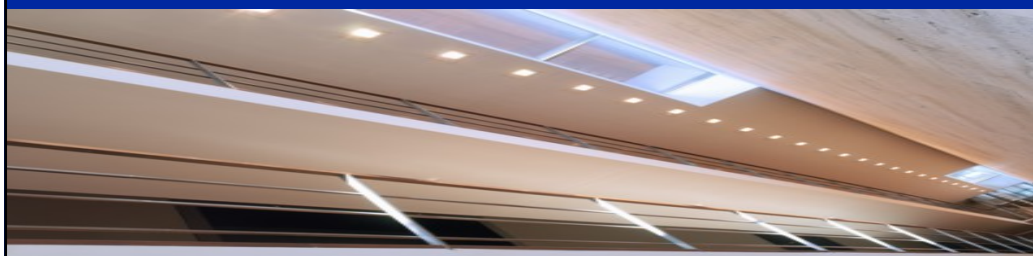


## Roche: Defining priorities for a high tech healthcare company

*Erich Hunziker, Deputy Head of the  
Corporate Executive Committee and CFO  
January 2008*



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.

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## **Additional information in relation to the offer for Ventana shares and where to find it**

These materials are for informational purposes only and do not constitute an offer to purchase or a solicitation of an offer to sell Ventana's common stock. The tender offer is being made pursuant to a tender offer statement on schedule TO (including the offer to purchase, letter of transmittal and other related tender offer materials) filed by Roche with the Securities and Exchange Commission (SEC) on June 27, 2007. These materials, as they may be amended from time to time, contain important information, including the terms and conditions of the offer, that should be read carefully before any decision is made with respect to the tender offer. Investors and stockholders can obtain a free copy of these materials and other documents filed by Roche with the SEC at the website maintained by the SEC at [www.sec.gov](http://www.sec.gov). The tender offer materials may also be obtained for free by contacting the information agent for the tender offer, Mackenzie Partners, at (212) 929-5500 or (800) 322-2885 (toll-free). Additional information can also be found on [www.roche.com](http://www.roche.com).

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## **Performance up-date**

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### **Our priorities**

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## Continuing excellent growth

Over CHF 3.5 billion organic sales added

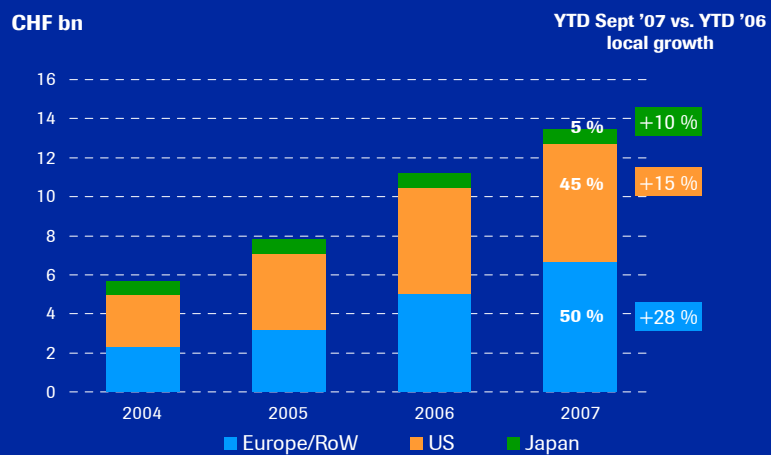


CHF bn	2006	2007	% change in		USD growth
	YTD Sept	YTD Sept	CHF	local	
Pharmaceuticals	23.9	27.1	13	14	17
Diagnostics	6.4	6.8	6	5	10
<b>Roche Group</b>	<b>30.3</b>	<b>33.9</b>	<b>12</b>	<b>12</b>	<b>16</b>

5

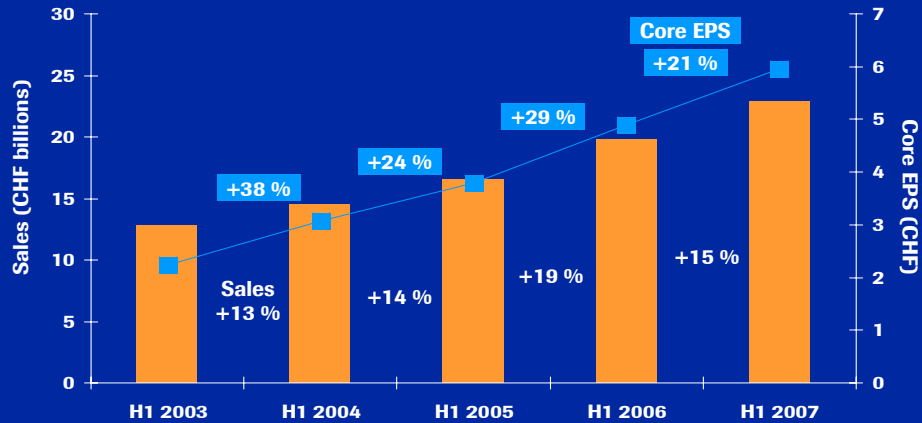
## Oncology: Annualised sales of over CHF 18 billion

