.
- **Core Earnings per Share** up 8% at 6.94 Swiss francs.
- **Net income** down 14% mainly due to one-off costs related to closure of Nutley and productivity measures in Applied Science and Diabetes Care.
- **Successfully launched** breast cancer medicine **Perjeta** as well as skin cancer drugs **Zelboraf** and **Erivedge**; full product pipeline with 72 new molecular entities in clinical development.
- **On track to file** for EU, US approval of **T-DM1** (trastuzumab emtansine) in aggressive form of breast cancer during the second half of this year.
- **Nutley site closure** and **streamlining of related R&D activities** to result in annual savings of 370 million Swiss francs to be largely allocated for the development of Roche's growing late-stage pipeline; related one-off closure costs 858 million Swiss francs of which 446 million is cash relevant.
- **Roche confirms full-year outlook.** Group and Pharmaceuticals sales expected to grow at low to mid-single-digit rates; Diagnostics to grow above the market; target of high single-digit Core Earnings per Share growth.

¹ Unless otherwise stated, all growth rates are calculated using constant exchange rates

Key figures (January-June)	In millions of CHF		As % of sales		% change	
	2012	2011	2012	2011	CER	CHF
Group Sales	22,423	21,671	100	100	4	3
Pharmaceuticals Division	17,409	16,815	78	78	4	4
Diagnostics Division	5,014	4,856	22	22	5	3
Research & Development (core basis)	4,043	3,873	18.0	17.9	3	4
Core operating profit	8,641	8,251	38.5	38.1	7	5
Operating free cash flow	7,170	6,856	32.0	31.6	7	5
Net income	4,368	5,259	19.5	24.3	-14	-17
Core Earnings per Share	6.94	6.68	-	-	8	4

Roche's CEO Severin Schwan: "Roche delivered strong operating results in the first half of 2012, driven by the solid performance of our existing portfolio as well as new product launches. We recently introduced the innovative cancer medicines Zelboraf, Erivedge and Perjeta, and we are on track to file for T-DM1 in breast cancer this year. Over the last six months we made good progress in developing our product pipeline, and we now have 72 new molecular entities in clinical development." Schwan added: "Our recent decision to close the Nutley site and the related consolidation of our research and early development activities at other sites will free up resources that we can invest in our promising clinical programmes."

Strong core operating results

In the first half of 2012 Group sales rose 4% to 22.4 billion Swiss francs despite continued pricing pressures, in particular in Europe. The main growth drivers were Roche's cancer medicines, hepatitis drug Pegasys, rheumatoid arthritis treatment Actemra/RoActemra and the clinical laboratory business.

Group core operating profit increased 7% due to the strong sales performance and productivity measures. The Pharmaceuticals Division's core operating profit increased 9%.

Diagnostics core operating profit fell by 5%. This was mainly because of bad debt write-offs in Turkey and Brazil as well as factoring costs related to successful collection of outstanding trade receivables in Southern Europe. The division also recorded higher cost of sales due to substantially more instrument placements.

The Group's core net income rose 6% to 6.0 billion Swiss francs, also reflecting lower financing costs.

Group Core Earnings per Share rose by 8% to 6.94 Swiss francs. The operating free cash flow increased 7% to 7.2 billion Swiss francs, reflecting the continued strong underlying cash generation of the Group.

Adjusting organisation for sustained future success

As announced at the end of June, Roche is restructuring the Pharma Research and Early Development organisation and closing the site in Nutley, New Jersey. The resulting annual savings of 370 million Swiss francs will be largely reinvested in the expanding clinical product pipeline. Associated site closure costs amounted to 858 million Swiss francs in June, of which 446 million is cash relevant.

Roche's Applied Science and Diabetes Care businesses also initiated restructuring measures to sustain their long-term profitability. Roche incurred costs of 289 million Swiss francs for these initiatives.

Further costs of 530 million Swiss francs are a result of other global restructuring plans, including costs related to the termination of the dalcetrapib clinical programme.

Due to these one-time costs, net income decreased by 14% on an IFRS basis.

Strong Pharmaceuticals and Diagnostics portfolio to support future growth

The Group strengthened its leading position in the global oncology market by successfully launching breast cancer treatment Perjeta and skin cancer medicine Erivedge in the US as well as melanoma therapy Zelboraf in Europe, Australia, Canada and other countries this year.

Roche is on track to file T-DM1, another innovative treatment for HER2-positive metastatic breast cancer, for approval in both the US and Europe in the second half of the year. Data showing encouraging efficacy, safety and quality of life results for T-DM1 were presented at the American Society of Clinical Oncology annual conference in June. Approval of T-DM1 will bring a more effective medicine to the one in five breast cancer patients who are diagnosed with this type of the disease each year. T-DM1 and recently launched Perjeta are expected to further strengthen Roche's HER2 franchise over the coming years.

Roche continued to make excellent progress in the development of the product pipeline, with positive results in seven out of nine late-stage trials. Despite the recent decision to stop the development of dalcetrapib, the Group remains committed to developing medicines for patients with cardiovascular disease and diabetes due to the high medical need.

Roche's Diagnostics Division expanded its position as market leader and strengthened its portfolio by launching 25 major products in key markets.

Full-year targets confirmed

Roche confirms its full-year outlook for 2012. Barring unforeseen events, Roche expects low to mid-single-digit sales growth at constant exchange rates for the Group and the Pharmaceuticals Division in 2012. Sales

by the Diagnostics Division are expected to again outpace the market. Despite a challenging market environment, based on the expected sales growth and continued efficiency improvements, Roche is aiming for a high single-digit increase in Core Earnings per Share at constant exchange rates. Roche will continue its attractive dividend policy.

