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:

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2. Legislative and regulatory developments and economic conditions;
3. Timing and difficulty 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.

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Roche: Committed to innovation

Growth opportunities

Summary
Differentiated and rejuvenated product portfolio
*From 1 to 9 products with sales at or above CHF 1 billion*

**Pharmaceuticals key products (CHF billion)**
- Boniva
- Tarceva
- Avastin
- Pegasys
- MabThera/Rituxan
- NeoRecormon/Epogin
- CellCept
- Herceptin
- Pegasys
- Avastin

**Focus on differentiated products paying off**
*Outstanding long-term value creation*

**Group sales**
- CAGR 15%

**Group operating profit**
- CAGR 25%

Continuing to focus on our core assets

---

1 Prescription and Diagnostics
2 Continuing businesses, before exceptional items
New pharma model: Disease Biology Areas (DBAs)
Alignment and focus

Disease Biology Areas

- DBA Oncology
- DBA Metabolic
- DBA CNS
- DBA Inflammatory
- DBA Viral

- DBLT

- Clear focus
- More independent and flexible disease areas
- Faster and simpler decision processes

Roche: Committed to innovation

Growth opportunities

Summary
Key drivers for long term development in place
*Develop the short term drivers while shaping the others*

- **Virology**
- **CNS**
- **Metabolic**
- **Autoimmune**
- **Oncology**

Existing Earlier Phases

Maturity of portfolio

**Inherent development risk**

Low

High

**Key drivers for long term development in place**

Develop the short term drivers while shaping the others

**Roche Oncology: Strongest growing franchise**

**Avastin: Best growing oncology brand ever**

**Roche Oncology: Strongest growing franchise**

**Avastin: Best growing oncology brand ever**

<table>
<thead>
<tr>
<th>CHF billion</th>
</tr>
</thead>
<tbody>
<tr>
<td>20</td>
</tr>
<tr>
<td>15</td>
</tr>
<tr>
<td>10</td>
</tr>
<tr>
<td>5</td>
</tr>
<tr>
<td>0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe/RoW</td>
<td>US</td>
<td>Japan</td>
<td></td>
</tr>
</tbody>
</table>

**2007 vs. 2006 local growth**

- +20%
- +11%
- +14%
- +28%

**Avastin launch compared to other cancer therapies (US plus top-5 EU markets)**

- **Avastin**

**Source:** IMS. Products included are Avastin, Arzerra, Armida, Campath, Erbitux, Erbitux, Folfina, Gemzar, Herceptin, MabThera, Nexavar, Sutent, Tarceva, Taxotere, Xeloda.
**Avastin still early in its journey**

*Realizing full potential across tumor types*

<table>
<thead>
<tr>
<th>Tumour</th>
<th>Early/adjuvant (Potential for cure)</th>
<th>Advanced/metastatic (Extending life)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1st-line of treatment</td>
<td>2nd-line of treatment</td>
</tr>
<tr>
<td>Colon/rectal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lung (NSCLC)</td>
<td>Phase III (E1505)</td>
<td>Launched [EU, US, JP; broad label in 1st and subsequent lines]</td>
</tr>
<tr>
<td>Breast (HER2+)</td>
<td>Phase III (BEATRICE, E5103)</td>
<td>Phase III (AVADO, RIBBON-1)</td>
</tr>
<tr>
<td>Breast (HER2+)</td>
<td>Phase III (BETH w/Herceptin)</td>
<td>Launched [EU majority of chemos, US carboplatin/paclitaxel]</td>
</tr>
<tr>
<td>Kidney (NCC)</td>
<td>–</td>
<td>Phases III (AVEREL w/Herceptin)</td>
</tr>
</tbody>
</table>

Avastin also trialed in gastric, ovarian, prostate, aNHL, and brain (GBM)

(Trial names) [Approval status]. More trials are ongoing than listed above.

---

**Avastin recommended first line in major treatment guidelines**

**NCCN guidelines**

- Patients can tolerate intense therapy
  - Avastin + FOLFOX/XELOX
  - Avastin + FOLFIRI
  - Avastin + infusional 5-FU/LV
- Capcitabine ± Avastin
  - Infusional 5-FU/LV ± Avastin

**EORTC guidelines**

- First disease progression
  - Avastin + FOLFOX/XELOX
  - FOLFIRI
  - Trinotecan + cetuximab
- Second disease progression
  - Avastin + FOLFIRI
  - FOLFOX/XELOX
  - Trinotecan + cetuximab
  - Capcitabine (5-FU/LV) ± Avastin
  - FOLFOX/XELOX
  - FOLFIRI
**New market opportunities: Trastuzumab-DM1**

*Very promising early data*

- (24 pts evaluated, Phase 1)
- 6 objective responses, 4 responses on-going at the last data cut-off; the longest has persisted over 8 months
- In addition to trastuzumab, all responders previously received taxane &/or vinca alkaloid
- No unexpected cardiotoxicity has been observed so far

![CT Liver Scan Image at Baseline](image1)
![CT Liver Scan Image at End of Cycle 2](image2)