... and growing strongly



6

## Strong rise in Group sales and Core EPS



Historical Core EPS data 2003 to 2004 restated

7

## Strategic acquisitions and portfolio enhancements



*Committed to technology leadership*

Driving personalised healthcare

Leader in Pharma

Leader in Diagnostics

- **THP** (therapeutic antibody technology)
- **Alnylam** (RNA interference technology)
- **Transgene** (therapeutic HPV vaccine)
- **BioVeris** (electrochemiluminescence technology)
- **454 Life Sciences** (ultra fast gene sequencing)
- **NimbleGen** (high-density DNA microarrays)
- **Ventana** (tissue-based diagnostics)<sup>1</sup>
- **Tanox** (acquired by Genentech)

Early detection

Diagnosis

Patient stratification

Treatment

Monitoring

<sup>1</sup> Tender offer pending

8

## Growth objectives for 2007

*Reconfirming improved outlook of Q1*

### Sales

- Double-digit sales growth<sup>1</sup> for Roche Group and Pharmaceuticals Division
- Above-market sales growth in both divisions

### Core EPS target

- Core earnings per share growth above sales growth

<sup>1</sup> in local currencies

barring unforeseen events

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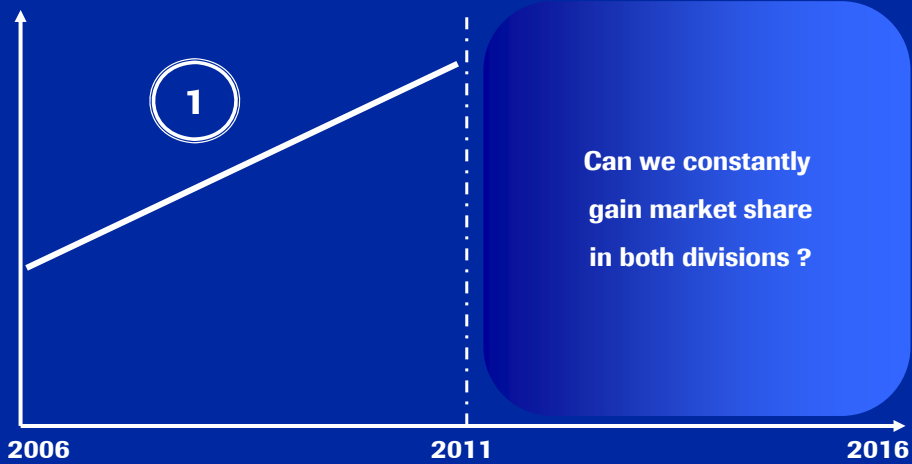
## Performance up-date

### Our priorities

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## Roche Challenge # 1

*Achieve above peer level sales growth for both divisions*



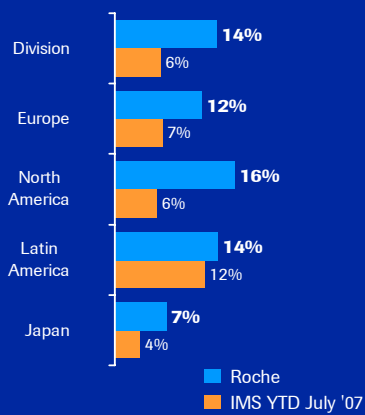
11

## YTD Sept '07: Sales growth two-to-three times market

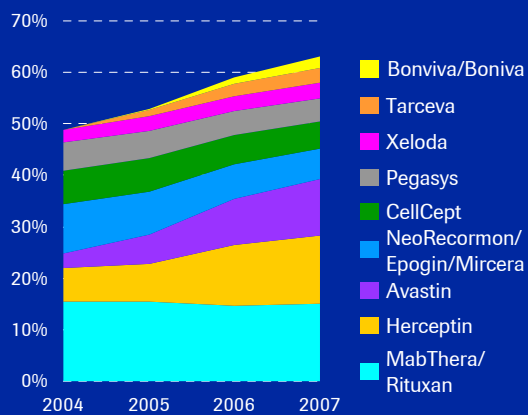
*Growing share of key growth drivers*



### Local sales growth



### Key products as % of pharma sales



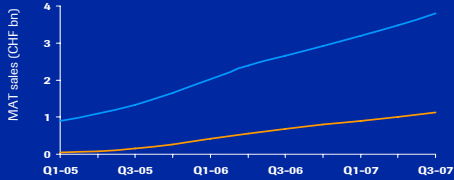
12

## Key products on growth path

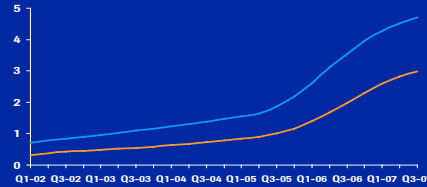
*New indications provide fresh growth opportunities*



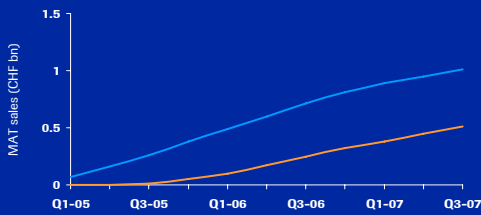
### Avastin



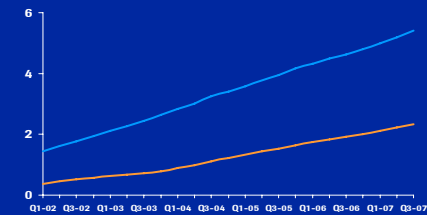
### Herceptin



### Tarceva



### MabThera



■ Pharma Division sales  
■ Roche Pharma sales

MAT = Rolling 4 quarter sales at avg. YTD Sept. '07 exchange rates

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## Our oncology strategy: Setting new standards of care

