



We Innovate Healthcare



Roche Pharma Development

Daniel L. Zabrowski

Head of Pharma Development Operations

Sanford Bernstein, London, September 27th, 2006



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 presentation, 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 fluctuations in currency exchange rates and general financial market conditions;
- 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, unexpected side-effects of pipeline or marketed products;
- 6 increased government pricing pressures;
- 7 interruptions in production
- 8 loss of or inability to obtain adequate protection for intellectual property rights;
- 9 litigation;
- 10 loss of key executives or other employees; and
- 11 adverse publicity and news coverage.

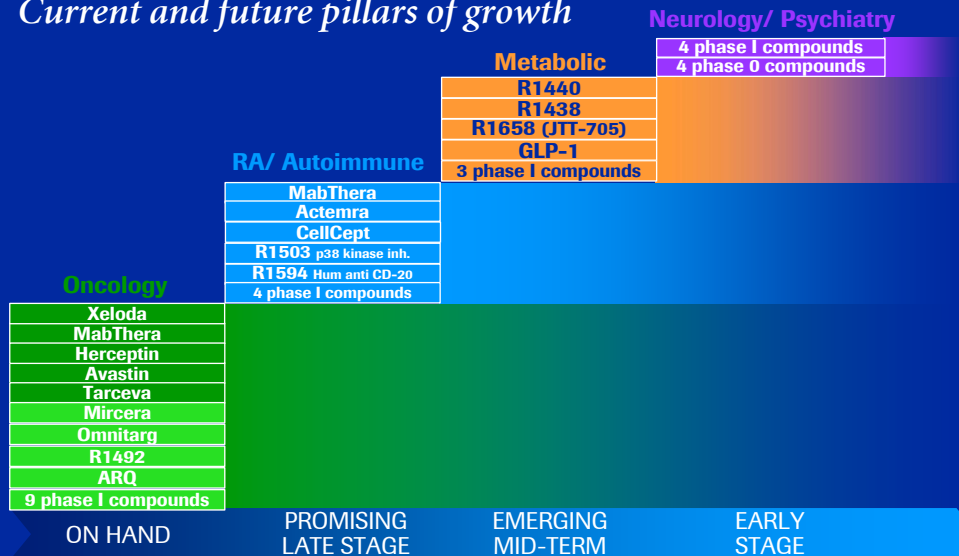
Any statements regarding earnings per share growth is not a profit forecast and should not be interpreted to mean that Roche's earnings or earnings per share for this year or any subsequent period will necessarily match or exceed the historical published earnings or earnings per share of Roche.

For marketed products discussed in this presentation, please see full prescribing information on our website – www.roche.com.

All mentioned trademarks are legally protected.

Roche key therapeutic areas

Current and future pillars of growth



Roche progress report H1'06

Leading late stage pipeline



Phase III results		Status	Phase II results		Status
✓	Mircera - renal anemia (AMICUS)	Filed EU and US April '06	✓	Ocrelizumab - RA (Action)	Phase III to start soon
✓	Mircera - renal anemia (ARCTOS)	Filed EU and US April '06	✓	Avastin + Tarceva - NSCLC 2nd line	Phase III ongoing
✓	Xeloda - gastric Ca (ML17032)	Filed July '06	✓	R1658 - dyslipidemia (efficacy)	Safety phase II trial ongoing
✓	Xeloda - oesophagoastr. Ca (REAL2)	Filed July '06			Opted in, phase II (sustained release formulation) to start early '07
✓	Actemra - RA (Japanese S&S)	Filed Jp April '06	✓	Ipsen BIM 51077 - T2D	
✓	Herceptin - mBC combo hormonal (TAnDEM)	Filing EU H2'06	✗	Insulin sensitizer - T2D	Discontinued
✓	Herceptin - adjuvant BC (HERA FU)	Appr. EU H1'06			
✓	MabThera - RA TNF IR (REFLEX FU)	Appr. EU and US H1 '06			
-	Avastin - pancr. Ca (CALGB 80303)	AVITA continues, Filing EU '08			
✗	Bondronat - Metastatic Bone Pain	Stopped due to slow recruitment			

