



Annual General Meeting
Roche Holding Ltd
4 March 2014

Address by Franz B. Humer
Chairman of the Board of Directors

(Check against delivery.)

Ladies and Gentlemen, fellow Roche Shareholders

Today (as you know) will be the last time I have the honour of addressing you as Chairman of Roche's Board of Directors. So I am particularly pleased to be able to report to you on an outstanding set of results for 2013. Our focus on innovative, targeted medicines and diagnostic tests has enabled us to reinforce our strong market position in an increasingly cost-sensitive environment.

Following my presentation, our CEO Severin Schwan will summarise the key results of 2013 and describe the outlook for the current year.

I'll therefore touch only briefly on the 2013 results before moving on to other topics such as the motions being presented to the Annual General Meeting and changes on the Board of Directors.

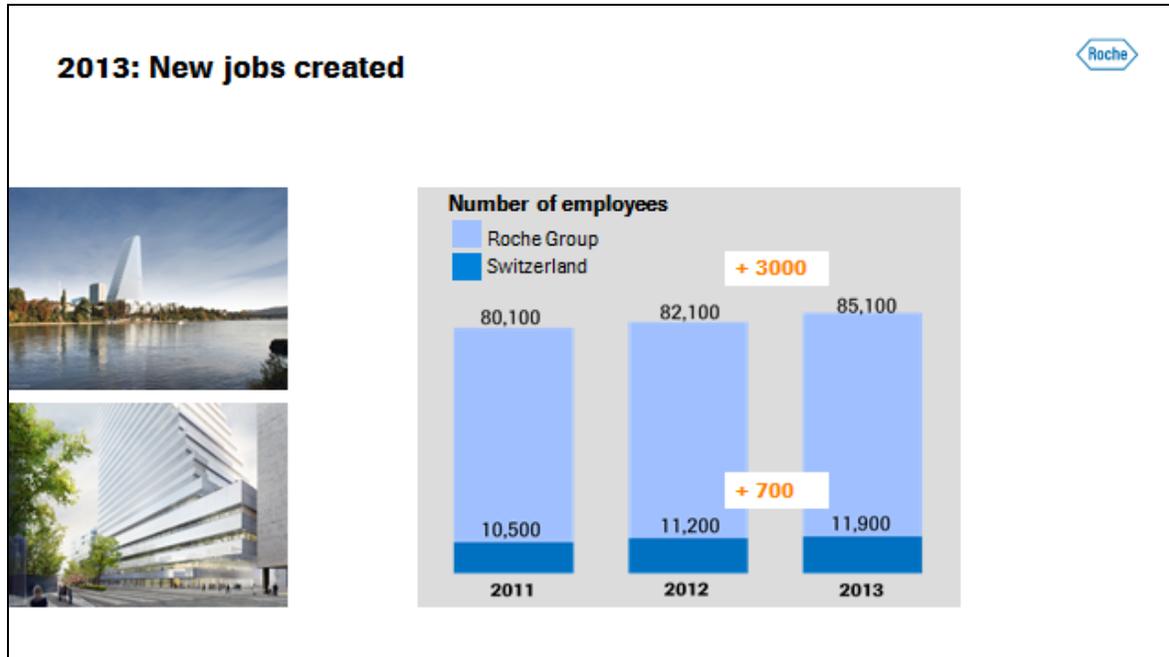
Key business results for 2013 (Group)

2013: Outstanding results		
Strong operating result	<ul style="list-style-type: none"> Above-market sales growth in both divisions Continued strong growth in core operating profit and Core Earnings per Share; profitability strengthened further 	
New products	<ul style="list-style-type: none"> Two important medicines launched <ul style="list-style-type: none"> Breast cancer: Kadcyla (US and Europe) Leukemia: Gazyva (US) 	
Promising future	<ul style="list-style-type: none"> Excellent progress in development pipeline Decrease in Group's net debt 	

