Innovation and growth

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Roche Group

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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
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Performance update

Building pillars of growth

Summary
Q1 2014: Highlights

Innovation

- EU: Subcutaneous formulation of MabThera approved
- US: Xolair approved in chronic idiopathic urticaria
- HPV test recommended for primary cervical cancer screening in US

Growth

- Strong growth in Pharma and Diagnostics
- HER2 franchise with recently launched Perjeta and Kadcyla continues good growth (+17%)
- Immunology and ophthalmology showing solid growth

Acquisition of IQuum

- Strengthen leading Molecular Diagnostics offering
- Rapid and simple testing at Point of Care, closer to patients
Q1 2014: Strong sales growth

<table>
<thead>
<tr>
<th>Division</th>
<th>2014 CHFbn</th>
<th>2013 CHFbn</th>
<th>CHF Change</th>
<th>CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pharmaceuticals Division</td>
<td>9.0</td>
<td>9.2</td>
<td>-1</td>
<td>4</td>
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<tr>
<td>Diagnostics Division</td>
<td>2.5</td>
<td>2.4</td>
<td>2</td>
<td>7</td>
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<tr>
<td>Roche Group</td>
<td>11.5</td>
<td>11.6</td>
<td>-1</td>
<td>5</td>
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</tbody>
</table>

CER = Constant Exchange Rates
Q1 2014: Both Divisions growing in all regions

All growth rates at constant exchange rates
Group operating profit and margin

- 2009: CHF16.3bn, 33.2% of sales
- 2010: CHF16.6bn, 34.9% of sales
- 2011: CHF15.1bn, 35.6% of sales
- 2012: CHF17.2bn, 37.7% of sales
- 2013: CHF17.9bn, 38.3% of sales

+8%¹

¹ At constant exchange rates
2013: Dividend further increased

Pay-out ratio calculated as dividend per share divided by core earnings per share (diluted); 2013 as proposed by the Board of Directors
2014 Outlook

<table>
<thead>
<tr>
<th>Group sales growth(^1)</th>
<th>Low- to mid-single digit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core EPS growth(^1)</td>
<td>Ahead of sales growth</td>
</tr>
<tr>
<td>Dividend outlook</td>
<td>Further increase dividend</td>
</tr>
</tbody>
</table>

\(^1\)At constant exchange rates
Performance update

Building pillars of growth

Summary
Roche strategy: Focused on medically differentiated therapies

Regulators:
Optimised benefit / risk ratio

Payors:
Optimised benefit / cost ratio
Roche oncology: continued sales growth

A portfolio of differentiated medicines

Sales at 2013 exchange rates
Roche: A leading portfolio

**Oncology**
- 10 drugs launched
- 6 Phase III
  - Avastin
  - MabThera
  - Herceptin
  - Xeloda
  - Tarceva
  - Zelboraf
  - Erivedge
  - Perjeta
  - Kadcyla
  - Gazyva

**Immunology/Inflammation**
- 4 drugs launched
- 4 Phase III
  - Mabthera RA
  - Actemra
  - Lucentis
  - Xolair

**Neuroscience**
- 2 Phase III
  - ocrelizumab
  - gantenerumab

**Phase III**
- Pictilisib²
- Beta s. PI3K²
- MetMab (onartuzumab)
- anti-PDL1
- BCL2i
- cobimetinib (MEKi)

**Phase II**
- 8 phase II
- 1 phase II

- Strong and growing
- Strongly emerging
- Earlier stage

1 FPI expected 1H 2014; ² Phase III decision pending
Building pillars of growth: Her2 franchise

- **Herceptin + chemo**
- **Lapatinib + chemo**

**Kadcyla**
- EMILIA / MARIANNE study

**Perjeta**
- CLEOPATRA study

**Kadcyla**
- MARIANNE study

**Replace & Extend**
Building pillars of growth: Hematology franchise

Replace & Extend

MEDICAL VALUE

MabThera/Rituxan combos

Gazyva combo(s)

Chemo

MabThera/Rituxan

BCL2

ADC CD22
ADC CD79b

Other molecules

Gazyva

CLL11 study, etc.

E.g. ROMULUS study

Our vision

Illustrative
### Roche hematology: Entering new treatment areas and extending benefit in existing ones