5



Oncology – the main current growth driver

Rheumatoid arthritis – emerging disease area for growth

Metabolic diseases – therapeutic area for future growth

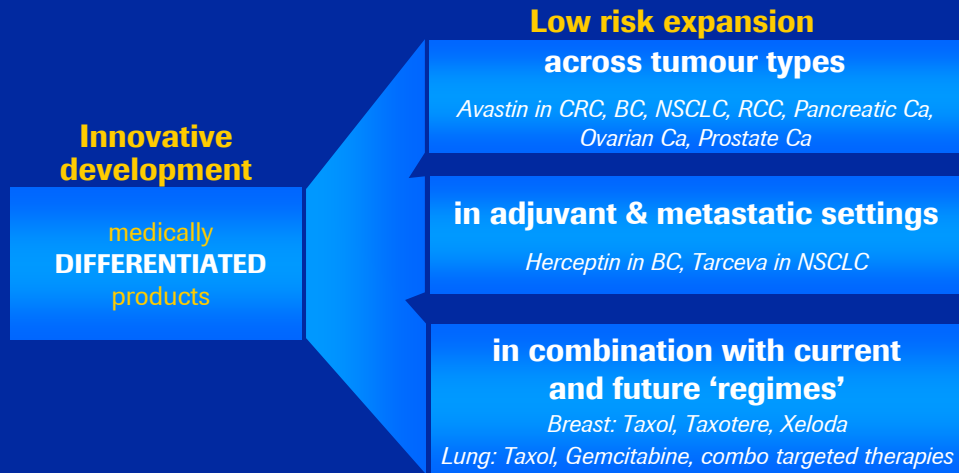
Summary

Q&A

6

Maximizing the potential of our assets

Taking proven drugs into new markets



7

A rich phase III pipeline

Targeting main tumor types and use in early intervention



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

Full update on activities in oncology given at **Roche Oncology Day**, June 19, 2006

8

Oncology – the main current growth driver

Rheumatoid arthritis – emerging disease area for growth

Metabolic diseases – therapeutic area for future growth

Summary

Q&A

Roche in rheumatoid arthritis

Positioned for a leadership role

MabThera / Rituxan (rituximab)

- Launched in RA anti-TNF inadequate responders in US and EU
- Phase III in RA DMARD inadequate responders ongoing
- Phase III for repeated treatment courses ongoing

Actemra (tocilizumab)

- Japanese phase III in DMARD inadequate responders met primary endpoints - filed in Japan
- Phase III in RoW ongoing

Ocrelizumab

- First phase II trial met primary and secondary endpoints
- Phase III program to be finalized and initiated soon

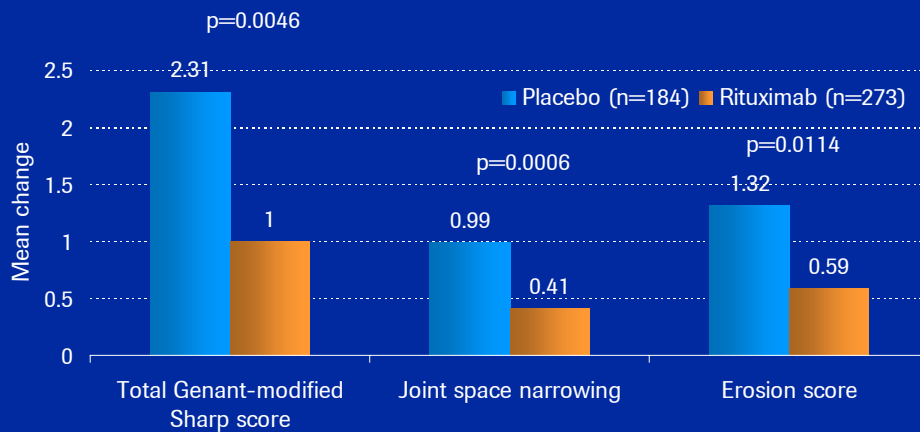
R1503 (p38 kinase inhibitor)

- Phase II initiated in Q4'05



MabThera in RA: REFLEX (anti-TNF inadequate responders)

Significant inhibition of radiographic progression at Week 56



Keystone et al, EULAR 2006 (Abstract No. OPO016)

11

MabThera/ Rituxan

Summary and outlook



- REFLEX study provides first indication that a **B cell-targeted therapy can inhibit radiographic progression**
 - also demonstrates for the first time inhibition of radiographic progression in patients with an inadequate response to 1 or more TNF inhibitors
- **Repeated courses** of MabThera treatment show **similar or improved efficacy** compared with the first treatment course with no change in the safety profile
- Phase III development program in patients with RA who have had an **inadequate response to disease modifying anti-rheumatic drugs (DMARDs)** ongoing
 - recruitment started end 2005/early 2006
 - Enrollment of more than 1,700 patients ongoing
 - EU filing planned in 2008

