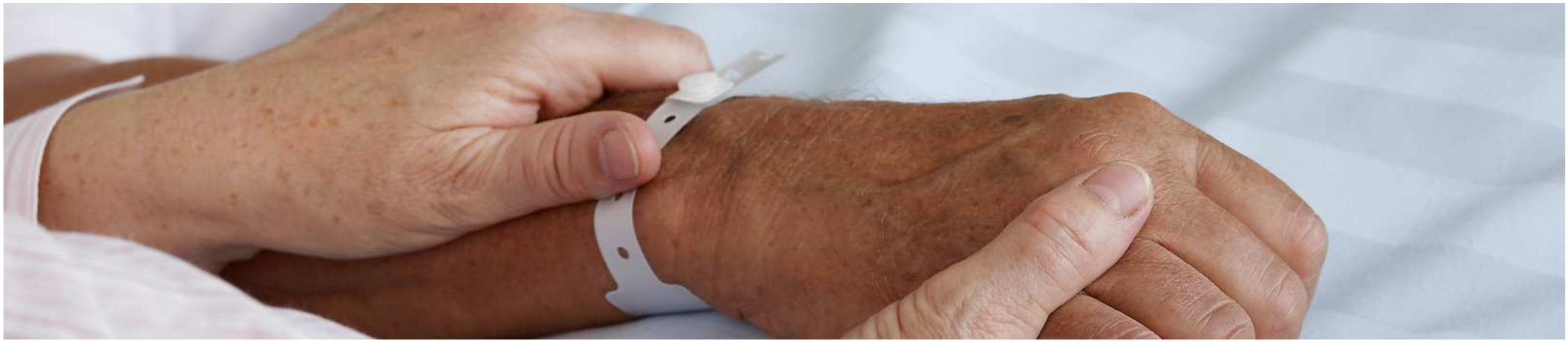
Roche: Committed to Innovation

William M. Burns
CEO Roche Pharmaceuticals

UBS Swiss Equity Conference, Zurich, 26. November 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 presentation, among others:

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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;
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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.

For marketed products discussed in this presentation, please see full prescribing information on our website – www.roche.com

Performance update

Strategy

Summary

HY 2009: Group results

Core EPS grows significantly faster than sales

CHF bn	HY '08	HY '09	% change CHF	% change local
Sales	22.0	**24.0**	**+9**	**+10**
Operating profit before exceptional items	7.0	**8.0**	**+13**	**+20**
% of sales	*32.0*	***33.2***	***+1.2 p***	
Operating profit	7.4	**5.6**	**-24**	**-17**
% of sales	*33.4*	***23.4***	***-10.0 p***	
Operating free cash flow	4.8	**6.8**	**+41**	**+52**
% of sales	*21.8*	***28.2***	***+6.4 p***	
Net financial income	0.2	**-0.6**	**-**	
Exceptional financing costs	-	**-0.4**	**-**	
Tax rate in % (before exceptional items)	23.9	**22.6**	**-1.3 p**	
Net income	5.7	**4.1**	**-29**	
% of sales	*26.0*	***16.9***	***-9.1 p***	
Net income before exceptional items	*5.5*	***5.7***	**+4**	
Core EPS (CHF)	5.75	**6.32**	**+10**	**+20**

YTD Sep 2009: Very solid growth for both divisions

Momentum maintained well above market

CHF bn	YTD Sep 2008	YTD Sep 2009	% change in CHF	% change in local
Pharmaceuticals	26.2	29.0	+11	+12
Diagnostics	7.1	7.4	+4	+8
Roche Group	33.3	36.4	+9	+11

Nine major positive phase III outcomes in 2009

Five positive readouts in Q3 alone

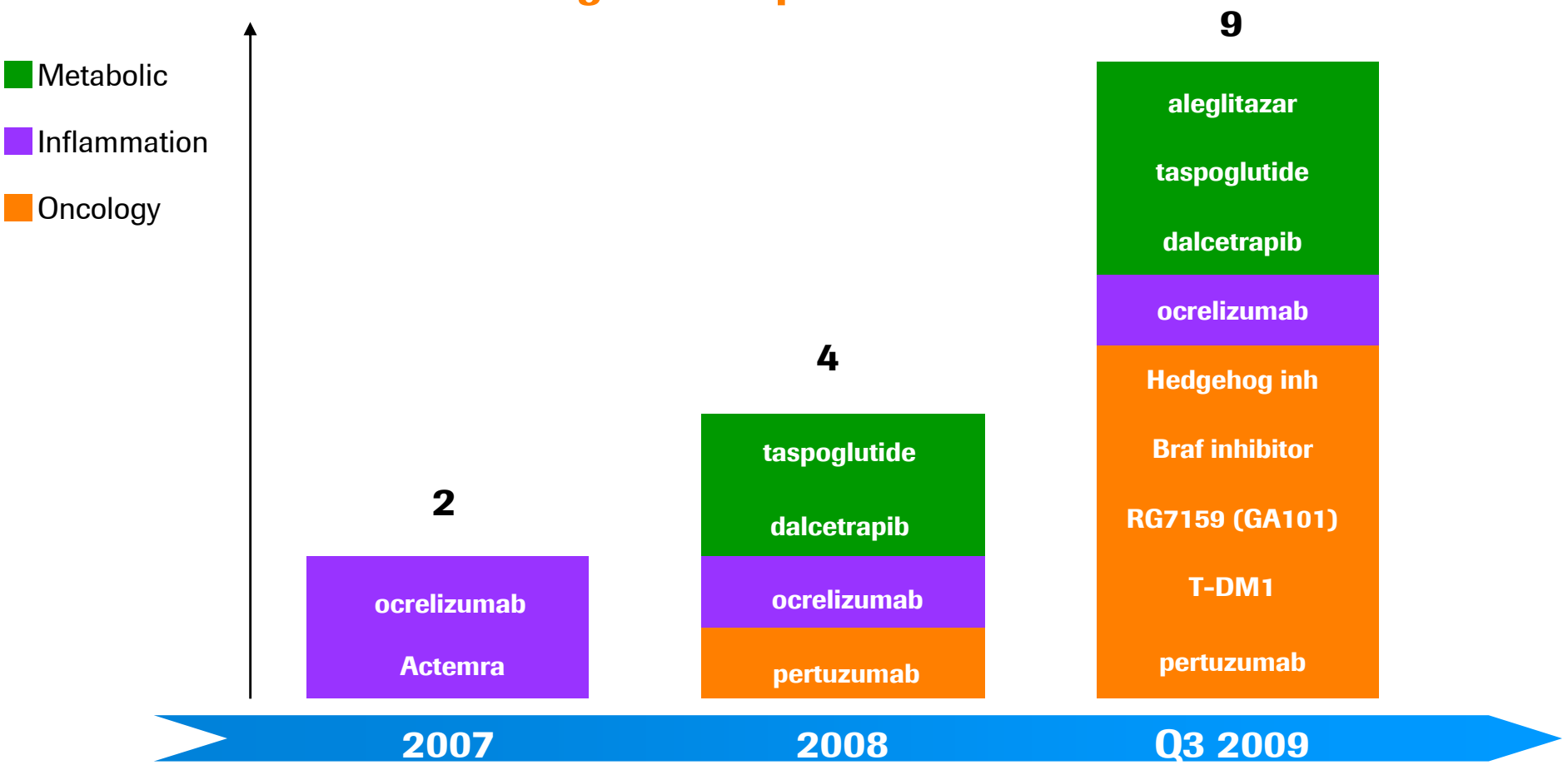
	Product	Indication	Study	Additional Sales potential
Oncology	MabThera/Rituxan	iNHL 1st line maintenance	PRIMA	• •
	Avastin	2nd line mBC	RIBBON-2	• •
	Xeloda	Adj colon cancer	NO16968	• •
	Herceptin	HER2-positive gastric cancer	ToGA	• •
	Tarceva	NSCLC 1st line maintenance	SATURN	• •
	Tarceva+Avastin	NSCLC 1st line maintenance	ATLAS	•
Inflammation	Actemra	RA (progression of joint damage)	LiTHE 2 years	• • •
Ophthalmology	Lucentis	RVO	CRUISE	•
	Lucentis	RVO	BRAVO	•