- Group sales increased 6% for the year at constant exchange rates (to about 47 billion Swiss francs). Both divisions gained market share.
- Our strong sales growth had a very positive effect on profitability: Once again we achieved double-digit growth – of 10% – in core earnings per share and non-voting equity security.
- IFRS net income increased even more strongly, advancing 22% (to 11.4 billion Swiss francs), thanks to our strong operating performance and lower financing and restructuring costs.
- We also continued to make strong progress in research. In the last two years Roche has launched five new cancer treatments, two of them – Kadcyla for breast cancer and Gazyva for leukemia – in 2013. (Severin Schwan will have more to say about the Gazyva success story later on.)
- As the world's largest biotechnology company, we possess a highly promising development pipeline, including 66 new molecular entities.
- Looking to the future, I'm encouraged not only by our strong pipeline, but also by the reduction in the Group's net debt. By the end of December 2013, we had repaid a good two thirds (67%) of the 50 billion Swiss francs that we borrowed in 2009 to finance the Genentech transaction. Our success in reducing debt enhances our future financial flexibility.

In short, 2013 was a year of outstanding financial results and scientific achievements.

More employees in Switzerland and worldwide



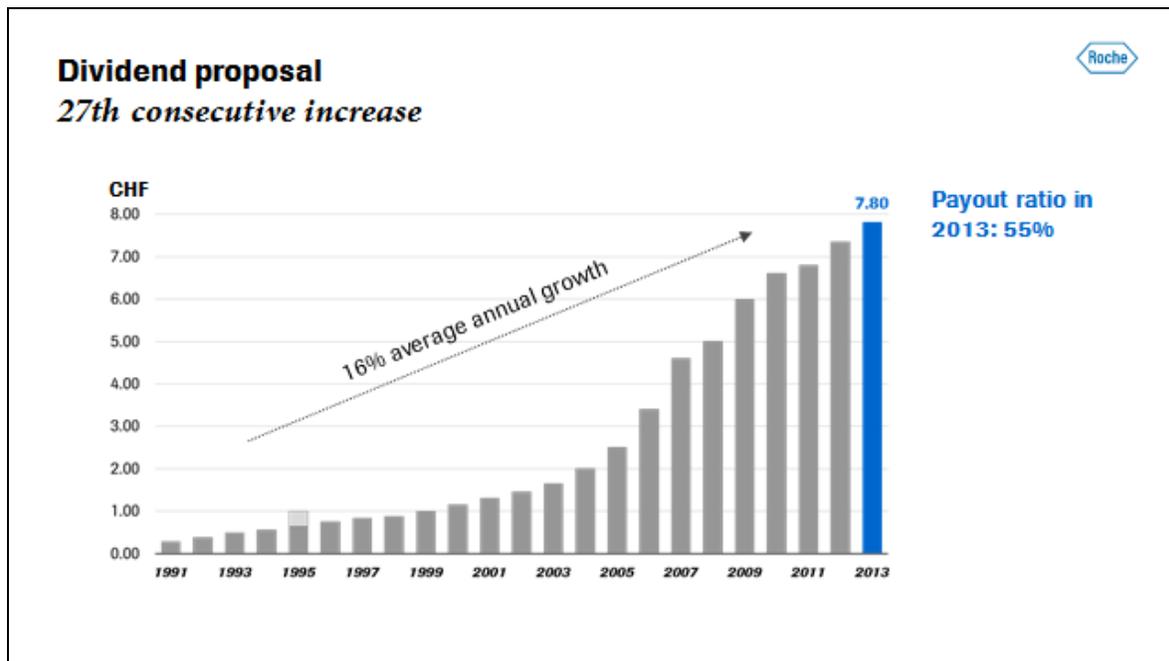
Our strong business performance enabled us to create 3,000 new jobs Group-wide last year, bringing the total to over 85,000. About one quarter (700) of the new positions were created in Switzerland. The majority of these are in Basel and Kaiseraugst, where more than 9,000 people from close to 90 different countries work today.

Our headquarters in Basel are growing (ever more visibly) upwards as well as in terms of headcount. Building 1 is fast approaching the 100 meter mark – in other words, a good half of the building is already standing. The new office tower is on track in every respect, and in September next year the first of the approximately 2,000 employees who will work there will be able to move in.

This is not the only new construction on the site. We invest over 370 million Swiss francs every year in new and ongoing projects, including a new biotech production facility in Basel for the next generation of cancer medicines and a new training centre in Kaiseraugst.

