

Roche: focused on long-term value creation

Dianne Young, Investor Relations Officer



Forward-looking statements

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.

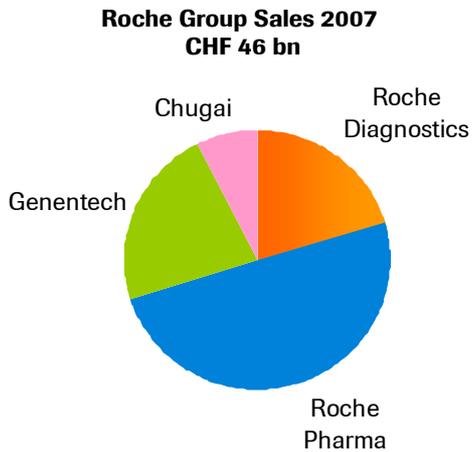
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Roche: A leading global healthcare company

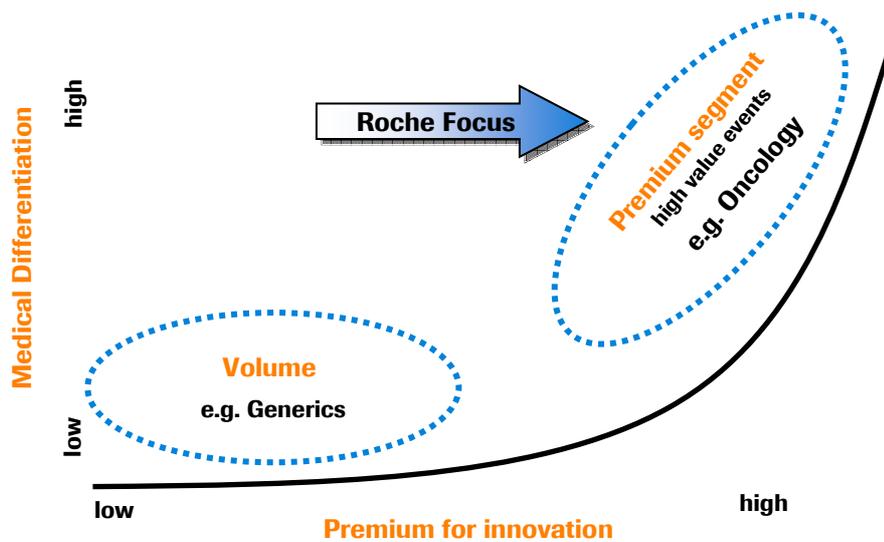
Focused on two high-tech pillars - Pharma & Diagnostics



