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Roche
Q1 2007- on track for long-term value creation

William M. Burns - CEO Roche Pharmaceuticals
Deutsche Bank Swiss Equities Conference, May 2007



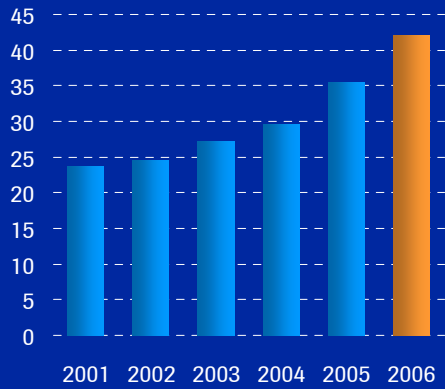
Introduction

Performance update

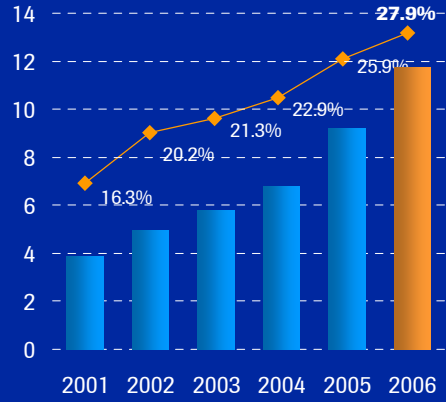
Focus on differentiated products paying off

Sales doubling, operating profits tripling

Group sales¹ (CHF bn)



Group operating profit² (CHF bn)

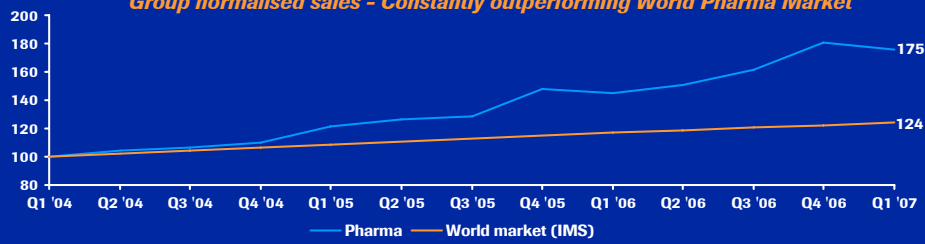


¹ Pharmaceuticals and Diagnostics

² before exceptional items

Consistently outgrowing peers

Group normalised sales - Constantly outperforming World Pharma Market



Quarterly local sales growth, Pharma vs. World Market

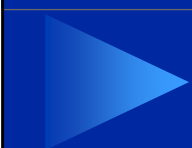


Our priorities

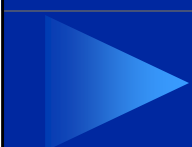
Value creation - now and for the future



Focus on top & bottom line: Translation of above-peer growth into an attractive bottom line - without compromising the future



Execute on assets on hand: Maximize near-term attractive profitability via sales in existing indications and line extensions
Execute on late-stage pipeline



Build now the future beyond 2010/15: Strengthen the pipeline, in particular Phase I and II compounds, to keep the Roche Group amongst the industry leaders

Introduction

Performance update



Q1 2007: Industry leading

More than CHF 1.5 billion organic growth

CHF bn	Q1'06	Q1'07	% change in		USD growth
			CHF	local	
Pharmaceuticals	7.7	9.1	18	20	24
Diagnostics	2.1	2.2	6	6	11
Roche Group	9.8	11.4	16	17	21

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Q1 2007: Highlights in Pharma

Continuous growth on a high level

- Strong overall double-digit growth for Pharma - all three units, Roche Rx, Genentech and Chugai growing double digit
- Top ten products now 70 % of overall Pharma sales
- Major approvals and filings on track, including Avastin in breast cancer
- Positive Phase III data on Actemra - entering the rheumatoid arthritis market
- One technology acquisition (THP) and a Phase II NME for HPV treatment licensed (Transgene)

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Pharma delivering strong double-digit growth