12

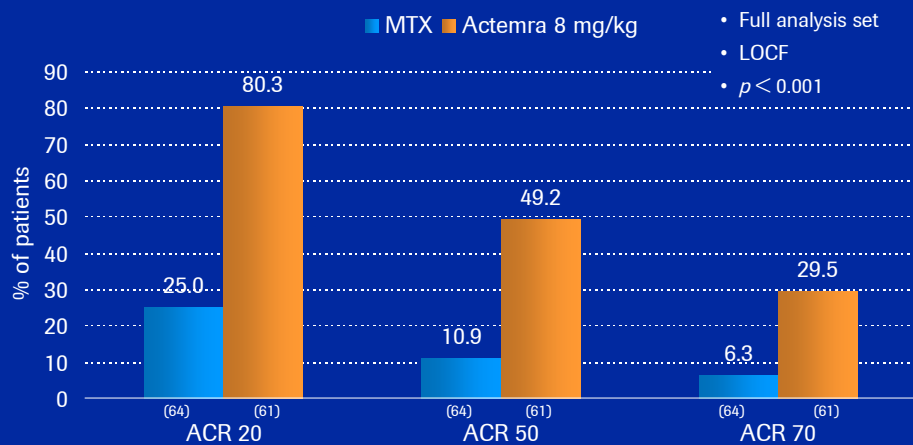
Actemra in RA

Japanese phase III results

- Humanized anti-human interleukin-6 (IL-6) receptor monoclonal antibody
- S&S trial (SATURI)
 - Phase III clinical trial, double-blind randomized, 125 patients who had an inadequate response to methotrexate, Actemra monotherapy vs. MTX
 - Primary Endpoint: improvement of **ACR20 response at Week 24**
- PJD trial (SAMURAI)
 - Phase III clinical trial, randomized trial, 306 patients with early active RA of less than 5 years, Actemra monotherapy vs. active comparator
 - Primary Endpoint: **Sharp score at week 52**

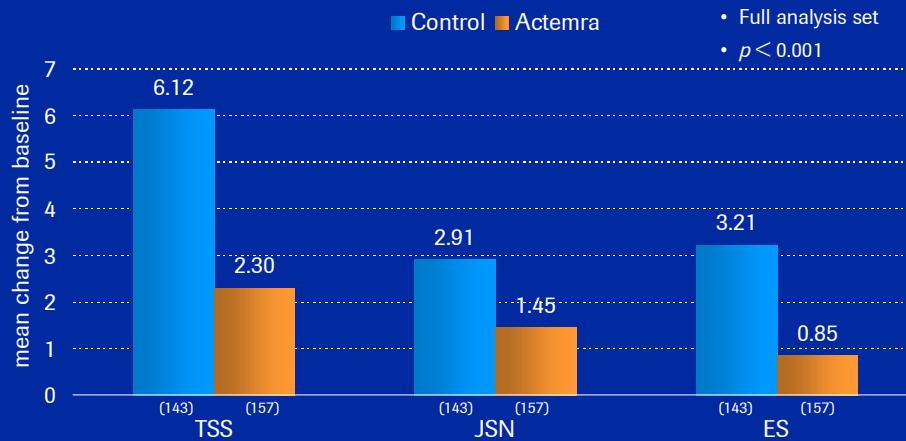
Actemra in RA: SATURI, S&S study

High ACR scores



Actemra in RA: SAMURAI, PJD study

Substantial reduction of joint damage



TSS: Total Sharp Score; JSN: Joint Space Narrowing; ES: Erosion Score

15

Actemra in RA

Summary and outlook



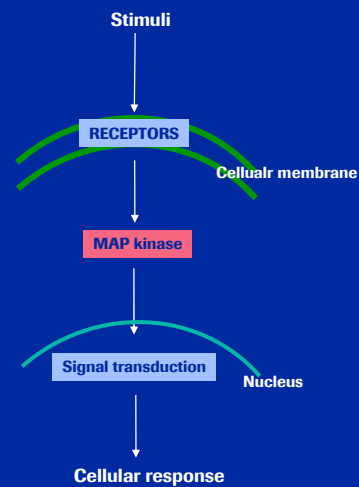
- Actemra monotherapy is **effective in controlling**:
 - signs and symptoms of RA (excellent ACR scores)
 - progression of structural damage
- The effectiveness of Actemra is **sustained over time**
- Actemra is in **general well tolerated**
- Already **filed in Japan**
- The **large phase III program being conducted in the US and Europe** is expected to confirm excellent Japanese results
 - more than 4,000 patients to be enrolled
 - filing planned for 2007
- Actemra, through its **novel mechanism of action**, will soon become a new option for patients suffering from RA

16

R1503: p38 kinase inhibitor

First oral "anti-TNF" treatment

- **MAP kinases** are a group of serine/ threonine protein kinases that are activated in response to a variety of extracellular stimuli and mediate signal transduction for cellular inflammatory response
- **P38 kinase**
 - the newest member of MAP kinase family
 - it is activated in response to inflammatory cytokines and endotoxins
- **R1503 phase II**
 - started Q4'05
 - randomized, double-blind, placebo-controlled
 - dose-ranging
 - First data available mid-2007
- Filing planned in post 2009