Pharmaceuticals Division

Strong growth in US and emerging markets

Pharmaceuticals sales rose 4% in the first half, mainly due to Roche's portfolio of cancer medicines, which grew 8%. Hepatitis drug Pegasys and rheumatoid arthritis treatment Actemra/RoActemra also lifted the division's performance.

Sales in the US, the division's largest market, grew 6% on the back of demand for oncology treatments MabThera/Rituxan, Herceptin and Xeloda as well as Pegasys.

Sales in Roche's key seven emerging markets² grew 13% due to increased spending on healthcare and higher use of Roche's cancer therapies. In Brazil and China, two of Roche's fastest-growing markets, Pharmaceuticals sales increased 22% and 24% respectively.

Sales in Japan remained stable in the first six months as a 12% rise in Avastin sales and the Mircera launch offset a 53% drop in Epogin sales.

Sales in Western Europe fell 3%, negatively impacted by generics and government austerity measures. In the first six months of 2012 price pressure had a negative sales growth impact of about 2 percentage points on Pharmaceuticals sales in Western Europe and about 1 percentage point on a global level.

Both the Pharmaceuticals and Diagnostics Divisions made very good progress collecting the money they are owed in Southern Europe. Trade receivables with public customers fell to 1.5 billion Swiss francs at the end of June 2012 from 2.1 billion at the end of 2011. The new Spanish Government established a plan, known as

² Roche's key emerging markets, also referred to as the E7 key emerging markets, are Brazil, China, India, Mexico, Russia, South Korea and Turkey

the “Montoro” plan, in March 2012 to settle debts from municipalities and regional institutions with suppliers. Roche collected the full amount for which it applied by the end of June.

Key pharmaceutical products

- **MabThera/Rituxan (+9%).** Non-Hodgkin’s lymphoma (NHL), chronic lymphocytic leukemia and rheumatoid arthritis and ANCA-associated vasculitis. Sales rose 8% in the US and 6% in Western Europe as physicians increasingly prescribed MabThera/Rituxan in its new indication, first-line maintenance treatment of follicular lymphoma, a type of NHL. Demand from China and Brazil also boosted overall MabThera/Rituxan sales thanks to increasing use in diffuse large B-cell lymphoma, an aggressive form of NHL.
- **Herceptin (+11%).** HER2-positive breast cancer and HER2-positive metastatic (advanced) stomach cancer. Herceptin sales rose 10% in the US and 3% in Western Europe due to more use in stomach cancer and previously untreated breast cancer as well as increased HER2 testing. Improved access in emerging markets such as China, where sales increased 9%, also lifted sales. Roche is preparing to launch Herceptin in gastric cancer in China later this year.
- **Avastin (+3%).** Advanced colorectal, breast, lung, kidney and ovarian cancer, and relapsed glioblastoma (a type of brain tumour). Global sales recovered from the decline in 2011 and increased 3% compared with the first half of 2011. Sales in the US were 1.2 billion Swiss francs, down 2%, which was more than offset by growth in the International region (15%), Japan (12%) and Western Europe (2%). Growth was driven mainly by increased use in lung and colorectal cancer as well as the recently approved ovarian cancer indication. In the US the slight decline reflected lower wholesaler inventories at the end of June 2012 and lower use in breast cancer compared with the first half of 2011.
- **Pegasys (+31%).** Hepatitis B and C. Pegasys is benefiting from being a key component of the new triple combination regimens for hepatitis C that were recently launched in the US and key Western Europe markets, such as France, Germany and Switzerland. Pegasys has established itself as the foundation of this new treatment regime and has gained additional market share.
- **Actemra/RoActemra (+39%).** Rheumatoid arthritis. Actemra/RoActemra sales have continued to show strong growth in the United States (+72%), Western Europe (+38%) and the International region (+67%) as physicians become more confident using the medicine. Further uptake is likely to be driven by results from the head-to-head ADACTA trial showing superiority against adalimumab in the estimated one-third of patients requiring biologic monotherapy. Filings have been submitted in the US and EU for

polyarticular juvenile idiopathic arthritis. Positive results were also reported for SUMMACTA, the first of two trials testing a subcutaneous formulation of Actemra/RoActemra.

Recently launched products

- **Zelboraf (92 million Swiss francs).** BRAF V600 mutated metastatic melanoma. Zelboraf was launched successfully in the US in August last year and in Europe in February this year. In the US Zelboraf is being used as a first-line therapy in approximately 85% of patients with metastatic melanoma who test positive for the BRAF V600E mutation. Early indications suggest uptake in the EU will be similarly strong. Roche has also secured approval in Canada, Australia, New Zealand, Mexico and several other countries. Discussions with regulatory and reimbursement authorities are ongoing.
- **Erivedge (10 million Swiss francs).** Advanced basal cell carcinoma. Erivedge became the first and only FDA-approved treatment for advanced forms of basal cell carcinoma in February this year. It is also the first in a new class of anti-cancer treatments called hedgehog pathway inhibitors. Early market response is encouraging. Roche has submitted Erivedge for marketing approval in the EU, Australia, Mexico, Israel and Canada.
- **Perjeta (4 million Swiss francs).** First-line HER2-positive metastatic breast cancer. Perjeta was approved in the US in June 2012 after FDA priority review. Upon approval Roche made the product immediately available to patients. Roche and Chugai have also filed for approval in the EU and Japan. Perjeta in combination with Herceptin is likely to shift the standard of care for HER2-positive breast cancer patients. At the end of last year the CLEOPATRA study met its primary endpoint of progression-free survival, showing Perjeta extended the time patients lived without their disease getting worse by 6.1 months. In addition, the trial recently met its secondary endpoint of overall survival, demonstrating that patients treated with Perjeta, Herceptin and (docetaxel) chemotherapy lived significantly longer compared with those receiving only Herceptin and chemotherapy.

