



Translating excellence in science into customer benefit

*Pascal Soriot, Chief Operating Officer
Roche Pharmaceuticals*

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Solid fundamentals

Building the future

2010: Summary

Financial guidance fully met

Operational Excellence on track

- Most of the concerned employees individually notified
- R&D prioritised
- Divestitures of factories initiated

Pipeline is gaining strength

- 12 New Molecular Entities (NMEs) in late stage

Personalised Healthcare is becoming reality

- 6 late stage assets tailored to specific patient groups

2010: Group sales

Solid underlying growth in line with guidance

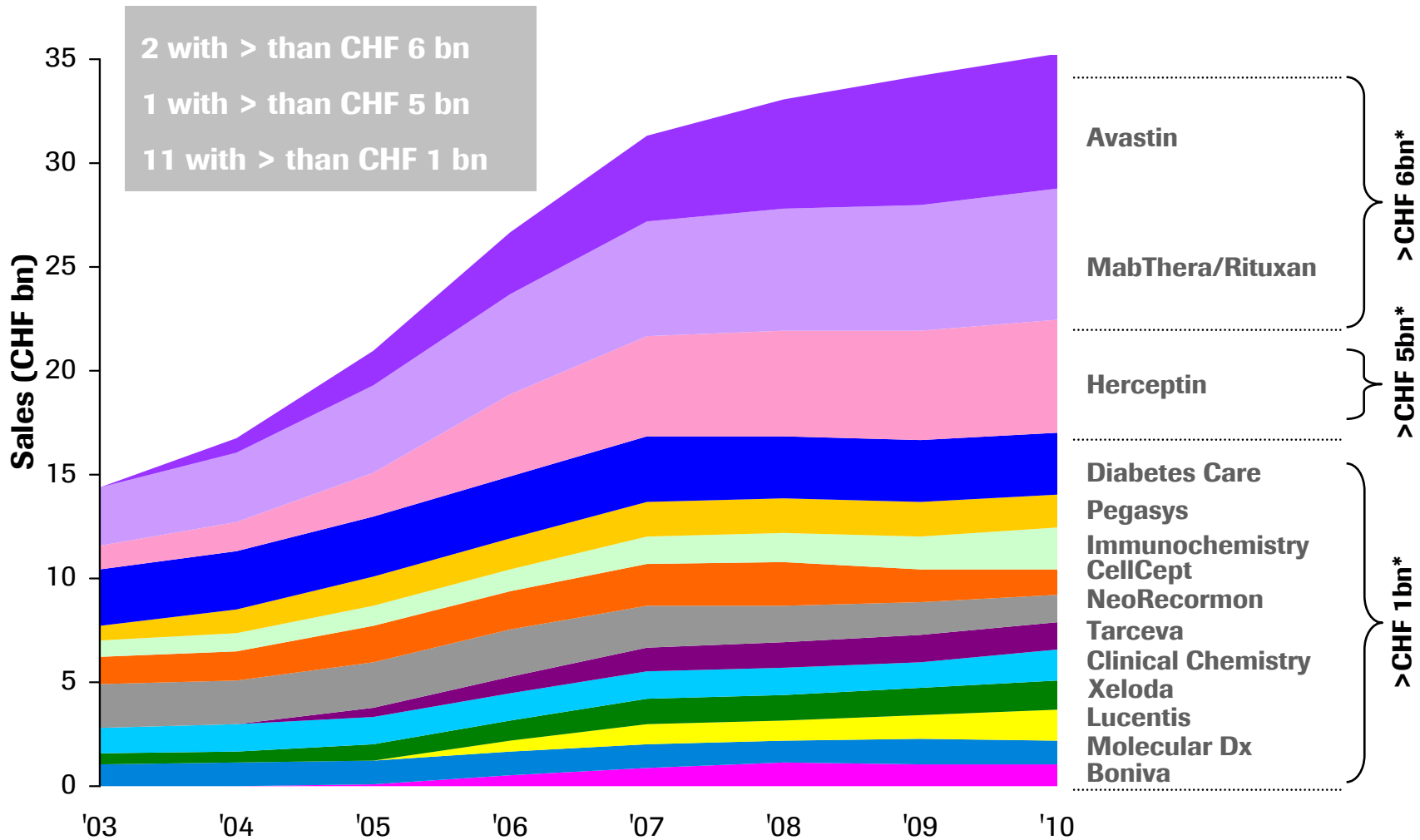
	2009 CHF m	2010 CHF m	change in % CHF	local	Excluding Tamiflu*
Pharmaceuticals Division	38,996	37,058	-5	-2	+5
Diagnostics Division	10,055	10,415	+4	+8	+8
Roche Group	49,051	47,473	-3	0	+5

Growth rates maintained despite healthcare reforms and austerity measures

	2009 vs. 2008					2010 vs. 2009				
	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Pharmaceuticals Division	8	14	15	8	11	10	-2	-5	-8	-2
excl. Tamiflu	7	7	5	-3	4	8	3	4	4	5
Diagnostics Division	8	7	10	10	9	9	9	7	6	8
Roche Group	8	12	14	8	10	9	0	-3	-5	0
excl. Tamiflu	7	7	6	0	5	9	4	5	4	5