Oncology – the main current growth driver

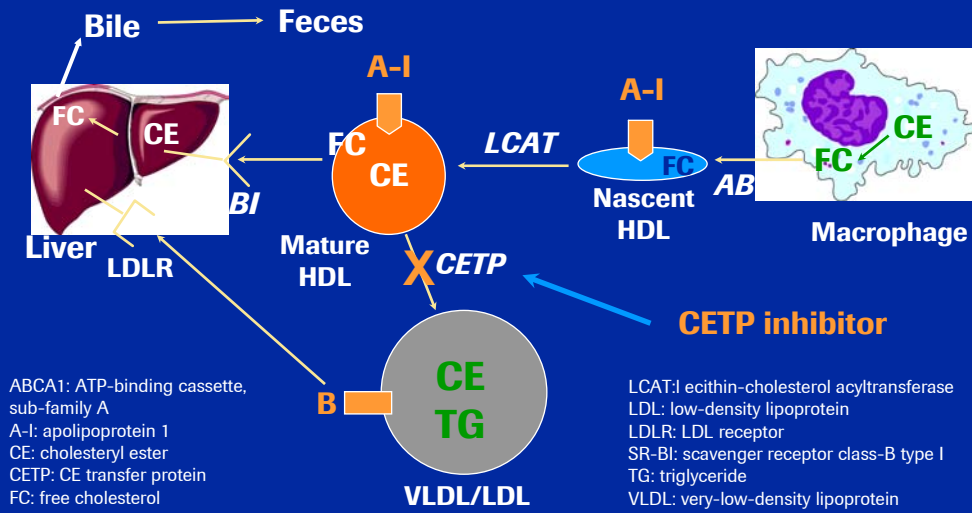
Rheumatoid arthritis – emerging disease area for growth

Metabolic diseases – therapeutic area for future growth

Summary

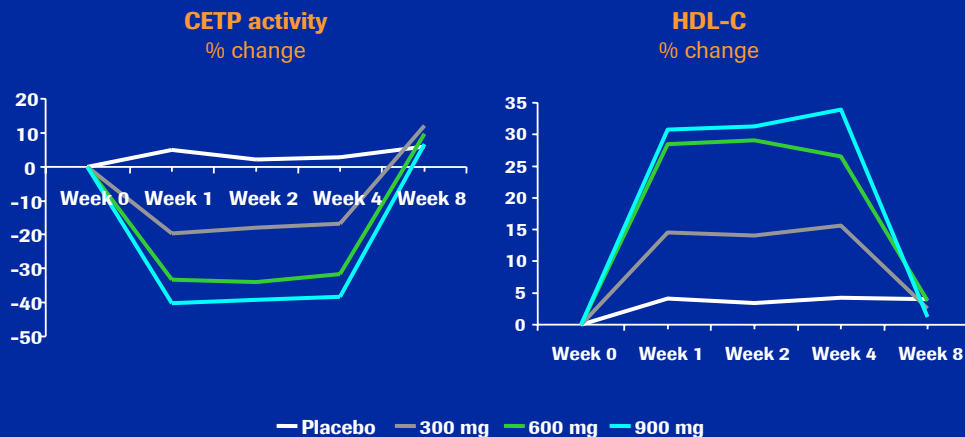
Q&A

CETP inhibition as a novel strategy to raise HDL



19

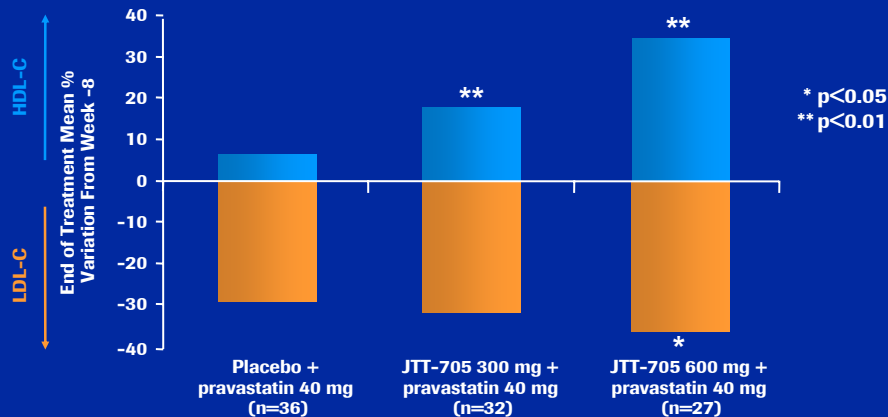
JTT-705/ R1658 (CETP inhibitor): Phase IIa Monotherapy



de Grooth GJ et al. Circulation 2002;105:2159-65, phase II study in healthy subjects with mild hyperlipidemia (N=198); 0, 300, 600, 900 mg qd for 4 weeks

20

JTT-705/ R1658 (CETP inhibitor): Phase IIa Combination with pravastatin



Pravastatin administered for 12 weeks; JTT-705 administered for the last 4 weeks

Kuivenhoven JA et al. Am J Cardiol 2005;95:1085-8, Phase II study in subjects with Type II dyslipidemia (N=155)
0, 300, 600 mg qd with pravastatin 40 mg qd for 4 weeks

21

JTT-705/ R1658 (CETP inhibitor)