Clinical update

- Two studies investigating the new subcutaneous (SC) formulation of MabThera/Rituxan met their primary endpoints: The pivotal phase III SABRINA (BO22334) study and the phase Ib SparkThera (BP22333) study have both shown non-inferior MabThera/Rituxan serum concentration after SC injection compared with MabThera/Rituxan intravenous infusion in follicular lymphoma patients. No new medically relevant safety signals were observed in either trial. Roche will use the data from SABRINA and SparkThera to support discussions with regulatory authorities.

- BEATRICE, a phase III trial of Avastin combined with chemotherapy as adjuvant treatment (following surgery) for patients with triple-negative (HER2-negative, estrogen and progesterone receptor-negative) breast cancer did not meet its primary endpoint of demonstrating a significant improvement in invasive disease-free survival versus adjuvant chemotherapy alone. These data do not impact the approved use of Avastin in metastatic (advanced) HER2-negative breast cancer or its other approved indications.
- The restructuring of Pharma Research and Early Development has led to several portfolio decisions, in particular in the areas of inflammation, virology and metabolism.

Diagnostics Division

Roche expands market leadership

First-half sales at the Diagnostics Division rose 5% to 5.0 billion Swiss francs, outpacing the global *in vitro* diagnostics market. This increase was driven by Professional Diagnostics (+9%), Tissue Diagnostics (+17%) and Molecular Diagnostics (+6%), and highlights the demand from clinical laboratories for Roche's broad product offering. A key growth contributor was the immunoassay business, which helps diagnose diseases ranging from viral infections to cancers through highly automated immunochemical blood testing. The immunoassay business is on track to deliver its 15th consecutive year of double-digit sales growth and now accounts for 22% of divisional sales.

Sales at Diabetes Care fell 2% due to reimbursement changes in major European markets. Applied Science sales were 3% lower, largely due to competition in gene sequencing and a slowdown in public research funding. The unit is now consolidating business segments whilst continuing to invest in new technologies, particularly sequencing.

Divisional sales grew in all regions. The main growth driver was Asia-Pacific (+17%), as increasing demand for Roche's lab solutions boosted sales in China (+32%) and other countries. Roche Diagnostics plans to invest over 300 million US dollars over the next five years in China to make lab automation and diagnostic testing possible in additional cities and hospitals.

Regulatory and clinical update

- **FDA approvals for interactive insulin pump system Accu-Chek Combo and CMV test.**

In July the FDA cleared Accu-Chek Combo system, a combination of insulin pump and blood glucose meter with bolus advice³. The system simplifies diabetes self-management by enabling patients to test their blood glucose levels and, based on the results, administer insulin discreetly via the meter, which remotely controls the pump, without the need to touch the pump. It will be the second next-generation Diabetes Care product that Roche launches in the US this year.

Roche also received clearance for a new cytomegalovirus (CMV) test⁴ in July. This is the first fully automated DNA test to monitor CMV infections, which are common but can be dangerous for people with organ transplants or immunodeficiency.

- **VISION study⁵ – Troponin T test identifies mortality risk after surgery.**

A study published in *JAMA*⁶ showed that monitoring post-operative troponin T levels with Roche's Elecsys Troponin T blood test, an established marker for myocardial infarctions, can help identify patients who are at higher risk for 30-day mortality and therefore need extra observation and care after non-cardiac surgery. Every year more than 200 million adults worldwide have major non-cardiac surgery, and over 1 million die within 30 days. The study results are expected to help physicians assess the risk to patients and tailor monitoring and therapy accordingly.

³ Functionality to calculate the appropriate single insulin dose to be given to bring down high blood glucose levels, e.g. after a meal.

⁴ for use on COBAS AmpliPrep/COBAS TaqMan System

⁵ VISION = Vascular events In noncardiac Surgery patients cOhort evaluation; ongoing global study with over 40,000 patients.

⁶ *Journal of the American Medical Association*, June 2012.

Pharmaceuticals Division-major clinical and regulatory news flow up to mid-July 2012

Compound	Indication	Milestone	
Actemra	Rheumatoid arthritis DMARD inadequate responders (monotherapy)	Phase III ADACTA H2H vs. adalimumab	✓ Q1
Actemra	Polyarticular juvenile idiopathic arthritis	Phase III CHERISH	✓ Q1
Avastin	Metastatic colorectal cancer (treatment across multiple lines)	Phase III TML	✓ Q1
Erivedge	Advanced basal cell carcinoma	US approval	✓ Q1
T-DM1	2nd-line HER2+ metastatic breast cancer	Phase III EMILIA	✓ Q1
Zelboraf	Metastatic melanoma	EU approval	✓ Q1
Actemra subcutaneous	Rheumatoid arthritis	Phase III SUMMACTA	✓ Q2
Avastin	Platinum-resistant recurrent ovarian cancer	Phase III AURELIA	✓ Q2
Dalcetrapib	Atherosclerosis cardiovascular risk red.	Phase III dal-OUTCOMES (2nd interim analysis)	✗ Q2
MabThera subcutaneous	Non-Hodgkin's lymphoma	Phase III SABRINA	✓ Q2
Perjeta	1st-line HER2+ metastatic breast cancer	US approval	✓ Q2
Avastin	Triple-negative adjuvant breast cancer	Phase III BEATRICE	✗ Q3

