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## **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:

- (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) developments in financial market conditions, including the market for acquisition financing and other capital markets and fluctuations in currency exchange rates;
- (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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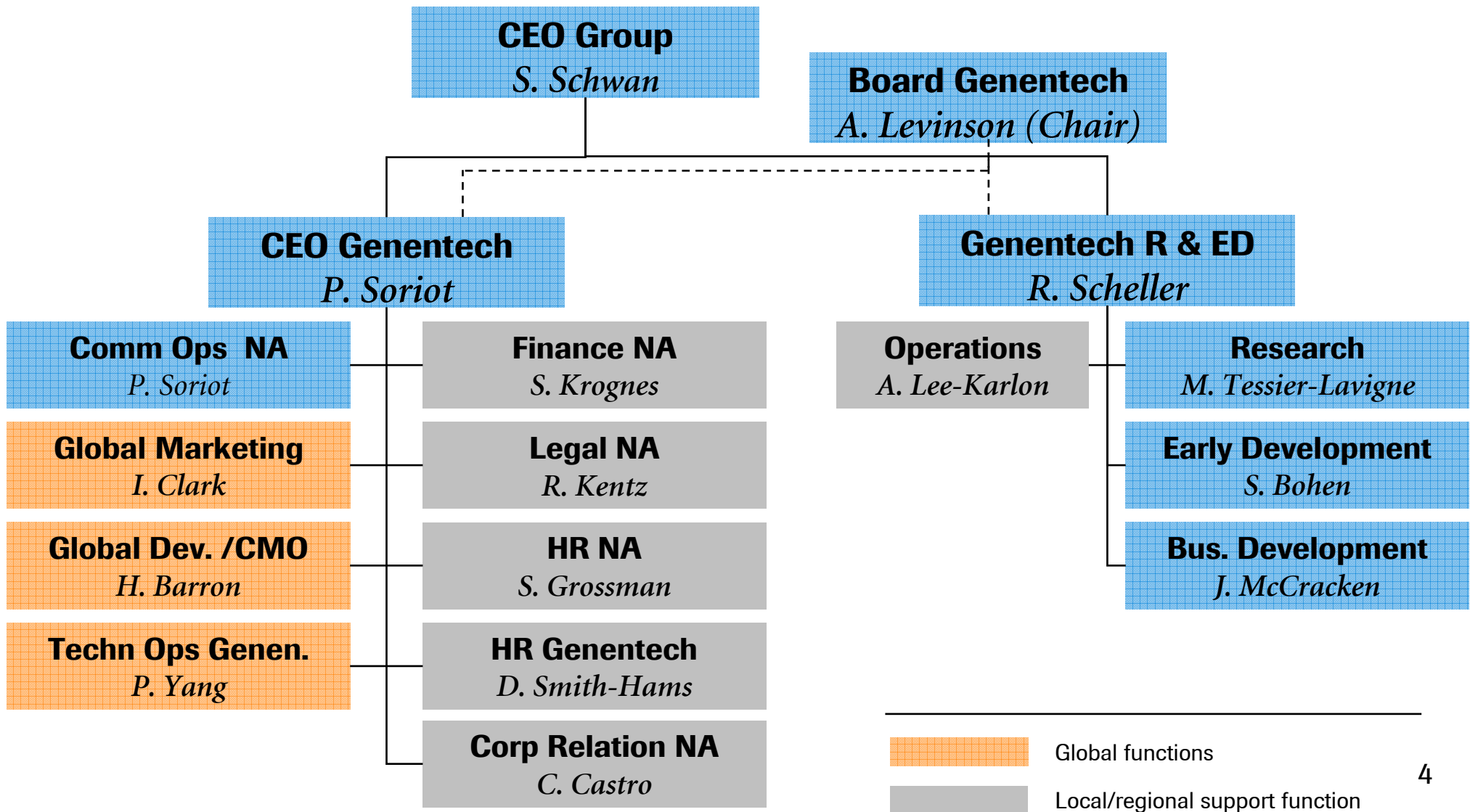
# Q1 2009: High single-digit growth for both divisions