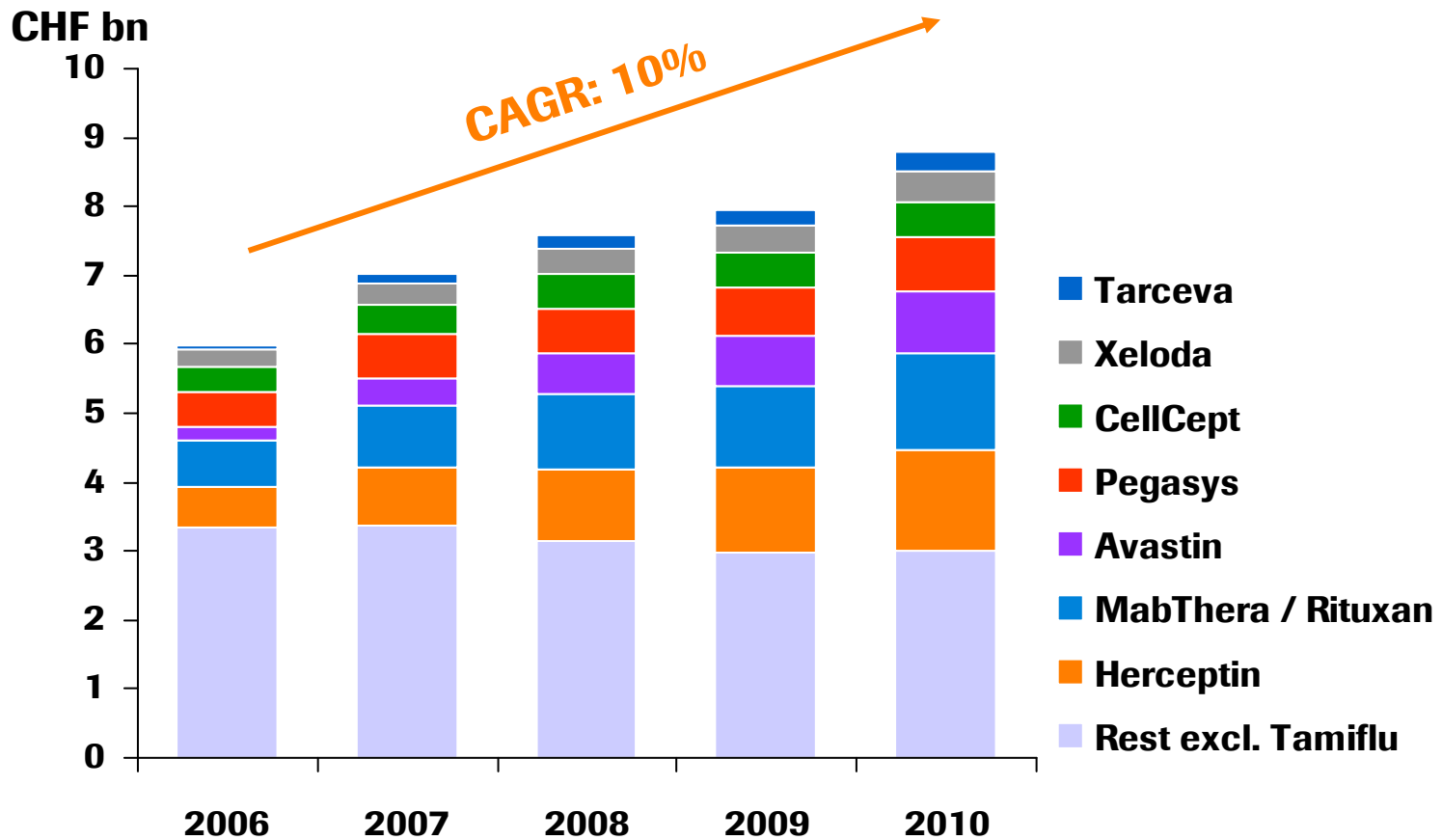
Key Pharmaceuticals & Diagnostics products

A risk-diversified portfolio of drugs and BUs



* 2010 sales

Pharma sales in International / emerging markets



Opportunities in emerging markets

Large untapped potential for our innovative products

Opportunities in emerging markets

- strong and long-standing presence
- providing access is key: disease awareness, local clinical trials and training for healthcare professionals

Current penetration (%)	Herceptin	MabThera oncology
China	~5%	12%
Russia	25%	26%

Emerging markets: by 2012 ~ 80% of US market value, more than Western Europe (IMS)