Pharmaceuticals Division - upcoming clinical and regulatory news flow in 2012

Compound	Indication	Milestone	
Actemra	Rheumatoid arthritis DMARD inadequate responders (1L)	US approval	H2
Actemra subcutaneous	Rheumatoid arthritis	Phase III BREVACTA	H2
Avastin	Newly diagnosed glioblastoma	Phase III AVAglio	H2
Avastin	Platinum-sensitive recurrent ovarian cancer	EU approval	H2
Erivedge	Advanced basal cell carcinoma	EU approval	H2 2012 /2013
Herceptin	Adjuvant HER2+ breast cancer	Phase III HERA 2 years vs. 1 year	H2
Lucentis	Diabetic macular edema	US approval	H2
Perjeta	1st-line HER2+ metastatic breast cancer	EU approval	H2

Diagnostics Division – major product launches in the first half of 2012

Area	Product name	Description	Market	Quarter
Instruments/devices				
Laboratories	BenchMark Special Stains	Fully automated tissue stainer	WW	Q2
	VENTANA iScan HT	Scanner that enables digital viewing of tissue slides	EU, US	Q2
	cobas p 312	Pre-analytical system (decapping, sorting and archiving)	EU, US	Q1-2
	cobas p 630	Pre-analytical molecular testing system	US	Q1
	cobas IT middleware solution 1.00	Software to control the lab workflow until the test result	EU	Q1
Point of care	cobas b 123	Blood gas analyser for critical care	US	Q2
Diabetes Care	Accu-Chek Nano SmartView	Small, no-code blood glucose meter	US	Q2
	Accu-Chek Mobile	Next-generation strip-free blood glucose meter	EU	Q2
Life sciences	cComplete ULTRA	Protease inhibitor tablets for use in molecular biology	WW	Q1

	MycO TOOL	Real-time PCR analysis kit for detection of mycoplasma	WW	Q1
Tests/assays				
Oncology	p16 Histology	IHC tissue test for cervical disease early detection	WW	Q2
	EGFR, MYC, FGFR1, Chromosome 7 & 8	ISH probes for the detection of genes in tissue samples	WW	Q1
	Ki-67, PR and p53 Algorithms	Image analysis applications for antigens Ki-67, PR and p53, support breast cancer diagnosis	US	Q1-2
	GS GType TET2/CBL/KRAS & RUNX1 Primer Sets	Gene sequencing primer sets for leukemia research	WW	Q1
Virology/ infectiology	HCV II	Immunoassay to detect hepatitis C infections	EU	Q1
	HBc IgM	Immunoassay to detect hepatitis B infections	US	Q1
	CT/NG	PCR test to detect chlamydia and gonorrhoea infections	US	Q1
	HIV-1, v2.0	PCR dual-target test to measure HIV viral load	US	Q2
Metabolism	Accu-Chek Aviva/Performa universally coded test strips	Require users to insert a code chip into their meter only once, with ongoing calibration of subsequent test strips	WW	Q2

Diagnostics Division – key product launches planned for the second half of 2012

Area	Product name	Description	Market
Instruments/devices			
Laboratories	cobas t 611	Coagulation analyser for mid- and high-throughput testing	EU
Point of care	cobas b 101	Multi-blood lipid and glucose point-of-care analyser	EU
Diabetes Care	Accu-Chek Combo	Combined insulin pump and blood glucose meter	US
	SOLO Micropump	Insulin micropump with blood glucose meter	EU
Tests/assays			
Oncology	HE4	Immunoassay for early ovarian cancer detection	US
	ER	IHC tissue test for diagnosis of breast cancer	US
Virology	CMV	PCR test to monitor cytomegalovirus infections	US
Metabolism	Vitamin D	Immunoassay, measures vitamins D2 and D3	US

black type = new product/first market launch, grey type = new product/launch in additional markets. EU = European Union; US = United States; WW = worldwide.

ER = estrogen receptor; GS = Genome Sequencer; HE4 = human epididymis secretory protein E4; HIV = human immunodeficiency virus; IHC = immunohistochemistry; ISH = *in situ* hybridisation; p16 = protein p16INK4a; PCR = polymerase chain reaction.

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, virology, inflammation, metabolism and CNS. Roche is also the world leader in in-vitro diagnostics, tissue-based cancer diagnostics and a pioneer in diabetes management. Roche's personalized healthcare strategy aims at providing medicines and diagnostic tools that enable tangible improvements in the health, quality of life and survival of patients. In 2011, Roche had over 80,000 employees worldwide and invested over 8 billion Swiss francs in R&D. The Group posted sales of 42.5 billion Swiss francs. Genentech, United States, is a wholly owned member of the Roche Group. Roche has a majority stake in Chugai Pharmaceutical, Japan. For more information: www.roche.com

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Additional information

- Investor Update including a full set of tables: www.roche.com/inv-update-2012-07-26.html
- Sustainable Development at Roche: www.roche.com/corporate_responsibility
- Roche Half-Year Report 2012: www.roche.com/annual_reports
- Dow Jones Sustainability Indexes: www.sustainability-indexes.com/
- SAM: www.sam-group.com/

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1. Sales January to June 2012 and 2011

Sales in millions of CHF	Six months ended 30 June		% change		
	2012	2011	At CER*	In CHF	In USD
Pharmaceuticals Division	17,409	16,815	4	4	1
United States	6,815	6,285	6	8	6
Western Europe	4,000	4,299	-3	-7	-9
Japan	1,943	1,831	1	6	4
International**	4,651	4,400	8	6	3
Diagnostics Division	5,014	4,856	5	3	1
Roche Group	22,423	21,671	4	3	1

* Constant exchange rates versus YTD June 2011;