*Krop et al, ECCO 2007*

**New market opportunities: IGF1-R Inhibitor – Impressive results in Phase I- Eligibility as multi-tumor compound?**

**Unique Features**
- Selective to IGF pathway which is a key factor in tumor growth

**Drivers for Value**
- IGF pathway linked to many tumor types
- Speed: Sarcoma collaborative groups to allow exclusive focused trial and rapid market access
**Oncology in 2008**
*Preparing for new market opportunities*

**Breast cancer (BC)**
- Phase III data (AVADO, RIBBON-1) to broaden Avastin label for combination with all major chemos
- HER2+ mBC
  - phase III for pertuzumab started in Q1 2008
  - opted in to trastuzumab-DM1 (in phase II)
- Avastin adjuvant trials started: Large potential new market opportunity

**Metastatic colorectal cancer (mCRC)**
- Launch of Avastin and Xeloda in 1st and later lines - not restricted by chemo choice (incl. oxaliplatin) (EU)

**Chronic lymphocytic leukemia (CLL)**
- Positive data in 1st line - MabThera to enter a new market in Europe

**Key drivers for long term development in place**
*Develop the short term drivers while shaping the others*
## Overview of autoimmune disorders

<table>
<thead>
<tr>
<th>INDICATION</th>
<th>PRIMARY PATHOLOGY</th>
<th>HIGH NEED?</th>
<th>PREVALENCE</th>
<th>PATIENTS</th>
<th>DISEASE PROGRESSION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rheumatoid Arthritis</td>
<td>Joint/bone degeneration</td>
<td>Yes</td>
<td>1% global</td>
<td>+60 mln WW</td>
<td>Mild, moderate, severe</td>
</tr>
<tr>
<td>Multiple Sclerosis</td>
<td>Destruction of CNS myelin</td>
<td>Yes</td>
<td>&lt;&lt;1% global</td>
<td>0.6 - 1.1 mln US</td>
<td>RRMS; SPMS; PRMS *</td>
</tr>
<tr>
<td>Systemic Lupus Erythematpsus</td>
<td>Tissue damage from autoantibodies</td>
<td>Yes</td>
<td>&lt;0.5% global</td>
<td>0.5 mln US</td>
<td>Mild, intermittent, persistent, fulminant</td>
</tr>
<tr>
<td>Lupus Nephritis</td>
<td>Renal involvement in SLE</td>
<td>Yes</td>
<td>40 - 85% SLE patients</td>
<td>0.2 - 0.4 mln US</td>
<td>Class I - VI</td>
</tr>
<tr>
<td>Psoriasis</td>
<td>Autoimmune infiltration into skin</td>
<td>Yes</td>
<td>1 - 2% global</td>
<td>125 mln WW</td>
<td>Plaque-type: Mild, moderate, severe</td>
</tr>
</tbody>
</table>

* RRMS: Relapsing-Remitting Multiple Sclerosis; SPMS: Secondary-Progressive MS; PPMS: Primary Progressive MS; PRMS: Progressive Relapsing MS

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## Rheumatoid Arthritis: Continued Market Growth

*Driven by increased Biologic use, novel oral DMARDs & PHC*

**Short to mid-term growth driver**
- Biologic treated population projected to grow 6.7% CAGR (2008-2020)

**Mid to Long-Term Opportunities**
- Low biologic penetration Mod/Sev RA
- Future growth drivers:
  - Novel orals: Potent & convenient
  - PHC defined differentiation = premium pricing
  - New brand Rx combination regimens

### 2007 US Patient Treatment

- Treated for Mod/Sev: 1488
- Treated with Bio: 428
- Adherence: 332
**Next generation anti-CD20s (MabThera follow-ons)**

*Opportunities for improvement*

**2nd gen. anti-CD20 (ocrelizumab)**
- Fully humanized
- **Potential clinical benefits**
  - Less immunogenicity
  - Better tolerability
  - Shorter infusion time

**3rd gen. anti-CD20 (R7159)**
- Fc engineered (glycosylations)
  - Increased CD20 binding and apoptosis
  - Increased ADCC (antibody dependent cell-mediated toxicity)
  - Reduced CDC (complement dependent cell toxicity)
- **Potential clinical benefits**
  - Improved efficacy
  - Less infusion reactions

---

**Inflammation Portfolio**

*A rich pipeline in multiple AI indications*

### Rheumatology
- **MabThera**
- **Actemra**
- **Ocrelizumab**

### Respiratory
- **CellCept**

### Transplant
- **CellCept**

### Pain
- **CellCept**

### Other
- **CellCept**

---

**Project origins:**

- TPI
- Group Origin
- External Origin
- Low External
**Inflammation/Autoimmune in 2008**

*Major market opportunities in focus*

**Rheumatoid Arthritis**
- MabThera for DMARD-IRs (1st line biologic): expect data and filing
- Actemra: regulatory approval expected (first in US)