2010: Group performance

+10% Core EPS growth¹ as guided

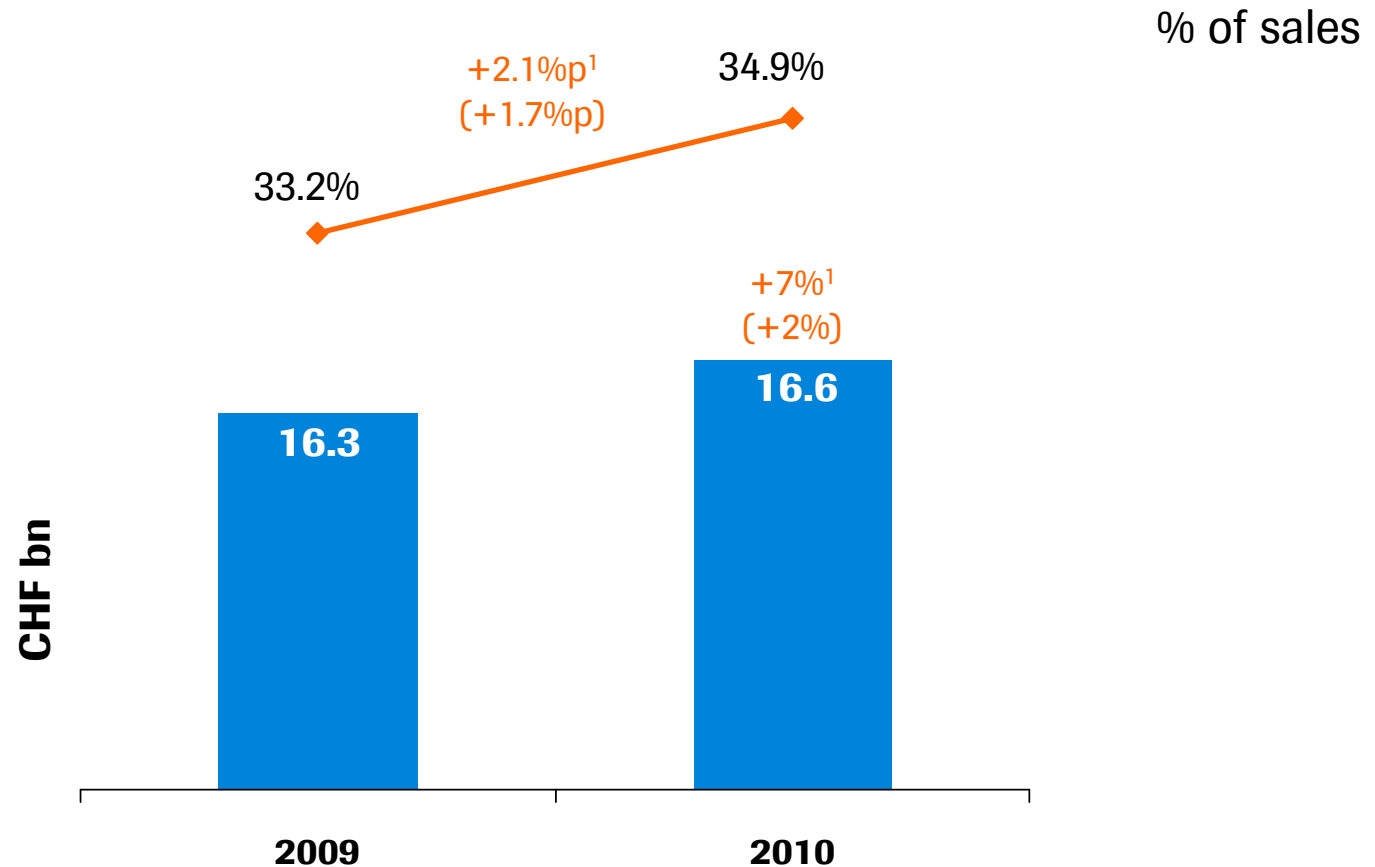
CHF m	2009	2010	Change		loc %
			CHF m	%	
Sales	49,051	47,473	-1,578	-3	0
Core operating profit <i>as % of sales</i>	16,272 33.2	16,591 34.9	+319	+2	+7
Core net income <i>as % of sales</i>	11,317 23.1	11,181 23.6	-136	-1	
Attributable to Roche shareholders	10,636	10,955	+319	+3	
Core EPS (CHF)	12.34	12.78	+0.44	+4	+10

¹ at constant exchange rates

Continuous profit growth and margin improvement



Group Core operating profit and margin



¹ at constant exchange rates

Long patent protection

Biosimilars facing high hurdles

Long primary patent protection of our key biologics

Patents	US	EU ROW/EM
Avastin	2019	similar
Lucentis	2019	marketed by Novartis
Rituxan/ MabThera	2018	earlier
Herceptin	2019	earlier
Pegasys	2018	similar

Biosimilars outlook

US: FDA in the process of developing guidelines

Long data exclusivity for biologics: proposed 12 years

EU: legal and regulatory hurdles likely to remain high for biosimilars

ROW/EM: investment in countries with strong IP regulations (China)