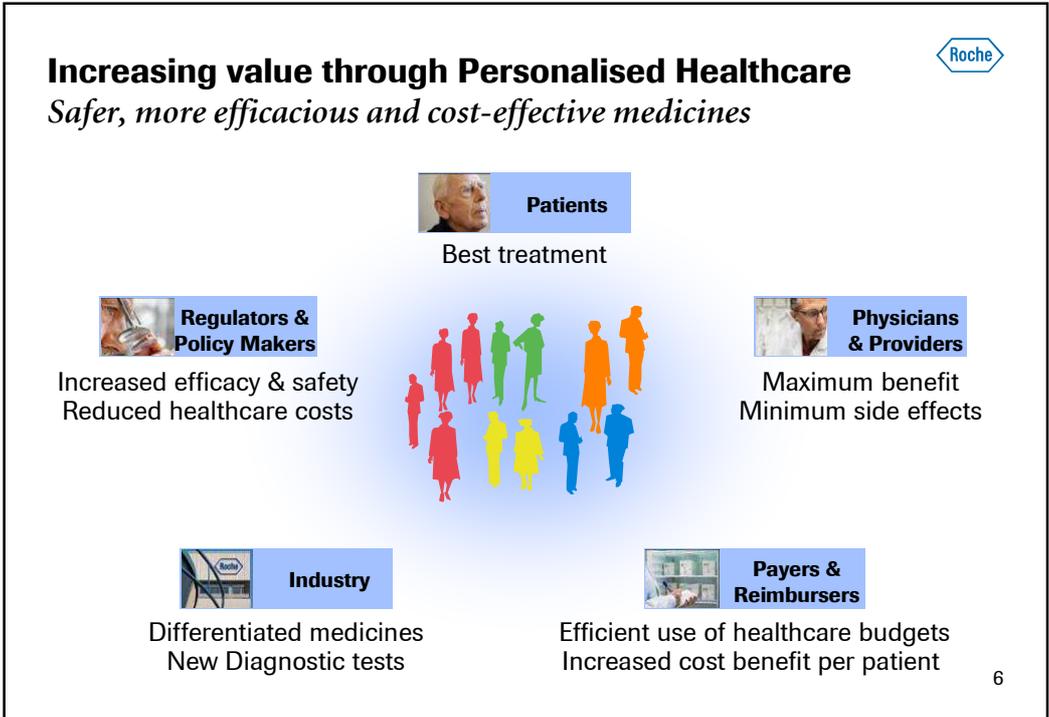
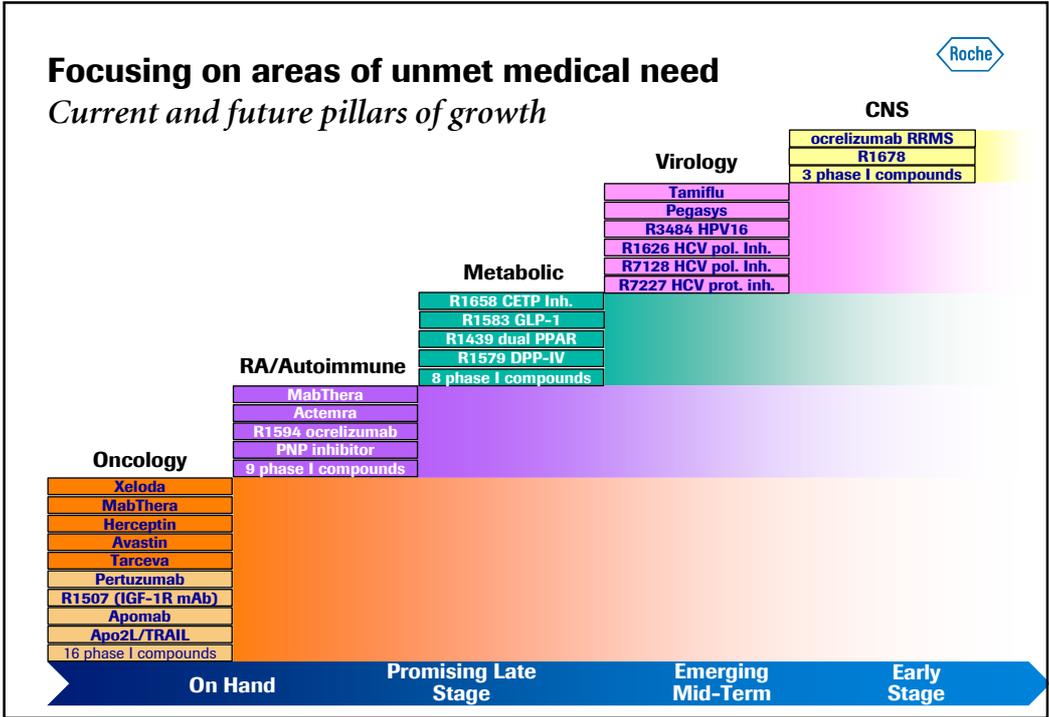
- World leader in oncology, transplantation, hepatitis
- World leader in Biotechnology
- World leader in *in-vitro* diagnostics