**Asia-Pacific, CEMAI (Central and Eastern Europe, Middle East, Africa, Central Asia, Indian Subcontinent), Latin America, Canada, Others

2. Quarterly sales by Division in 2012 and 2011

CHF millions	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012
Pharmaceuticals Division	8,103	7,582	8,397	8,624	8,785
United States	2,963	2,819	3,119	3,442	3,373
Western Europe	2,090	1,911	2,011	2,005	1,995
Japan	928	881	1,105	930	1,013
International*	2,122	1,971	2,162	2,247	2,404
Diagnostics Division	2,448	2,239	2,642	2,403	2,611
Roche Group	10,551	9,821	11,039	11,027	11,396

*Asia-Pacific, CEMAI (Central and Eastern Europe, Middle East, Africa, Central Asia, Indian Subcontinent), Latin America, Canada, Others

3. Quarterly constant exchange rate sales growth by Division in 2012 and 2011

	Q3 2011 vs. Q3 2010	Q4 2011 vs. Q4 2010	Q1 2012 vs. Q1 2011	Q2 2012 vs. Q2 2011
Pharmaceuticals Division	0	3	2	6
United States	1	4	6	6
Western Europe	-3	-1	-4	-1
Japan	-7	-5	1	0
International*	5	10	2	14
Diagnostics Division	6	7	4	6
Roche Group	1	4	2	6

*Asia-Pacific, CEMAI (Central and Eastern Europe, Middle East, Africa, Central Asia, Indian Subcontinent), Latin America, Canada, Others

4. Pharmaceuticals Division – key figures

	In millions of CHF	% change in CHF	% change in CER*	% of sales
Sales	17,409	4	4	100
United States	6,815	8	6	39
Western Europe	4,000	-7	-3	23
Japan	1,943	6	1	11
International**	4,651	6	8	27
Core operating profit	7,889	7	9	45.3
Operating free cash flow	6,639	3	5	38.1
Research and development (core basis)	3,587	4	3	20.6

* Constant exchange rates versus YTD June 2011;

**Asia-Pacific, CEMAI, Latin America, Canada, Others

5. Top 20 Pharmaceuticals Division product sales and constant exchange rate growth YTD Jun 2012 vs. YTD Jun 2011: US, Western Europe, Japan and International

	Total		United States		Western Europe		Japan		International	
	CHF m	%	CHF m	%	CHF m	%	CHF m	%	CHF m	%
MabThera/Rituxan	3,315	9%	1,557	8%	823	6%	136	12%	799	13%
Herceptin	2,951	11%	816	10%	992	3%	157	-3%	986	22%
Avastin	2,805	3%	1,239	-2%	734	2%	345	12%	487	15%
Pegasys	903	31%	307	122%	165	4%	39	-24%	392	15%
Xeloda	763	14%	316	27%	129	-3%	60	6%	258	12%
Lucentis	745	-5%	745	-5%	-	-	-	-	-	-
Tarceva	666	8%	278	19%	169	-8%	53	19%	166	10%
CellCept	454	-15%	78	-28%	121	-20%	36	16%	219	-10%
Actemra/RoActemra	385	39%	107	72%	124	38%	93	4%	61	67%
NeoRecormon/Epogin	351	-28%	-	-	135	-15%	90	-53%	126	-10%
Xolair	345	12%	345	12%	-	-	-	-	-	-
Valcyte/Cymevene	307	9%	154	19%	79	0%	-	-	74	4%
Activase/TNKase	285	21%	262	21%	-	-	-	-	23	16%
Pulmozyme	257	4%	158	9%	50	0%	-	-	49	-4%
Tamiflu	221	-18%	90	-50%	7	-21%	95	77%	29	16%
Bonviva/Boniva	207	-46%	63	-65%	64	-46%	-	-	80	-10%
Mircera	177	30%	-	-	41	-53%	88	-	48	4%
Madopar	157	8%	-	-	45	0%	10	-12%	102	14%
Nutropin	154	-11%	151	-10%	-	-	-	-	3	-14%
Rocephin	133	2%	1	1%	25	-14%	25	-10%	82	13%

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

	Q2 2011	Q2 2011 vs. Q2 2010	Q3 2011	Q3 2011 vs. Q3 2010	Q4 2011	Q4 2011 vs. Q4 2010	Q1 2012	Q1 2012 vs. Q1 2011	Q2 2012	Q2 2012 vs. Q2 2011
MabThera/Rituxan	1,500	6%	1,361	7%	1,588	10%	1,605	7%	1,710	11%
Herceptin	1,330	12%	1,189	4%	1,348	14%	1,428	7%	1,523	14%
Avastin	1,309	-9%	1,216	-10%	1,350	-2%	1,385	1%	1,420	5%
Pegasys	349	-7%	356	6%	387	5%	444	32%	459	29%
Xeloda	326	2%	333	10%	353	13%	382	15%	381	13%
Lucentis	377	29%	359	17%	395	13%	385	0%	360	-11%
Tarceva	297	1%	307	10%	330	10%	337	10%	329	7%
CellCept	258	-13%	232	-9%	221	-20%	220	-19%	234	-11%
Actemra/RoActemra	148	90%	156	69%	185	48%	184	46%	201	32%
NeoRecormon/Epogin	247	-18%	197	-28%	206	-27%	171	-28%	180	-28%
Xolair	151	9%	146	9%	157	12%	164	12%	181	12%
Valcyte/Cymevene	137	10%	143	8%	144	2%	153	9%	154	10%
Activase/TNKase	109	18%	100	5%	122	15%	140	17%	145	25%
Pulmozyme	116	9%	111	11%	134	12%	128	1%	129	8%
Tamiflu	10	-88%	39	-51%	58	-19%	187	-24%	34	63%
Bonviva/Boniva	182	-19%	157	-24%	145	-30%	141	-31%	66	-64%
Mircera	68	21%	99	82%	107	63%	90	34%	87	25%
Madopar	75	7%	72	8%	72	1%	75	4%	82	11%
Nutropin	82	1%	73	-21%	75	-15%	77	-9%	77	-12%
Rocephin	57	-19%	64	-6%	71	7%	73	3%	60	0%