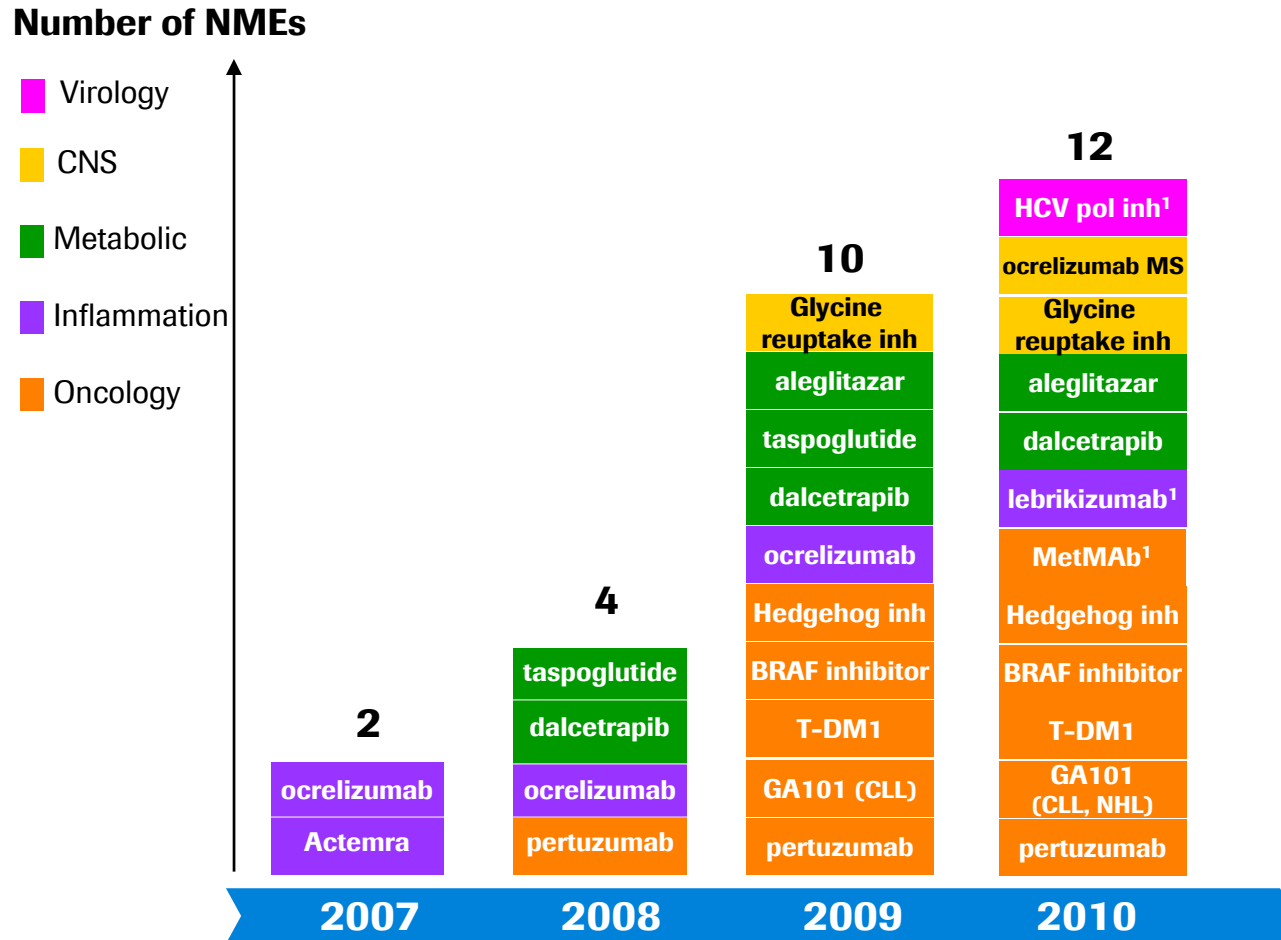
Brand awareness important

Solid fundamentals

Building the future

A leading pipeline

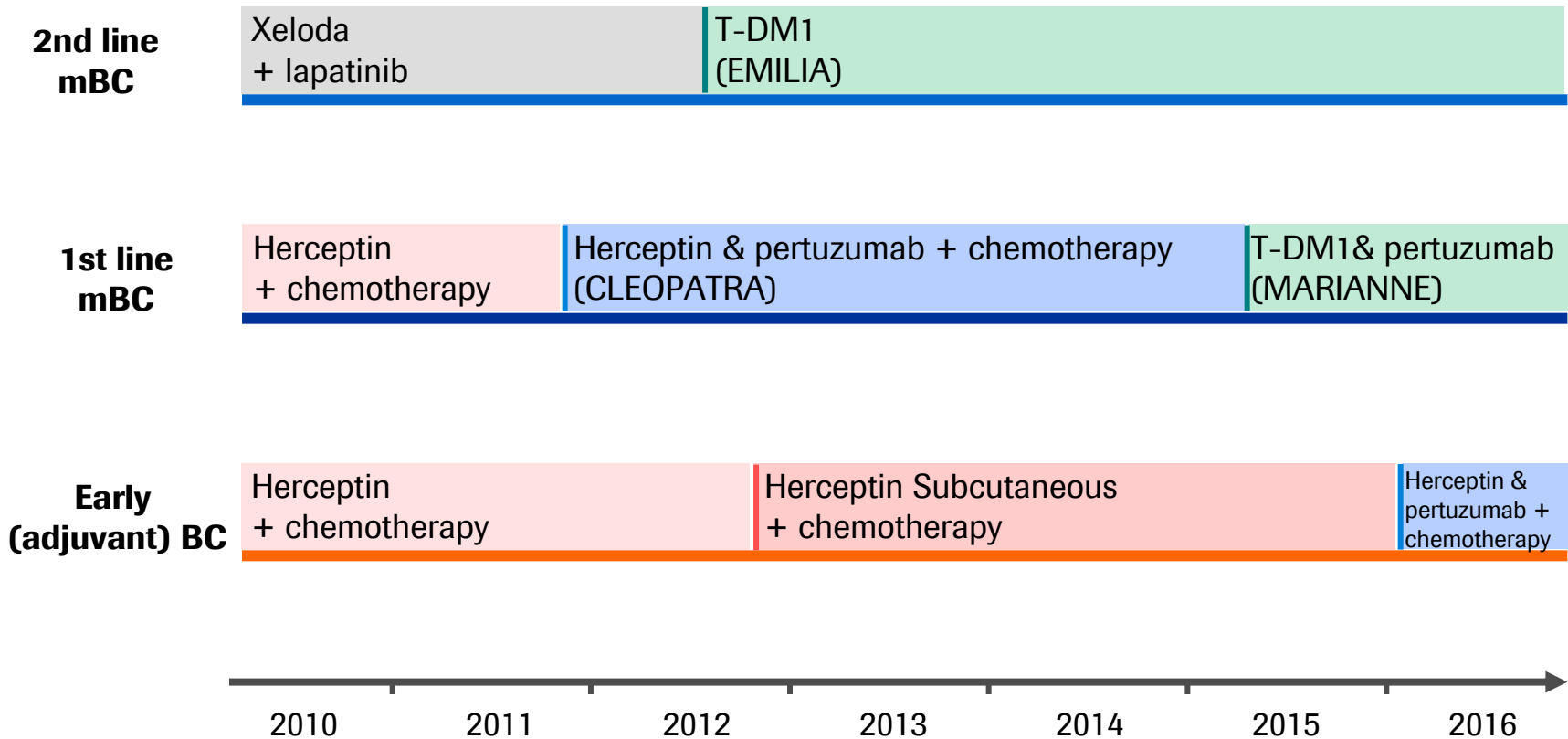
12 NMEs in late-stage development



¹ LIP decision made, phase III start pending

HER2-positive breast cancer