*New tumor types, new combinations, new lines of intervention*



Clinically differentiated product

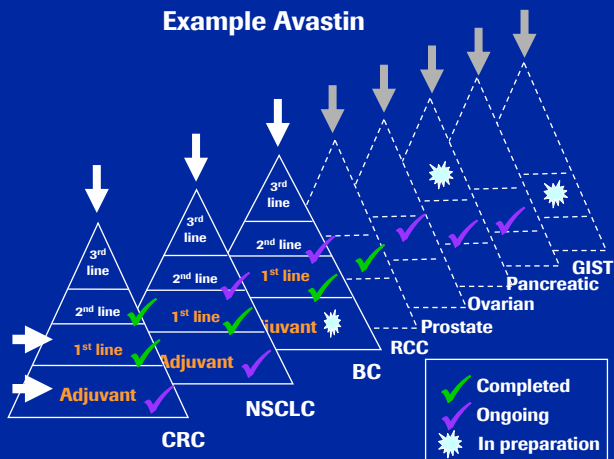
target all tumor types

target all possible combinations

target earlier (adjuvant) intervention

Superior outcome for patients

Example Avastin



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## Oncology



Many market opportunities on the horizon and addressed

	CRC	NSCLC	BC HER2+	BC HER2-	RCC
Adjuvant	Approval	Xeloda (mono)		Herceptin	
	Trials	<b>P3 Avastin, Xeloda (combo)</b>	<b>P3 Avastin; Tarceva</b>	<b>P3 Herceptin+ Avastin (in planning)</b>	<b>P3 Avastin; Xeloda</b>
Metastatic 1st line	Approval	Avastin, Xeloda (mono)	Avastin	Herceptin, Avastin (EU)	Avastin (EU), Xeloda
	Trials	Filed Avastin (EU), Xeloda (EU,US) line ext with oxaliplatin	<b>P3 Avastin+ Tarceva, Tarceva maint.</b>	<b>P3 Herceptin+ Avastin; Herceptin+ pertuzumab</b>	<b>P3 Avastin line ext.</b>
Metastatic 2nd line	Approval	Avastin (US)+ filed (EU)	Tarceva	Herceptin Xeloda	Xeloda
	Trials		<b>P3 Tarceva+ Avastin</b>		<b>P3 Avastin</b>

Approved   
  Filed   
  New market opportunities addressed

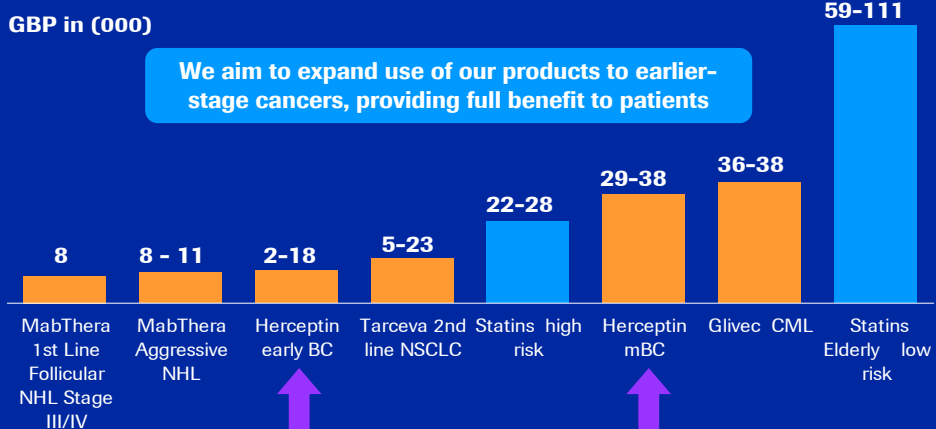
15

## Funding



Roche oncology products are cost-effective

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

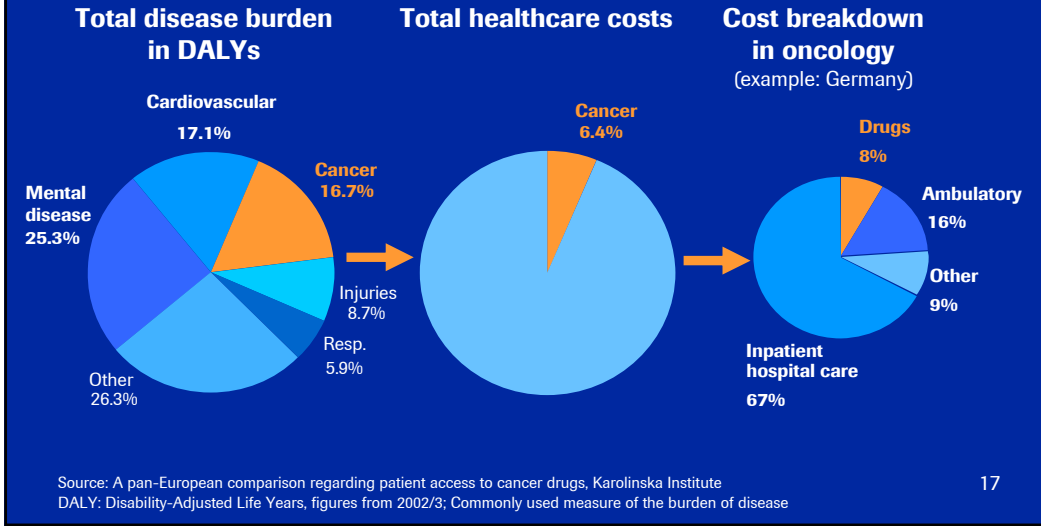


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## Oncology is still dramatically under funded