• < CHF 500 mn; • • CHF 0.5 to 1 bn; • • • > CHF 1 bn; orange text = readout in Q3

Building up the late stage pipeline

Expanding into new therapeutic areas

Number of NMEs in late-stage development



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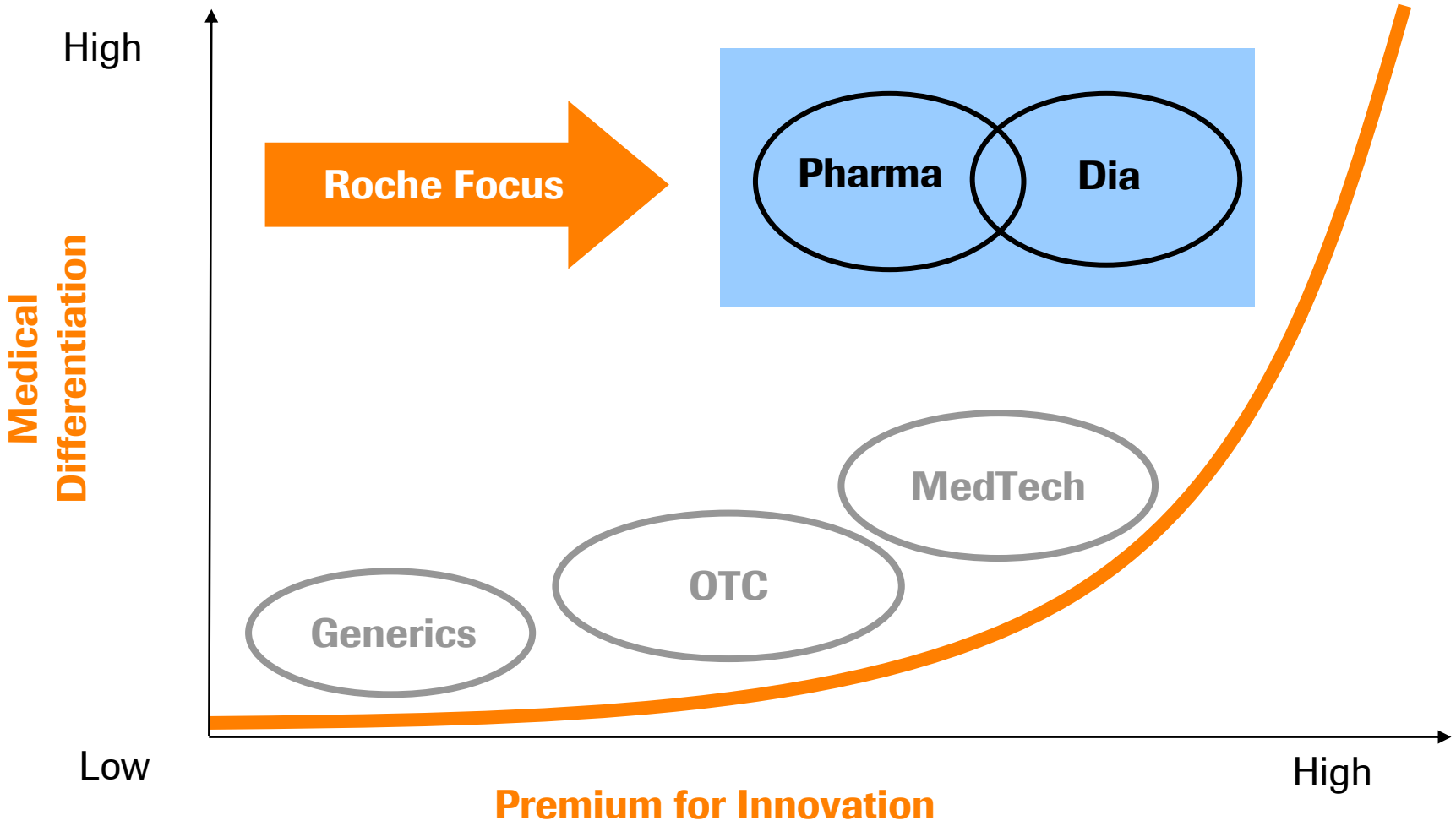
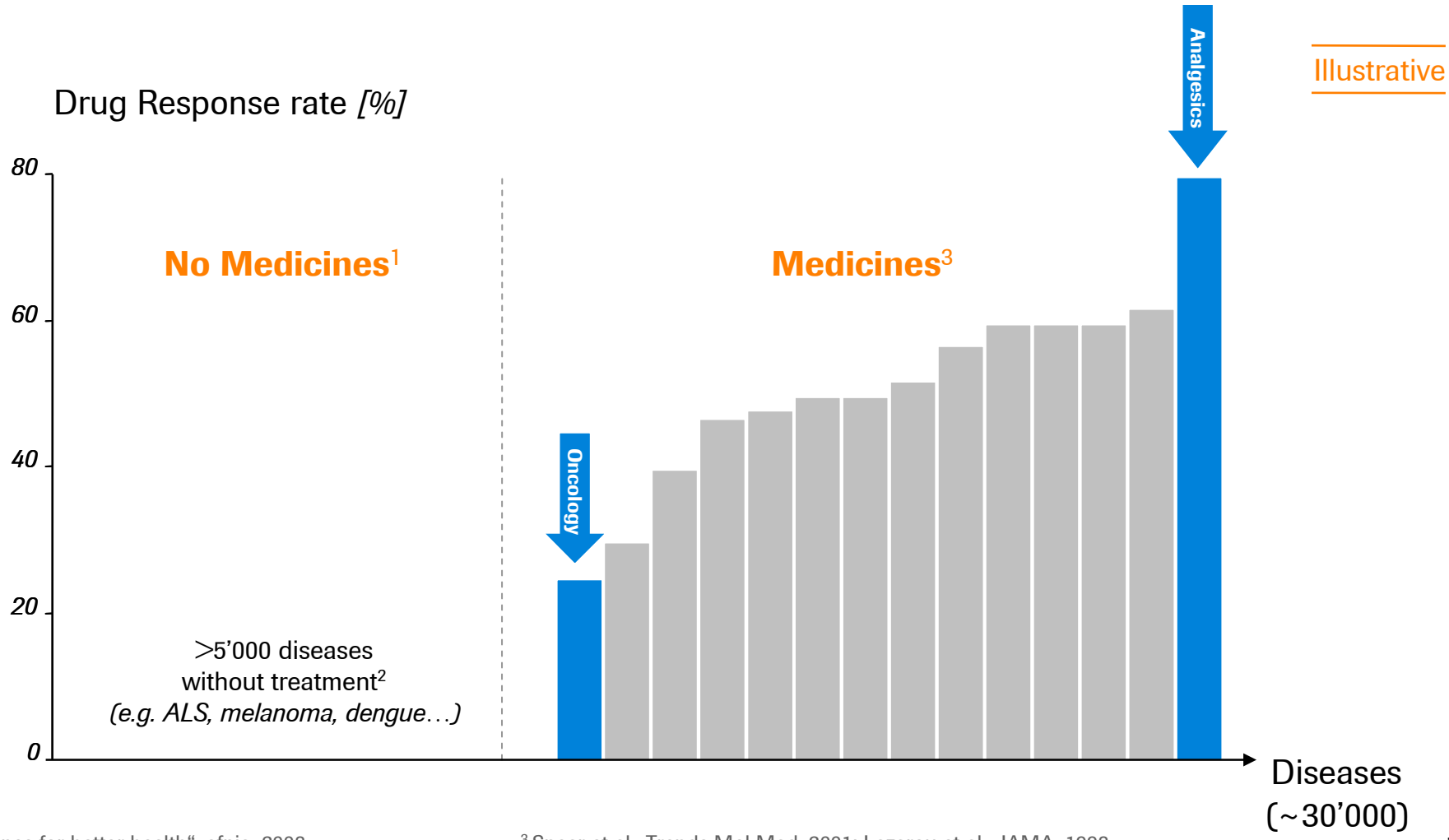
Focus on our core businesses