Sales CHF m

	Q1'06	Q1'07	% change in		USD growth
			CHF	local	
Roche Pharma	4,821	5,702	18	18	24
Genentech	2,056	2,547	24	30	30
Chugai	862	893	4	11	9
Pharmaceuticals	7,739	9,142	18	20	24

Quarterly local growth

	2006 vs. 2005				Q1'07 vs. Q1'06
	Q1	Q2	Q3	Q4	
Roche Pharma	19	15	25	20	18
Genentech	40	39	33	37	30
Chugai	-8	1	2	2	11
Pharmaceuticals	19	19	25	22	20

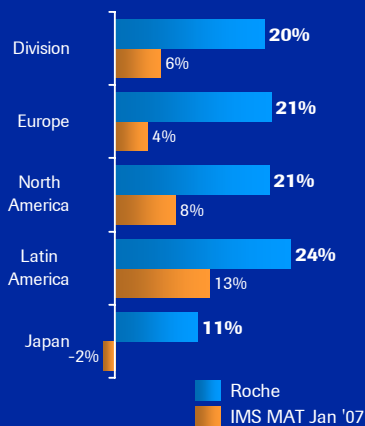
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Q1 2007: Growing more than three times the market

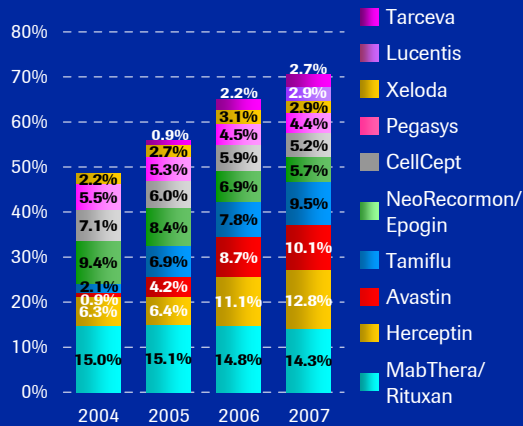
Execution of assets on hand



Local sales growth

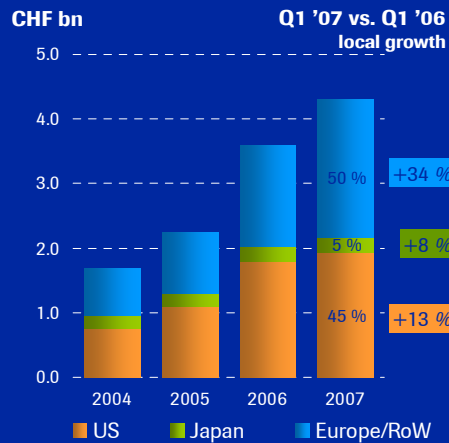


Top 10 products as % of pharmaceutical sales



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Oncology: Europe/ RoW particularly strong



Q1 2007

- Franchise continues to strongly outgrow market (market +14 %¹)
- Bringing innovation to 3 indications
 - Avastin in mBC
 - Tarceva in pancreatic cancer
 - Xeloda in gastric cancer

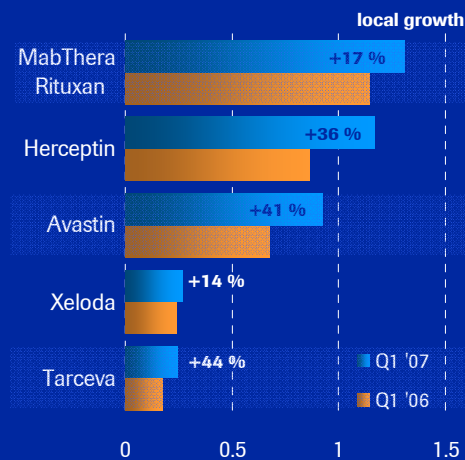
¹ IMS Q4 '06

Oncology: Diversified portfolio of large products

Significant growth potential



Major brands (CHF bn)



Continued growth driven by iNHL maintenance therapy and good adoption in RA

Market share in adj BC 40 % for 5 key EU countries, hormonal combo recommended (EU)

mBC approved (EU), 1st line mCRC combo with oxaliplatin filed in EU

Strong growth EU (+22 %), gastric Ca approved (EU), new mCRC indications filed (US and EU)