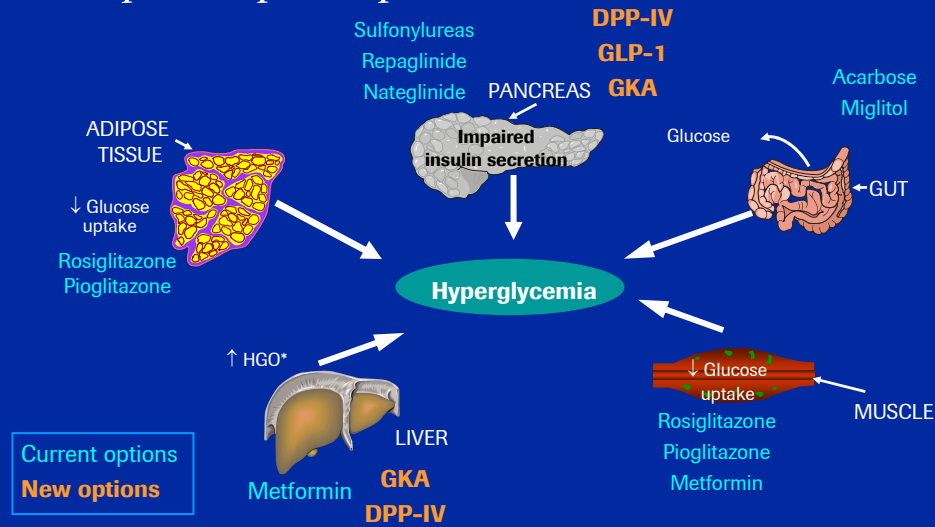
Summary and outlook

- Roche and Japan Tobacco signed agreement for development and commercialization in October 2004
 - Roche has exclusive worldwide rights, excluding Japan and Korea
- Clinical efficacy data confirms benefits of CETP inhibition in hyperlipidemia/dyslipidemia
- Well-tolerated, with a similar overall safety profile to placebo, no increase in blood pressure observed
- Phase II in dyslipidemia (combination with pravastatin)
 - primary endpoint: percentage and absolute change from baseline at Week 12 in HDL-C level (efficacy)
 - already seen encouraging efficacy data
 - safety trial ongoing
 - go/ no go decision for phase III in 2007

22

Type 2 Diabetes

Multiple therapeutic options



*HGO=hepatic glucose output.

23

BIM-51077/ R1583 (GLP-1): Partnered with Ipsen

Promising data published



Immediate release formulation

- Phase II: 28 days of continuous s.c. infusion
- Demonstrated linear dose/response curve, good HbA1c lowering, good tolerability, trend to increase insulin secretion and decrease body weight and appetite
- Presented at ADA '06

Sustained release formulation

- Preclinical data in beagle dog: s.c. injection with a small needle
- Achieved sustained release profile and long duration of release
- Presented at ADA '06

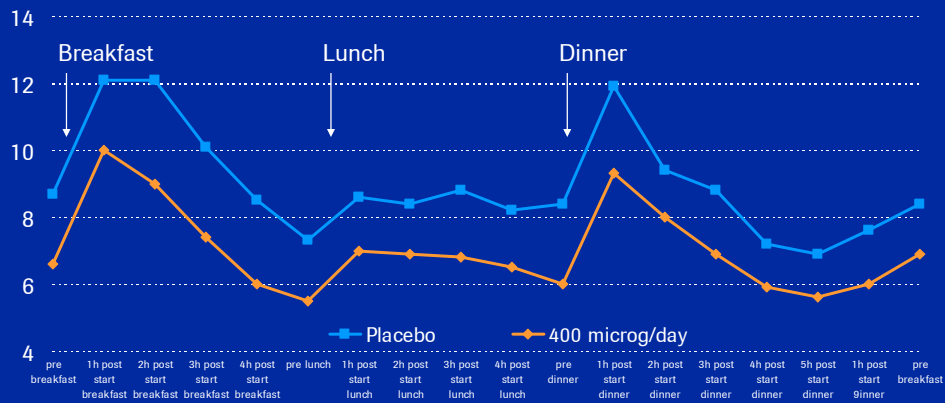
24

BIM-51077/ R1583 (GLP-1) Phase II 28 days continuous infusion



24h profile of blood glucose concentrations

Day 28, mean glucose concentration [mmol/L]



18 T2D patients treated with metformin, 12 active, 6 placebo, 28-day continuous subcutaneous infusion of BIM-51077 IRF

25

BIM-51077/ R1583 (GLP-1) Summary and outlook



- Greater binding potency than native protein
- Extended metabolic half life (22-fold more stable in plasma)
- Sustained improvement in blood glucose control over days by continuous infusion
- **Good safety profile**, no antibodies against BIM-51077
- **Significant and rapid effect** on 24h blood glucose following infusion
 - effect maintained over 28 days without desensitization
- **Sustained effect on fasting blood glucose** over 28 days
- Trend to increase insulin secretion, to decrease HbA1c, and **decrease body weight and appetite**
- Opted-in July 2006, **start of phase II (sustained release formulation) early '07**
- Frequency of administration planned to study: **once a week and beyond**