*Well above world market*

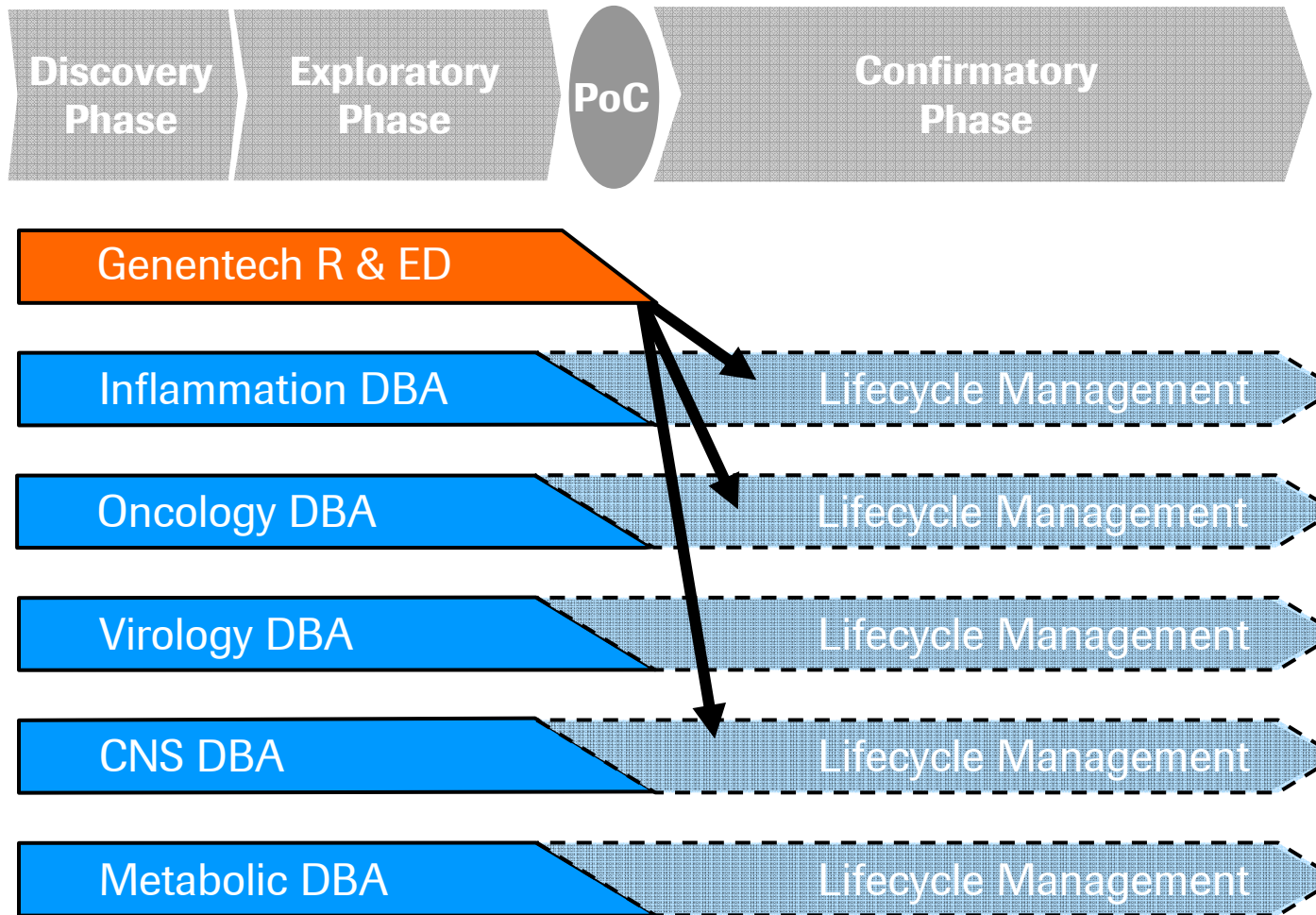
CHF bn	Q1'08	Q1'09	% change in	
			CHF	local
<b>Pharmaceuticals</b>	<b>8.6</b>	<b>9.2</b>	<b>8</b>	<b>8</b>
<b>Diagnostics</b>	<b>2.3</b>	<b>2.4</b>	<b>3</b>	<b>8</b>
<b>Roche Group</b>	<b>10.9</b>	<b>11.6</b>	<b>7</b>	<b>8</b>

# Organisational setup: Pharma US

*Effective 1 May 2009*



# Our R&D model: Post-transaction



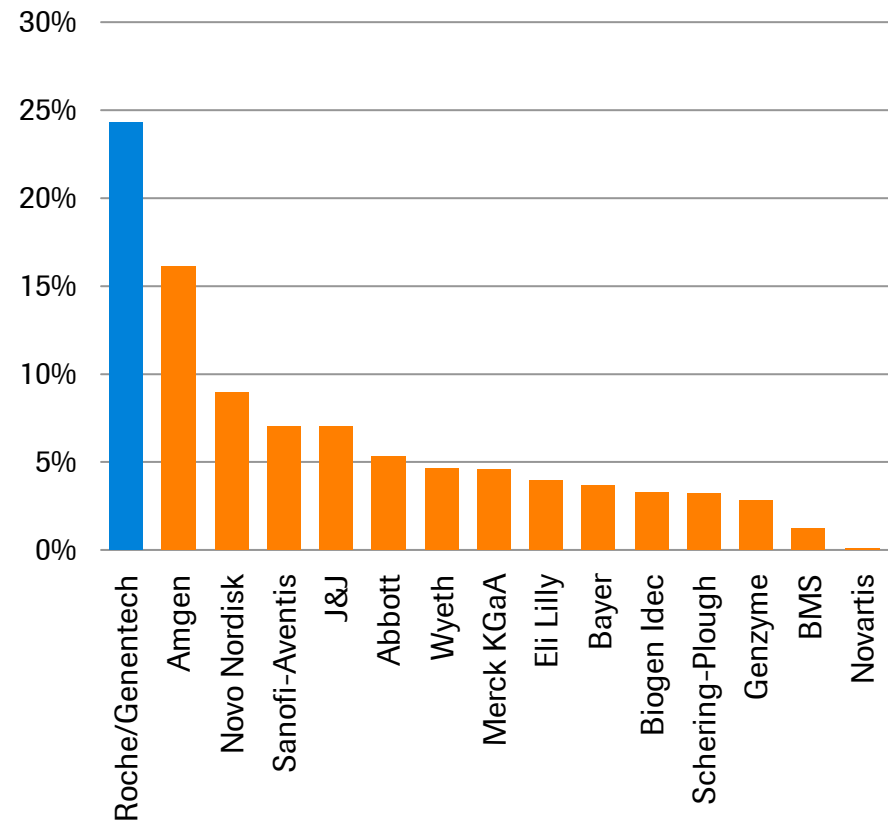
# Roche: World leader in biotech & personalised health