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

	Q2 2011	Q2 2011 vs. Q2 2010	Q3 2011	Q3 2011 vs. Q3 2010	Q4 2011	Q4 2011 vs. Q4 2010	Q1 2012	Q1 2012 vs. Q1 2011	Q2 2012	Q2 2012 vs. Q2 2011
MabThera/Rituxan	690	7%	621	7%	698	5%	752	8%	805	9%
Herceptin	352	7%	330	4%	366	7%	405	11%	411	9%
Avastin	590	-15%	536	-16%	569	-9%	634	0%	605	-5%
Pegasys	70	-17%	87	15%	121	47%	155	144%	152	104%
Xeloda	119	2%	135	23%	140	22%	158	31%	158	24%
Lucentis	377	29%	359	17%	395	13%	385	0%	360	-11%
Tarceva	110	1%	119	7%	137	16%	136	18%	142	21%
CellCept	52	-12%	52	2%	45	-14%	33	-38%	45	-19%
Actemra/RoActemra	34	356%	37	153%	43	92%	50	87%	57	61%
NeoRecormon/Epogin	-	-	-	-	-	-	-	-	-	-
Xolair	151	9%	146	9%	157	12%	164	12%	181	12%
Valcyte/Cymevene	59	3%	65	-4%	69	0%	74	12%	80	26%
Activase/TNKase	99	20%	90	5%	112	17%	129	19%	133	24%
Pulmozyme	66	11%	67	14%	73	5%	79	8%	79	11%
Tamiflu	4	-56%	-8	-	-10	-	74	-56%	16	51%
Bonviva/Boniva	75	-31%	67	-36%	67	-36%	70	-32%	-7	-
Mircera	-	-	-	-	-	-	-	-	-	-
Madopar	-	-	-	-	-	-	-	-	-	-
Nutropin	79	1%	71	-21%	74	-15%	75	-9%	76	-12%
Rocephin	1	-28%	-	-	-	-	0	1%	1	2%

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

	Q2 2011	Q2 2011 vs. Q2 2010	Q3 2011	Q3 2011 vs. Q3 2010	Q4 2011	Q4 2011 vs. Q4 2010	Q1 2012	Q1 2012 vs. Q1 2011	Q2 2012	Q2 2012 vs. Q2 2011
MabThera/Rituxan	400	6%	371	8%	392	10%	413	6%	410	6%
Herceptin	491	5%	459	4%	478	9%	495	2%	497	4%
Avastin	363	-12%	336	-9%	356	-3%	364	-2%	370	6%
Pegasys	79	-3%	61	-10%	70	-8%	82	1%	83	8%
Xeloda	69	-1%	63	-1%	63	-8%	65	-1%	64	-4%
Lucentis	-	-	-	-	-	-	-	-	-	-
Tarceva	91	-12%	91	6%	87	-9%	88	-7%	81	-8%
CellCept	76	-27%	61	-35%	64	-34%	60	-23%	61	-17%
Actemra/RoActemra	49	67%	49	51%	55	52%	60	41%	64	35%
NeoRecormon/Epogin	81	-28%	72	-26%	70	-23%	65	-20%	70	-10%
Xolair	-	-	-	-	-	-	-	-	-	-
Valcyte/Cymevene	41	11%	38	8%	41	6%	39	1%	40	-1%
Activase/TNKase	-	-	-	-	-	-	-	-	-	-
Pulmozyme	25	6%	24	5%	24	1%	26	1%	24	-2%
Tamiflu	1	-	12	4017%	32	-	5	-36%	2	44%
Bonviva/Boniva	60	-12%	47	-21%	43	-34%	33	-45%	31	-46%
Mircera	45	16%	43	15%	44	2%	31	-25%	10	-79%
Madopar	23	-5%	23	6%	25	-4%	23	0%	22	0%
Nutropin	-	-	-	-	-	-	-	-	-	-
Rocephin	12	-8%	10	-16%	13	17%	16	-12%	9	-17%

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

	Q2 2011	Q2 2011 vs. Q2 2010	Q3 2011	Q3 2011 vs. Q3 2010	Q4 2011	Q4 2011 vs. Q4 2010	Q1 2012	Q1 2012 vs. Q1 2011	Q2 2012	Q2 2012 vs. Q2 2011
MabThera/Rituxan	58	-5%	62	-1%	77	-3%	62	8%	74	16%
Herceptin	90	30%	50	-23%	84	4%	71	10%	86	-12%
Avastin	149	7%	146	2%	189	2%	156	8%	189	16%
Pegasys	24	-12%	20	-28%	24	-35%	18	-29%	21	-20%
Xeloda	27	-9%	26	-9%	32	-9%	27	1%	33	10%
Lucentis	-	-	-	-	-	-	-	-	-	-
Tarceva	22	0%	22	2%	28	2%	22	9%	31	28%
CellCept	15	9%	16	15%	19	7%	16	16%	20	16%
Actemra/RoActemra	44	27%	48	25%	63	15%	44	8%	49	1%
NeoRecormon/Epogin	98	-11%	63	-42%	74	-42%	45	-48%	45	-58%
Xolair	-	-	-	-	-	-	-	-	-	-
Valcyte/Cymevene	-	-	-	-	-	-	-	-	-	-
Activase/TNKase	-	-	-	-	-	-	-	-	-	-
Pulmozyme	-	-	-	-	-	-	-	-	-	-
Tamiflu	3	-68%	18	-55%	28	3%	91	85%	4	-14%
Bonviva/Boniva	-	-	-	-	-	-	-	-	-	-
Mircera	-	-	31	-	34	-	35	-	53	-
Madopar	6	1%	5	-2%	6	-16%	5	-16%	5	-7%
Nutropin	-	-	-	-	-	-	-	-	-	-
Rocephin	14	-12%	14	-4%	16	-2%	12	-8%	13	-12%

