Roche
A long-term approach to innovation

William M. Burns, CEO Roche Pharma

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;
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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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Value creation through innovation

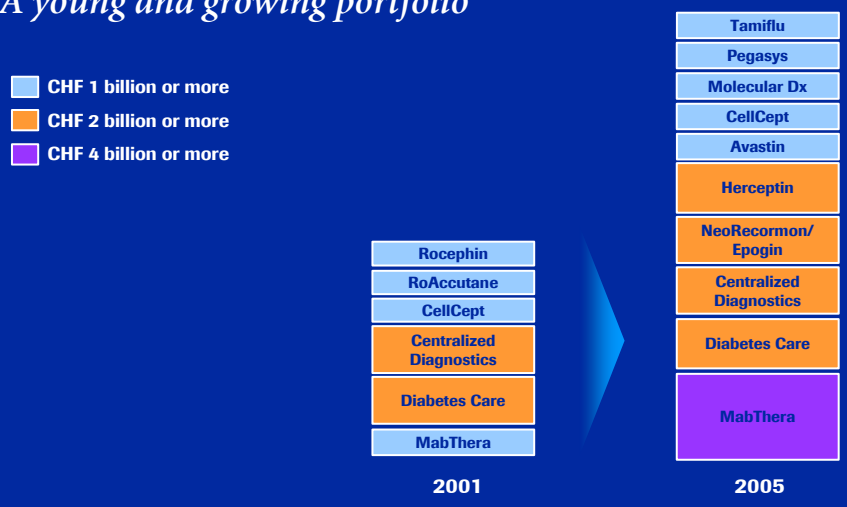
Industry trends: drivers and challenges

A discussion of current and potential future company transforming products

Roche's core strengths

Focus on differentiated medicines pays off

A young and growing portfolio

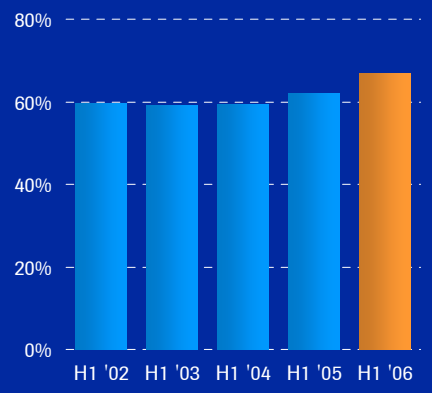


Value drivers	6	10
Sales (CHF bn)	10	22

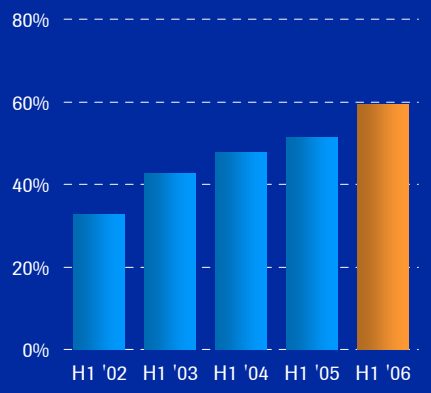
Improved quality of business over time

Year over year - despite Roaccutane and Rocephin

Top 10 as % of pharma sales[1]



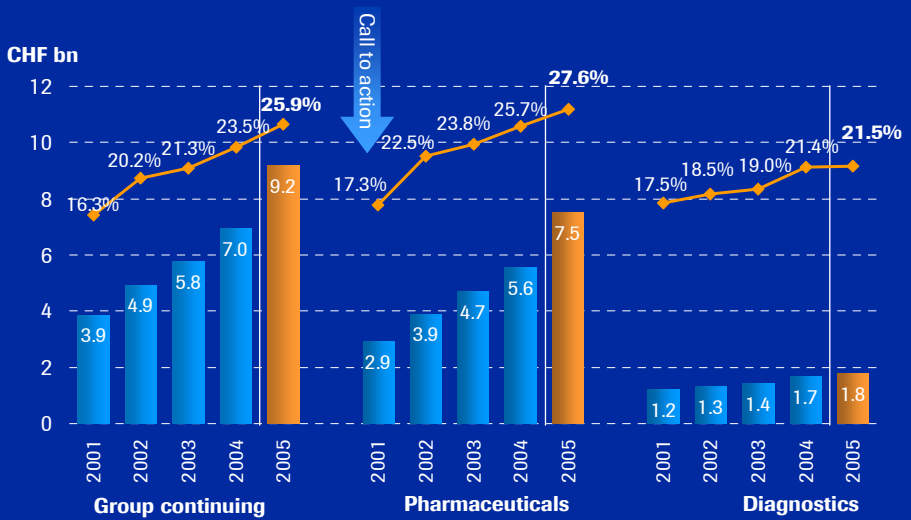
Key products as % of pharma sales[2]



[1] respective 10 leading products in each period
[2] Avastin, Boniva, CellCept, Herceptin, MabThera/ Rituxan, NeoRecormon/ Epogin, Pegasys, Tarceva, Xeloda

Operating profit[1]

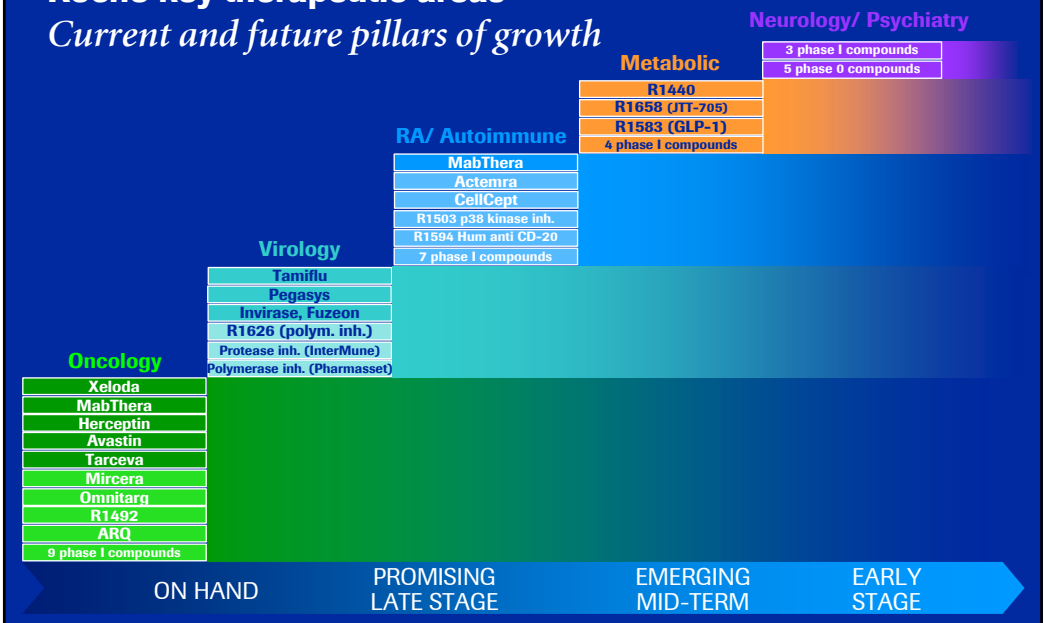
Continuous improvement for 5 years



[1] before exceptional items
Note: 2005 operating profits include expenses for equity-settled equity compensation plans (IFRS2); amortisation of actuarial gains/losses (IAS 19 revised) & the expected return on defined benefit plan assets and financing cost are removed from operating profits

Roche key therapeutic areas

Current and future pillars of growth



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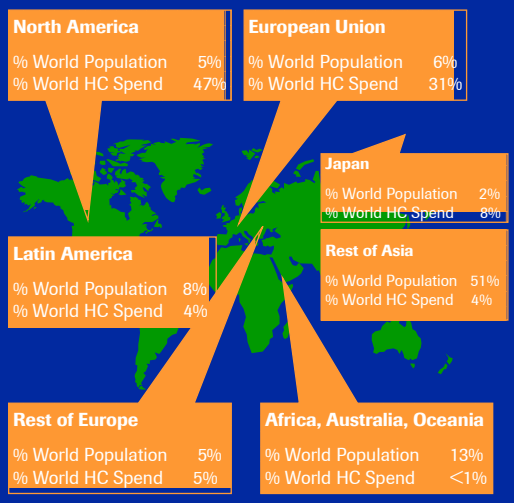
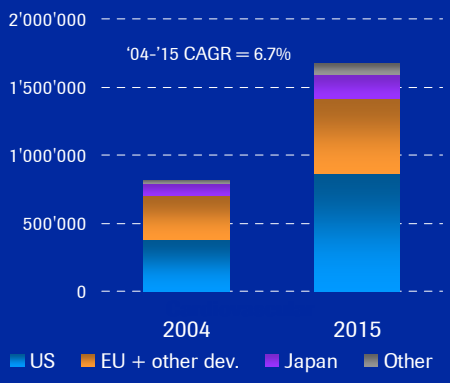
N. America, Europe and Japan over 80% of HC spend