## 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

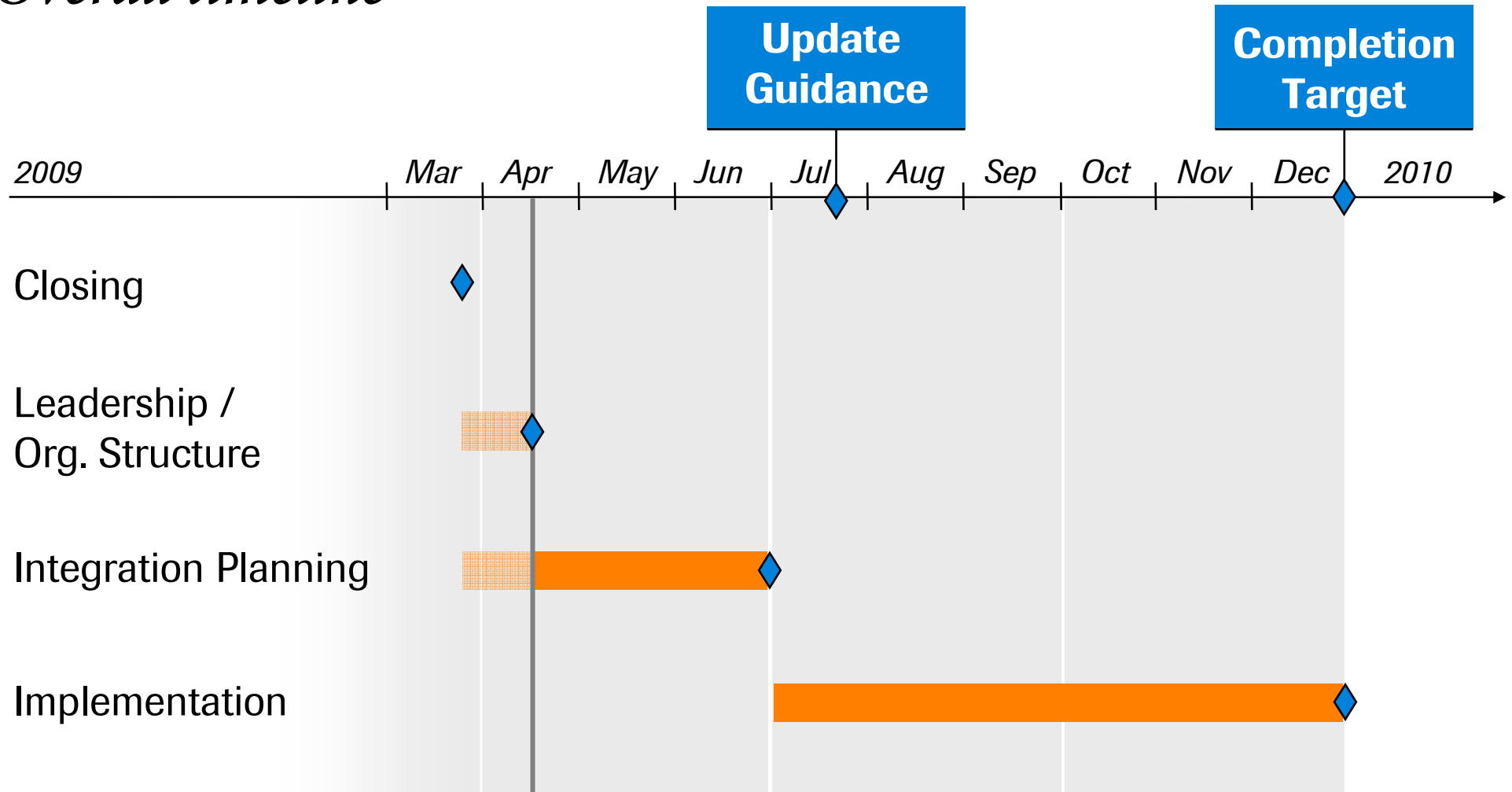
## Biotech market share<sup>1</sup>



<sup>1</sup>Source: IMS

# Genentech integration

## *Overall timeline*



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## Strategy

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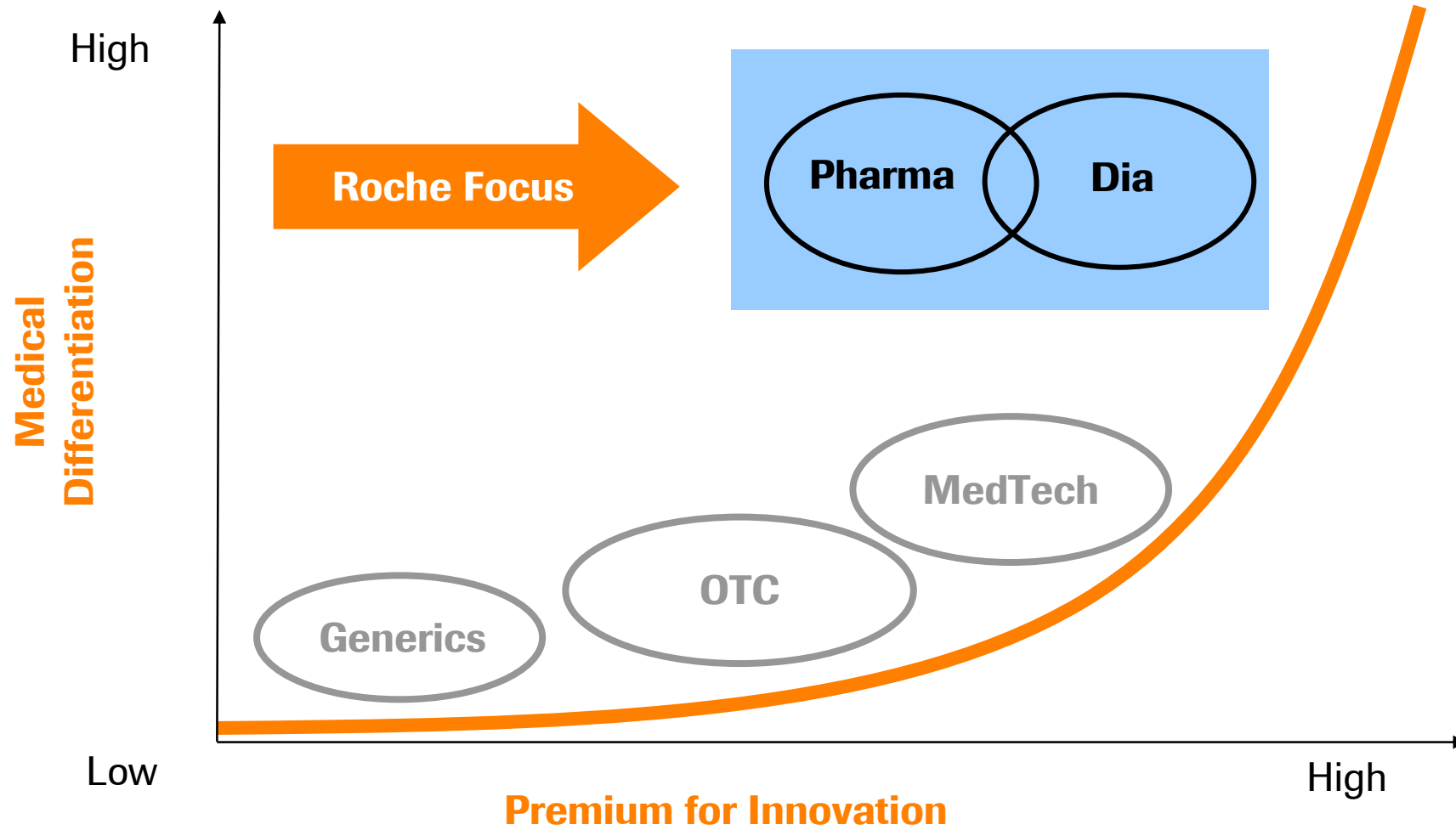
**Personalised healthcare**

