Uniquely positioned for the future

Severin Schwan, CEO Roche Group
‘Deutsche Bank Swiss Equities Conference 2009’
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 document, including among others:

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(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 and unexpected side-effects of pipeline or marketed products;
(6) increased government pricing pressures or changes in third party reimbursement rates;
(7) interruptions in production;
(8) loss of or inability to obtain adequate protection for intellectual property rights;
(9) Litigation;
(10) the inherent uncertainties involved in negotiations with the special committee of Genentech and that there can be no assurances that a negotiated transaction will ultimately be agreed to or consummated;
(11) potential difficulties in integrating the businesses of Genentech and Roche, and that some or all of the anticipated benefits of the proposed transaction may not be realized on the schedule contemplated or at all;
(12) that future dividends are subject to the discretion of the board of directors of Roche and a number of other factors, some of which are beyond the control of Roche;
(13) the ability of Roche to generate cash flow to, among other things, repay acquisition-related debt as currently contemplated;
(14) loss of key executives or other employees; and
(15) adverse publicity and news coverage.

The directors of Genentech who are also employees of Roche will not take part in the consideration of the proposed transaction by the Genentech board and accordingly are not permitted to comment or respond to questions regarding the transaction as representatives of Genentech.

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Q1 2009: High single-digit growth for both divisions
Well above world market

<table>
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<tr>
<th>CHF bn</th>
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<th>Q1’09</th>
<th>% change in CHF</th>
<th>local</th>
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<td>Diagnostics</td>
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<td>2.4</td>
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<td>7</td>
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</table>
Organisational setup: Pharma US
Effective 1 May 2009

CEOs
- S. Schwan, CEO Group
- A. Levinson (Chair), Board Genentech
- P. Soriot, CEO Genentech
- R. Scheller, Genentech R & ED

Global functions
- Comm Ops NA, P. Soriot
- Global Marketing, I. Clark
- Global Dev. /CMO, H. Barron
- Techn Ops Genen., P. Yang
- Finance NA, S. Krognes
- Legal NA, R. Kentz
- HR NA, S. Grossman
- HR Genentech, D. Smith-Hams
- Corp Relation NA, C. Castro
- Research, M. Tessier-Lavigne
- Early Development, S. Bohen
- Bus. Development, J. McCracken

Local/regional support function
Our R&D model: Post-transaction
Roche: World leader in biotech & personalised health

From a position of strength

• World leader in biotech
• Uniquely positioned for personalised healthcare solutions
• Industry-leading pipeline
  – More than 40 phase III projects
• Least patent exposure of all major biotech/pharma companies

Biotech market share

1Source: IMS
**Genentech integration**

**Overall timeline**

- **2009**
  - Closing
  - Leadership / Org. Structure
  - Integration Planning

- **2010**
  - Update Guidance
  - Completion Target

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Note: The timeline depicts the integration process with key milestones and activities throughout the years 2009 and 2010.
Strategy

Personalised healthcare

Roche’s unique position

Summary
Focus on our core businesses

Roche Focus

Pharma

Dia

Generics

OTC

MedTech

Medical Differentiation

High

Low

Premium for Innovation

High
Key objectives of combining Genentech and Roche

Enhance innovation and operational efficiency

Enhance innovation

- Allow diversity of approaches in research
- Encourage sharing of IP, technologies, networks etc.
- Post 2015 partnership

Improve operational efficiency

- Reduce complexity
- Eliminate duplications
- Leverage combined scale in the US and globally
Strategy

Personalised Healthcare

Roche’s unique position

Summary
Personalised Healthcare
One size does not fit all

25-80 % of patients do not receive effective treatment\(^1\)

>100,000 deaths/year from adverse drug reactions in US\(^2\)

1 Spears et al., Trends Mol Med, 2001; 2 Lazarou et al., JAMA, 1998
Personalised Healthcare

Better understanding of molecular biology requires earlier collaboration with Diagnostics

- Improved target selection
- More targeted clinical trials
- Safer, more efficacious medicine
Personalised Healthcare