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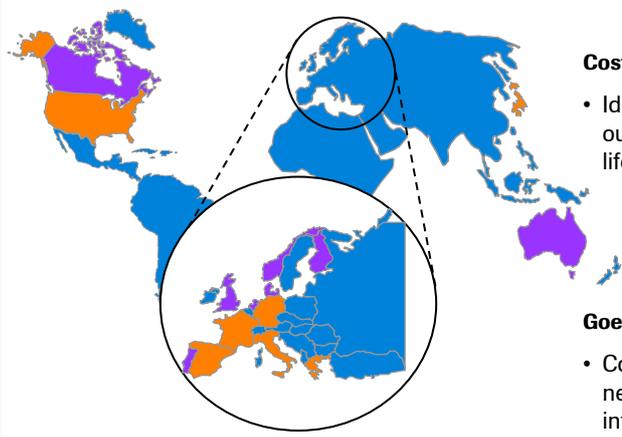
Our core strategy is developing differentiated products that add medical value



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Payers & Reimbersers - facing rising healthcare costs results in increasing emphasis on 'value for money'



■ Countries with formal Pharmacoeconomics requirements
■ Countries with Pharmacoeconomics guidelines

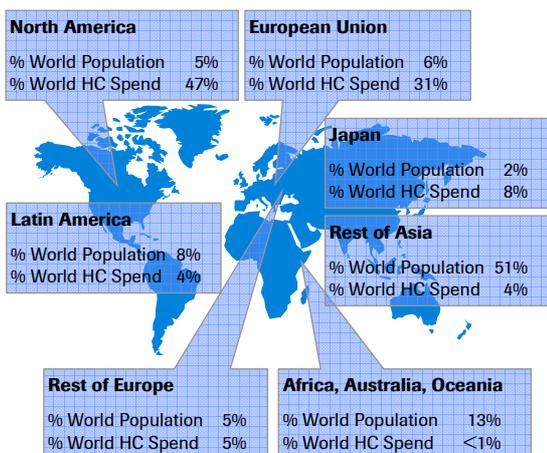
Cost-effectiveness of drug therapies

- Identifies and measures all costs and outcomes (clinical, health, quality-of-life, and survival)

Goes beyond the safety and efficacy

- Compares costs and outcomes of a new drug to those of a standard intervention

Nth. America, EU and Japan 13 % population Over 80 % of healthcare spending



Developed countries

- Diseases in areas of CNS, respiratory, cancer, cardiovascular, infectious agents
- Healthcare spend b/n 7-14 % of GDP
- Access through health insurance

Least developed countries

- Diseases in HIV/ AIDS, TB, malaria, other infectious agents (inc. diabetes)
- Healthcare spend <1 % of GDP
- Lack of infrastructure, education, basic healthcare

Middle Income countries

- Business opportunities in some markets

Access to Medicine

Maria Vigneau, Director Access & Sustainability



Access to Medicine

- Our role
- Sustainable and ethical programmes
 - Pricing and patents
 - Clinical trials and drug donations
- Partnerships
 - Technology transfer
 - Employee secondments
 - Treatment and educational initiatives

Our primary role.....



in improving access to medicines and diagnostics is through the research, development & commercialisation of differentiated medicines and diagnostics to help treat serious and life-threatening diseases where there is still a medical need. Our approach to pricing strives to balance business sustainability and our commitment to improving access to our treatments and diagnostics. We constantly seek sustainable and ethical ways to create partnerships, policies and programmes that increase access to medicine and diagnostics

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Roche's approach to access to medicines and diagnostics is based on four principles:



1. Research and development
2. Partnerships
3. Sustainable and ethical programmes
4. Business sustainability

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Our primary role in AtM is through R&D & commercialisation of differentiated medicines for serious diseases where medical need remains

- R&D: 2007 - 8.4 bn Swiss franc investment
- Focus on areas of unmet medical need and where we can have the greatest impact
- Roche's pipeline contains molecules to fight cancer, autoimmune diseases, hepatitis, Alzheimer's and schizophrenia
- Roche has a long-standing record in the provision of treatment for diseases prevalent in poor countries: HIV/AIDS, Chagas and malaria

Our approach to pricing strives to balance business sustainability and our commitment to improving access to our treatments

We constantly seek sustainable and ethical ways to create partnerships, policies and programmes that increase access to medicine

Overall, we need to make adequate returns to continue to invest in R&D -it is this innovation that underpins the sustainability of our company to continue to exist



Roche continues to work on sustainable programmes to remove barriers and increase access to healthcare

Immense Range of Access to Healthcare Resources...