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

	Q2 2011	Q2 2011 vs. Q2 2010	Q3 2011	Q3 2011 vs. Q3 2010	Q4 2011	Q4 2011 vs. Q4 2010	Q1 2012	Q1 2012 vs. Q1 2011	Q2 2012	Q2 2012 vs. Q2 2011
MabThera/Rituxan	352	5%	307	9%	421	25%	378	5%	421	21%
Herceptin	397	23%	350	9%	420	32%	457	10%	529	36%
Avastin	207	8%	198	5%	236	17%	231	4%	256	26%
Pegasys	176	-3%	188	15%	172	-1%	189	14%	203	16%
Xeloda	111	5%	109	6%	118	24%	132	11%	126	13%
Lucentis	-	-	-	-	-	-	-	-	-	-
Tarceva	74	22%	75	23%	78	33%	91	20%	75	-1%
CellCept	115	-5%	103	5%	93	-14%	111	-13%	108	-7%
Actemra/RoActemra	21	203%	22	177%	24	79%	30	91%	31	49%
NeoRecormon/Epogin	68	-13%	62	-8%	62	-7%	61	-15%	65	-5%
Xolair	-	-	-	-	-	-	-	-	-	-
Valcyte/Cymevene	37	24%	40	42%	34	3%	40	12%	34	-4%
Activase/TNKase	10	1%	10	7%	10	-4%	11	2%	12	30%
Pulmozyme	25	3%	20	12%	37	43%	23	-16%	26	10%
Tamiflu	2	-97%	17	-62%	8	205%	17	-16%	12	193%
Bonviva/Boniva	47	2%	43	7%	35	-8%	38	-10%	42	-11%
Mircera	23	32%	25	65%	29	35%	24	1%	24	6%
Madopar	46	15%	44	10%	41	7%	47	9%	55	20%
Nutropin	3	-7%	2	1%	1	-17%	2	-4%	1	-24%
Rocephin	30	-25%	40	-5%	42	5%	45	14%	37	12%

11. Diagnostics Division – key figures

		In millions of CHF	% change in CHF	% change at CER*	As % of sales
Sales		5,014	3	5	100
Business areas	Professional Diagnostics	2,515	7	9	50
	Diabetes Care	1,260	-4	-2	25
	Molecular Diagnostics	571	5	6	12
	Applied Science	363	-4	-3	7
	Tissue Diagnostics	305	18	17	6
Regions	Europe, Africa, Middle East	2,365	-4	1	47
	North America	1,281	7	5	25
	Asia-Pacific	736	20	17	15
	Latin America	348	8	13	7
	Japan	284	12	7	6
Core operating profit		998	-6	-5	19.9
Operating free cash flow		793	29	30	15.8
Research and development (core basis)		456	6	7	9.1

* Constant exchange rates versus YTD June 2011

Roche Group consolidated income statement for the six month ended 30 June 2012 | in millions of CHF

	Pharmaceuticals	Diagnostics	Corporate	Group
Sales	17,409	5,014		22,423
Royalties and other operating income	802	78		880
Cost of sales	(3,640)	(2,408)		(6,048)
Marketing and distribution	(2,791)	(1,313)		(4,104)
Research and development	(4,472)	(486)		(4,958)
General and administration	(870)	(421)	(570)	(1,861)
Operating profit	6,438	464	(570)	6,332
Associates				(2)
Financial income				239
Financing costs				(1,058)
Profit before taxes				5,511
Income taxes				(1,143)
Net income				4,368
Attributable to				
- Roche shareholders				4,255
- Non-controlling interests				113
Earnings per share and non-voting equity security				
Basic (CHF)				5.02
Diluted (CHF)				4.99

Core results reconciliation - YTD June 2012 | in millions of CHF

	IFRS	Global restructuring	Intangibles - amortisation	Intangibles - impairment	Alliances & Business combinations	Legal & environmental	Global issues	Normalisation of ECP tax benefit	Core
Sales	22,423	-	-	-	-	-	-	-	22,423
Royalties and other operating income	880	-	-	-	-	-	-	-	880
Cost of sales	(6,048)	105	248	29	-	-	-	-	(5,666)
Marketing and distribution	(4,104)	96	3	-	-	-	-	-	(4,005)
Research and development	(4,958)	452	15	448	-	-	-	-	(4,043)
General and administration	(1,861)	430	-	185	(39)	337	-	-	(948)
Operating profit	6,332	1,083	266	662	(39)	337	-	-	8,641
Associates	(2)	-	-	-	-	-	-	-	(2)
Financial income	239	-	-	-	-	-	-	-	239
Financing costs	(1,058)	-	-	-	-	-	-	-	(1,058)
Profit before taxes	5,511	1,083	266	662	(39)	337	-	-	7,820
Income taxes	(1,143)	(309)	(91)	(157)	(3)	(101)	-	19	(1,785)
Net income	4,368	774	175	505	(42)	236	-	19	6,035
Attributable to									
- Roche shareholders	4,255	774	175	505	(42)	236	-	19	5,922
- Non-controlling interests	113	-	-	-	-	-	-	-	113
EPS	4.99	0.91	0.20	0.59	(0.05)	0.28	-	0.02	6.94