**Roche's unique position**

**Summary**



# Focus on our core businesses



# Key objectives of combining Genentech and Roche

*Enhance innovation and operational efficiency*

## Research and Early Development

### ➔ Enhance innovation

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

Late Development

Manufacturing

Commercial

Admin & other

### ➔ Improve operational efficiency

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

## **Strategy**

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### **Personalised Healthcare**

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## **Roche's unique position**

## **Summary**

# Personalised Healthcare

*One size does not fit all*



25-80 % of patients do not receive effective treatment<sup>1</sup>

>100,000 deaths/year from adverse drug reactions in US<sup>2</sup>

# Personalised Healthcare

*Better understanding of molecular biology requires earlier collaboration with Diagnostics*



Improved target selection



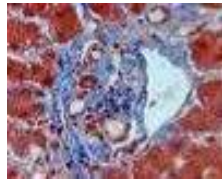
More targeted clinical trials



Safer, more efficacious medicine

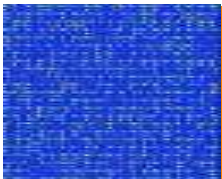
# Personalised Healthcare

## *Evolving Diagnostics tools*



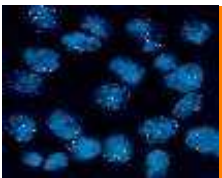
### Protein expression

- Immunohistochemistry (IHC)
- Enzyme-linked immunosorbent assay (ELISA)



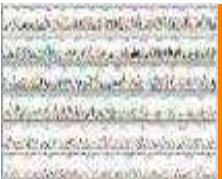
### Gene expression

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



### Gene copy number

- Fluorescent/ chromogenic in-situ hybridisation (FISH/CISH/SISH)

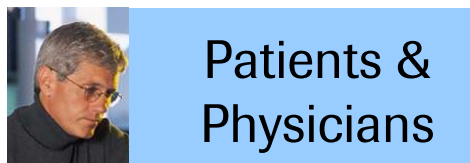


### Gene sequence

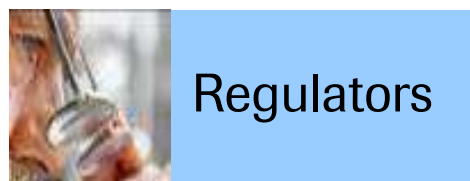
- DNA sequencing (other PCR-based methods possible for known mutations)