26

Type 2 Diabetes

Dipeptidyl peptidase (DPP IV) inhibitors

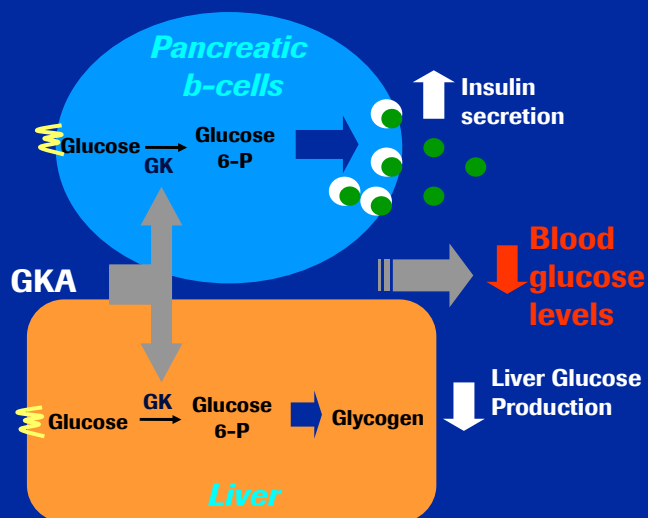
- Protects GLP-1 from rapid degradation
- **Main benefits**
 - can be taken orally
 - potential for monotherapy and combination (sulfonylurea, metformin or glitazones)
- **Main disadvantages**
 - no weight loss
 - highly competitive environment
- **R1438 (DPP IV inhibitor)**
- Potentially best in class molecule
- 2 phase II ongoing
 - mono and combo with metformin
 - to complete end 2006/ early 2007
 - filing planned in 2009

27

Type 2 Diabetes

Glucokinase Activator (GKAs)

- Glucokinase: key enzyme regulating whole body glucose homeostasis
- Genetic loss of GK activity in humans leads to early diabetes
- GKAs targets 2 of the underlying pathologies in T2D
 - impaired insulin secretion
 - increased liver glucose production



28

R1440 (GKA)

Summary and outlook

- **First in class molecule**
- Phase II ongoing in type II diabetes
 - four studies currently running (mono or combo with metformin, safety combo with sulfonylurea, titration study)
 - initiated in Q4'05
 - first data in 2007
 - filing planned in 2009
- **Main advantages**
 - oral
 - targets two underlying mechanisms of type II diabetes pathogenesis

Oncology – the main current growth driver

Rheumatoid arthritis – emerging disease area for growth

Metabolic diseases – therapeutic area for future growth

Summary

Q&A



Our objectives for 2006 - Pharmaceuticals

Announced for 2006

Major clinical data	Compound	Phase	Indication	Data	Status H1
	Mircera (CERA)	III	Renal anemia (correction)	Final	✓
	CellCept	III	Lupus nephritis (Induction phase)	Final	
	Herceptin	III	mBC combo hormonal (TAnDEM)	Final	✓
	Xeloda	III	mCRC 2nd line	Final	
	Avastin	III	NSCLC 1st line (AVAIL)	Interim	✓
	Avastin / Xeloda	III	mCRC 1st line combo extension	Final	✓
	R1658	II	Dyslipidemia	Final	✓
	R873	IIa	MED	Final	
	Avastin / Tarceva	II	NSCLC 2nd line	Final	✓
	R1594	II	RA	Final	✓

Filings	Compound	Indication	Status H1
	Mircera (CERA)	Renal anemia	✓
	Avastin	NSCLC 1st line	✓
	Avastin	mBC 1st line	✓
	Avastin	mCRC 1st line extension	
	Herceptin	Adjuvant BC	✓
	Herceptin	mBC combo hormonal	
	Xeloda	mCRC 1st line combo	

Divisional sales growth

Double-digit growth in local currencies

barring unforeseen events

31



Summary

Building additional value propositions

- **Oncology** - on hands and further expansion
- **Autoimmune diseases/ rheumatoid arthritis** - in 'late stage' of development/ early launch
- **Metabolic disease** - a potential opportunity for future growth shaping up
- **CNS** - still in an early stage

32

Oncology – the main current growth driver

Rheumatoid arthritis – emerging disease area for growth

Metabolic diseases – therapeutic area for future growth

Summary

Q&A



We Innovate Healthcare

Overview on value adding propositions

Roche in oncology

Roche in rheumatoid arthritis

Poised to re-enter cardiovascular and metabolic diseases

Summary

Appendix

Roche's phase III program for MabThera in DMARD inadequate responders and MTX naïve patients