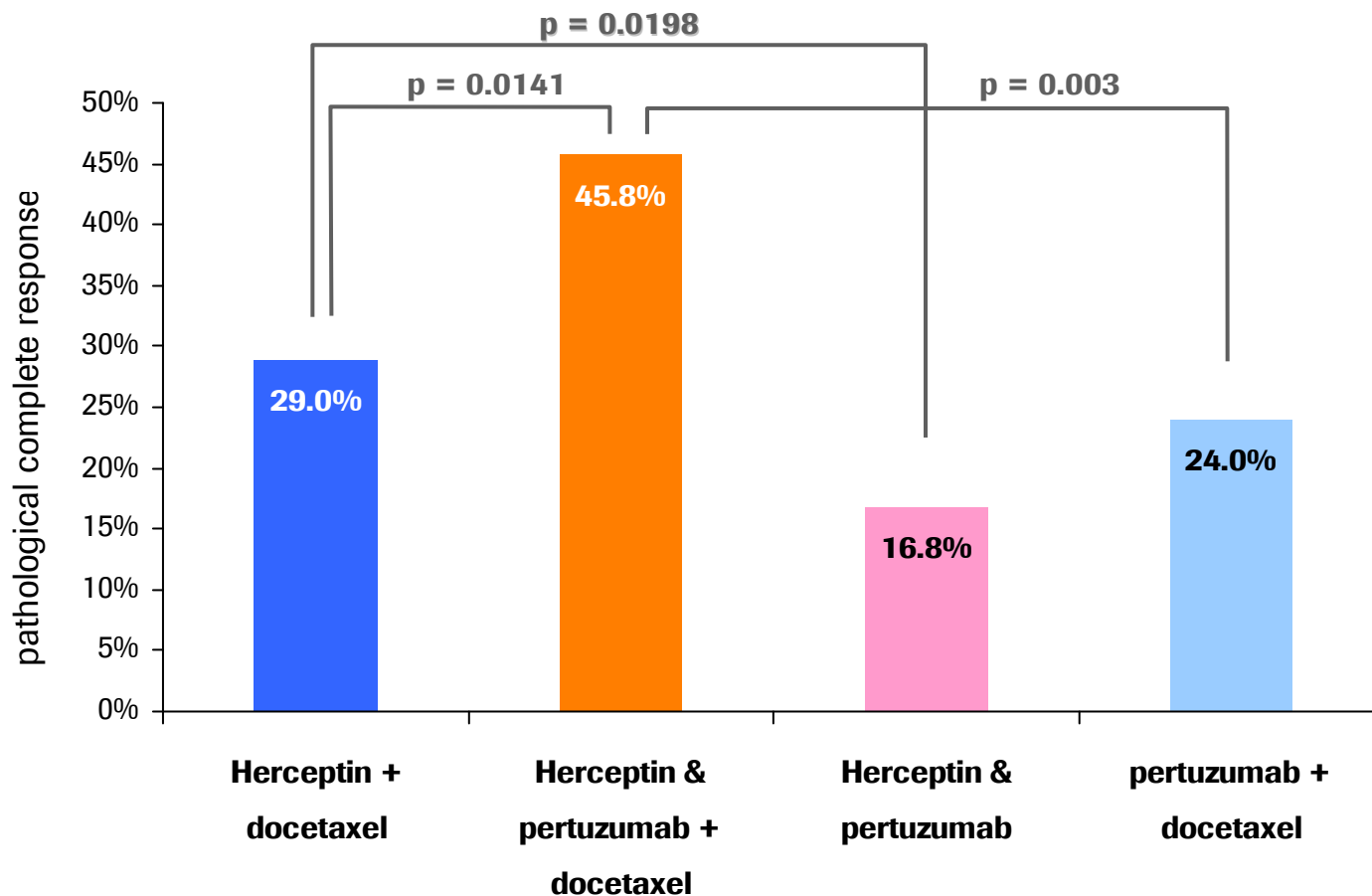
Improving the standard of care



Timelines refer to the expected dates of first filing

Herceptin & pertuzumab in neoadjuvant HER2+ BC

An encouraging result from NEOSPHERE trial



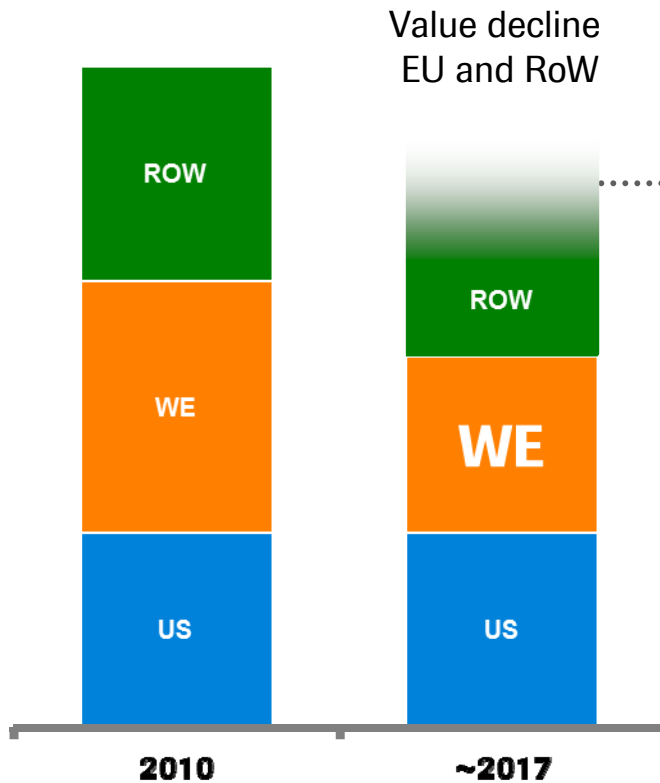