I'd now like to turn to three matters that we will be asking you to vote on later in the meeting.

First, the proposed dividend



Roche has steadily increased its dividend over the last 26 years. As already announced, in light of our very strong performance in 2013 the Board of Directors is proposing a 6% dividend increase to 7.80 Swiss francs per share and non-voting equity security.

This would be the 27th dividend increase in as many years. If the proposal is approved, more than half of our net income will again be distributed to our shareholders as dividends.

Given the positive outlook for our business, Roche expects to be able to raise the dividend again for 2014.

Second, most important AGM motions



Most important AGM motions
Implementation of new constitutional provisions

1. Each **member of the Board of Directors** stands for (re-)election annually.
2. The Annual General Meeting (AGM) annually elects
 - the **Chairman of the Board of Directors**
 - the **members of the Remuneration Committee**.
3. The AGM takes a binding vote on
 - the **bonuses** for **2013** and
 - sets the **maximum remuneration** until the AGM in **2015**.
4. **Amendments to the Articles of Incorporation**

As you are aware, the Minder Initiative was endorsed by a clear majority in the referendum held a year ago. As a result, all listed companies in Switzerland are bound by new constitutional provisions on corporate management.

We have decided to implement the new provisions earlier than required. The Board of Directors is therefore proposing that Roche's Articles of Incorporation be amended this year. The most important motions on today's agenda are:

- First, each member of the Board of Directors must stand for re-election *annually*.
- Second, the *Annual General Meeting* – and no longer the Board of Directors – will elect the Board Chairman and members of the Remuneration Committee *each year*.
- Third, although not required to do so until 2015, Roche will be putting executive remuneration to a binding vote at today's Annual General Meeting. That means that the vote we take today on the bonuses for 2013 will be binding, and we will also set the maximum remuneration until the 2015 Annual General Meeting.
- Forth: The Amendments to the Articles of Incorporation.

I realise that all these amendments will take a long time to vote on, and indeed we have no less than 32 motions before us today. However, I am confident that they will not only allow Roche to comply fully with the new legal requirements, but will also increase transparency and strengthen the rights of the company's owners.

Third: Changes on the Board of Directors

Changes on the Board of Directors



Not standing for re-election



Franz B. Humer
Member 1995 – 2014, Chairman
Member of the Nomination Committee



William M. Burns
Member 2010 – 2014
Member of the Corporate Governance and Sustainability Committee

Standing for election as the new Chairman



Christoph Franz
Member since 2011
Member of the Remuneration Committee

In addition to the re-elections, today's agenda includes a number of changes on the Board of Directors.

As I informed you at last year's Annual General Meeting, I am not standing for re-election this year.

The Board of Directors is proposing that Christoph Franz be elected as the new Chairman of the Board of Directors. Christoph Franz has been a member of the Roche Board since 2011 and has become closely acquainted with the company. Subject to your approval, the new Board Chairman will bring to the post a strong personality and an impressive track record as the CEO of an important global corporation, Lufthansa.

I am confident that his extensive experience, impressive global network and deep roots in Switzerland will stand him in good stead.

Furthermore, William M. Burns has decided not to stand for re-election to the Board. He has been a major contributor to Roche's success for many years and has been instrumental in shaping the company's history, first as CEO of the Pharmaceuticals Division from 2009 and subsequently as a member of the Board of Directors. I will describe his achievements on behalf of Roche in greater detail later on.

Ladies and Gentlemen,

Roche is very well equipped for the future and in an excellent position to capitalise on new opportunities going forward. Targeted, cost-effective therapies have a critical role to play in meeting today's healthcare challenges. As a result, we expect our strengths to become more important than ever before.

The fact that in 2013 the Dow Jones Sustainability Index once again selected Roche as the world's most sustainable company in the healthcare industry is just one more indication that we're on the right track. Roche has been awarded this distinction five years in a row now.

At Roche we believe that sustainable policies and business practices ultimately create long-term enterprise value and promote innovation. Sustainable success – and this doesn't just apply to Roche – requires long-term thinking and commitment.

I have every confidence that the new generation of leaders on the Corporate Executive Committee led by Severin Schwan and on the Board of Directors will build on Roche's successes and achievements and carry on the company's strong culture of innovation.