Very strong growth in EU (+125 %), launch in pancreatic cancer (EU)



Avastin approved in breast cancer

Entering a major market opportunity

Metastatic breast cancer

Approved in EU (HER2 +/-)

- Based on E2100 (paclitaxel +/- Avastin)
- Doubling of PFS from 6.7 to 13.3 m

Completing the label in mBC

- AVADO (Taxotere +/- Avastin): fully recruited in March 2007
- RIBBON-1/-2 (var. chemos +/- Avastin)
- AVEREL (Taxotere + Herceptin +/- Avastin, in HER2+ patients)

Incidence: 100,000 cases ^{1, 2)}

Adjuvant opportunity

Safety profile established

- E2104 phase II with anthracyclines

Phase III adjuvant trials to start

- E5103 (HER2-), to start H2 '07
- BEATRICE (HER2-), to start 2007
- NSABP/BCIRG/CONTACT (HER2+) combo with Herceptin

Incidence: 320,000 cases ¹⁾

¹⁾ US and top 5 EU, ²⁾ stage IV

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Avastin approved for mCRC in Japan

Significant opportunity ahead

Market opportunity

- High incidence of colorectal cancer
- 115'000 new cases per year (US incidence: 157'000 per year)
- Japanese CRC market in 2006: CHF 1 billion (chemotherapies only)
- FOLFOX and FOLFIRI most frequently used chemos in 1st line mCRC
- Significant market for oncology drugs

Launch imminent

- Feb. 2007: Positive recommendation by expert panel of Japanese Ministry of Health, Labor and Welfare
- Approved on April 18, 2007
- Launch expected by mid-year 2007

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The future: targeted therapy combinations Roche in the lead



	NSCLC			Breast Cancer			
Study	ATLAS (Phase III)	BETALung (Phase III)	Phase II	AVEREL (Phase III)	Pegram (Phase II)	Phase III	Phase II
Patient population	1 st line maintenance non-squam.	2nd line	2nd line	1st line	1st line	Adjuvant	2nd line
Treatment regimen	CT + Avastin → Avastin ± Tarceva	Tarceva ± Avastin	Avastin + Tarceva vs. Avastin + CT vs. CT	Herceptin + Taxotere ± Avastin	Herceptin + Avastin	Herceptin + Avastin tbd	Herceptin + Omnitarg
Status	Started Q4'05	Started Q2'05	Presented ASCO'06 SABC'06	Started Q3 '06	Presented SABC '06	Planned	To be presented at ASCO'07

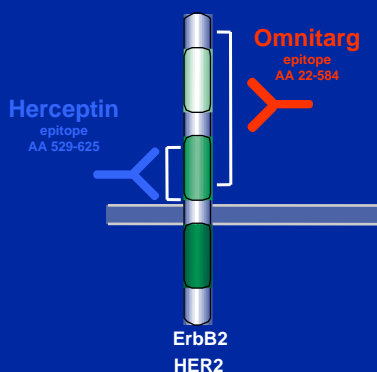
Potential patient benefits

- higher efficacy
- individualized treatment
- better tolerability

Roche setting the standard of care in combined targeted therapies

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Omnitarg- building a new standard of care



Omnitarg in breast cancer

- Herceptin+Omnitarg combo phase II trial in Herceptin pre-treated patients successful
- Phase III in preparation

Omnitarg in ovarian cancer

- In platinum-resistant ovarian cancer, phase II encouraging results (GNE trial)
- In platinum-sensitive ovarian cancer, Phase II data by early 2008 (Roche trial)

Promising phase II data to be presented at ASCO

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Oncology: a leading phase III pipeline