# Personalised Healthcare

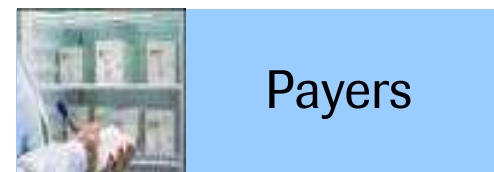
*Increasing demand of stakeholders*



Best treatment



Better efficacy & safety profile



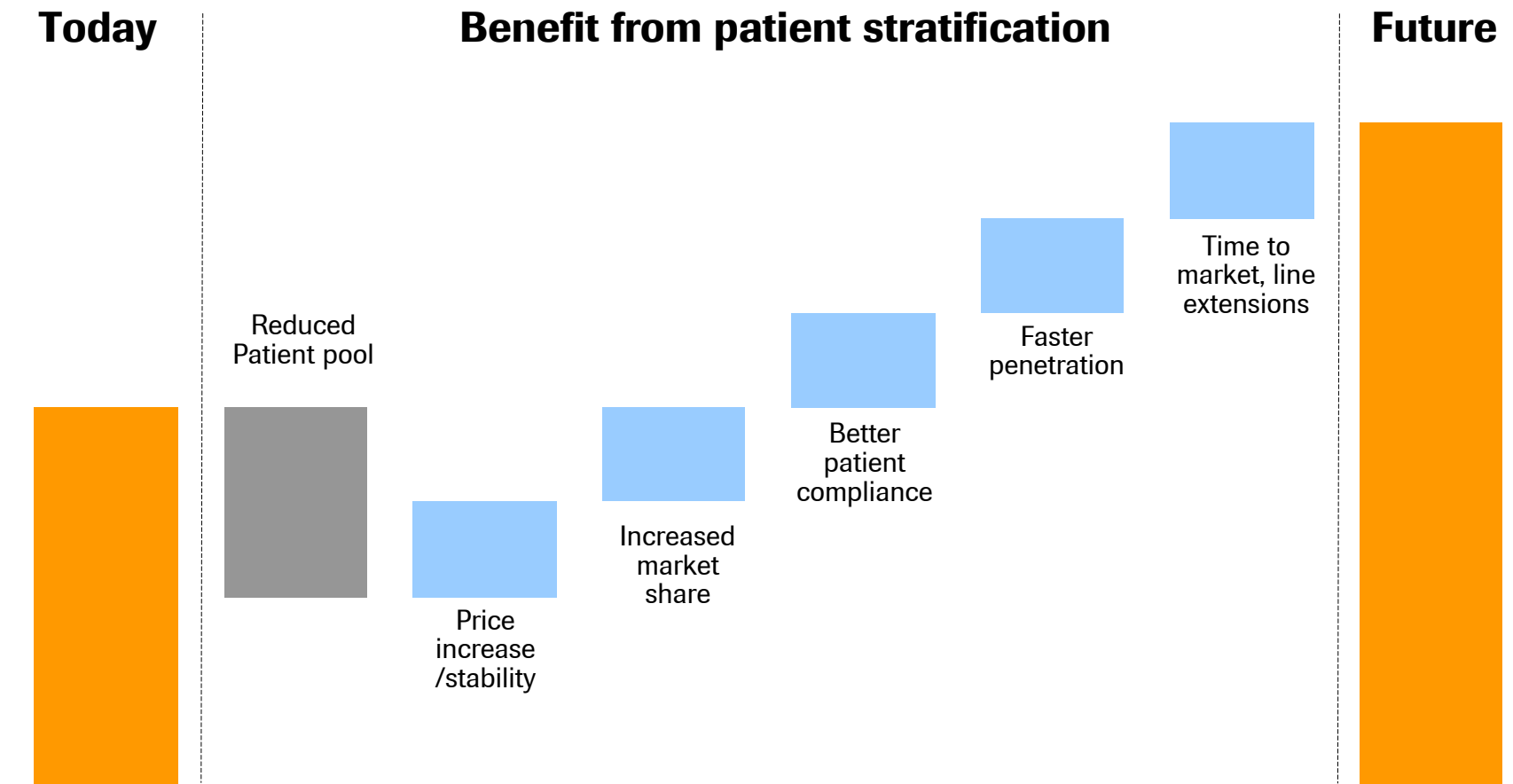
Better cost / benefit



More competitive

# Personalised Healthcare

## *Benefit for industry*





## **Strategy**

## **Personalised Healthcare**

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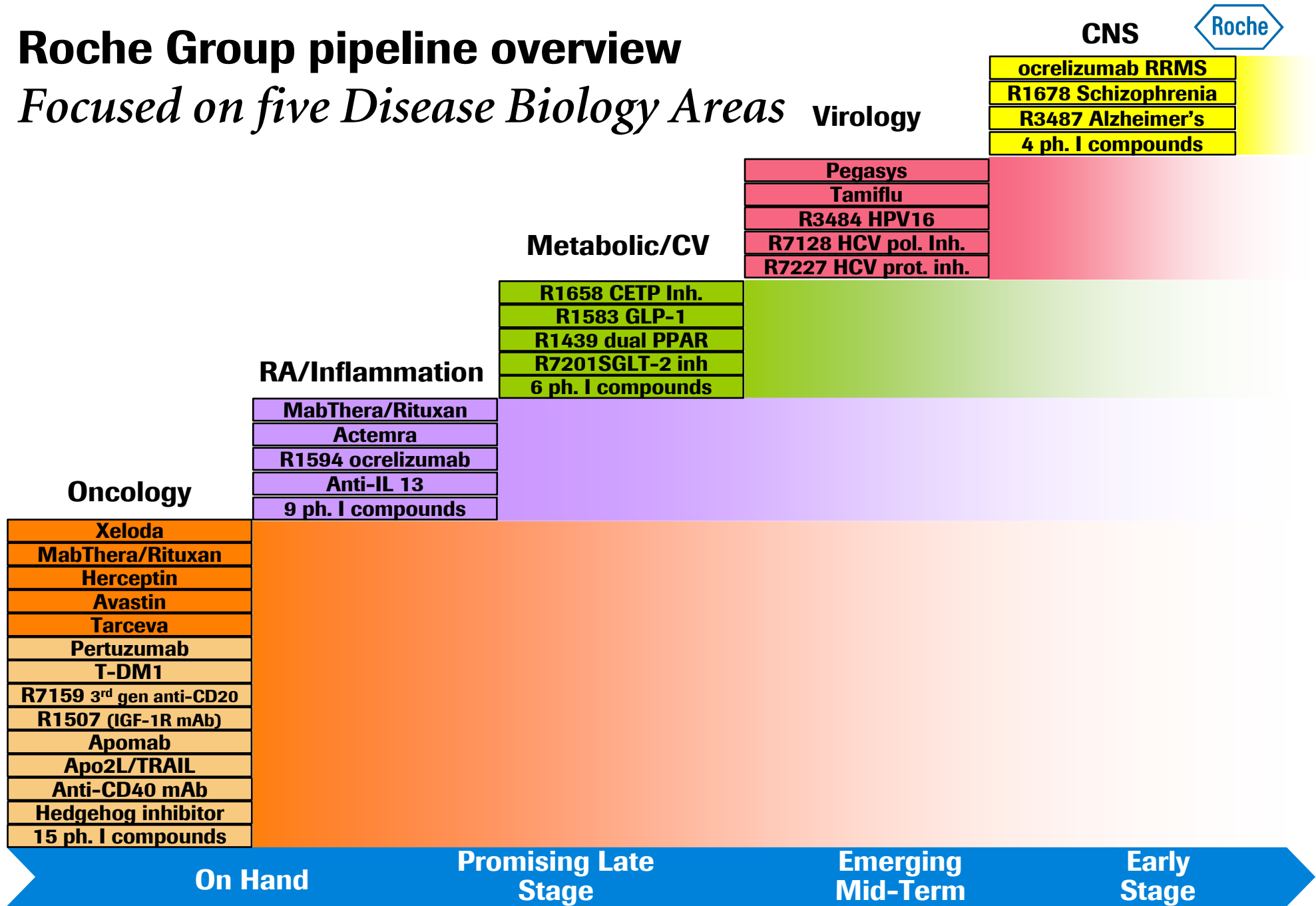
## **Roche's unique position**