All trials including a repeated treatment course after six months

Trial	Treatment	Sample Size	Endpoints
MTX-IR SERENE	MTX + placebo vs. MTX + MabThera 1g vs. MTX + MabThera 2g	495	Reduction in signs and symptoms
MTX naïve (X-ray study) IMAGE	MTX vs. MTX + MabThera 1g vs. MTX + MabThera 2g	852	Reduction in signs and symptoms Inhibition of structural joint damage Improvement in physical function
MTX-IR Dose escalation MIRROR	Rituximab 1g retx 1g vs. Rituximab 1g retx 2g vs. Rituximab 2g retx 2g	375	Effect of further courses and dose escalation

EU Filing 2008

Roche's phase III program for Actemra

Five trials ongoing



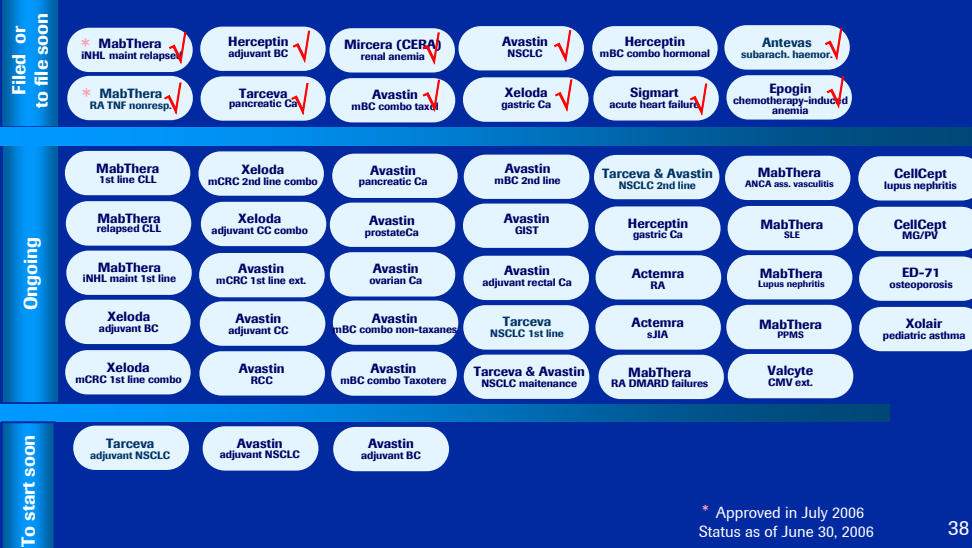
Treatment	Sample Size	Patient population	Endpoints
Actemra 4 mg + MTX Actemra 8mg + MTX MTX OPTION	630	MTX partial responders	ACR 20 response at Wk 24
Actemra 4 mg + MTX Actemra 8 mg + MTX MTX LITHE	1'170	MTX partial responders	ACR 20 at Wk 24 Sharp Score at Wk 52 Sharp Score at Wk 104 Physical function at Wk 104
Actemra 8 mg + DMARDs DMARDs TOWARD	1'200	DMARD partial responders	ACR 20 response at Wk 24
Actemra 4 mg + MTX Actemra 8 mg + MTX MTX RADIATE	570	Anti-TNFα failures	ACR 20 response at Wk24
Actemra 8 mg MTX AMBITION	550	MTX naive	ACR 20 response at Wk 24

Filing 2007

37

A rich and low risk Phase III pipeline

Keeping the high level of commitment



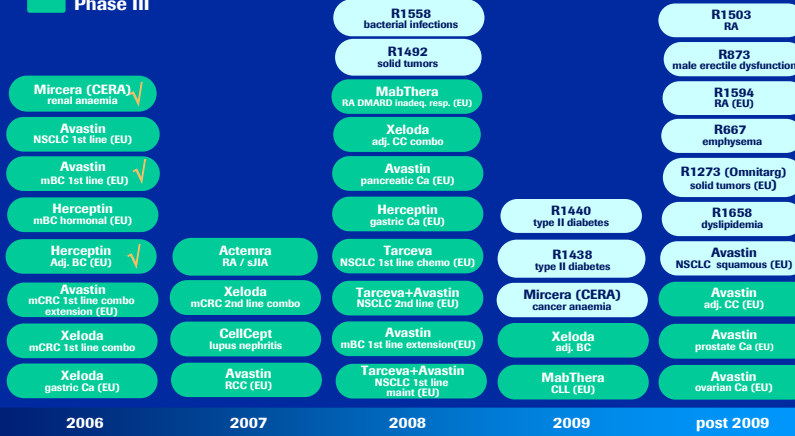
* Approved in July 2006
Status as of June 30, 2006