Targeting main tumor types and use in early intervention



	ADJUVANT	MAINT.	1 st LINE	2 nd LINE
Filed			Tarceva pancreatic Ca Avastin NSCLC Avastin mBC Avastin gastric Ca Avastin mCRC 1 st line ext. Avastin RCC Herceptin mBC combo hormonal Xeloda mCRC 1 st line combo	Xeloda mCRC 2 nd line combo
Ongoing	Xeloda adjuvant BC Xeloda adjuvant CC combo Avastin adjuvant CC Avastin adjuvant rectal Ca Tarceva adjuvant NSCLC	Tarceva & Avastin NSCLC maintenance MabThera NHL maintenance	Avastin mBC 1 st line ext. Avastin pancreatic Ca Avastin NSCLC 1 st line ext. Avastin ovarian Ca MabThera 1 st line CLL Herceptin gastric Ca Tarceva NSCLC 1 st line Avastin & Herceptin mBC 1 st line ext.	MabThera relapsed CLL Avastin prostate Ca Tarceva & Avastin NSCLC 2 nd line Avastin mBC 2 nd line
To start soon	Avastin adjuvant NSCLC Avastin adjuvant BC			

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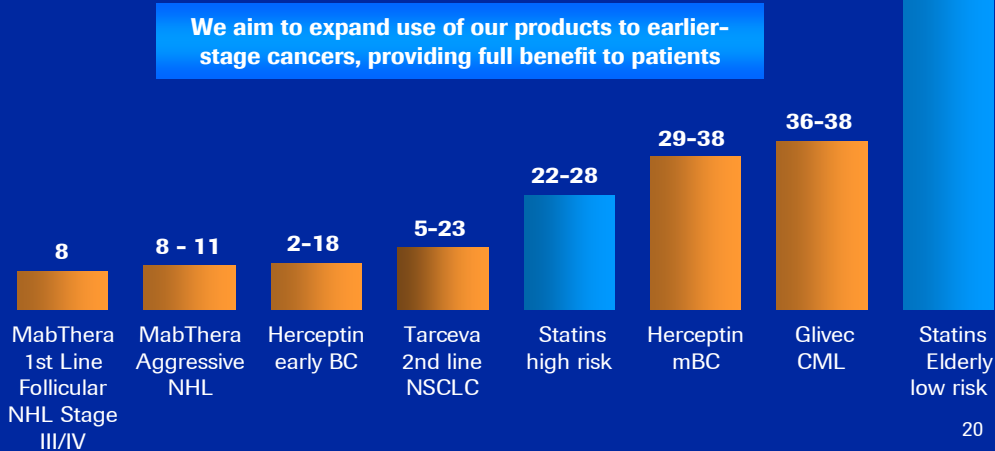
Roche oncology products are cost-effective

Favorable comparison to other products

Cost per QALY for selected drugs (UK data – NICE/SMC)



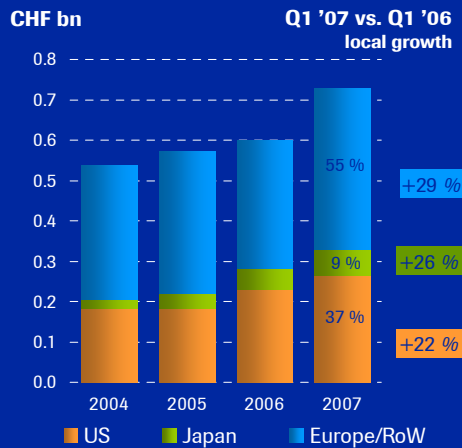
GBP in (000)



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Inflammation/ Autoimmune/ Transplantation

Building in rheumatoid arthritis and beyond



Q1 2007

MabThera/ Rituxan

- RA label expanded with radiographic data (EU)
- Promising phase II data in MS (HERMES) to be presented at AAN
- Systemic lupus erythematosus (SLE) phase III (EXPLORER) completed recruitment

Actemra

- First international phase III trial (OPTION) met primary endpoint

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Actemra phase III trial meets primary endpoint

Potential to become significant new RA treatment



First positive international trial (OPTION) reported

- Met primary efficacy endpoint (in MTX IR)
- Competitive safety profile
- Submitted to EULAR (June 2007)