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## **Summary**

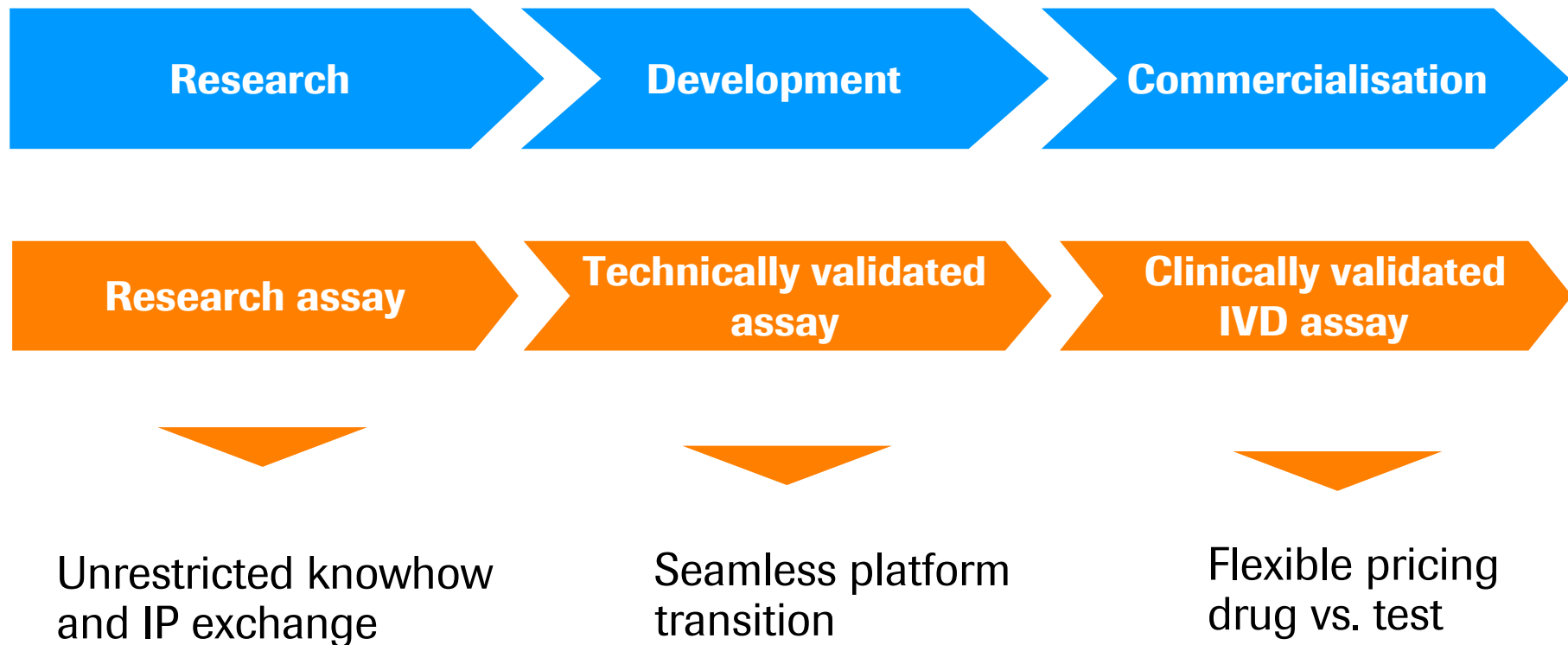
# Roche Group pipeline overview

*Focused on five Disease Biology Areas* Virology



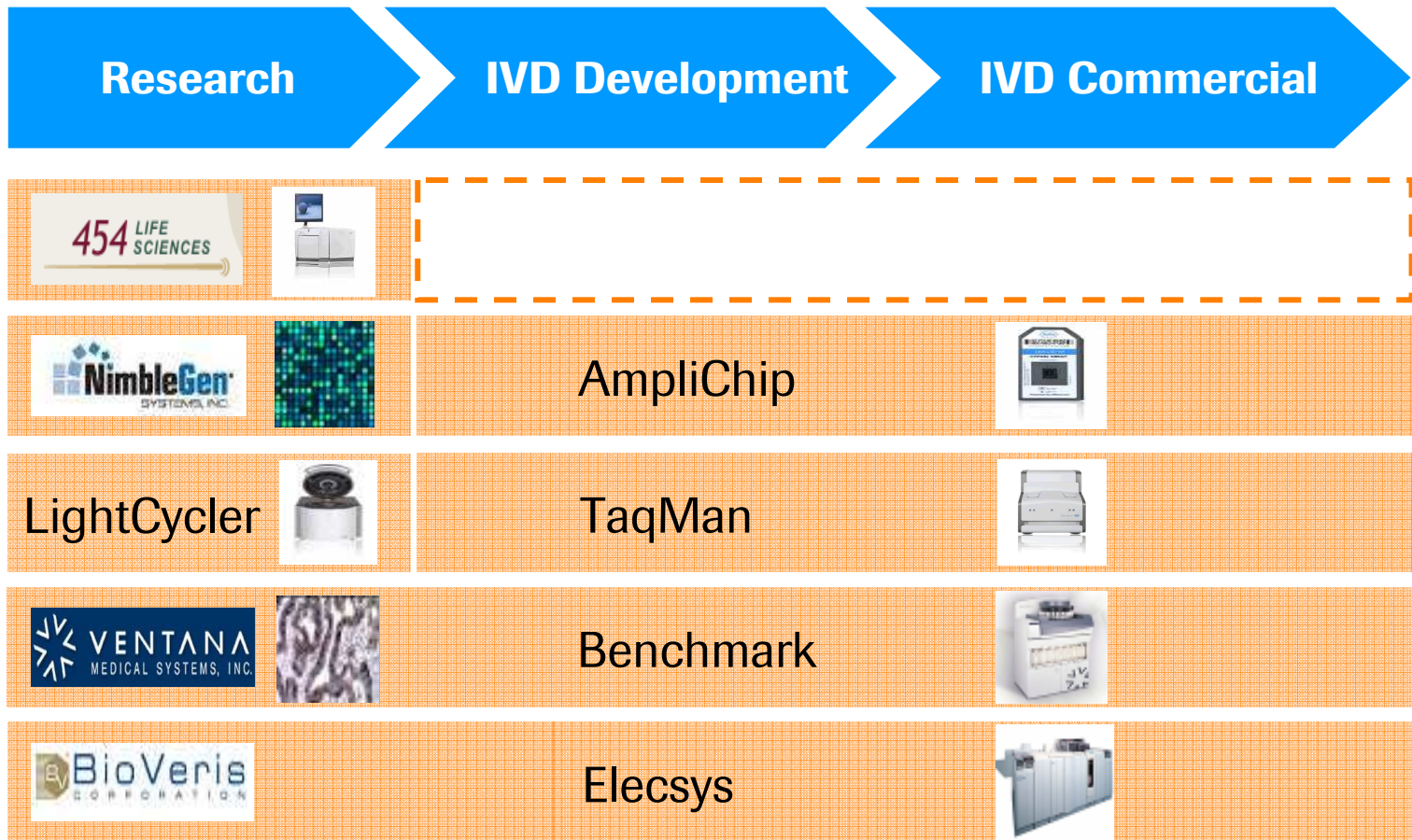
# Collaboration Pharma and Diagnostics

## *Benefits of in-house collaboration*



# Collaboration Pharma and Diagnostics