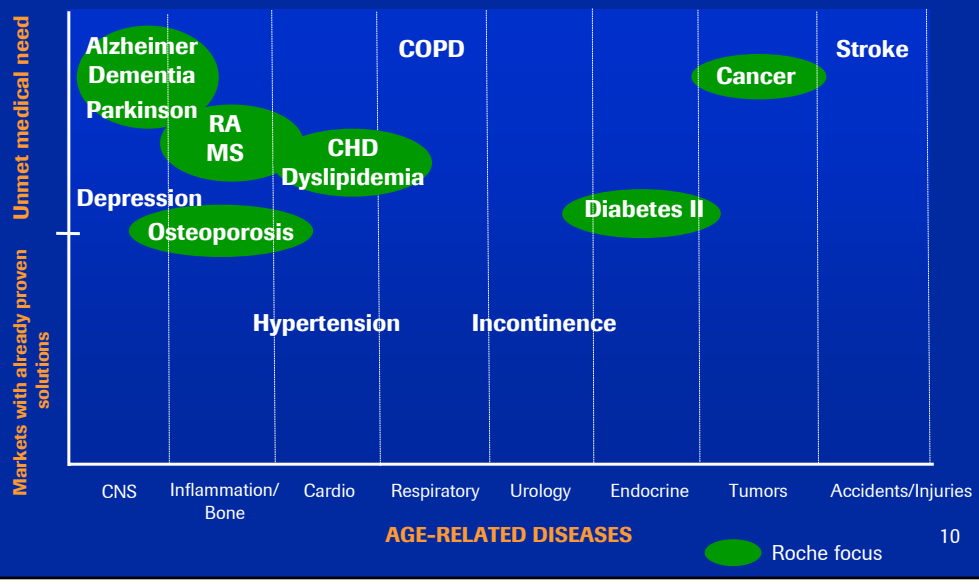
Growing elderly healthcare market





Drug development in age-related diseases

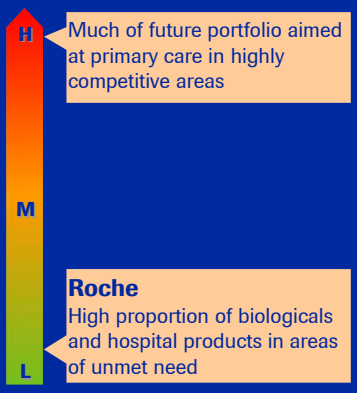
Increasing significance



Higher premium for medically differentiated products

Low vulnerability to pricing and funding pressures

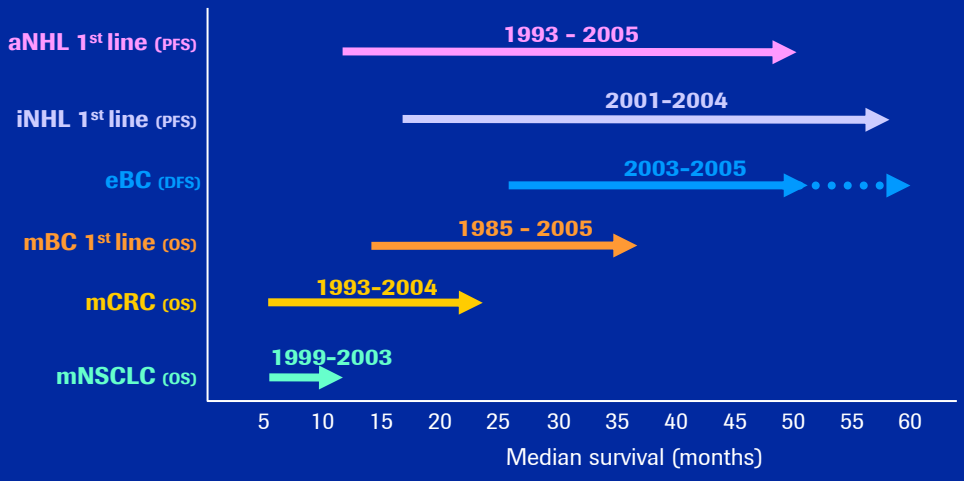
Vulnerability of portfolio to price pressure[1]



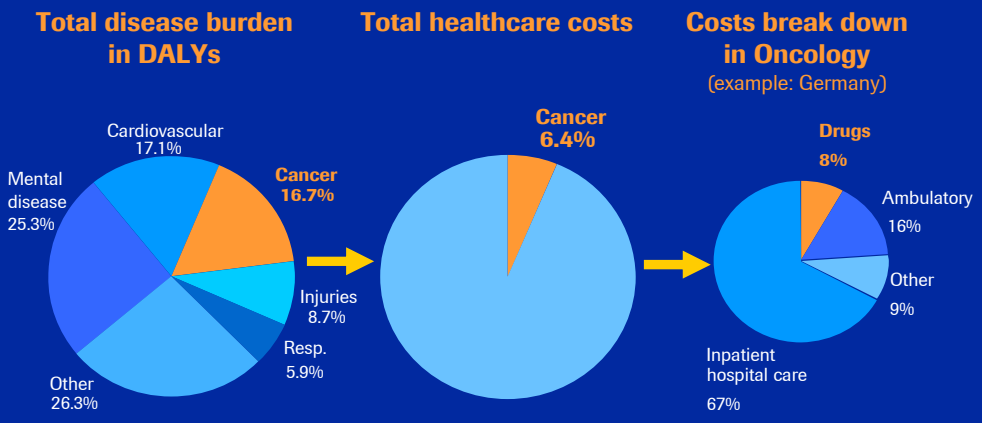
- Focus on clearly differentiated products can make less vulnerable to increasing pricing pressures
  - price controls
  - higher patient co-payments
- The high proportion of biopharmaceuticals can make less vulnerable to competition from generic products

Cancer treatment outcomes

Substantial treatment progress in recent years



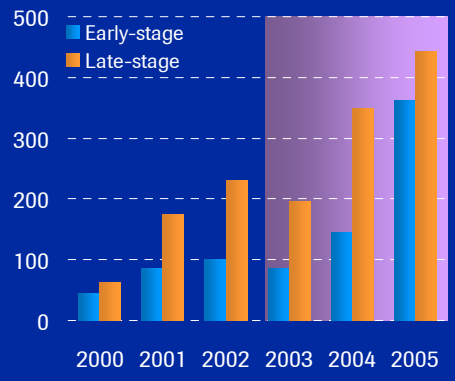
Oncology is dramatically under funded
Compared to other disease areas



Source: A pan-European comparison regarding patient access to cancer drugs, Karolinska Institute
DALY: Disability-Adjusted Life Years, figures from 2002/3; commonly used measure of the burden of disease