**Multiple Sclerosis**
- Phase II/III data for MabThera in PPMS in H1 2008

**Lupus**
- Phase II / III data for MabThera in SLE in H1 2008

---

**Key drivers for long term development in place**

*Develop the short term drivers while shaping the others*

[Diagram showing the maturity of portfolio with categories: Oncology, Autoimmune, Metabolic, CNS, Virology, and corresponding levels of risk (High, Low) and phases (Existing, Earlier Phases)]
Dyslipidemia: Future growth driven by HDL treatment

CETP inhibitors and other HDL raising drugs will be responsible for the majority of market value

Dyslipidemia Prevalence will Continue to Grow

Revenue Development Assumptions (US)

Dyslipidemia: Low HDL-C is an Independent Factor of CHD Risk even when LDL-C is Low

Roche diabetes portfolio  
*Targeting All three Underlying Pathologies*

**Hyperglycemia**

- **Adipose tissue**: ↓ Glucose uptake
- **Muscle**: ↓ Glucose uptake
- **Liver**: ↑ Hepatic glucose output
- **Intestine**: GLP-1 inj, DPPIV, GK activator
- **Pancreas**: Impaired insulin secretion, GLP-1 inj, DPPIV, GK activator, PPAR coagonist, 11β HSD

**Our metabolic pipeline: maturing quickly**

*Committed to become a major player*

<table>
<thead>
<tr>
<th>NMP/TA</th>
<th>LI</th>
<th>LO</th>
<th>P0</th>
<th>P1</th>
<th>P2</th>
<th>P3</th>
<th>Reg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Roche</td>
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<tr>
<td>Chugai</td>
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<td>Shanghai</td>
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</tbody>
</table>
**Metabolism/Diabetes in 2008**

*Committed to become a major player*

- **CETP Inhibitor to move into phase III**
  - Safety data to be presented at major medical meetings

- **GLP-1 phase II data available**
  - Decision for phase III to be taken in H1 2008
  - Publication planned for 2008

- **Phase II data for DPP-IV (3) and PPARαγ expected**
  - Looking for a differentiated profile (e.g. weight reduction for DPP-IV)
  - Go/no-go decisions for phase III trials to be taken this year

---

**Key drivers for long term development in place**

>*Develop the short term drivers while shaping the others*

- Inherent development risk
  - High
  - Low

- Maturity of portfolio
  - Existing
  - Earlier Phases

- **Oncology**
- **Autoimmune**
- **Metabolic**
- **CNS**
- **Virology**

*ILLUSTRATIVE*
CNS; One of the top 3 in the market

Growth driven by elderly and adolescent patient populations

2018 US: Alzheimer expect to rank number 3 after cancer/diabetes

High unmet medical needs
- Limited efficacy in various indications
- Long term patient benefit
- Need to improve patient functioning

Diagnosis of limited benefit
- Based on behavior and not etiology
- Biological criteria will play major role for future diagnostic criteria

CNS Portfolio 2008- A clear commitment
Roche: Committed to innovation

Growth opportunities

Summary

Major phase III commitments – large investments

Additional large phase III trials started or starting soon

<table>
<thead>
<tr>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tbody>
<tr>
<td>Avastin mBC</td>
<td></td>
<td></td>
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<tr>
<td>Avastin adjuvant CC</td>
<td></td>
<td></td>
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<tr>
<td>Avastin adjuvant lung</td>
<td></td>
<td></td>
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<tr>
<td>Avastin gastric, NHL</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Avastin adjuvant BC</td>
<td></td>
<td></td>
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<tr>
<td>Pertuzumab mBC</td>
<td></td>
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<tr>
<td>Actemra RA</td>
<td></td>
<td></td>
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<tr>
<td>Ocrelizumab RA, lupus</td>
<td></td>
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<tr>
<td>Ocrelizumab MS</td>
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<tr>
<td>CETPi</td>
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<tr>
<td>GLP-1</td>
<td></td>
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<tr>
<td>Other T2D compounds</td>
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<tr>
<td>HCV pipeline</td>
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</tr>
</tbody>
</table>
Key drivers in place for sustainable growth
Current and projected sources of value creation (phase IIb and III)
Our objectives for 2008

Sales

- High single-digit local currency sales increase for Roche Group (excl. Tamiflu pandemic\(^1\))
- Above-market sales growth\(^1\) in both divisions

Core EPS

- Core earnings per share target\(^2\) at least at record 2007 level despite significant increase in R&D investment and considerably lower Tamiflu pandemic sales

Shareholder return

- Continuous increase in dividend pay-out ratio over the next 3 years

---

\(^1\) Excluding government and corporate stockpiling orders of Tamiflu for pandemic use

\(^2\) At constant exchange rates Barring unforeseen events

---

Major growth opportunities outside the US

*Herceptin leading the way*

![Graph showing sales distribution by region and product]

- **Herceptin**: 68% of Total 2007 Sales
- **Xeloda**: 62% of Total 2007 Sales
- **Tarceva**: 53% of Total 2007 Sales
- **MabThera/Rituxan**: 48% of Total 2007 Sales
- **Avastin**: 33% of Total 2007 Sales

- **EU / ROW (incl. Japan)**
- **US**