Large phase III program – recruitment completed

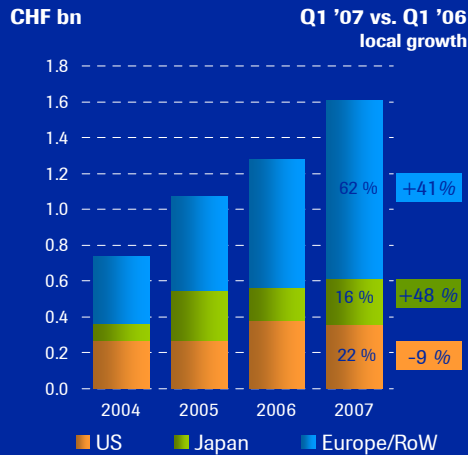
- 5 registration trials in total (4,200 patients)
- Various moderate-to-severe patient populations studied
- Further clinical data until mid-2007

Filed in Japan in 2006, global filing planned Q4 2007

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Virology

Building on our leading position in hepatitis C



Q1 2007

Pegasys

- Copegus combo approved in Japan
- Further competitive differentiation by personalized treatment options
 - Approval of 24 weeks treatment in genotype 1&4 rapid responders (EU)
 - Fixed dose in heavy weight patients, genotype 1, PROGRESS trial initiated

R1626 (HCV-polymerase inhibitor)

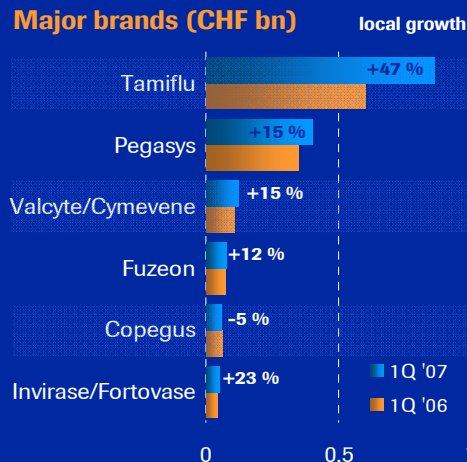
- Phase IIa: encouraging
- Phase IIb: to be initiated soon

Therapeutic HPV vaccine

- from Transgene (phase III in preparation)

Virology

Tamiflu sales remain strong – Pegasys back to growth



Guidance maintained for pandemic sales of CHF 0.8 to 1.2 bn in 2007 (Q1: pandemic CHF 0.7 bn)

Weak Q1 '06 in the US, strong EU growth

Growth driven by increased use in transplant and HIV/ AIDS indications

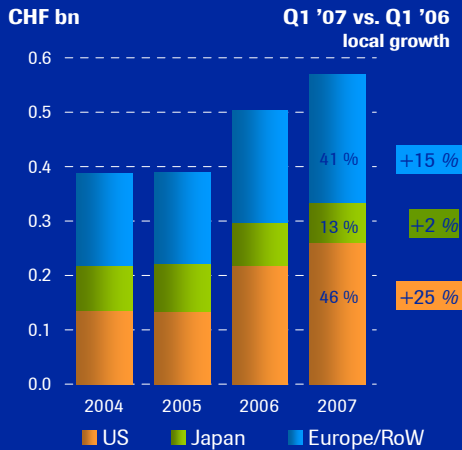
Combo use with major protease inhibitors

First launch in Japan, Genericismation in US

Growth in US and EU driven by Invirase 500mg

Metabolism/ Bone

Franchise growth driven by Boniva



Q1 2007

Xenical

- Life cycle management on track: Alli launch (US) by GSK; non-Rx rights outside US also out-licensed to GSK

GLP-1 (R1583)

- Phase II sustained release formulation (qw and q2w) initiated

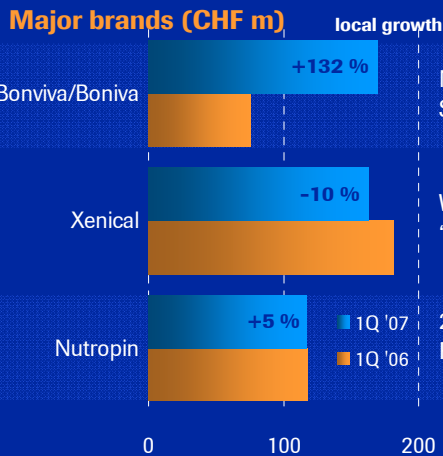
CETP Inhibitor (R1658)