Partnering
Costs for in-licensing going up

Average cost of in-licensing (Rx) $m



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

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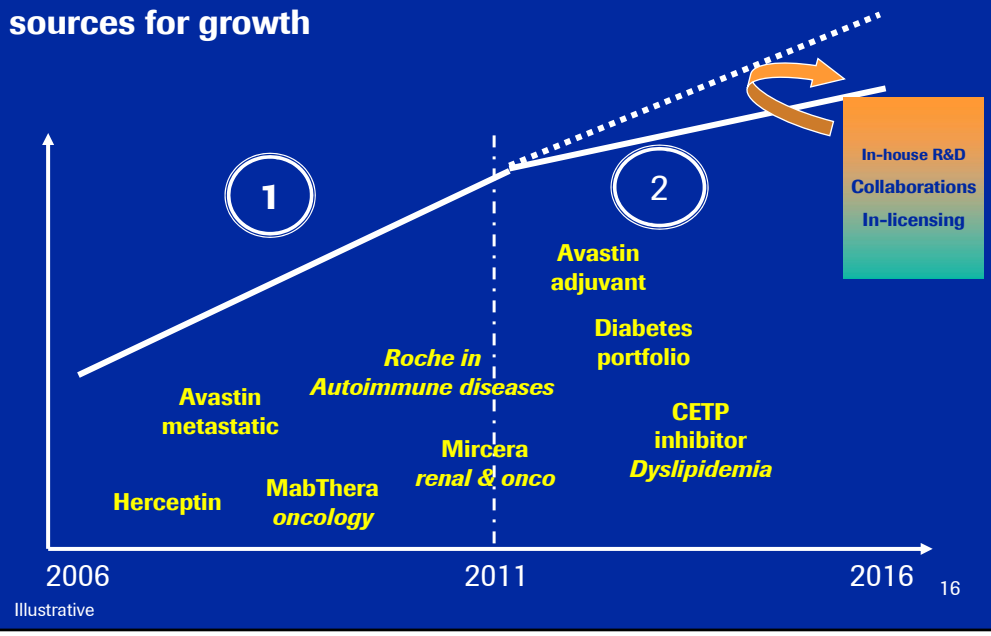
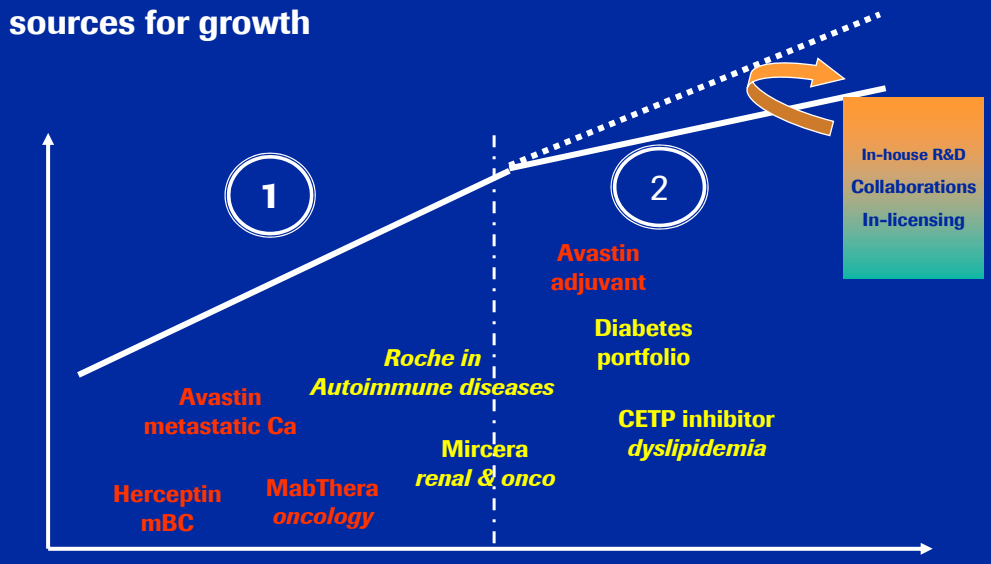
A discussion of current and potential future key sources for growth



Illustrative

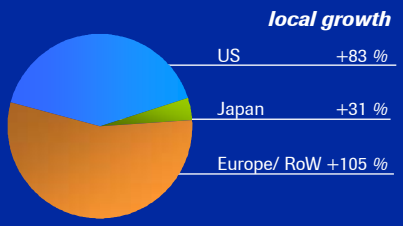
A discussion of current and potential future key sources for growth



Illustrative

Herceptin

Sales surpassed CHF 1 bn in last quarter



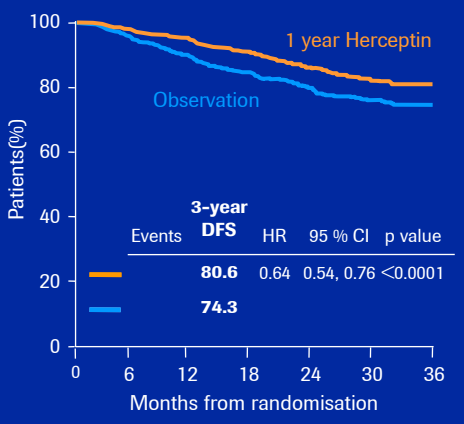
- Approved for the use of Her2+ mBC and adjuvant BC (US approval pending)
- High growth rate driven by increased penetration in adjuvant breast cancer and launch in additional countries
- Further development in addition to hormonal therapy (filed in EU in October) and gastric cancer (phase III enrolling patients, filing planned for 2008)

[1] local growth

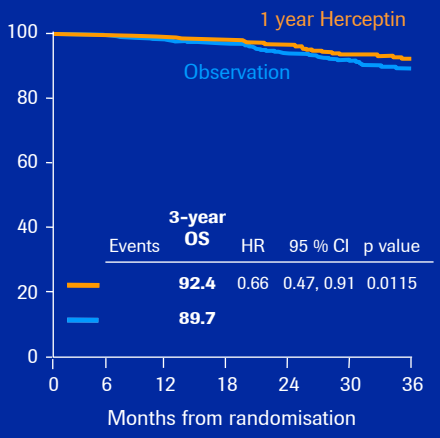
Herceptin adjuvant significantly improves survival

Full European launch in May 2006

Disease-free survival



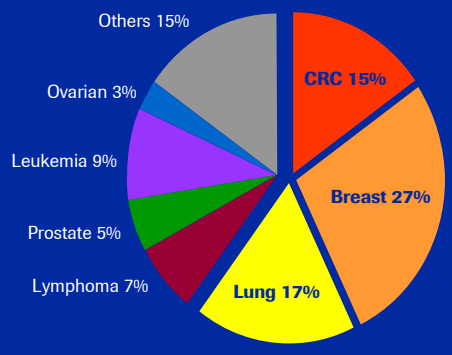
Overall survival



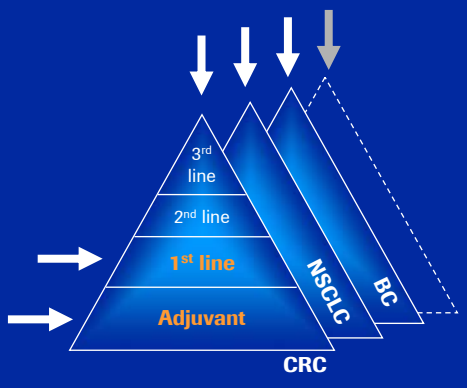
ITT population; 23-month follow-up data on HERA presented at ASCO 2006

Oncology: sales in BC, CRC and NSCLC are estimated to have a market share of 50% in 2015

Estimated market sales split by indication in 2015



Avastin: all main cancer types, in parallel

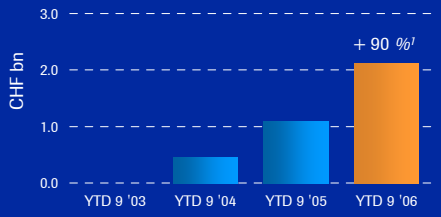


Establish Avastin as a backbone therapy for all major tumors

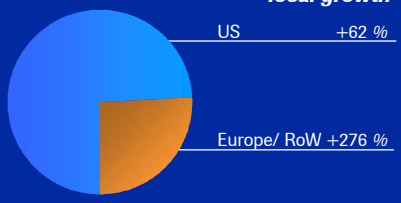
Avastin

Approved and launched for the treatment of mCRC and NSCLC (US)

Global sales



local growth



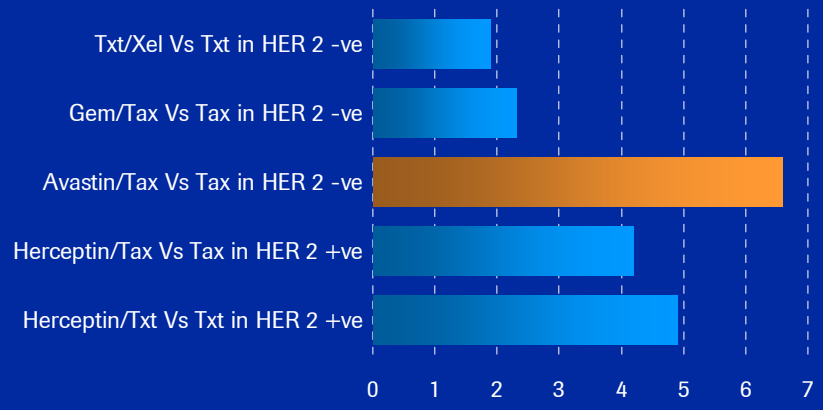
- Approvals pending for mBC (US and EU) and NSCLC (EU), and for mCRC in Japan
- Large development program underway including more than 40,000 patients to
  - label expansions to include several chemotherapy options in mCRC, mBC and NSCLC
  - test Avastin in other solid tumors