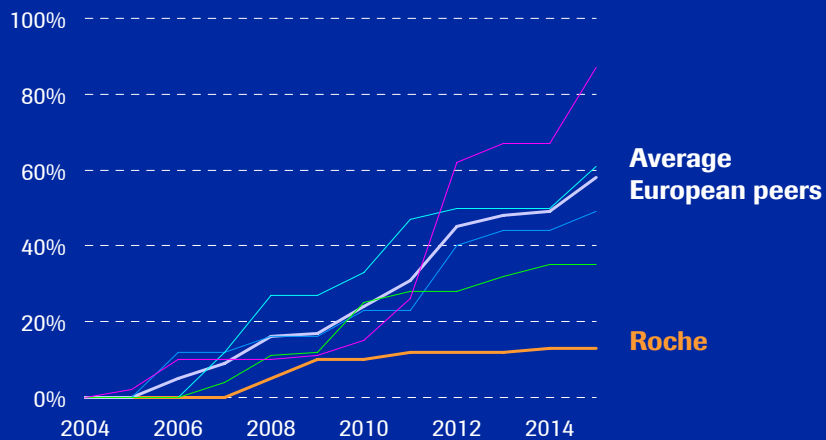
*Compared to other disease areas*



## Roche has a low exposure to generics

*Long-term sustainable business*

**Sales erosion due to generisation (% of 2004 sales)**



## Roche has a unique „investment case“



### Roche: Unique geographic risk diversification

USA

(Greater)  
Europe

Japan

Asia China

Latin  
America

### Roche: Unique “pillars of value” risk diversification

Avastin  
in CRC

Avastin  
in NSCL

Avastin  
in BC

MabThera

Xeloda

Herceptin

Tarceva

Actemra

MabThera in RA

Pegasys

Neo Recormon

Mircera

Diabetes Care

Immuno-  
Diagnostics

Boniva

CellCept

Molecular  
Diagnostics

Avastin adjuvant  
CRC

Avastin adjuvant  
NSCLC

Avastin adjuvant  
in BC

CETP i

GLP - 1

Pertuzumab

Ocrelizumab (AD)

**FUTURE PILLARS**

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## The short/medium term *sales* perspective



### Challenge # 1:

Achieve above industry-standard sales growth

### Conclusion # 1:

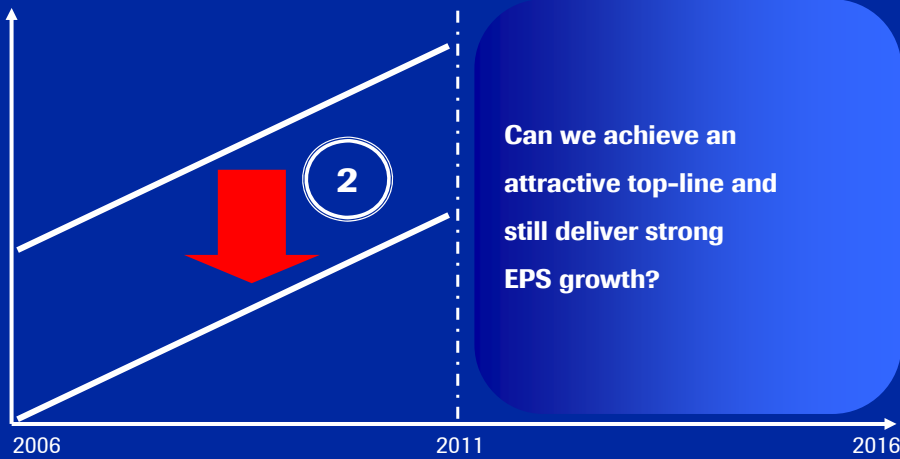
Roche wants to maximize assets on hand –  
and to translate value opportunities into reality



20

## Challenge # 2

*Turn attractive top line into attractive bottom line*



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## Doing the right things *right*

*Three focus areas*



- **People are key!**

Activate potential and constantly educate: to learn faster than our competitors is the only sustainable factor of success!

- **The right “quantum” size for Roche ?**

Fixed cost versus variable cost

- **Operational productivity**

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## Activate our employees' potential

*Constant education to overcome fear of change*

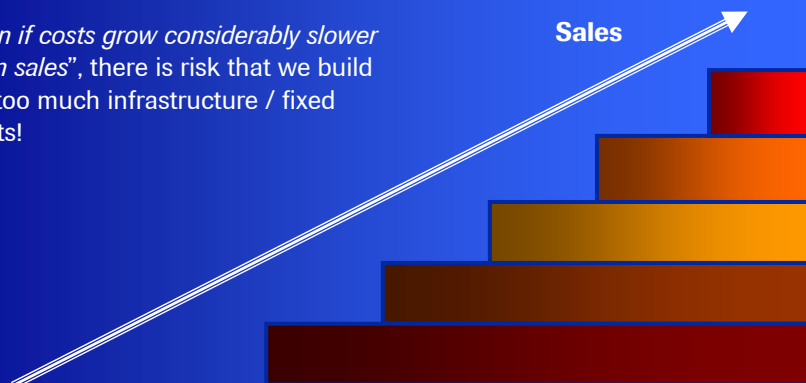


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## What is the right quantum size for a “sustainable” Roche?