## *Full range of diagnostic capabilities*

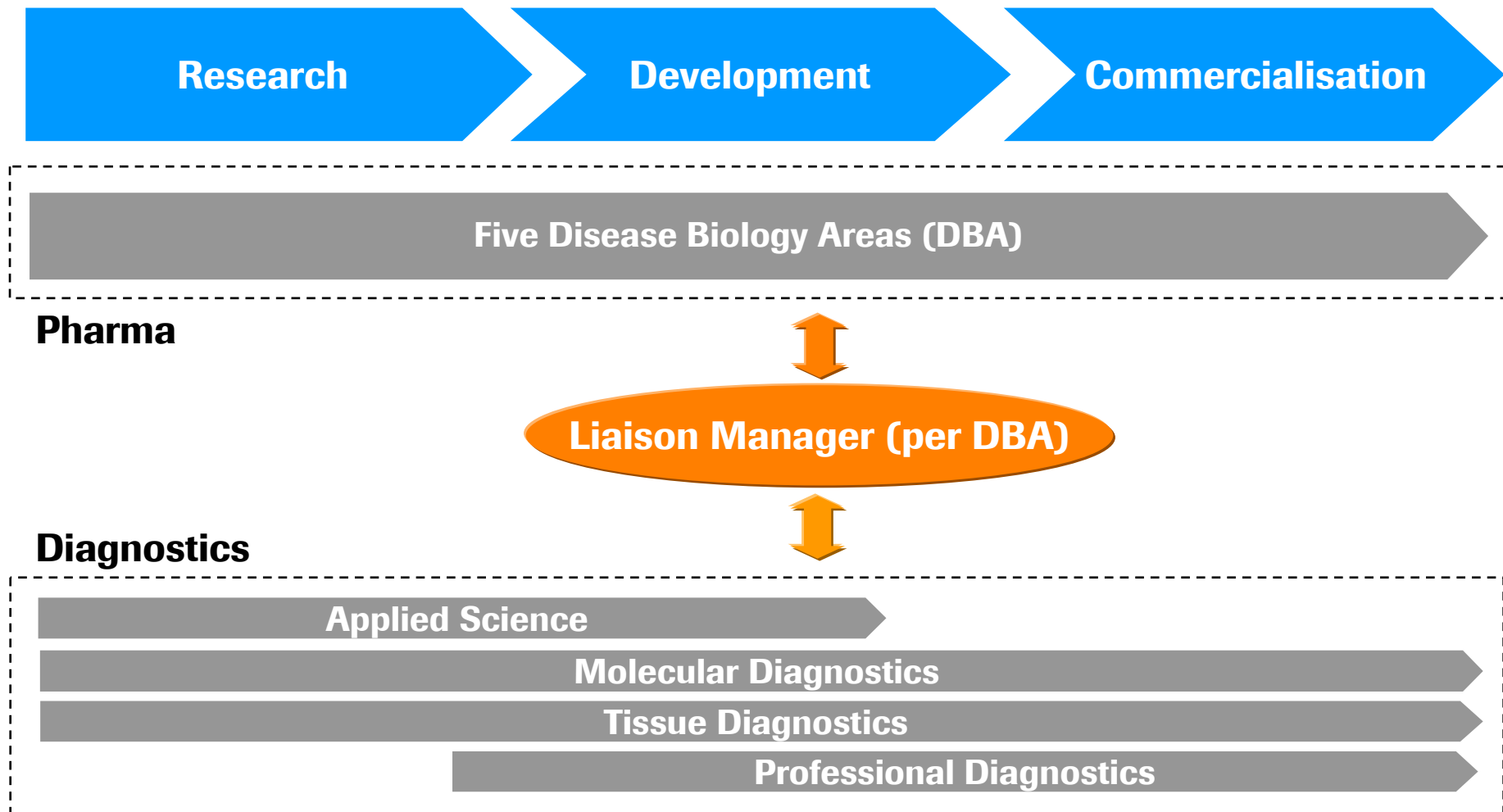


\*ImmunoHistoChemistry / In Situ Hybridization

\*\* enzyme-linked immunosorbent assay

# Collaboration Pharma and Diagnostics

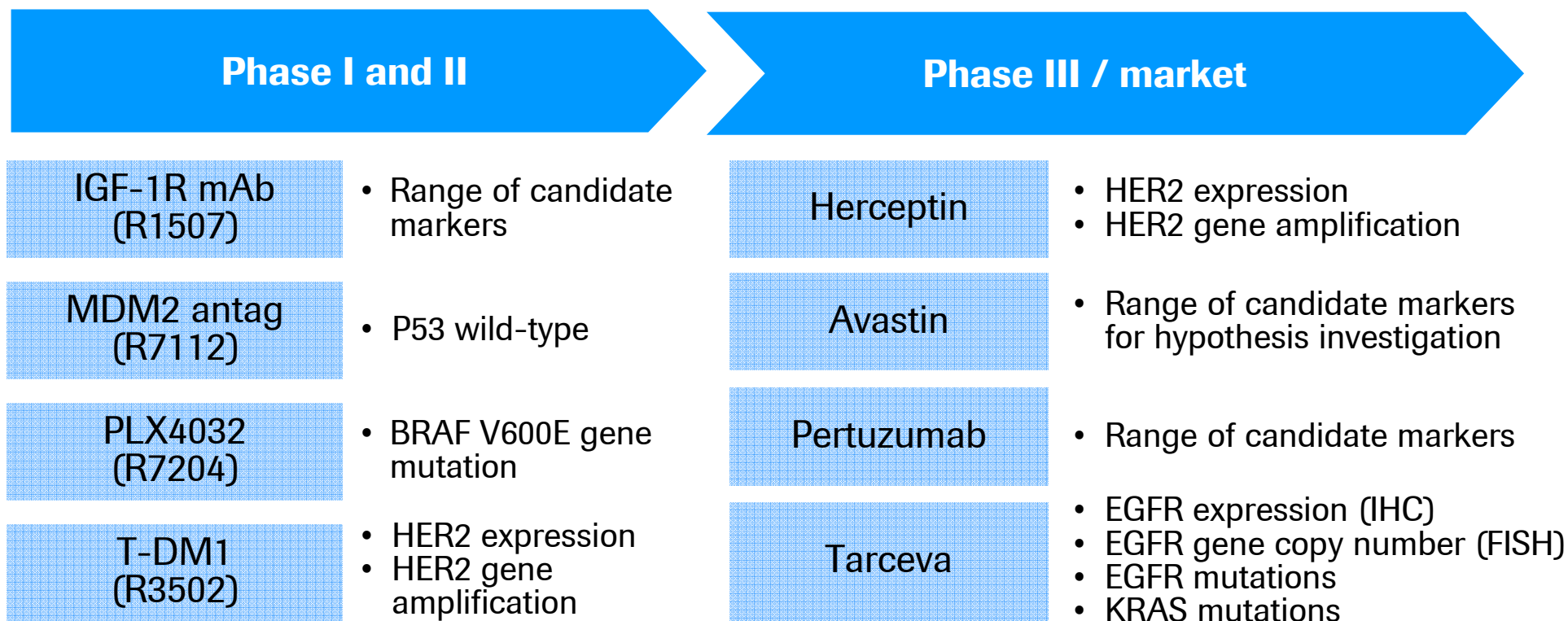
## *Organisational alignment*



# Collaboration Pharma and Diagnostics

## *Biomarker programs