[1] local growth

Avastin in metastatic breast cancer

Combined with paclitaxel proven to make a difference

Absolute difference in PFS/TTP from trials using combination therapy in HER2+ or HER2- (months)



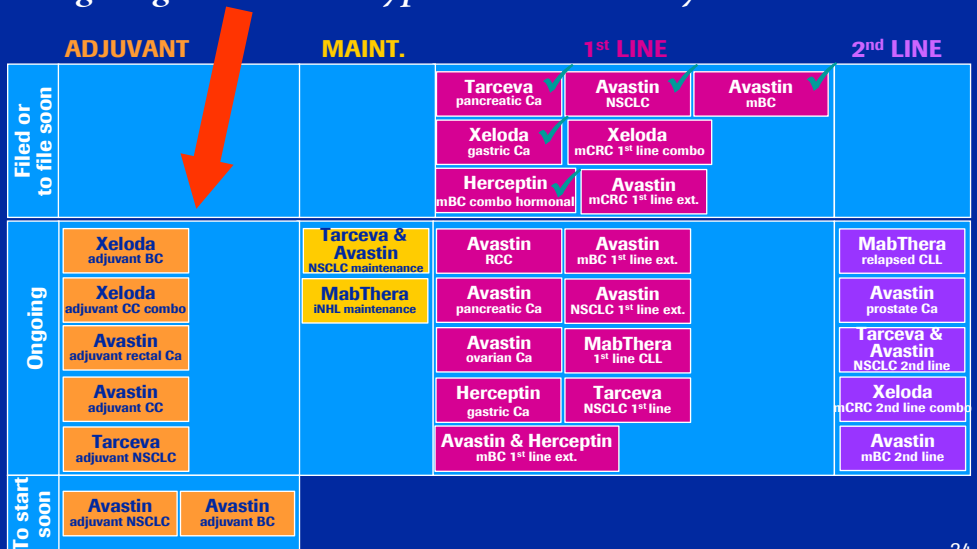
NB: Progression Free Survival (PFS) for Avastin study while others are Time to Treatment Progression (TTP)

Our commitment to develop Avastin in metastatic breast cancer

	HER 2 +ve	HER 2 -ve			
Study	**AVEREL** phase III	**E2100** phase III	**AVADO** phase III	**RIBBON-1** phase III	**RIBBON-2** phase III
Patient population	1st line	1st line	1st line	1st line	2nd line
Treatment regimen	Herceptin + Docetaxel ± Avastin	Paclitaxel ± Avastin	Taxotere ± Avastin 7.5mg/Kg or 15mg/Kg both q3weeks	Anthracyclines based or Xeloda or Taxanes based ± Avastin	CT (taxane based, Gemcitabine, Vinorelbine, Capecitabine) ± Avastin
No of patients	320	722	705	900-1050	630
Status	Started in Sep '06	completed – superior PFS and improved OS with addition of Avastin	Ex US Started Q1'06	Started Q4'05	Started Q1'06

Oncology: A rich phase III pipeline

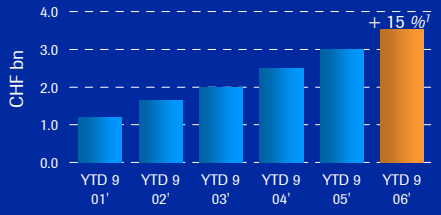
Targeting main tumor types and use in early intervention



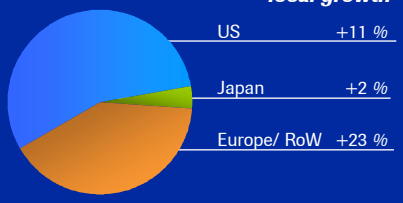
MabThera / Rituxan

Continued strong growth in oncology

Global sales



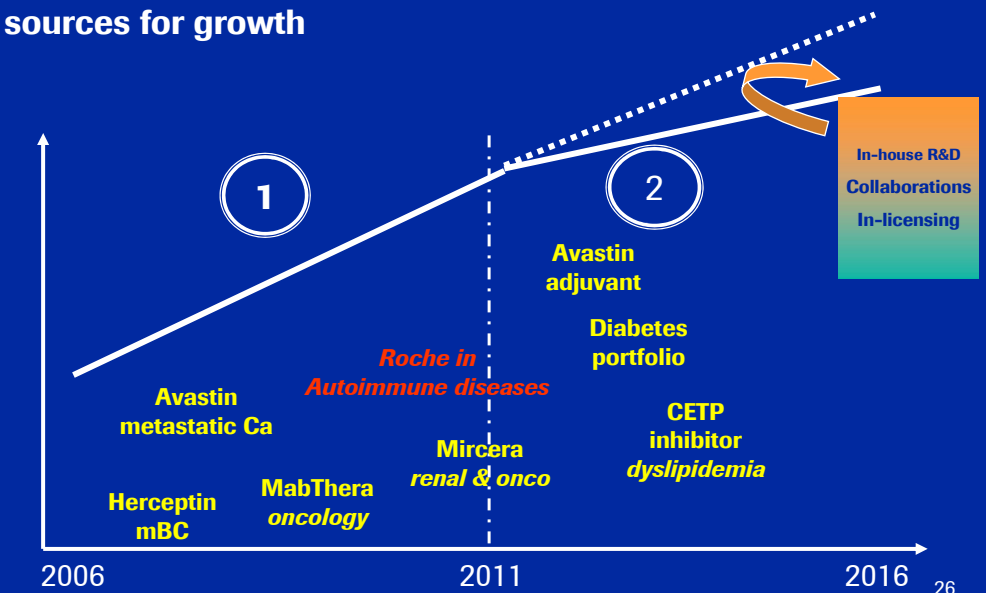
local growth



- Four new indications approved this year
  - Including maintenance therapy following relapse (EU) and following 1st line (US) iNHL
- Ongoing Phase III trials in CLL

[1] local growth

A discussion of current and potential future key sources for growth

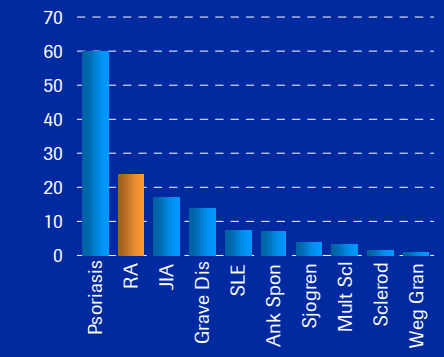


Illustrative

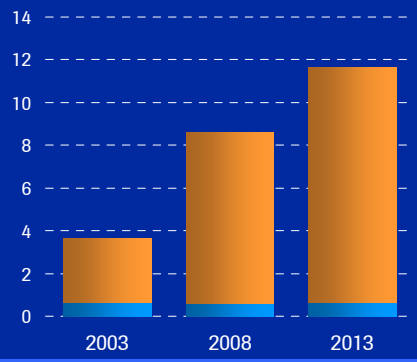
Autoimmune diseases

Among the leading causes of death in young and middle aged women

Incidence autoimmune diseases
Per 10,000 PY



Sales to treat RA ($bn)[1]



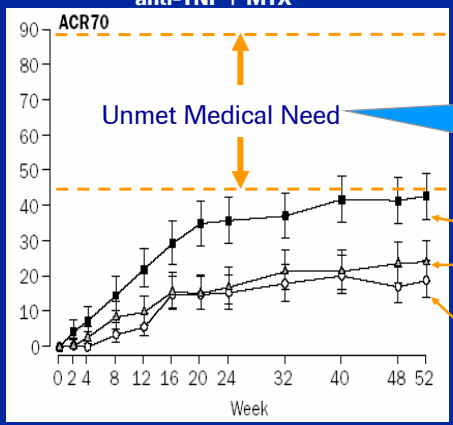
Autoimmune diseases: female predominance (~65%)
Affects ~5 to 8% of the population

[1] Source : Decision Resources, March 2005

Rheumatoid Arthritis- do we need better treatment ?