Around half (42 %) of the world's population has less than 50 USD per year allocated to meet all their healthcare needs^{i, ii, iii}

One billion people live in developing countries on less than US \$1 a day^{iv}

2.6 billion are living on less than US \$2 a day^{iv}

More than 2.6 billion people lack access to toilets and other sanitation facilities^v

About a third of the world's population lacks adequate access to quality health care, including medicines^{vi}

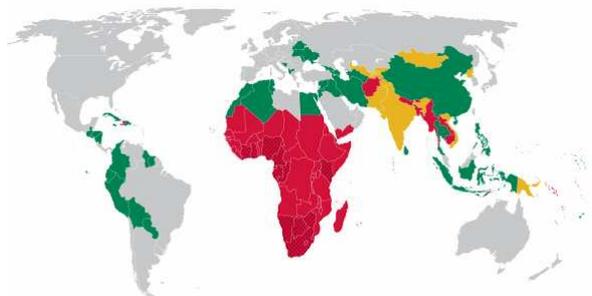


- i. WHO Measured Levels of Per capita Expenditure on Health 2000-2004. <http://www.who.int/nha/country/Annex%202.pdf>. (Accessed 8 February 2008)
- ii. UNAIDS Population Statistics. <http://www.unaids.org/en/CountryResponses/Countries/default.asp>. (Accessed 8 February 2008) (FYI each individual country must be selected to provide population data)
- iii. UN World Population Statistics. www.un.org/esa/population/publications/wpp2006/English.pdf (Accessed 8 February 2008)
- iv. United Nations Development Programme, Human Development Report 2007/2008, p25. http://hdr.undp.org/en/media/hdr_20072008_en_complete.pdf. (Accessed 14 April 2008)
- v. UNICEF. <http://www.unicef.org/wes/> (Accessed 14 April 2008)
- vi. IFPMA. Principal Focus and Actions of the Research-Based Pharmaceutical Industry in Contributing to Global Health. February 2008.

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HIV/AIDS: Our focus on hardest hit regions in greatest need:

Sub-Saharan Africa plus Least Developed Countries (LDCs)



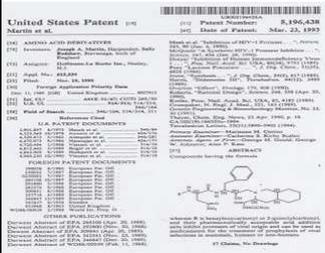
- Sub-Saharan Africa plus LDCs
- Low income countries
- Lower middle income countries

- > 24 million people living with HIV/AIDS
- 70% of global HIV/AIDS population

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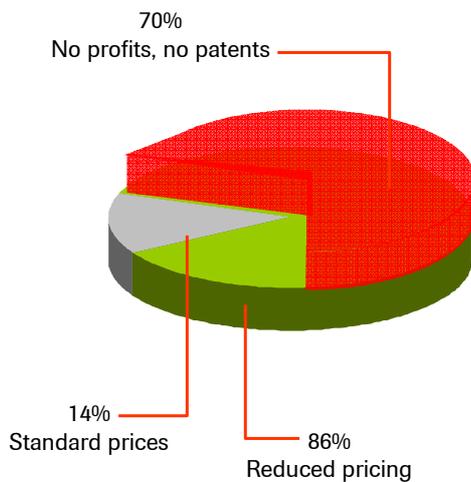
Pricing & Patent Policies

Clear, transparent and public



- **No patents** for any Roche medicines in LDCs
- No enforcement of ARV patents in LDCs or sSA
- **No profit** prices for 2 ARVs for LDCs and sSA
- Significantly reduced prices for low & lower-middle income countries
- Prices published on www.roche-hiv.com