Our Focus

Still high unmet medical need



[1] "Medicines for better health", efpia, 2008

[2] "Genetic and rare diseases center brochure" , NIH 2005

[3] Spear et al., Trends Mol Med, 2001; Lazarou et al., JAMA, 1998

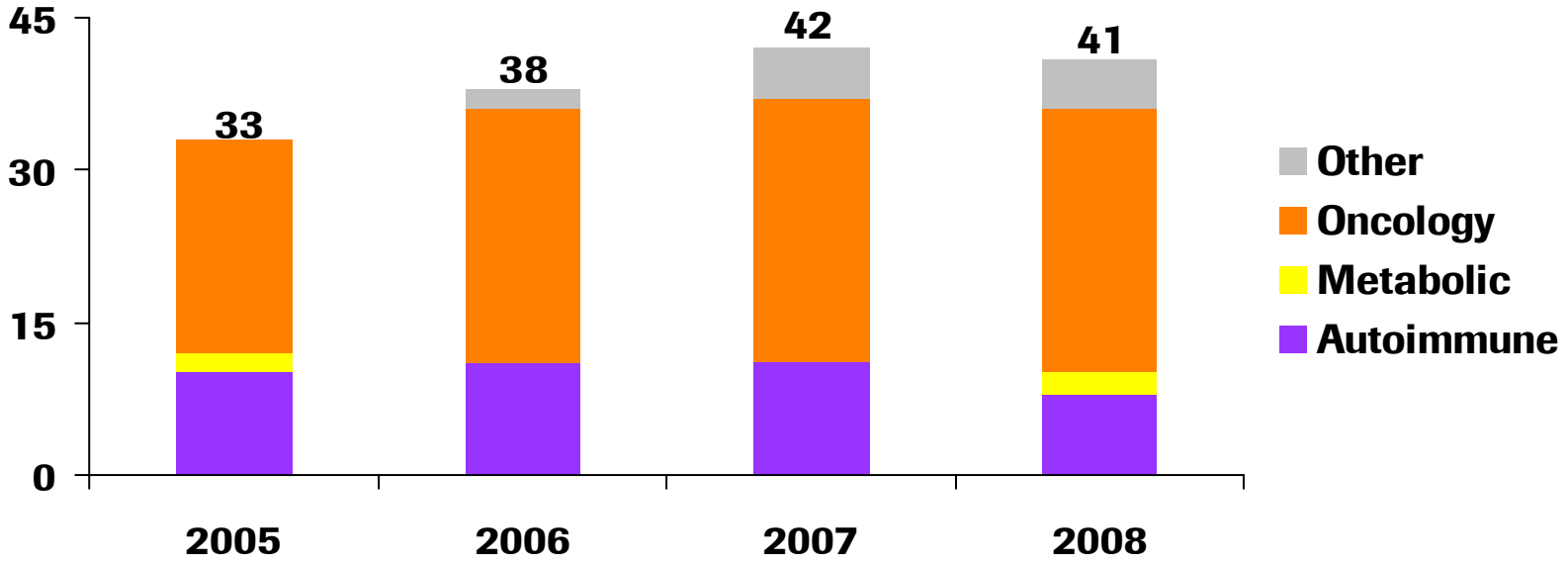
Our Focus

…significant value capture from truly medically differentiated medicines

Regulatory	• **faster approval** (e.g. Avastin for glioblastoma in US with phase II data)
Pricing	• **value to patients/physicians** (e.g. US, Germany) • **reward medical innovation** (e.g. France, UK)
Commercialization	• **faster and higher market penetration**

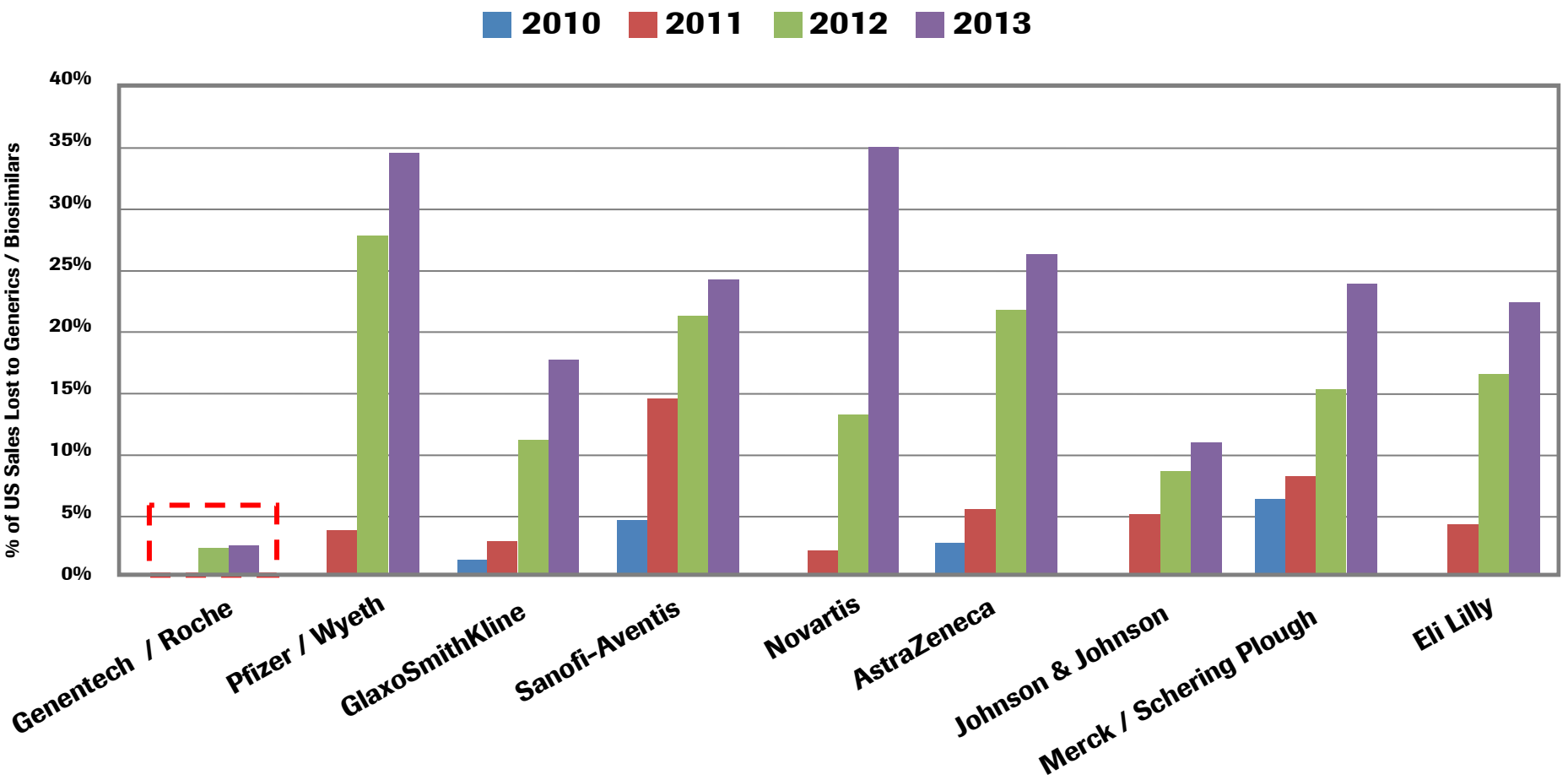
Roche: Late-stage projects with high success rate