Not all patients respond to current therapy

Gold standard therapy
anti-TNF + MTX



Only 1 of 3 patients receives significant benefit

anti-TNF + MTX

anti-TNF alone

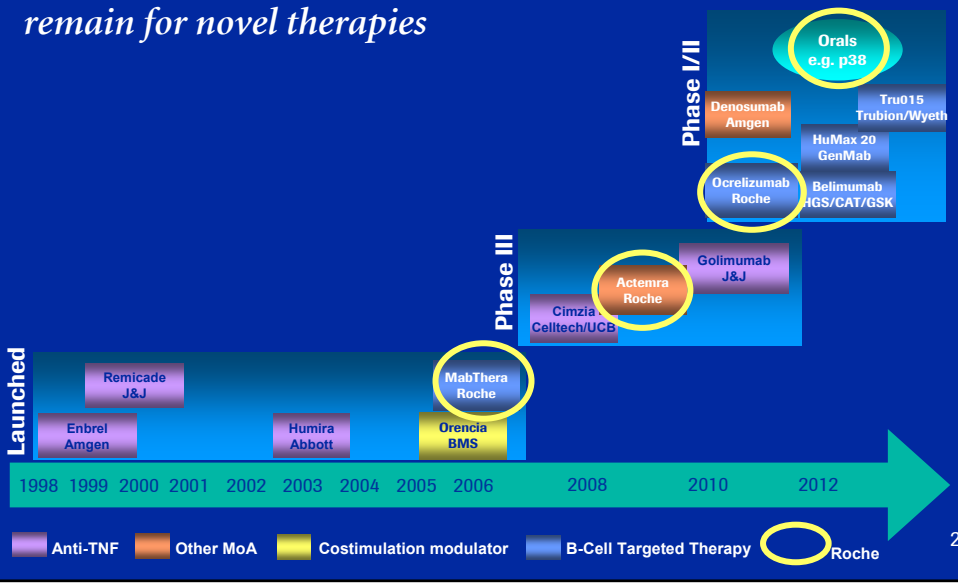
MTX alone

ACR 70=70% Improvement in:

- Global disease activity - patient
- Global disease activity - physician
- Patient assessment of Pain
- Physical disability
- Acute phase reactants – CRP,ESR

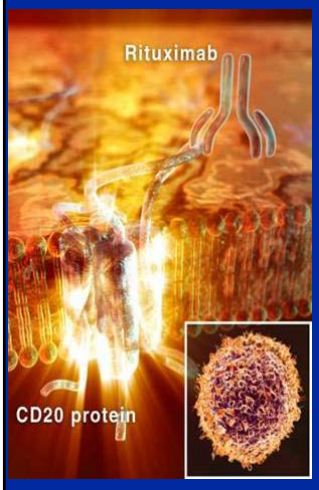
Rheumatoid arthritis

Major players are active in this area- opportunities remain for novel therapies



MabThera/Rituxan

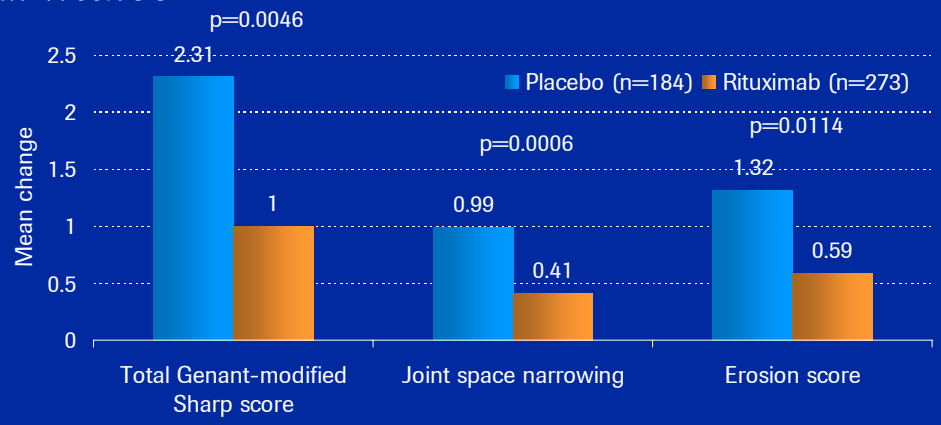
Roche's first step in providing novel rheumatoid arthritis treatments



- The first and only B cell therapy in RA
- A monoclonal antibody that selectively targets a subset of B cells, leaving the immune system intact
- MabThera's safety profile is established with more than 960,000 patient exposures in oncology and autoimmune disease

MabThera in RA

Significant inhibition of radiographic progression at Week 56



Primary Analysis: Radiographs within time window, linear extrapolation from Week 24 for missing values

Keystone et al, EULAR 2006 (Abstract No. OPO016)

MabThera/Rituxan

Repeated courses improve outcome

- Repeated courses of only 2 infusions every 6 to 12 months lead to improved mobility and reduced pain
- Repeat courses of MabThera provided improved efficacy
  - Remission rates doubled (6% to 13%)
  - ACR70 doubled (12% to 21%) - signs and symptoms of disease improved by 70% in patients treated with MabThera

Our commitment to develop MabThera in DMARD inadequate responders and MTX naïve patients

Phase III program

Trial	Treatment	n	Endpoints
MTX-IR **SERENE**	MTX + placebo vs. MTX + MabThera 1g vs. MTX + MabThera 2g	495	Reduction in signs and symptoms
MTX naïve (X-ray study) **IMAGE**	MTX vs. MTX + MabThera 1g vs. MTX + MabThera 2g	852	Reduction in signs and symptoms Inhibition of structural joint damage Improvement in physical function
MTX-IR Dose escalation **MIRROR**	Rituximab 1g retx 1g vs. Rituximab 1g retx 2g vs. Rituximab 2g retx 2g	375	Effect of further courses and dose escalation

EU Filing 2008

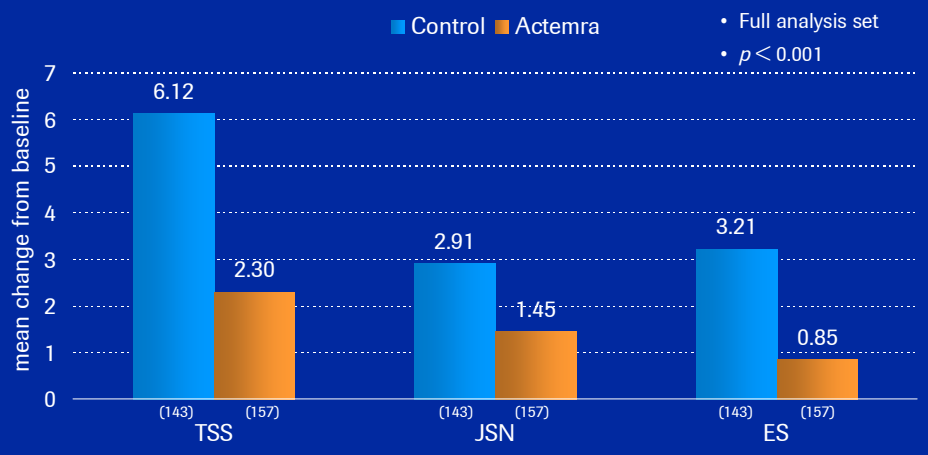
Actemra- another opportunity to make a difference

First-in-class biologic agent

- Blocks interleukin-6 (IL-6), an important protein involved in the inflammation associated with RA
- This unique IL-6 inhibition is thought to impact both joints and the entire body
- Actemra is being developed in collaboration with Chugai in Japan
- Chugai have filed in Japan for RA in adults and systemic onset juvenile idiopathic arthritis (sJIA) in children
- Planned filing in US and EU is late 2007

Actemra substantially reduces joints damage (SAMURAI)

Radiographic data, mean scores



TSS: Total Sharp Score; JSN: Joint Space Narrowing; ES: Erosion Score

Actemra in Systemic juvenile idiopathic arthritis (sJIA)

Showing impressive results

A Japanese study confirmed:

- More than two thirds of patients achieved 70% improvement of symptoms
- More than three quarters of patients had 50% reduction in signs and symptoms of disease