*Even if costs grow considerably slower than sales”, there is risk that we build up too much infrastructure / fixed costs!*

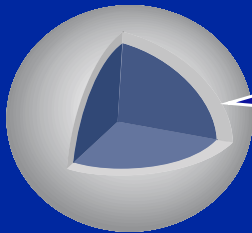


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## Constantly improving operational productivity



Operational productivity is an important key enabler for the Roche Group



We must become better and cheaper in whatever we do!

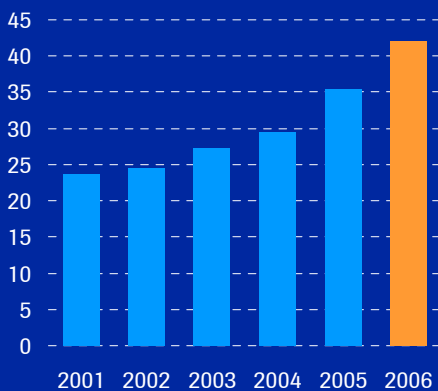
25

## Focus on differentiated products paying off

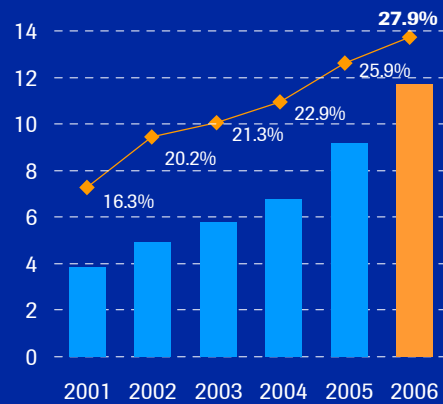
*Sales doubling, operating profits tripling*



Group sales<sup>1</sup> (CHF bn)



Group operating profit<sup>2</sup> (CHF bn)



<sup>1</sup> Pharmaceuticals and Diagnostics

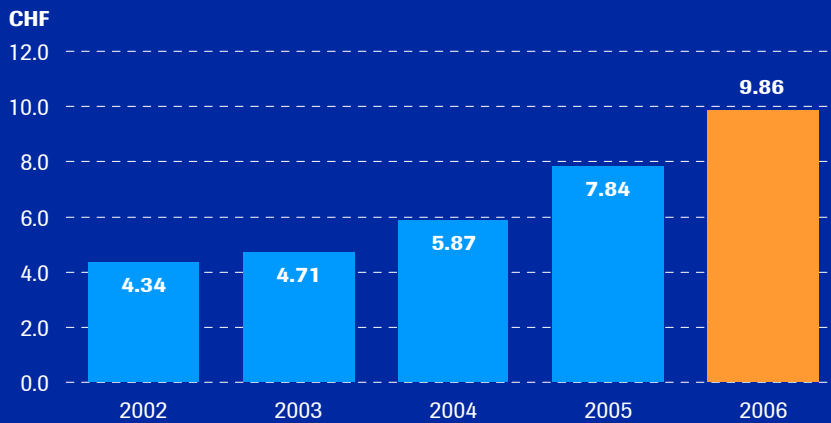
<sup>2</sup> before exceptional items

26

## Core EPS rising steadily



Core EPS CAGR<sup>1</sup> ('02 - '06): 23 %



<sup>1</sup> Compound Annual Growth Rate

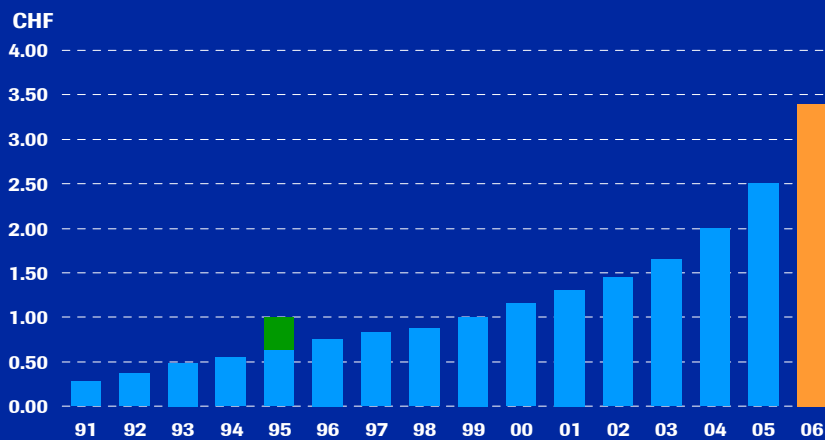
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## Economic success translated into shareholder returns



*Again a substantial increase in 2006*

Dividend CAGR<sup>1</sup> ('91-'06): 18 %



<sup>1</sup> Compound Annual Growth Rate

1995 including centenary bonus

2006 Dividend: Proposed by the Board of Directors

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## Short/medium term *bottom-line* perspective