38



Major Roche managed projected submissions over the next years

Phase II
Phase III



Status as of June 30, 2006

Unless stated otherwise, submissions will occur in US and EU

39

Roche R&D pipeline today

Total of 57 NME's + 55 Additional Indications



phase 0 (14 NMEs)	phase I (21 NMEs + 3 AIs)	phase II (18 NMEs + 10 AIs)	phase III (2 NMEs + 34 AIs)	Registration (2 NMEs + 8 AIs)
R1599 osteoarthritis	R1541 IBD	R1558 bacterial infections	R1569 Actemira RA	R744 Mircera renal anaemia
R1511 type 2 diabetes	R1295 RA	R1503 RA	CHU ED-71 osteoporosis	CHU Antevas subarach haemorr
R1579 type 2 diabetes	R3421 AI / transplant	R1594 RA	R1589 Actemira sJIA	R597 Herceptin adj BC
R1646 OAB	R1439 type 2 diabetes	R1440 type 2 diabetes	R99 CellCept lupus nephritis	R105* MabThera INHL maint relapse
R1663 antioagulants	R1592 dyslipidemia	R1438 type 2 diabetes	R99 CellCept MG/PT	R105* MabThera RA TNF nonresp
R641 Alzheimer's	R1664 dyslipidemia	R1658 dyslipidemia	R105 MabThera RA DMARD nonresp	R435 Avastin NSCLC 1st line
R1647 depression	R1450 Alzheimer's	R873 MED	R105 MabThera CLL 1st line	R435 Avastin mBC combo Taxol 1st
R1551 schizophrenia	R1678 schizophrenia	R1273 ovarian cancer	R105 MabThera CLL relapsed	R1415 Tarceva pancreatic ca
R7118 schizophrenia	R7090 anxiety	R1492 solid tumors	R105 MabThera INHL maint 1st line	CHU Epogin cancer heart fail
R7159 NHL	R547 solid tumors	R667 emphysema	R1415 Tarceva NSCLC 1st line	CHU Sigmart acute heart fail
R1206 HIV	R1454 solid tumors	R411 asthma	G1415-R435 T+A NSCLC 2nd line	
R7025 HCV	R1507 solid tumors	CHU gastroparesis	G1415-R435 T+A NSCLC 1st line maint	
R7128 HCV	R1530 solid tumors	CHU osteoporosis	R340 Xeloda mCRC combo 1st line	
CHU solid tumors	R1645 solid tumors	CHU post-hepatectomy	R340 Xeloda mCRC combo 2nd line	
	R1656 HCV	GEN diabetic foot ulcers	R340 Xeloda adj CC combo	
	R1626 HCV	ISO renal transplant	R340 Xeloda adj BC	
	GEN RA / Sjogrens syndrome	IPS** type 2 diabetes	R340 Xeloda gastric cancer	
	GEN basal cell carcinoma	ARQ solid tumors	R435 Avastin adj CC	
	GEN cancer	R744 Mircera cancer anaemia	R435 Avastin mBC combo Taxotere 1st	
	GEN mBC	R435 Avastin NSCLC squamous	R435 Avastin mBC combo nonTaxotere 1st	
	MEM Alzheimer's	R435 Avastin NSCLC mCNS treat	R435 Avastin pancreatic ca	
	R127 Valganciclovir ulcerat colitis	R1415 Tarceva glioblastoma	R435 Avastin RCC	
	R1594 NHL	R1273 mBC	R435 Avastin prostate ca	
	R35 Daclizumab transpl resist	R35 Daclizumab asthma	R435 Avastin ovarian cancer	
		GEN Lucentis diabetic macular edema	R435 Avastin mCRC 1st line ext	
		GEN Avastin adj BC HER2-	R597 Herceptin mBC combo	
		GEN Avastin glioblastoma	R597 Herceptin gastric ca	
		GEN MabThera RRMS	R127 Valcyte CMV ext	
		** Opted-in July 2006	GEN Xolair pediatric asthma	
			GEN Avastin OIST	
			GEN Avastin adj rectal cancer	
			GEN Avastin mBC 2nd line	
			GEN MabThera lupus nephritis	
			GEN MabThera PPMS	
			GEN MabThera ANCA ass vascul	
			GEN MabThera SLE	

Status as of June 30, 2006

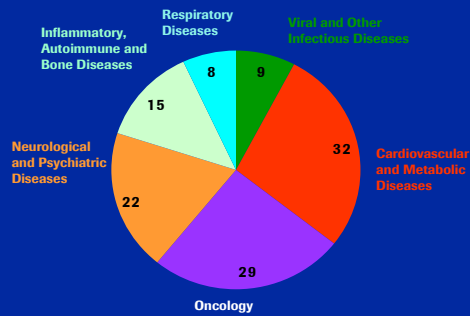
40

Roche managed R&D pipeline - overview

Projects by Therapeutic Area

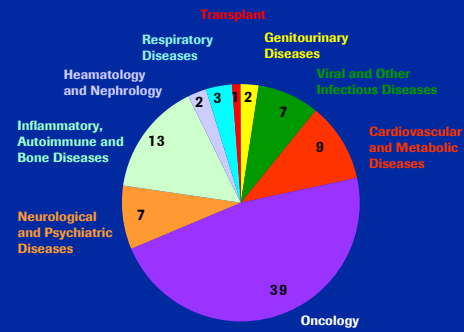


Research



115 projects

Development



83 projects

Status as of June 30, 2006