Our commitment to develop Actemra in rheumatoid arthritis

Phase III program

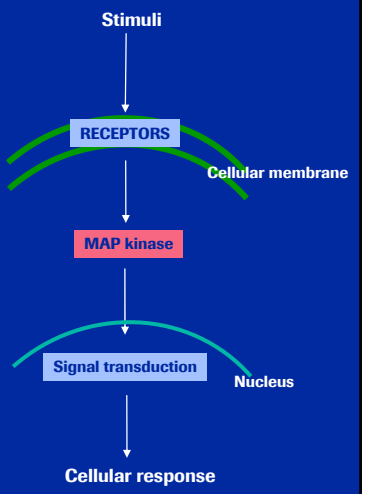
Treatment	n	Patient population	Endpoints
Actemra 4 mg + MTX Actemra 8mg + MTX MTX **OPTION**	630	MTX partial responders	ACR 20 response at Wk 24
Actemra 4 mg + MTX Actemra 8 mg + MTX MTX **LITHE**	1'170	MTX partial responders	ACR 20 at Wk 24 Sharp Score at Wk 52 Sharp Score at Wk 104 Physical function at Wk 104
Actemra 8 mg + DMARDs DMARDs **TOWARD**	1'200	DMARD partial responders	ACR 20 response at Wk 24
Actemra 4 mg + MTX Actemra 8 mg + MTX MTX **RADIATE**	570	Anti-TNFα failures	ACR 20 response at Wk24
Actemra 8 mg MTX **AMBITION**	550	MTX naive	ACR 20 response at Wk 24

EU and US filing in 2007

R1503: p38 kinase inhibitor

First oral "anti-TNF" treatment

- **MAP kinases** are a group of serine/ threonine protein kinases that are activated in response to a variety of extracellular stimuli and mediate signal transduction for cellular inflammatory response
- **P38 kinase**
  - the newest member of MAP kinase family
  - it is activated in response to inflammatory cytokines and endotoxins
- **R1503 phase II**
  - started Q4'05
  - randomized, double-blind, placebo-controlled
  - dose-ranging
  - First data available mid-2007



RA therapies can also work in other autoimmune diseases

A recent example

One drug

Approved 1998
Centocor, J&J
$2.3 bn in 2005

Multiple Indications

Approved indications

Crohn's Disease (1998)
Rheumatoid Arthritis (1999)
Ankylosing spondylitis (2003)
Juvenile rheumatoid arthritis (2004)
Psoriasis (2004)
Psoriatic arthritis (2004)

Indications in development

Ulcerative colitis (Ph III)
Asthma (Ph II)
COPD (PhII)
Cachexia (Ph II)
Etc….

Summary – Roche in autoimmune diseases

MabThera
- Launched in RA anti-TNF inadequate responders in US and EU
- Phase III in RA MTX inadequate responders on track, filing EU 2008
- Phase III for repeated treatment courses on track, additonal filing EU 2008

Actemra
- Japanese phase III in DMARD inadequate responders met primary endpoints - filed in J
- Phase III in RA MTX IR, DMARD IR (RoW) on track, recruitment to complete by end 2006
- Global filing 2007

CellCept
- Phase III in Lupus Nephritis completed recruitment, filing 2007

MabThera
- Phase III in LN, PPMS, ANCA ass. vasculitis and SLE ongoing

Ocrelizumab
- Phase II trial met primary and secondary endpoints, to be presented at ACR '06
- Phase III program to be finalized and initiated soon

R1503 (p38 kinase inhibitor)
- Phase II initiated in Q4'05

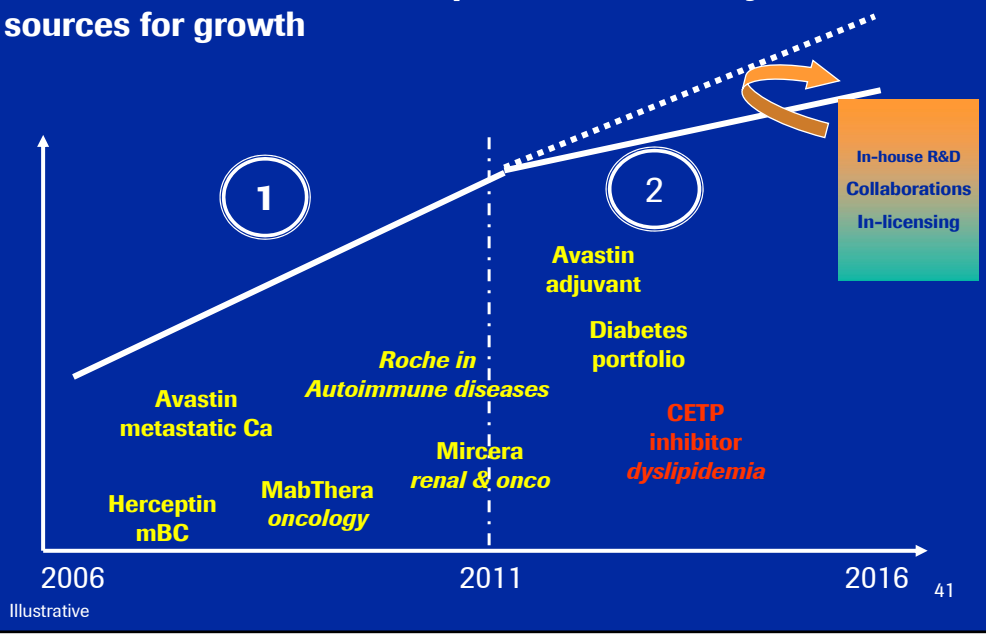
MabThera
- Phase II in RRMS met primary endpoints

Phase 1
- 7 compounds in development for autoimmune diseases

4 phase III projects

3 phase II projects

A discussion of current and potential future key sources for growth



Illustrative

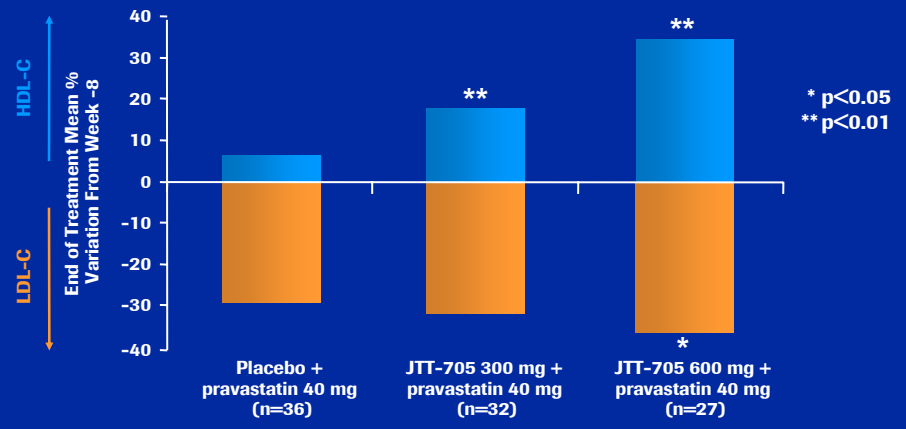
Cardiovascular diseases/ dyslipidemia

JTT-705/ R1658

- Roche and Japan Tobacco signed agreement for development and commercialization in October 2004
  - Roche has exclusive worldwide rights, excluding Japan and Korea
- Clinical efficacy data confirms benefits of CETP inhibition in hyperlipidemia/ dyslipidemia
- Well-tolerated, with a similar overall safety profile to placebo
- Phase II in dyslipidemia (combination with pravastatin)
  - primary endpoint: percentage and absolute change from baseline at Week 12 in HDL-C level (efficacy)
  - already seen encouraging efficacy data
  - safety trial ongoing