Roche R&D pipeline, phase III projects



Terminations	0	1	1	2
Attrition rates %	0	2.6	2.4	4.9

Roche: Limited patent exposure



Notes:

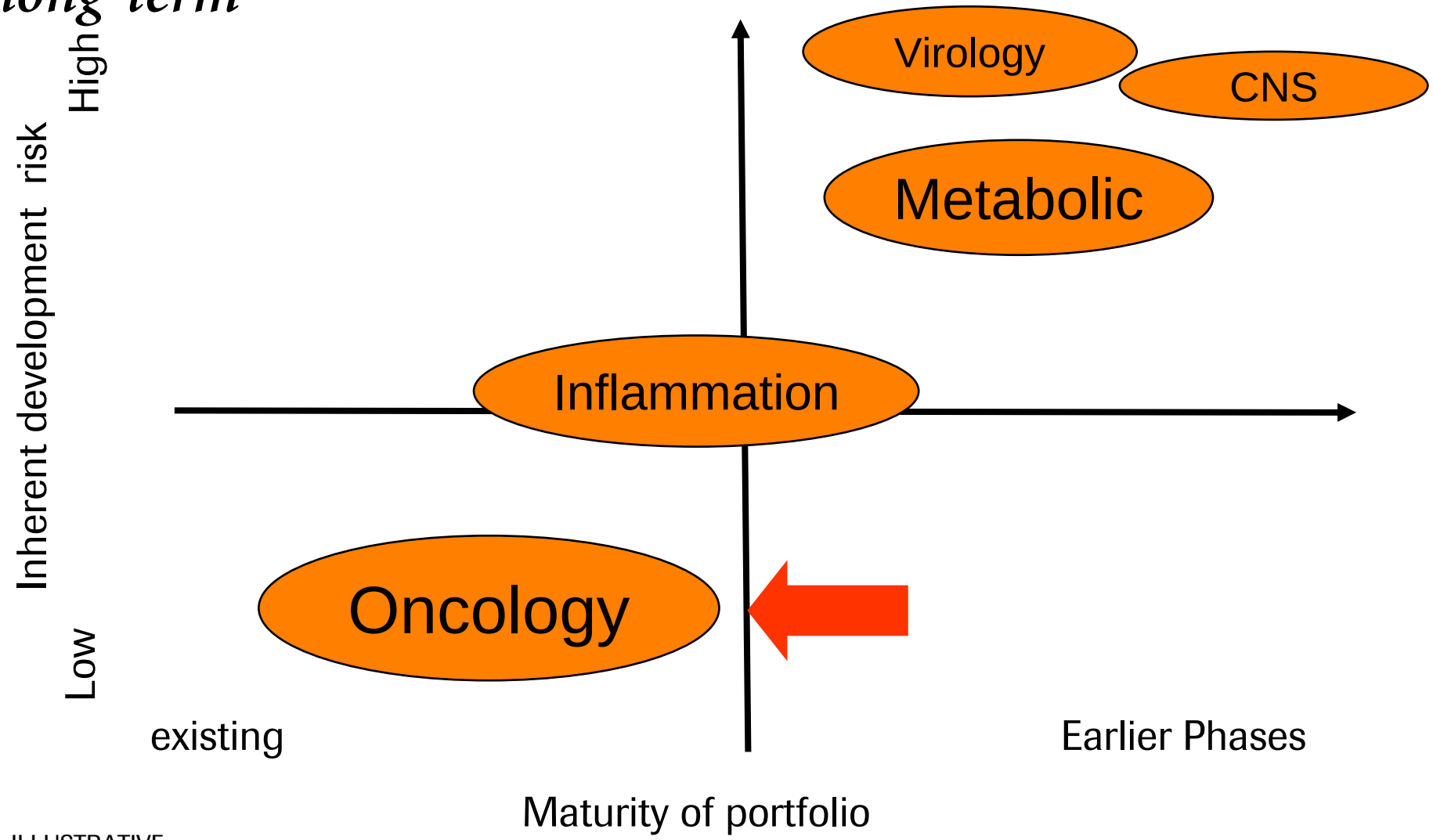
•% Sales Lost calculated by subtracting given year sales ('10, '11, '12, '13) from full year sales from year prior to LOE.

•Data excludes sales lost impact of products with LOE prior to 2010.

Source: *Evaluate Pharma*

Key drivers for long term development in place

Develop short-term drivers while not neglecting the long-term



ILLUSTRATIVE

Understanding Biology to Improve Patient Outcomes

Cancer Type	Marketed Products	Key Products in Development
Gastrointestinal	Avastin, Tarceva, Xeloda	Avastin, Herceptin, Xeloda, Hedgehog Pathway Inhibitor
Breast	Avastin, Herceptin, Xeloda	Avastin, pertuzumab, T-DM1, Xeloda,
Lung	Avastin, Tarceva	Avastin, Apomab, dulanermin, Tarceva
Hematological	MabThera/Rituxan	Avastin, MabThera/Rituxan, GA101, dacetuzumab, Apomab, dulanermin, ABT-263
Genito-urinary	Avastin	Avastin, pertuzumab, Hedgehog Pathway Inhibitor
Skin & Soft Tissue		Hedgehog Pathway Inhibitor, PLX4032 (B-raf inhibitor), Apomab, Avastin
Brain	Avastin	Avastin
Childhood Cancers		IGF-1R mAb, Xeloda, Avastin

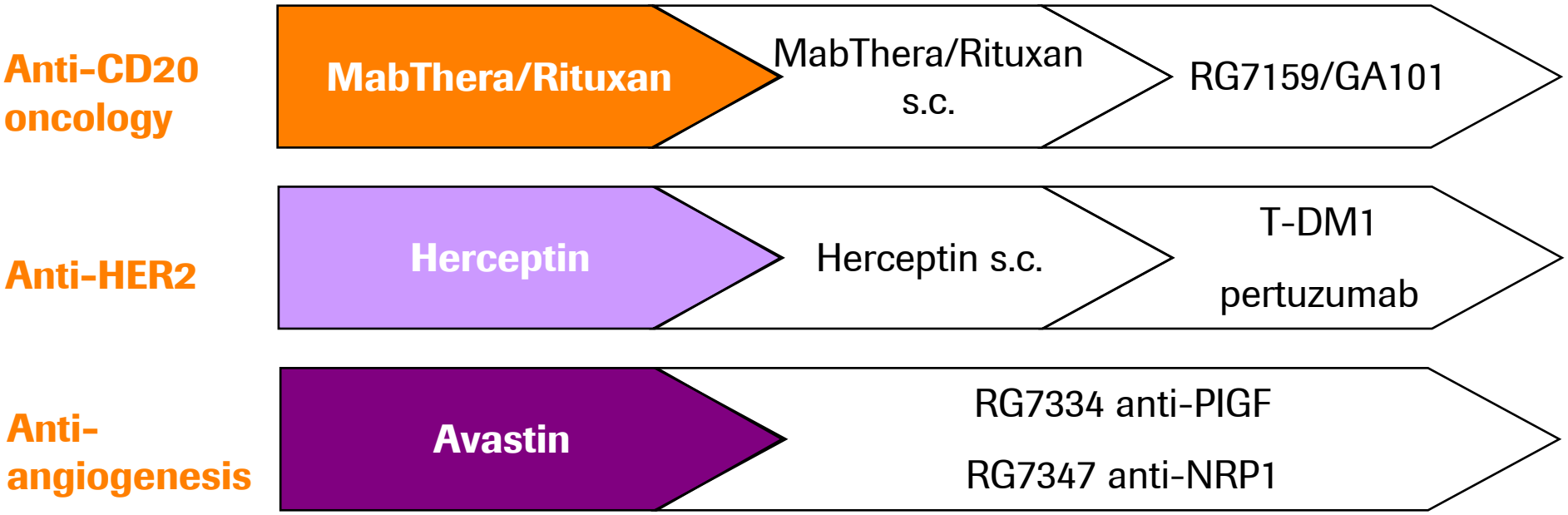
Avastin: significant potential for additional indications in the metastatic setting