### Challenge # 2:

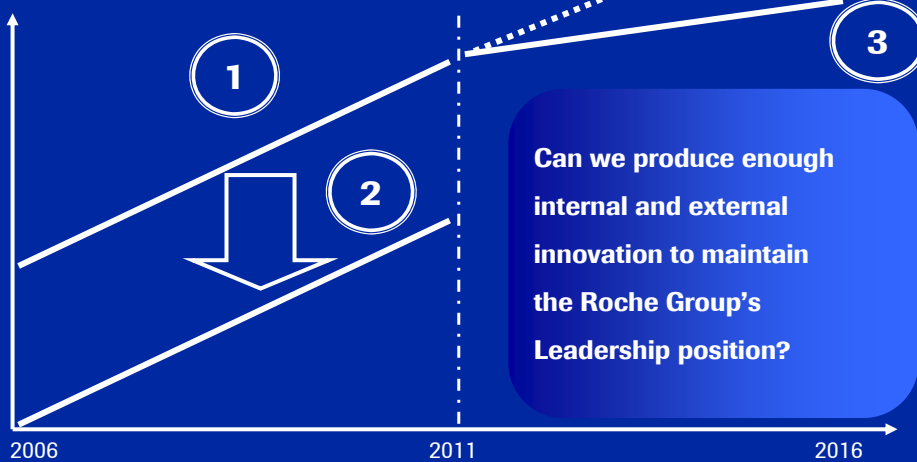
Achieve above industry-standard value creation

### Conclusion # 2:

Roche has many programs running to ensure above industry standard EPS-growth

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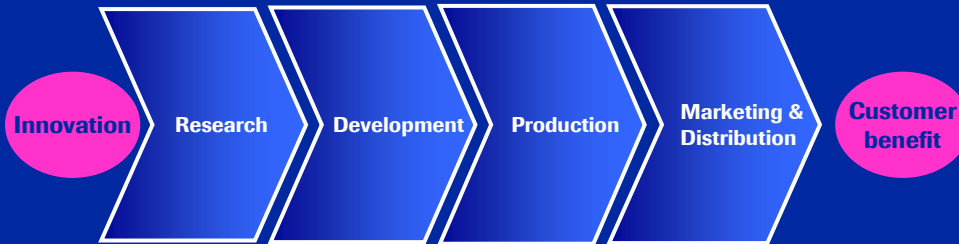
## Challenge # 3 *Filling the "strategic gap"*



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## Sustainable leadership

*How can we constantly provide benefit to customers?*

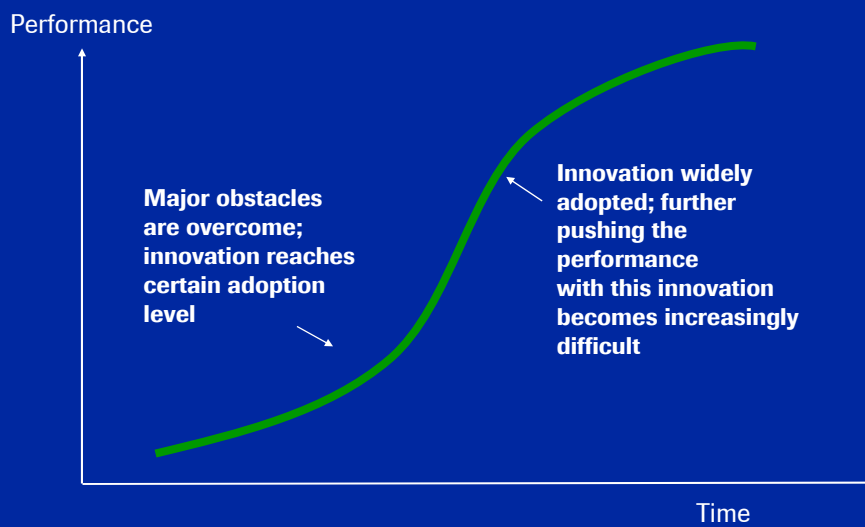


Which degree of innovation (= medical differentiation) is necessary to jump regulatory and reimbursement hurdles?

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## Innovation and Change Management

*Performance improvements are not linear*

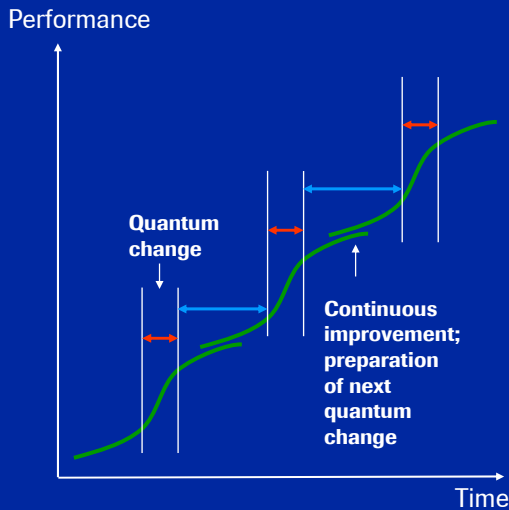


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## Large-Scale Transformation

*Requires multiple S-Curves building on each other*

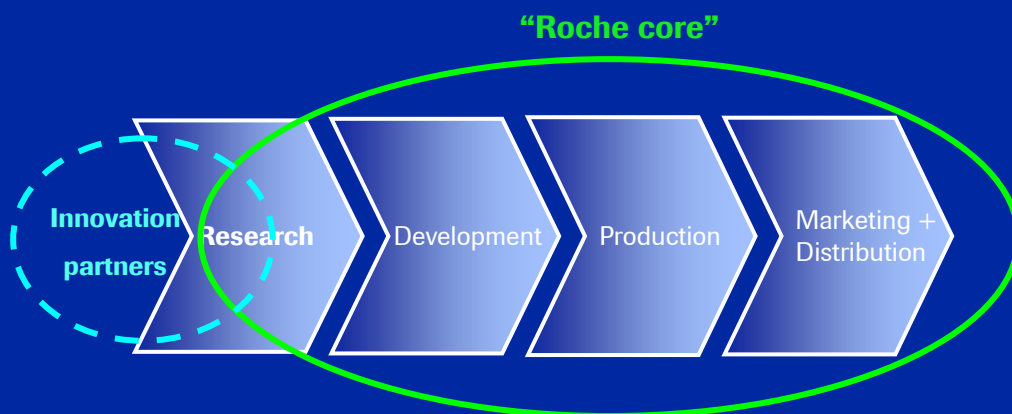


- Critical for large scale transformation is that major innovations build on each other
- Combination of quantum-leap progress and continuous improvement
  - Organisation needs a major step change every few years followed by a period of stability to digest, optimize and continuous improvements