Divisional core results reconciliation - YTD June 2012 | in millions of CHF

	IFRS	Global restruct uring	Intangibles - amortisation	Intangibles - impairment	Alliances & Business combinations	Legal & environ mental	Global issues	Core
Pharmaceuticals								
Sales	17,409	-	-	-	-	-	-	17,409
Royalties and other operating income	802	-	-	-	-	-	-	802
Cost of sales	(3,640)	66	75	13	-	-	-	(3,486)
Marketing and distribution	(2,791)	40	-	-	-	-	-	(2,751)
Research and development	(4,472)	423	14	448	-	-	-	(3,587)
General and administration	(870)	400	-	-	(44)	16	-	(498)
Operating profit	6,438	929	89	461	(44)	16	-	7,889
Diagnostics								
Sales	5,014	-	-	-	-	-	-	5,014
Royalties and other operating income	78	-	-	-	-	-	-	78
Cost of sales	(2,408)	39	173	16	-	-	-	(2,180)
Marketing and distribution	(1,313)	56	3	-	-	-	-	(1,254)
Research and development	(486)	29	1	-	-	-	-	(456)
General and administration	(421)	21	-	185	5	6	-	(204)
Operating profit	464	145	177	201	5	6	-	998
Corporate								
General and administration	(570)	9	-	-	-	315	-	(246)
Operating profit	(570)	9	-	-	-	315	-	(246)

Roche Group consolidated balance sheet | in millions of CHF

	30 June 2012	31 December 2011	31 December 2010
Non-current assets			
Property, plant and equipment	15,761	16,201	16,729
Goodwill	7,777	7,843	7,722
Intangible assets	4,621	5,126	5,133
Associates	22	24	13
Financial long-term assets	374	360	428
Other long-term assets	474	460	456
Deferred income tax assets	3,200	2,762	2,368
Post-employment benefit assets	580	568	559
Total non-current assets	32,809	33,344	33,408
Current assets			
Inventories	5,513	5,060	4,972
Accounts receivable	9,559	9,799	9,403
Current income tax assets	245	222	168
Other current assets	2,261	1,864	2,168
Marketable securities	5,114	7,433	9,060
Cash and cash equivalents	4,106	3,854	1,841
Total current assets	26,798	28,232	27,612
Total assets	59,607	61,576	61,020
Non-current liabilities			
Long-term debt	(21,153)	(23,459)	(27,857)
Deferred income tax liabilities	(235)	(604)	(885)
Post-employment benefit liabilities	(6,684)	(5,520)	(4,367)
Provisions	(1,160)	(991)	(934)
Other non-current liabilities	(296)	(310)	(337)
Total non-current liabilities	(29,528)	(30,884)	(34,380)
Current liabilities			
Short-term debt	(5,400)	(3,394)	(2,201)
Current income tax liabilities	(2,298)	(2,206)	(2,037)
Provisions	(2,257)	(1,742)	(2,146)
Accounts payable	(1,623)	(2,053)	(2,068)
Accrued and other current liabilities	(6,425)	(6,815)	(6,526)
Total current liabilities	(18,003)	(16,210)	(14,978)
Total liabilities	(47,531)	(47,094)	(49,358)
Total net assets	12,076	14,482	11,662
Equity			
Capital and reserves attributable to Roche shareholders	9,616	12,095	9,469
Equity attributable to non-controlling interests	2,460	2,387	2,193
Total equity	12,076	14,482	11,662

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

	Six month ended 30 June	
	2012	2011
Cash flows from operating activities		
Cash generated from operations	10,203	9,598
(Increase) decrease in working capital	(1,403)	(1,317)
Payments made for defined benefit post-employment plans	(208)	(165)
Utilisation of provisions	(370)	(563)
Disposal of products	78	51
Other operating cash flows	2	4
Cash flows from operating activities, before income taxes paid	8,302	7,608
Income taxes paid	(1,481)	(1,086)
Total cash flows from operating activities	6,821	6,522
Cash flows from investing activities		
Purchase of property, plant and equipment	(963)	(925)
Purchase of intangible assets	(162)	(92)
Disposal of property, plant and equipment	35	284
Disposal of intangible assets	-	-
Business combinations	(36)	(71)
Divestments of subsidiaries	-	4
Interest and dividends received	18	17
Sales of marketable securities	23,084	18,934
Purchases of marketable securities	(20,678)	(15,992)
Other investing cash flows	(18)	50
Total cash flows from investing activities	(1,280)	2,209
Cash flows from financing activities		
Proceeds from issue of bonds and notes	2,698	-
Redemption and repurchase of bonds and notes	(3,179)	(3,058)
Increase (decrease) in commercial paper	(80)	846
Increase (decrease) in other debt	16	16
Hedging and collateral arrangements	(237)	1,288
Equity contribution by non-controlling interests	-	-
Interest paid	(1,131)	(1,253)
Dividends paid	(5,851)	(5,689)
Equity-settled equity compensation plans, net of transactions in own equity instruments	(110)	(460)
Other financing cash flows	-	-
Total cash flows from financing activities	(7,874)	(8,310)
Net effect of currency translation on cash and cash equivalents	25	(212)
Increase (decrease) in cash and cash equivalents	252	209
Cash and cash equivalents at 1 January	3,854	1,841
Cash and cash equivalents at 30 June	4,106	2,050