Phase III (CLEOPATRA) data in 1st line patients and filing in 2011

Growth despite biosimilars

HER2 market example

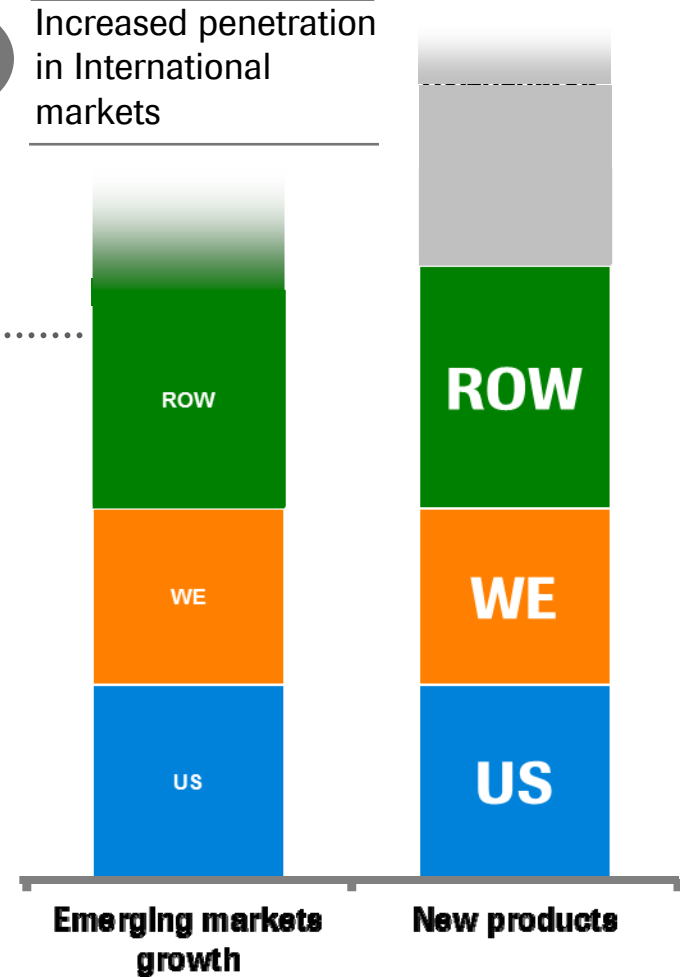
1

Herceptin value assumption post biosimilars launch based on the German EPO market experience