Important Phase III news flow ahead

Indication	Study name	Start	Status*	Filing*
1st line metastatic ovarian cancer	**GOG-0218** **ICON-7**	Q3'05 Q4'06	Expect data 2010 Expect data 2010	2010
Relapsed Platinum sensitive ovarian cancer	**OCEANS** **GOG-0213**	Q2'07 Q4'07	Expect data 2010 Expect data 2013	2010-2013
1st line hormone-refractory prostate cancer	**CALGB 90401**	Q4'07	Interim analysis Q4'09 Final data 2010	2011
1st line advanced gastric cancer	**AVAGAST**	Q3'07	Expect data 2010	2010

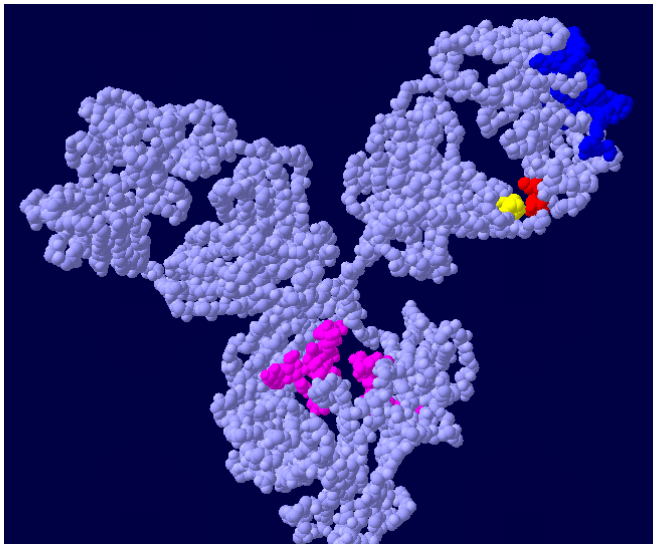
*Projected timelines for positive results

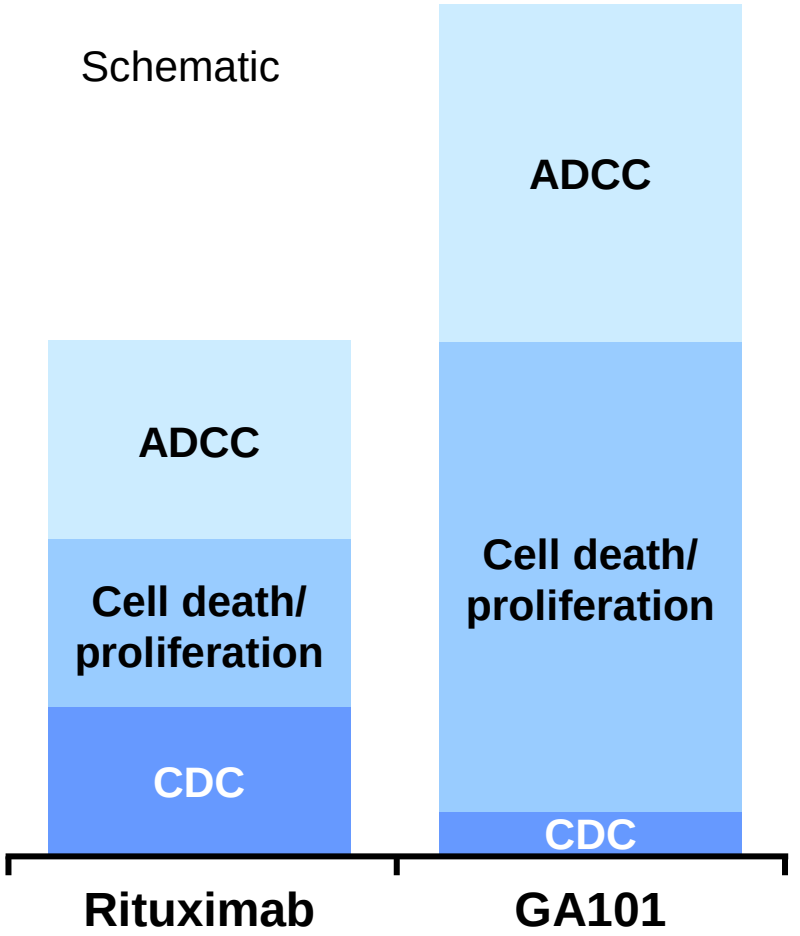
Next generation products to sustain our growth



RG7159/GA101: First glycoengineered, humanized, type II CD20 antibody in clinical development

- First type II, glyco-engineered, humanised anti-CD20 antibody in clinical development
- Compared with rituximab, GA101 provides*:
  - Enhanced direct cell-death induction[1,2]
  - Enhanced ADCC[1,2]