Go/ no go decision for phase III in 2007

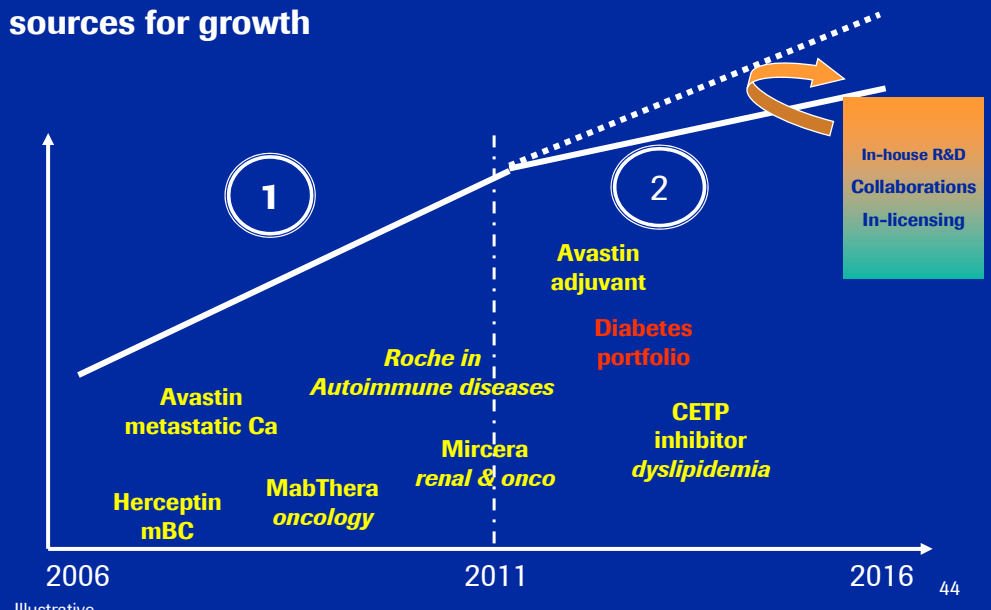
JTT-705/ R1658 in combination with pravastatin
Lipid effects



Pravastatin administered for 12 weeks; JTT-705 administered for the last 4 weeks

Kuivenhoven JA et al. Am J Cardiol 2005;95:1085-8

A discussion of current and potential future key sources for growth

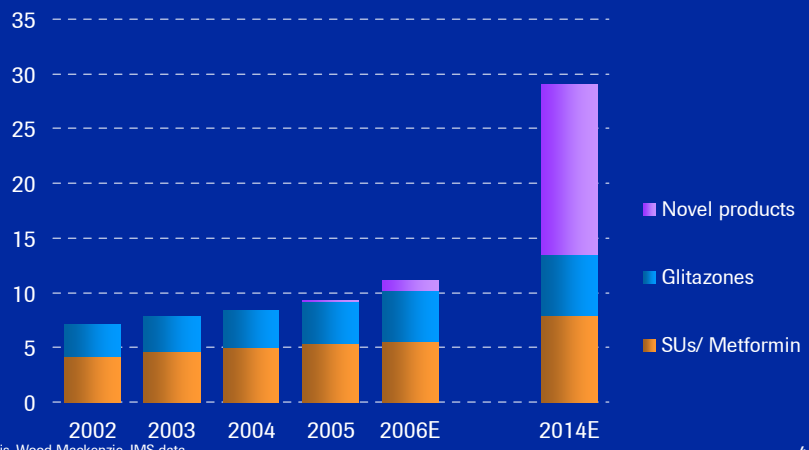


Illustrative

Oral anti-diabetic treatment market worth $9 bn in 2005

Forecasted growth driven by emerging new products classes addressing current shortcomings

Market forecast oral anti-diabetic products ($bn)



Source: Roche analysis, Wood Mackenzie, IMS data

Glucagon-like peptide (GLP-1)

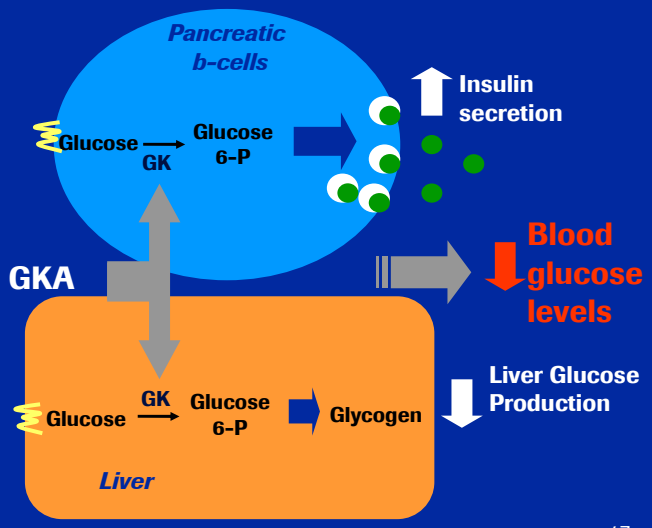
Important therapeutic target for type 2 diabetes
BIM-51077/ R1583 (GLP-1)

- Developed by Ipsen
  - opted-in July 2006
- Good safety profile, no antibodies against BIM-51077
- Significant and rapid effect on 24h blood glucose following infusion
  - effect maintained over 28 days without desensitization
- Sustained effect on fasting blood glucose over 28 days
- Trend to increase insulin secretion, to decrease HbA1c, and decrease body weight and appetite

Start of phase II (sustained release formulation) early '07
Frequency of administration planned to study: once a week and beyond

Type 2 Diabetes
Glucokinase Activator (GKAs)

- Glucokinase: key enzyme regulating whole body glucose homeostasis
- Genetic loss of GK activity in humans leads to early diabetes
- GKAs address 2 of the underlying pathologies in T2D
  - impaired insulin secretion
  - increased liver glucose production



R1440 (GKA)
First in class molecule

- **First in class molecule**
- Phase II ongoing in type II diabetes
  - four studies currently running (mono or combo with metformin, safety combo with sulfonylurea, titration study)
  - initiated in Q4'05

- **Main benefits of this class**
  - oral
  - addresses two underlying pathogenic mechanisms of type II diabetes

First data in 2007
Filing planned in 2009

Summary – Roche in diabetes

Major decision points within the near future

R1583 (GLP-1)
- Phase II data on immediate release formulation presented at ADA'06
- Start of phase II with sustained release formulation early 2007
- Filing post 2009

R1440 (GKA)
- Phase II started Q4'05
- First phase II data available 2007
- Filing 2009

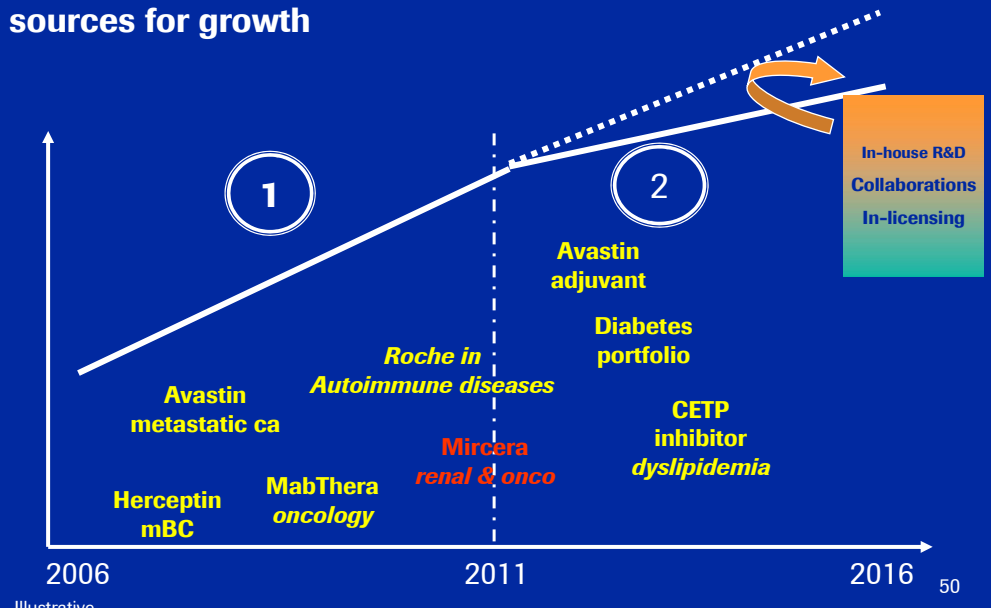
Phase I
- 2 compounds in development for T2D
- 2 compounds in development for dyslipidemia

Phase 0
- 4 compounds in development for metabolic/ CV diseases

2 phase II projects

4 phase I projects

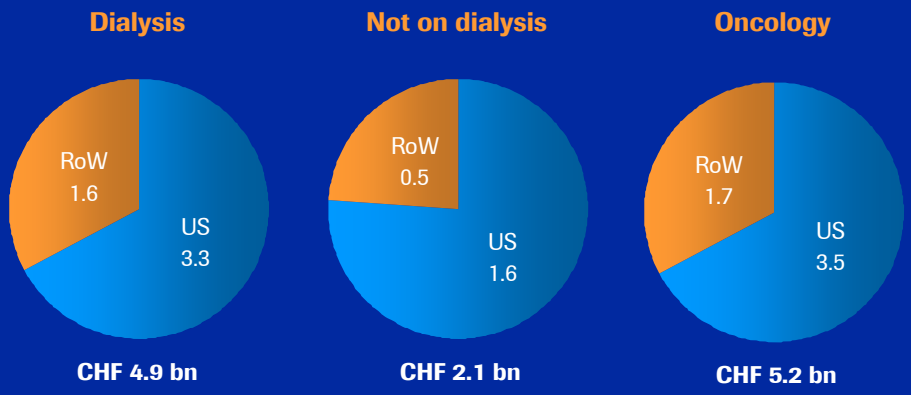
A discussion of current and potential future key sources for growth