2

Increased penetration in International markets



3

New HER2 targeted products

RG7204 for metastatic melanoma meets overall survival endpoint in Phase III

Patient Population	Second- and Third line Malignant Melanoma BRAF mutation positive	First-line Malignant Melanoma BRAF mutation positive
Phase/Study	Phase II BRIM2	Phase III BRIM3
# of Patients	N=132	N=675
Design	<ul style="list-style-type: none"> ▪ Single ARM: RG7204 	<ul style="list-style-type: none"> ▪ ARM A: RG7204 ▪ ARM B: dacarbazine
Primary Endpoint	<ul style="list-style-type: none"> ▪ Best overall response rate assessed by IRC using RECIST criteria 	<ul style="list-style-type: none"> ▪ Overall survival
Status	<ul style="list-style-type: none"> ▪ Presented at Int. Melanoma Congress 2010 	<ul style="list-style-type: none"> ▪ FPI Q1 2010; fully recruited in Dec 2010 ▪ Met OS and PFS endpoints in Jan 2011

Expect filing in 2011 in US and EU

Hedgehog pathway inhibitor in basal cell carcinoma

Phase I efficacy data

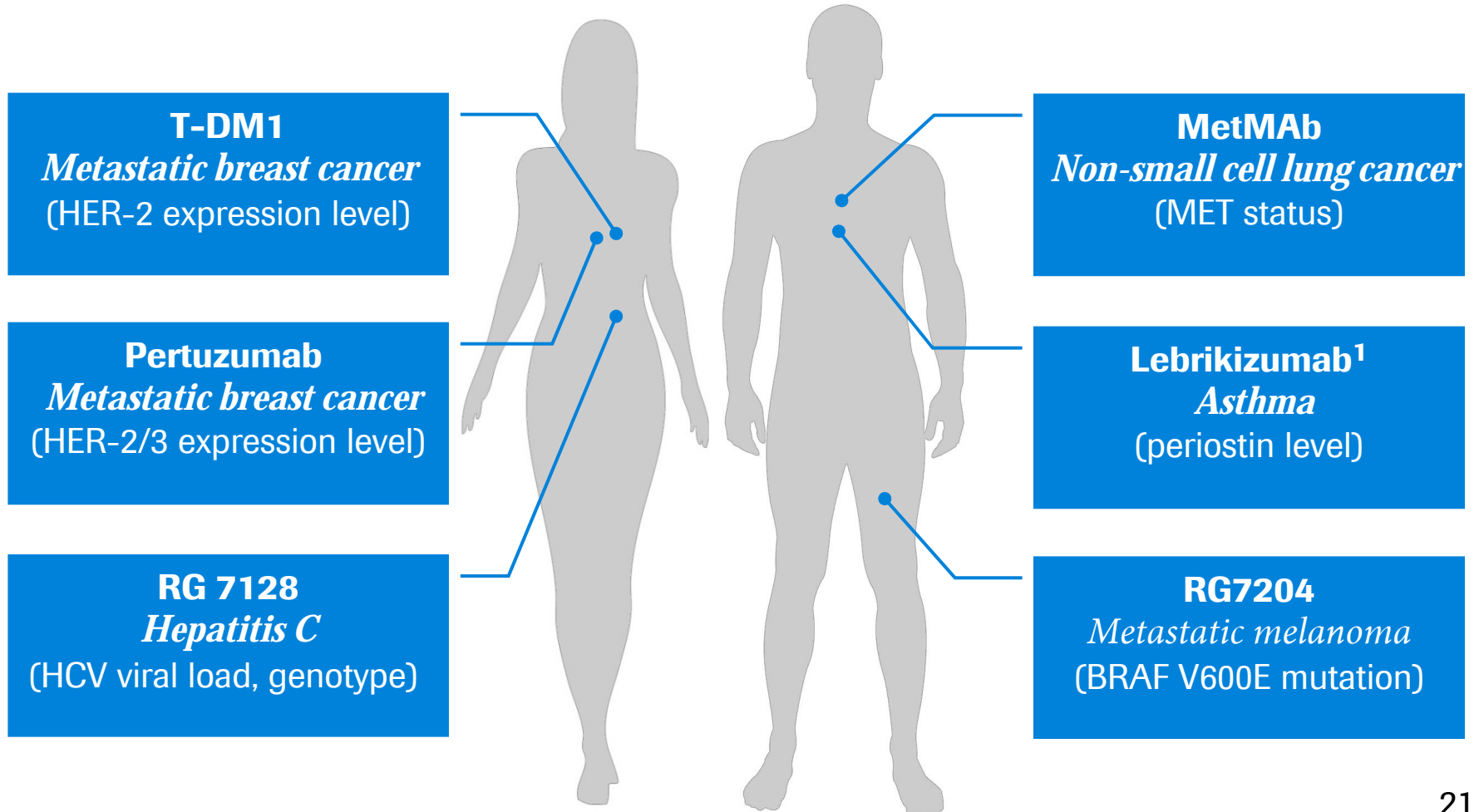
- RG3616 is efficacious in treating advanced basal cell carcinoma
 - 33 BCC patients treated in Phase I*
 - >50% had a response (IRF assessed)
 - 2 (6.1%) complete response
 - 16 (48.5%) partial response
 - Median duration of response >8.8 months
 - Well-tolerated with reversible, mild adverse events