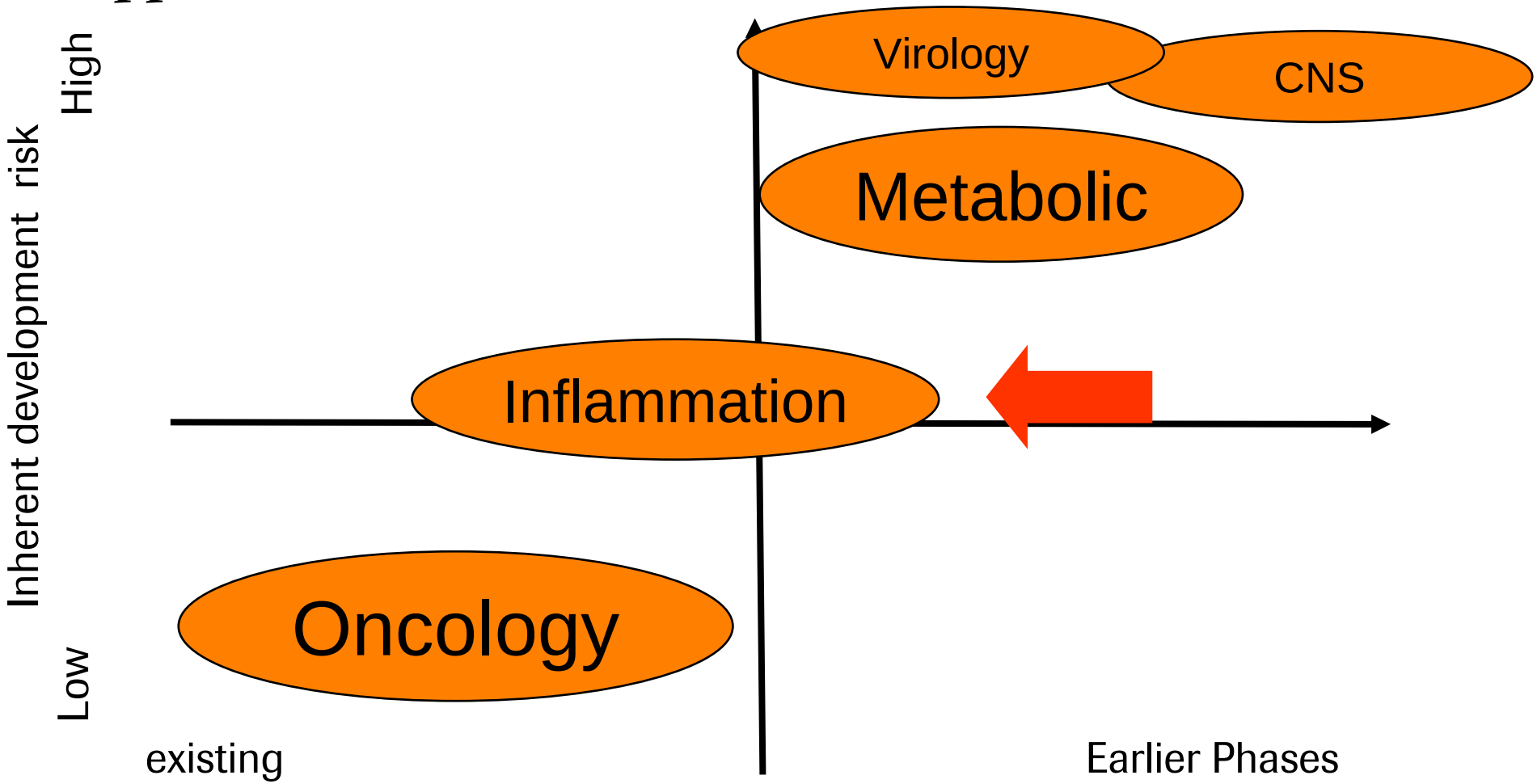
*based on preclinical studies

ADCC, antibody-dependent cell-mediated cytotoxicity; CDC, complement-dependent cytotoxicity

1. Umaña P, et al. Blood 2006;108:Abstract 229
2. Umaña P, et al. Ann Oncol 2008;19 (Suppl. 4):Abstract 098

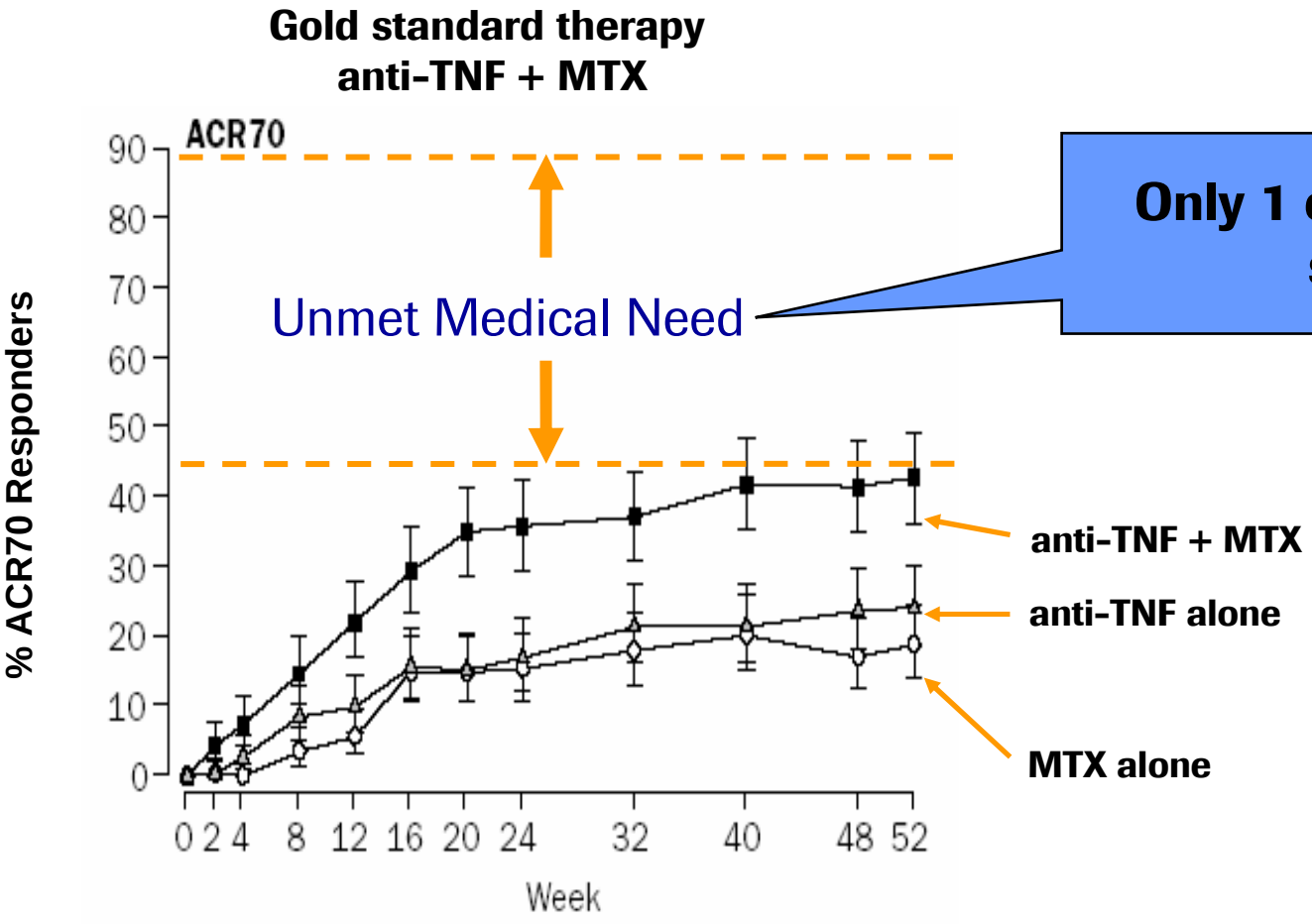
Key drivers for long term development in place

Develop the short term drivers while not neglecting the long term opportunities



ILLUSTRATIVE

Rheumatoid Arthritis: Not all patients respond to current therapy



Only 1 of 3 patients receives significant benefit

ACR 70=70% Improvement in:

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

Roche's portfolio: innovative and first-in-class

Designed to further reduce unmet medical need in RA

MABTHERA RITUXIMAB
B CELL THERAPY. LASTING SUCCESS.

ACTEMRA tocilizumab

Ocrelizumab

Two first-in-class biologics with different modes of action:

- MabThera/ Rituxan
- Actemra

+

Extensive development program:

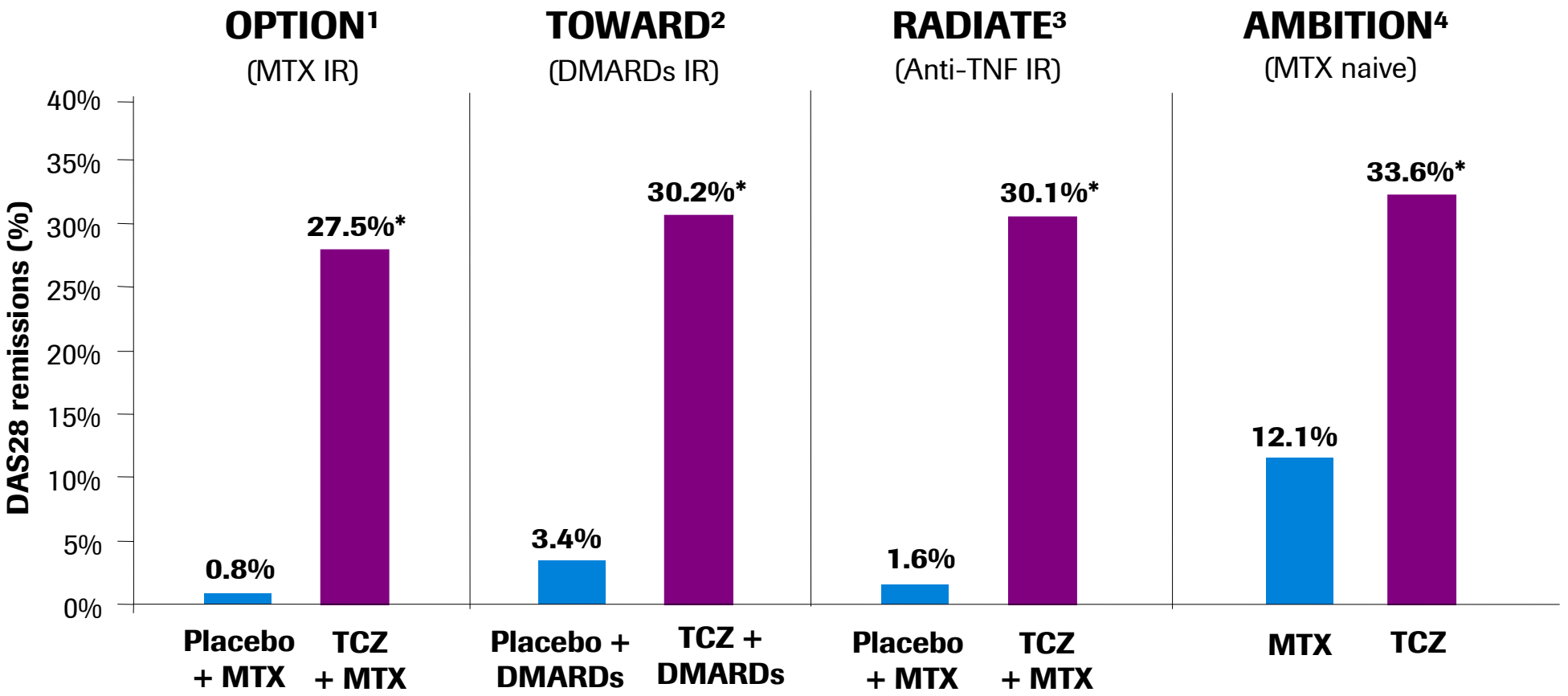
- Lifecycle management (Ocrelizumab)
- Line extensions (new indications, new formulations)
- New products (orals)