- Committed to progress development
- Decision on phase III trial to include full available data review on class, and regulatory discussions
- Decision to be taken in 2007

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Metabolism/ Bone

Boniva being launched in Europe



NRx share in US approx. 15 %
Successful launches in Europe (France, Spain)

Weak quarter in US and Russia, due to lower 'noise level' on the sector

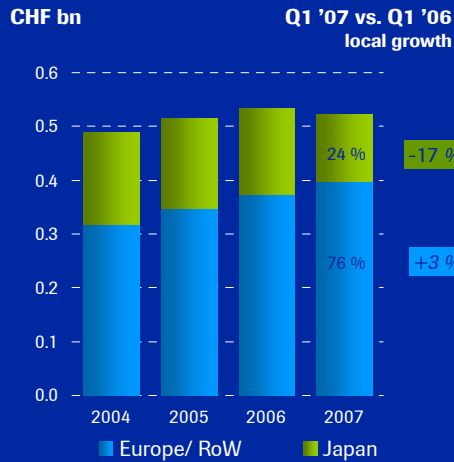
2nd generation AQ Pen submitted to FDA in February

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Anemia



NeoRecormon: Growing despite a highly competitive market



Q1 2007

NeoRecormon/ Epogin

- Growth in Europe/ RoW (+3 %) in spite of intense competition
- Japan: base effect following April 2006 reimbursement change

Mircera in anemia

- Filed in US and EU- Review by FDA to be completed by May 19, 2007
- Solid clinical data based on largest phase III development program ever conducted in renal anemia
- Future development in oncology will benefit from FDA/ ODAC (May '07)

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Strong clinical newsflow in Q2 2007

Key data submitted to upcoming medical meetings

Roche ASCO IR event on June 4th



Product	Trial	Phase	Indication	Congress
MabThera	HERMES	II	RRMS	AAN, April 2007
Avastin	AVOREN	III	1st line RCC	ASCO, June 2007
Avastin	"Avastin in Lung"	III	1st line NSCLC	ASCO, June 2007
Avastin/Xeloda	NO16966	III	1st line mCRC	ASCO, June 2007
Xeloda	NO16967	III	2nd line mCRC	ASCO, June 2007
Omnitarg		II	Platinum-resistant ovarian cancer	ASCO, June 2007
Omnitarg		II	HER2+ BC (Herceptin pre-treated)	ASCO, June 2007
Actemra	OPTION	III	RA MTX inadequate responders	EULAR, June 2007

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Our objectives for 2007 - Pharmaceuticals



Major clinical data	Compound	Phase	Indication	Data	Status
	R1503 (p38 kinase inh.)	II	Rheumatoid arthritis	Final	
	R1658 (CETP inh.)	II	Dyslipidemia	Final	
	R1440 (GKA)	II	T2D	Final	
	R1626 (polymerase inh.)	II	HCV	Final	
	Omnitarg	II	Solid tumors	Final	
	MabThera	II	RRMS	Full data	
	Actemra	III	Rheumatoid arthritis	Final	✓ (OPTION)
	CellCept	III	Lupus nephritis	Final	
	Avastin	III	NSCLC (Avastin in Lung)	Final	✓
	Xeloda	III	Adjuvant CC (NO16968)	Final '07/ '08	
	Xeloda	III	mCRC 2nd line (NO16967)	Full data	
	Avastin	III	RCC (AVOREN)	Full data	

Filings	Compound	Indication	Status
	Avastin	mCRC 1st line combo extension (EU)	✓
	Avastin	RCC (EU)	✓
	Xeloda	mCRC 1st/2nd line combo (US / EU)	✓
	Actemra	Rheumatoid arthritis (US / EU)	
	CellCept	Lupus nephritis (US / EU)	

Divisional sales growth

Double-digit growth in local currencies

barring unforeseen events 29