<table>
<thead>
<tr>
<th><strong>MabThera/Rituxan</strong></th>
<th>Pre-clinical</th>
<th>Phase I</th>
<th>Phase II</th>
<th>Phase III</th>
<th>Approved</th>
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<tbody>
<tr>
<td><strong>Gazyva</strong></td>
<td></td>
<td></td>
<td></td>
<td>NHL, CLL approved</td>
<td></td>
</tr>
<tr>
<td><strong>GDC-0199</strong> BCL-2 inhibitor</td>
<td></td>
<td></td>
<td>NHL, CLL, MM, AML</td>
<td></td>
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<tr>
<td><strong>Polatuzumab vedotin anti-CD79b-ADC</strong></td>
<td></td>
<td>NHL</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>MDM2 antagonist</strong></td>
<td></td>
<td>AML and solid tumors</td>
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<tr>
<td><strong>Erivedge</strong></td>
<td></td>
<td>AML, solid tumors</td>
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<tr>
<td><strong>Anti-PDL1</strong></td>
<td></td>
<td>Heme Malignancies &amp; solid tumors</td>
<td></td>
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</tr>
<tr>
<td><strong>ADC (RG7598)</strong></td>
<td></td>
<td>MM</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>RG7845</strong></td>
<td></td>
<td>Heme malignancies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>T-Cell Dependent Bi-specific (TDB) AB, PIM, CD44, Others</strong></td>
<td></td>
<td>Heme malignancies</td>
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</tbody>
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ADC=Antibody-Drug Conjugate; AML=Acute Myeloid Leukemia; CLL=Chronic Lymphocytic Leukemia; NHL=Non-Hodgkin’s Lymphoma; *Co-development molecule with AbbVie
Buidling pillars of growth: Immuno-oncology

**NSCLC & RCC**
- Ph II FIR: expect data 2014/15
- Ph II POPLAR: expect data 2015
- Ph II BIRCH: expect data 2015
- Ph III OAK: expect data 2016
- Ph II in 1L RCC (±Avastin vs. sunitinib)

**Ongoing combination studies**
- Anti-PDL1+Avastin (±chemo) (solid tumours)
- Anti-PDL1+Tarceva (NSCLC)
- Anti-PDL1+Zelboraf (melanoma)
- Anti-PDL1+cobimetinib (solid tumours)

**2014 outlook**
- 1H: data in new tumour type
- Additional combinations, including immune doublets, starting throughout 2014
Entering new Therapeutic Areas

**Lampalizumab in Geographic Atrophy (GA)**

- **AMD (Drusen)**
- **Extrafoveal GA**
- **Advanced GA**
Lampalizumab: Anti-factor D

High efficacy in subpopulation with exploratory biomarker

• GA progression rate decreased by 44% at 18 months.
• In the subset of patients with better vision (20/50 to 20/100), progression was reduced by 54%
• All comers: 20.4 % reduction rate at 18 months

Safety

• No unexpected or unmanageable SAEs
• Intraocular inflammation AE rates and intraocular pressure elevation AE rates were consistent with Lucentis rates in wAMD

MAHALO study, presented at ASRS 2013, SAE= Serious Adverse Events
Performance update

Building pillars of growth

Summary
Agenda

Realizing the promise of cancer immunotherapy: translating science into medical benefit
Ira Mellman, Vice President, Cancer Immunology, Genentech
Hy Levitsky, Head, Cancer Immunotherapy Experimental Medicine, pRED

ASCO 2014 Roche highlights: setting new standards of care
Sandra Horning, Chief Medical Officer and Head Global Product Development

Oncology strategy and outlook
Daniel O’Day, Chief Operating Officer Roche Pharmaceuticals

Q&A
# ASCO 2014: Highlights

## Immuno-oncology
- Anti-PDL1 data in new tumour type
- Immuno-oncology program update

## Hematology
- Bcl2 inh*, Ph I in CLL (combo w/ Rituxan) and DLBCL
- Anti-79b ADC, PhII ROMULUS

## Avastin
- H2H Avastin vs. cetuximab in mCRC (CALGB 80405 study)
- Avastin +/- Tarceva (Japanese trial)

## Zelboraf+cobimetinib (MEK inh)
- PhIb BRIM7 data

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* Analyst meeting: Sunday, June 1 2014

* In collaboration with AbbVie
1H 2014: Upcoming clinical newsflow

**ASCO Chicago**
May 30-June 3

- Multiple oncology assets

**ENDO Chicago**
June 21-24

- Oral octreotide Ph III, Acromegaly

**AAIC Copenhagen**
July 12-17

- Crenezumab Ph II, Alzheimer’s Disease

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- **Oncology**
- **Immunology**
- **Neuroscience**
Summary: Focus on innovation and growth

1. Strategic focus on innovation and driving Personalised Healthcare

2. Strong growth in Emerging Markets facilitated by tailored access models

3. Leading product pipeline providing value for the future
Doing now what patients need next
2014: 14 new compounds in late stage development

**Oncology**
- anti-CD79b ADC
- pictilisib (PI3K)
- beta-sparing PI3K (mutant selective)
- alectinib (ALKi)
- Bcl-2i (GDC 0199)
- anti-PDL1
- cobimetinib (MEKi)
- onartuzumab (MetMAb)

**Immunology / Ophthalmology**
- lampalizumab
- etrolizumab
- oral octreotide
- lebrikizumab

**Neuroscience**
- gantenerumab
- ocrelizumab

1 Phase III decision pending