Illustrative

Global anemia market

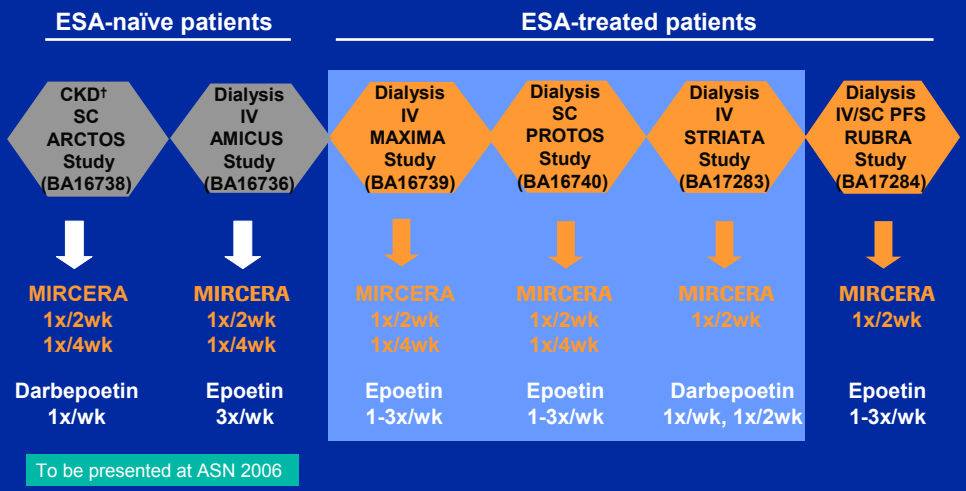
Total of 12.2 bio CHF in 2005[1]



[1] excl. Japan, Australia
NA: North America incl. Canada; ROW excludes U.S., Canada, Australia, and Japan
Source: Roche Internal, forecasts, USRDS 2004, PBSE estimates, Gilbertson et al. , JASN 2003, ECAS: Ludwig et al. Eur J Cancer 2004;40:2293–306

Overview of MIRCERA phase III trials

A comprehensive renal clinical program



To be presented at ASN 2006

†Patients with CKD not on dialysis

Schedule for conversion
Presented at ERA-EDTA 2006

MIRCERA

Largest clinical study program ever in renal anaemia: 2,700 patients in 29 countries

Addresses medical need

- Investigates MIRCERA long dosing intervals up to once monthly

Comprehensive clinical trial programme

- Compares MIRCERA with currently prescribed ESAs
- Examines patients
  - on dialysis / not on dialysis
  - ESA-naïve / previously-treated
  - IV / SC administration

Program reflects Roche's leadership position

Current filings for renal anemia

- **USA**
  - Biological License Application (BLA) in April '06
- **EU**
  - European Marketing Authorization Application in April '06
- **CH**
  - New Drug Submission to Swissmedic in May '06
- **Canada**
  - New Drug Submission Biologics, Radiopharmaceuticals and Genetic Therapies Directorate, Health Canada in May '06

Value creation through innovation

Industry trends: drivers and challenges

A discussion of current and potential future company transforming products

Roche's core strengths

2006/7: Further strong newsflow expected

Oncology: 4 phase III, 2 phase II, 3 phase I

Avastin
- EU filing mCRC label extension
- Phase III data available AVOREN, CALGB 90206 (RCC)
- Final analysis AVAIL (NSCLC)
- Recruitment completed AVANT (adj. CC), AVADO (mBC)
- Start of phase III in adj. NSCLC, ovarian Ca

Xeloda
- Global filing mCRC label extension
- Final analysis mCRC 2nd line

MabThera
- Recruitment completed PRIMA (iNHL 1st line maint.)

Omnitarg
- Phase II data available

R1492/R1584 (EpoD)
- Go/ No go decision for phase III and II

R547 (CDK-inh)
- Go/ No go decision for phase II

R1530 (MAI)
- Go/ No go decision for phase II

Anemia

Mircera
- Phase III correction data to be presented at ASN' 06

Autoimmune diseases: 6 phase III, 1 phase II

Actemra
- Final analysis of 4 phase III trials (RA)
- Recruitment completed LITHE (RA)

MabThera
- Recruitment completed SERENE and SUNRISE (RA)
- Phase II data (HERMES) in RRMS to be presented
- Go/ No go decision for phase III in RRMS

CellCept
- Final analysis phase III Lupus Nephritis
- Final analysis phase III Myasthenia Gravis

Ocrelizumab
- Phase II (ACTION) to be presented at ACR '06
- Start of phase III in RA

R1503 (p38 kinase inh)
- First phase II data available

Metabolic/ Cardiovascular diseases: 2 phase II

R1440 (GKA)
- First phase II data available

R1658 (CETP inh)
- Phase II completed
- Go/ No go decision for phase III

2006/7: Further strong newsflow expected

Oncology: 4 phase III, 2 phase II, 3 phase I

Avastin
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MabThera
- Recruitment com

Omnitarg
- Phase II data avai

R1492/R1584 (Ep
- Go/ No go decisi

R547 (CDK-inh)
- Go/ No go decision for phase II

R1530 (MAI)
- Go/ No go decision for phase II

Anemia

Mircera
- Phase III correction data to be presented at ASN' 06

To be completed until mid '07:

10 phase III projects

5 phase II projects

Autoimmune diseases: 6 phase III, 1 phase II

Actemra
- Final analysis of 4 phase III trials (RA)
- Recruitment completed LITHE (RA)

MabThera
- Recruitment completed SERENE and SUNRISE (RA)
- Phase II data (HERMES) in RRMS to be presented

RRMS

nritis

Gravis

at ACR '06

- First phase II data available

Metabolic/ Cardiovascular diseases: 2 phase II

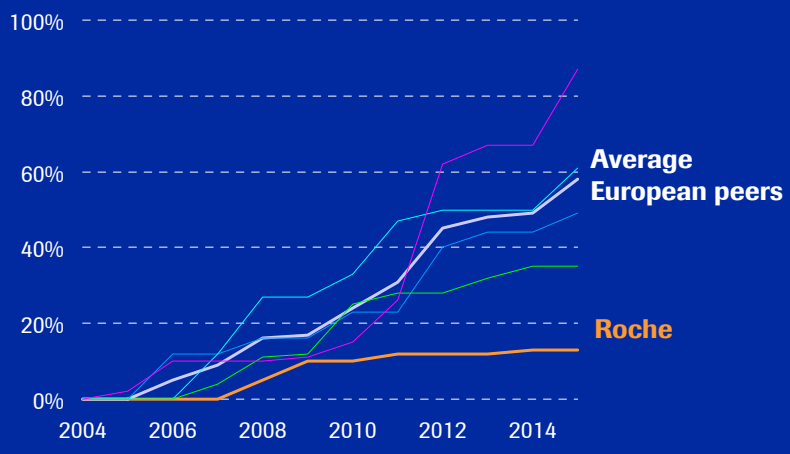
R1440 (GKA)
- First phase II data available

R1658 (CETP inh)
- Phase II completed
- Go/ No go decision for phase III

Low generic risk

Long-term sustainable business

Sales erosion due to generisation (% of 2004 sales)



Roche: unique geographic risk diversification

USA | (Greater) Europe | Japan | Asia China | Latin America

Roche: unique "pillars of value" risk diversification

Tamiflu	Boniva	Actemra	Avastin In CRC
Herceptin	Tarceva	Xeloda	NeoRecormon
Pegasys	MabThera in RA	CellCept	Diabetes Care
Immuno-Diagnostics	MabThera	Molecular Diagnostics	

Future pillars

- Mircera
- Avastin in NSCLC
- Avastin in BC
- JTT- 705 (R1658)
- GLP-1 (R1583)