For Roche HIV/AIDS is not “business as usual”



- **Reduced pricing** applies to 86 % of all people living with HIV/AIDS worldwide*
- Both **patents and profit removed** for 63 countries encompassing 70 % of all people living with HIV/AIDS*
- Standard prices apply to 14 % of global patient population*

* From UNAIDS data, published November 2007

Roche Drug Donations Policy



- Drug donations are **not** a key component of our policies to increase sustainable access to medicines
- Donating drug for chronic diseases such as HIV/AIDS is totally different to donating emergency aid (e.g. tsunami, avian flu - donated over 5 million Tamiflu treatment courses to WHO)
- Ethics
 - We believe it to be unethical to donate HIV medicines without guarantee of continuous lifelong supply for each recipient

www.roche.com/pages/downloads/sustain/pdf/drug_don_pol.pdf

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Roche Clinical Trials Policy – Developing Countries



Ethical and open approach to clinical trials



- Standard of care aligned with accepted treatment guidelines
- Ethical standards demonstrably equivalent to those of a high income country
- Post-trial drug supply incorporated into protocol and patient consent forms for HIV/AIDS trials

<http://www.roche.com/sust-clintpollmcount.pdf>

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Roche forges partnerships with governments & other healthcare providers because medicines are only one component of the healthcare puzzle

Technology Transfer Initiative

Giving Africa and Least Developed Countries the know-how:

*"This initiative highlights Roche as an innovative leader in supporting sustainable solutions to improve HIV healthcare where it is needed most."
The Daily Nation (Kenya)*



HIV/AIDS

- Enable local manufacturers to produce saquinavir
- Strengthen African capability and long term security of supply
- Agreements with 9 companies, 39 manufacturers in 17 countries expressed interest



We have provided manufacturing sub-licenses to generic manufacturers in China and India allowing them to produce generic versions of Tamiflu in order to further increase the availability for pandemic use.

We have also an agreement with a South African manufacturer to produce a generic version for the African continent

Roche Secondment Policy

A humanitarian contribution to global health



Open to all full time employees and aims:

- to make a humanitarian contribution to global health by transferring skills and expertise to make a long-term health impact
- to provide employees with unique professional and personal development opportunities

To date, the only pharmaceutical company to offer such an opportunity with full salary

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CARE programme

Working in partnership



- Partnership with PharmAccess Foundation to establish HIV treatment programmes in four African countries
- Roche plans activities based on African needs:
 - Gaining insight from healthcare workers on the real challenges
- HIV/AIDS Management Exchange Workshops:
 - Delivered training to 600+ healthcare workers across 28 African and Asian countries

CARE learnings have enabled a more rapid scale-up of treatment now large-scale funding available

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Cambodian Treatment Access Programme

Supporting development of local healthcare systems



“Addressing the problems of HIV/AIDS is a real challenge... The commitment & support of Roche is helping us to establish a programme that is sustainable & can have long-term benefits will make a real difference.”

Dr Mean Chhi Vun, Director, NCHADS



- Public-private partnership with MoH & UNSW
- Provides a range of services
 - Counselling
 - Clinical care
 - HIV treatment
 - Healthcare professional training

Over 1,000 Cambodian HIV/ AIDS patients have received care through CTAP

Roche Diagnostics

Developing new ways of diagnosing and monitoring



- Established partnerships with international public health organisations to help increase access to laboratory services. Together with the Clinton Foundation HIV/AIDS initiative, Roche is providing diagnostic solutions for early infant diagnosis in 35 resource-limited countries



- Developed paediatric (infant) testing for HIV, in response to the need for effective diagnostic testing for children with HIV/AIDS in developing countries

Business sustainability



We take our role of improving access to medicines and diagnostics very seriously

We have a responsibility to our stakeholders to provide long-term sustainable value through the research, development and commercialisation of our medicines and diagnostics which add medical value to patients, payers and society in general

We are committed to working with our key stakeholders to enable access to our medicines and diagnostics globally

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We Innovate Healthcare

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