Pivotal phase II data in Q1 2011

Impact on product pipeline

Progressing Personalized Healthcare



Key clinical trials since October 2010

14 of 14 in 19 weeks (1 every 10 days)

Breast Cancer: T-DM1 in 1st line HER2-positive breast cancer

randomised Phase II data – ESMO
(October 8–12, Milano)

Non-Small Cell Lung Cancer: MetMAB in 2nd/3rd line NSCLC

randomised Phase II – ESMO
(October 8–12, Milano)

Ovarian Cancer: Avastin in front line ovarian cancer

ICON7 Phase III pivotal trial – ESMO
(October 8–12, Milano)

Multiple Sclerosis: Ocrelizumab in RRMS

randomised Phase II –ECTRIMS
(October 15, Gothenburg)

Hepatitis C: Nucleoside Polymerase inh (RG7128)

randomised Phase IIb PROPEL interim data –
AASLD (October 28–Nov 2, Boston)

Metastatic Melanoma: BRAF inhibitor vemurafenib

Phase II Melanoma Research Congress
(November 4–9, Sydney)

Non-Hodgkin's Lymphoma: GA101 in aNHL

randomised Phase II data – ASH
(December 4–7, Orlando)

Schizophrenia: GlyT-1 inh

randomised Phase II – ACNP
(December 5–9, Miami)

Breast Cancer: Pertuzumab

randomised Phase II NEOSPHERE – SABCS
(December 8–12, San Antonio)

Asthma: Lebrikizumab

randomised Phase II – data in house

Metastatic Melanoma: BRAF inhibitor vemurafenib

Phase III interim analysis results
(January 18, 2011)

Advanced Non-Small Cell Lung Cancer (NSCLC): Tarceva

Phase III EURTAC study interim analysis
results (January 27, 2011)

Ovarian Cancer: Avastin in 2nd line

platinum sensitive ovarian cancer
OCEANS Phase III (February 8, 2011)

Diabetic macular edema (DME): Lucentis

RISE phase III
(February 14, 2011)

2011: Major clinical news for late-stage NMEs

7 Phase III and 9 Phase II studies

Compound	Indication	Study
BRAF inh	1st line met melanoma	Ph III BRIM3 ✓
Lucentis	diabetic macular edema	Ph III RISE ✓ Ph III RIDE
Avastin	relapsed ovarian cancer	Ph III OCEANS ✓
Pertuzumab + Herceptin	1st line HER2+ mBC	Ph III CLEOPATRA
Herceptin	adj HER2+BC sc	Ph III HANNAH
Actemra	Early RA	Ph III Head-to-head against Humira
Hedgehog Pathway Inh	advanced BCC	Ph II pivotal study
T-DM1	1st line HER2+ mBC	Ph II PFS data
GA101	Relapsed indolent NHL	Ph II Head-to-Head against MabThera/Rituxan
MetMab	NSCLC 2nd / 3rd line	Ph II final data
Lebrikizumab	asthma	Ph II MILLY
Nucleoside Pol Inh	Hepatitis C	Ph IIb PROPEL final data; JUMP-C
Dalcetrapib	Atherosclerosis CV risk red.	Ph IIb dal-VESSEL; dal-PLAQUE

Priorities 2011

Improve Efficiency

- Implement 'Operational Excellence' as announced
- Capture remaining synergies from Genentech integration

Drive Innovation and Growth

- Progress late-stage pipeline
- Prepare launches for potentially three NMEs (BRAF inhibitor, pertuzumab, hedgehog inhibitor)
- Launch key diagnostic tests (HPV, BRAF, KRAS, EGFR)
- Invest in emerging markets

2011: Bring personalised healthcare to patients

Conclusions

Roche well positioned for the future

- Unchanged innovation-driven strategy
- Optimized operational setup driving current business and increasing profitability
- Continued significant investments in industry-leading product pipeline
- Personalized Healthcare (PHC) becoming a reality



We Innovate Healthcare

Outlook for 2011

Sales growth (in LC)	Group & Pharma (excl. Tamiflu): low single-digit Diagnostics: significantly above market
Genentech synergies	2011+ : CHF 1.0 bn*
Operational Excellence savings	2011 : CHF 1.8 bn 2012+ : CHF 2.4 bn
Core EPS growth target (in LC)	High single-digit
Debt	Aim to return to net cash position by 2015
Dividend outlook	Grow dividend in-line with Core EPS growth