for all pharma projects*

### Example Oncology



## **Strategy**

### **Personalised Healthcare**

### **Roche's unique position**

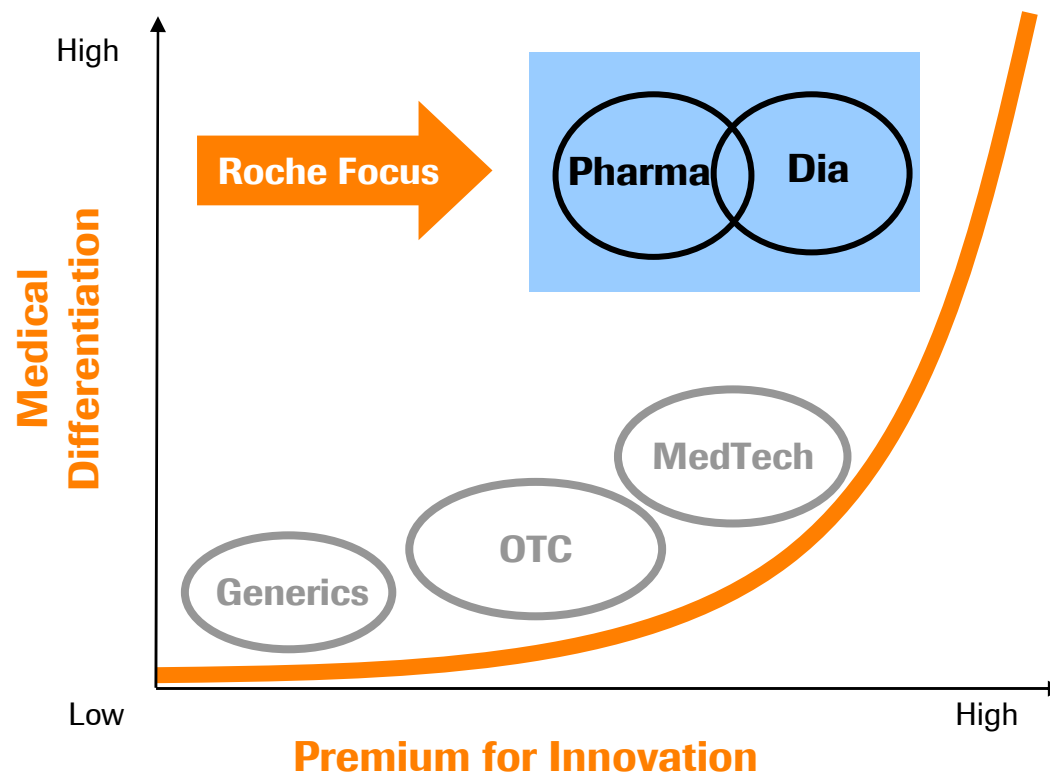
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## **Summary**

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# 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*