Evolving Diagnostics tools

**Protein expression**
- Immunohistochemistry (IHC)
- Enzyme-linked immunosorbent assay (ELISA)

**Gene expression**
- Assessed by microarray technology or reverse transcription-polymerase chain reaction (RT-PCR)

**Gene copy number**
- Fluorescent/ chromogenic in-situ hybridisation (FISH/CISH/SISH)

**Gene sequence**
- DNA sequencing (other PCR-based methods possible for known mutations)
Personalised Healthcare
*Increasing demand of stakeholders*

- **Patients & Physicians**
  - Best treatment

- **Regulators**
  - Better efficacy & safety profile

- **Industry**
  - More competitive

- **Payers**
  - Better cost / benefit
Personalised Healthcare

Benefit for industry

Today

- Reduced Patient pool
- Price increase /stability

Benefit from patient stratification

- Increased market share
- Better patient compliance
- Faster penetration

Future

- Time to market, line extensions

- Faster penetration
- Better patient compliance
- Increased market share
- Reduced Patient pool

- Price increase /stability

- Reduced Patient pool
- Price increase /stability

- Increased market share
- Better patient compliance
- Faster penetration
- Time to market, line extensions

- Faster penetration
- Better patient compliance
- Increased market share
- Reduced Patient pool
- Price increase /stability
Strategy

Personalised Healthcare

Roche’s unique position

Summary
Roche Group pipeline overview

**Focused on five Disease Biology Areas**

### Oncology
- Xeloda
- MabThera/Rituxan
- Herceptin
- Avastin
- Tarceva
- Pertuzumab
- T-DM1
- R7159 3rd gen anti-CD20
- R1507 (IGF-1R mAb)

### RA/Inflammation
- MabThera/Rituxan
- Actemra
- R1594 ocrelizumab
- Anti-IL 13

### Metabolic/CV
- R1658 CETP Inh.
- R1583 GLP-1
- R1439 dual PPAR
- R7201SGLT-2 inh
- 6 ph. I compounds

### Virology
- Pegasys
- Tamiflu
- R3484 HPV16
- R7128 HCV pol. Inh.
- R7227 HCV prot. inh.

### CNS
- Ocrelizumab RRMS
- R1678 Schizophrenia
- R3487 Alzheimer’s
- 4 ph. I compounds

On Hand Promising Late Stage Emerging Mid-Term Early Stage
Collaboration Pharma and Diagnostics

Benefits of in-house collaboration

Research

Development

Commercialisation

Research assay

Technically validated assay

Clinically validated IVD assay

Unrestricted knowhow and IP exchange

Seamless platform transition

Flexible pricing drug vs. test
Collaboration Pharma and Diagnostics
Full range of diagnostic capabilities

Sequencing

Microarray

Real-time PCR

IHC/ISH*

ELISA**

*ImmunoHistoChemistry / In Situ Hybridization
** enzyme-linked immunosorbent assay
Collaboration Pharma and Diagnostics

Organisational alignment

Research → Development → Commercialisation

Five Disease Biology Areas (DBA)

Pharma

Liaison Manager (per DBA)

Diagnostics

Applied Science
Molecular Diagnostics
Tissue Diagnostics
Professional Diagnostics
Collaboration Pharma and Diagnostics

Biomarker programs for all pharma projects

Example Oncology

<table>
<thead>
<tr>
<th>Phase I and II</th>
<th>Phase III / market</th>
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<tr>
<td>IGF-1R mAb (R1507)</td>
<td>Herceptin</td>
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<td>MDM2 antag (R7112)</td>
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<td>PLX4032 (R7204)</td>
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<td>T-DM1 (R3502)</td>
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<td>Range of candidate markers for hypothesis investigation</td>
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<td></td>
<td>Range of candidate markers</td>
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<td>EGFR mutations</td>
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<td>KRAS mutations</td>
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Strategy

Personalised Healthcare

Roche’s unique position

Summary
Roche’s unique strategy
*Driving personalised healthcare*

- Focus on our two core businesses Pharma and Dia
- Leveraging collaboration:
  - along entire value chain
  - broad range of technologies
We Innovate Healthcare