Well positioned to shape future therapy standards:

- New combinations
- Sequential treatment algorithms
- Biomarker guided therapy

Actemra phase III trials: unsurpassed efficacy

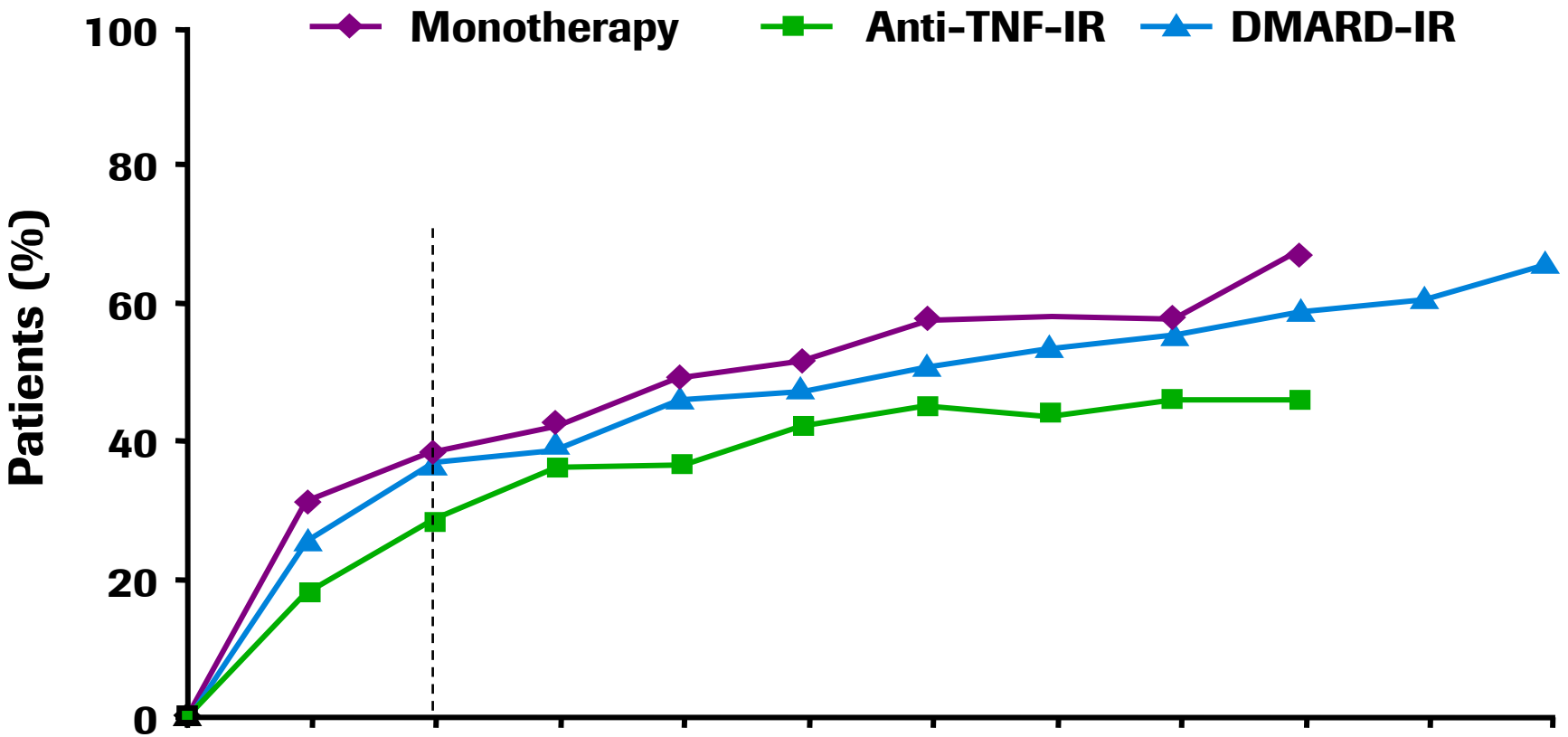
Around 30% of patients achieved DAS28 remission at week 24 – regardless of concomitant or prior therapy



[1] Smolen JS, et al. Lancet 2008,371,987-97
[2] Genovese et al., Athrisits & Rheumatism, vol 58, no 10, 2008, 2968-2980
[3] Emery et al., Ann Rheum DIs 2008, 67,1516-1523
[4] Jones et al., Ann Rheum Dis 2009, Mar 17

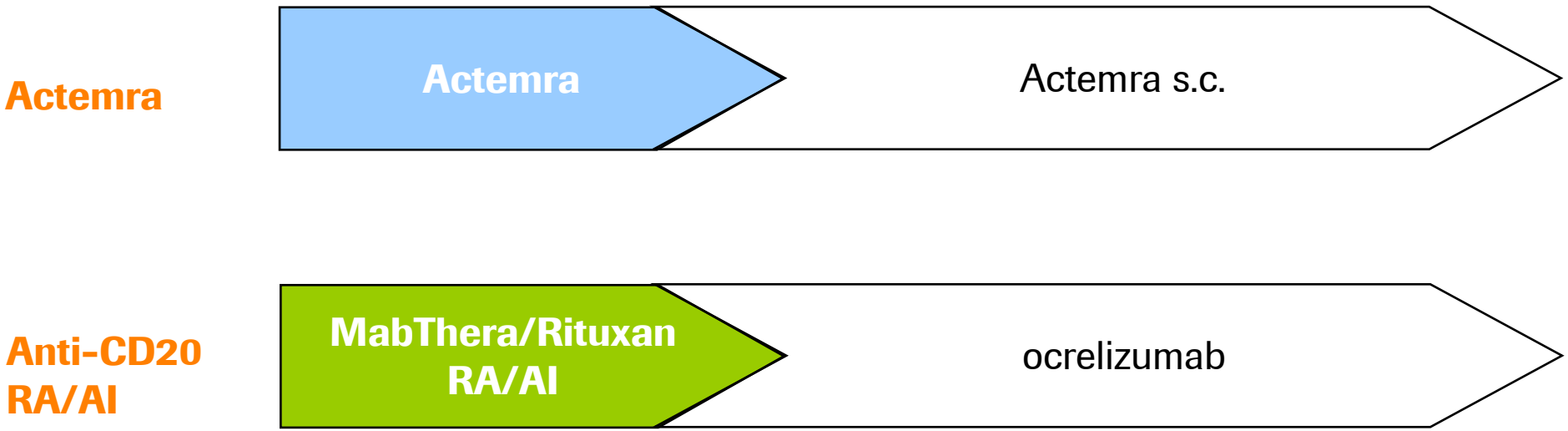
* p ≤ 0.0001; TCZ dose 8 mg/kg

Actemra: rapid improvement which is maintained over time in all RA populations (ACR 50, ITT)