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## The Roche “hub & spoke”-model:

*Roche controls the global value chain, but is open for Research partnerships*

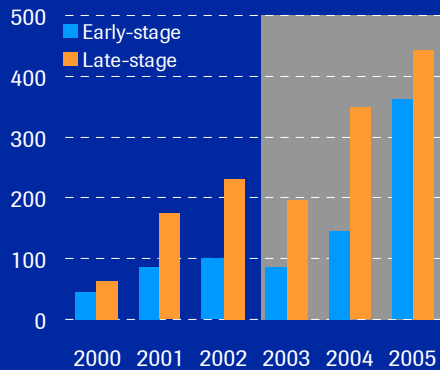


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## Access to Innovation is key - competition growing

*Costs of third party innovation is raising steeply!*

Average cost of in-licensing (Rx), \$m



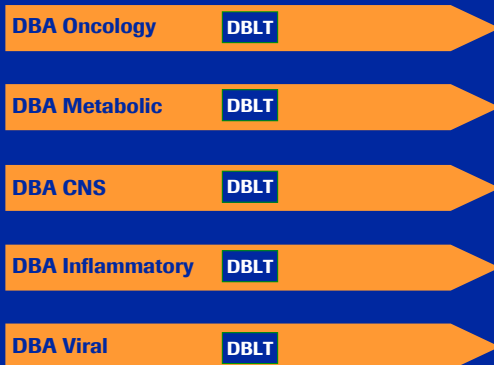
- Average cost of in-licensing deals rose 40% (CAGR) since 2000
- By 2010, 40% of Pharma peers' revenues expected to come from external sources of innovation

## Roche 2015: Disease Biology Areas (DBAs)

*Alignment and focus*

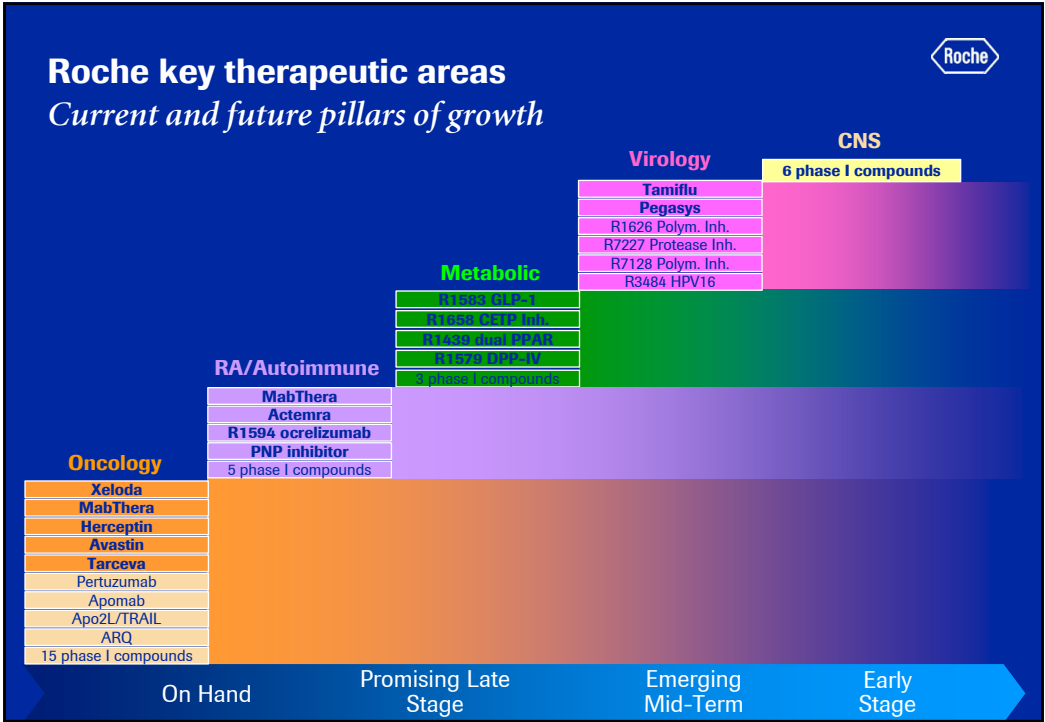
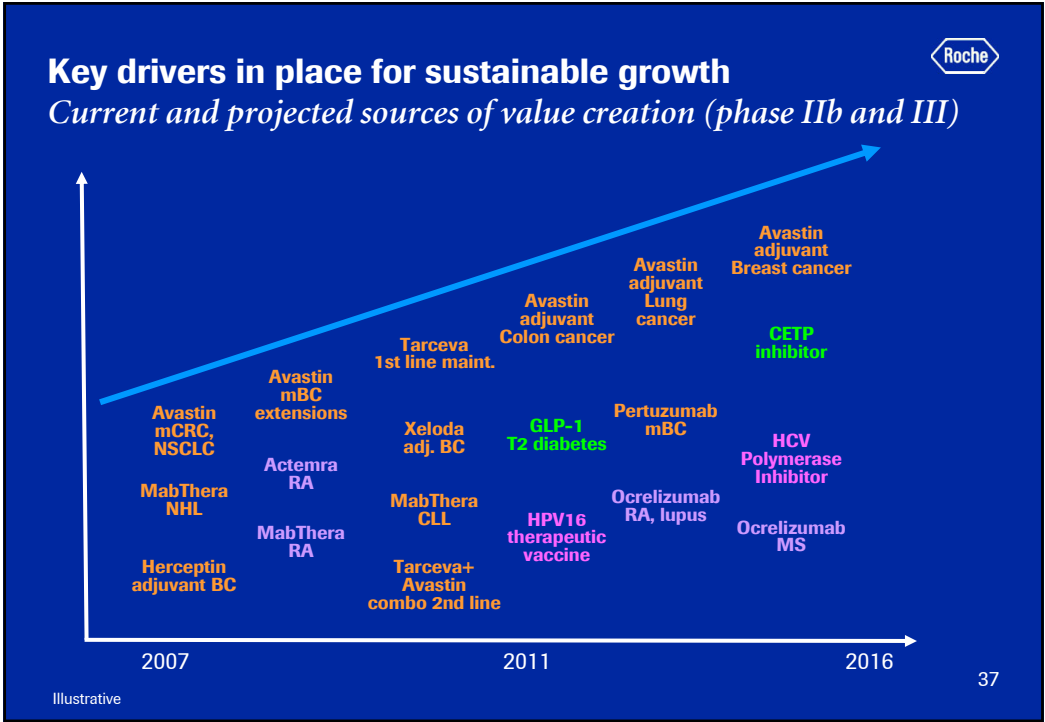
### Disease Biology Areas

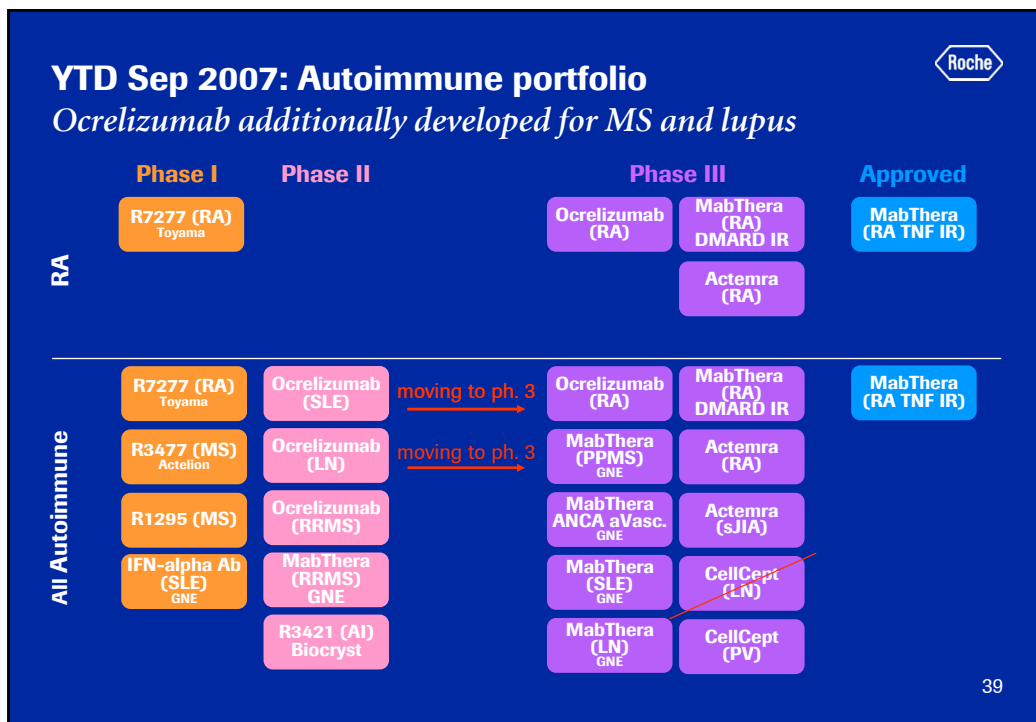
Idea ← → Market




- Focus on five DBAs
- Decisions made by Disease Biology Leadership Teams (DBLTs) against measurable metrics
- **Up to Proof of Concept:** DBLTs manage compound progression within respective DBA
- **After Proof of Concept:** DBLTs responsible for conducting scientific/ medical reviews and providing options to Pharma Leadership Team

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







## YTD Sep 2007 Metabolism/Diabetes pipeline making good progress- major new area for Roche emerging

**CETP Inhibitor**

- Phase IIb data available internally: very encouraging
- Torcetrapib side effects (elevated blood pressure) appear compound-specific

**GLP-1 phase II data available soon**

- First phase II data (sustained release formulation) before year end
- Decision for phase III to be taken in early 2008

**DDP-IV (3) moves into phase II**

- Good safety profile
- Potential for weight reduction?

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**Long-term perspective**  
*Roche 2015 is a crucial platform*



**Challenge # 3:**  
**Filling the value gap**



**Conclusion 3:**  
With Roche 2015 we have the right platform in place  
to identify the right priorities

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*We Innovate Healthcare*