Monotherapy	n = 566	546	538	504	486	415	360	252	166	84	
Anti-TNF-IR	n = 400	391	389	367	354	318	295	295	170	103	
DMARD-IR	n = 1,617	1,578	1,551	1,441	1,421	1,373	1,279	1,156	948	653	403	228

Next generation products to sustain our growth



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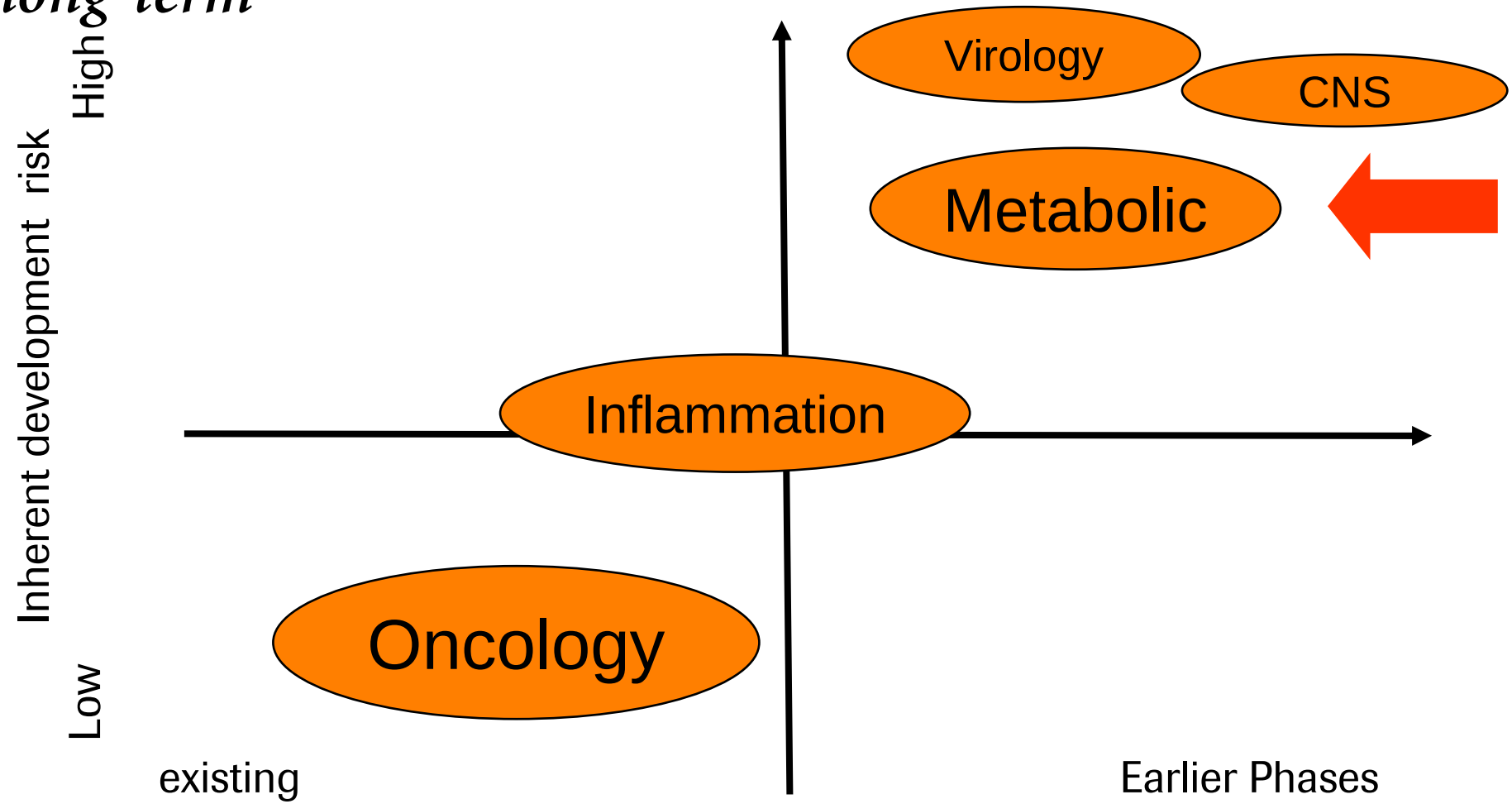

ILLUSTRATIVE

Next generation type 2-diabetes treatments

Looking for benefits beyond glucose lowering

Priority	Class	HbA1c reduction	Potential CV risk reduction	Weight loss
High	GLP-1 analogue	✓ ✓	✓	✓ ✓
High	PPAR αγ co-agonist	✓ ✓	✓ ✓	-
High	SGLT-2 inhibitor	✓	✓	✓ (?)
Low	DPP-IV inhibitor	✓	-	-
Low	PPAR γ agonist	✓ ✓	?	-
Low	GKA	✓	-	-

Taspoglutide global registration program

Five out of eight phase III studies already fully enrolled

Study name	Background treatment	Comparator	Sample size	Enrollment complete
T-emerge 1	Diet & exercise	placebo	330	Yes
T-emerge 2	metformin, TZD metformin + TZD	exenatide	990	Yes **Positive readout**
T-emerge 3	pioglitazone + metformin	placebo	330	
T-emerge 4	metformin	sitagliptin	630	Yes
T-emerge 5	metformin + SU	insulin glargine	990	Yes
T-emerge 6	SU ± metformin	pioglitazone	650	
T-emerge 7	metformin (high BMI)	placebo	260	Yes
T-emerge 8	History of cardiovascular event	placebo	2000	

Phase III results readout from Q4 2009 onwards

Performance update

Strategy

Summary

New potentially company or industry-transforming projects

Oncology	Immunology & Ophthalmology	Metabolism	CNS
T-DM1 ✓	Ocrelizumab RA ✓	Dalcetrapib	GlyT1 inh ✓
Pertuzumab ✓	Lucentis – DME & RVO ✓	Taspoglutide ✓	Ocrelizumab MS ✓
GA101 ✓	Actemra ✓	Aleglitazar ✓	
Hedgehog pathway inhibitor ✓	Lebrikizumab (Anti-IL13)		
BRAF inhibitor ✓			

✓ = Proof of concept

Major phase III decision points ahead in 2009–2010

Compound	Indication
ocrelizumab	RRMS, PPMS
GlyT1 inh. (RG1678)	Schizophrenia
IGF-1R mAb (RG1507)	Solid tumors
ABT-263 (RG7433)	SCLC, CLL
pertuzumab	Early BC, HER2-positive
SGLT-2 inh. (RG7201)	Type 2 diabetes
Hedgehog pathway inhibitor	Colorectal and ovarian cancer
MabThera/Rituxan s.c.	oncology
RG7128	HCV

Analyst day in NYC on March 18, 2010

Raising our outlook for 2009

Sales growth (in LC)	2009: Pharma: **at least high single-digit** Diagnostics: well above market
Synergies	2009: CHF 300 m 2010: CHF 800 m 2011: CHF 1,000 m
Core EPS growth (in LC)	2009: Double-digit 2010: Double-digit
Debt	2010: 25% debt reduction 2015: Aim to return to net cash position
3 yr Dividend outlook	Maintained (as announced in 2008)

Barring unforeseen events;
Total Tamiflu sales of CHF 700 million assumed for 2010; LC=Local Currency

We Innovate Healthcare