Committed to innovation and growth

Roland Diggelmann,
COO Roche Diagnostics

London, 3 Sep 2014
## HY 2014: Diagnostics sales

**Growth driven by Professional Diagnostics**

<table>
<thead>
<tr>
<th>Diagnostics Division</th>
<th>HY 2014 CHFm</th>
<th>HY 2013 CHFm</th>
<th>change in % CHF</th>
<th>change in % CER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Diagnostics</td>
<td>2,904</td>
<td>2,825</td>
<td>+3</td>
<td>+9</td>
</tr>
<tr>
<td>Diabetes Care</td>
<td>1,140</td>
<td>1,205</td>
<td>-5</td>
<td>0</td>
</tr>
<tr>
<td>Molecular Diagnostics¹</td>
<td>762</td>
<td>781</td>
<td>-2</td>
<td>+4</td>
</tr>
<tr>
<td>Tissue Diagnostics</td>
<td>334</td>
<td>322</td>
<td>+4</td>
<td>+9</td>
</tr>
</tbody>
</table>

¹Underlying growth of Molecular Diagnostics excluding Sequencing Solutions: +6%

CER=Constant Exchange Rates
HY 2014: Diagnostics regional sales
Growth across all geographies

North America
+6%
25% of divisional sales

Latin America
+11%
7% of divisional sales

EMEA\(^1\)
+2%
47% of divisional sales

Japan
+4%
4% of divisional sales

Asia Pacific
+15%
17% of divisional sales

16% growth in E7 countries\(^2\)

\(^1\)Europe, Middle East and Africa; \(^2\)Brazil, China, India, Mexico, Russia, South Korea, Turkey
All growth rates at constant exchange rates
HY 2014: Diagnostics
Growth driven by Professional Diagnostics

**CER growth**

<table>
<thead>
<tr>
<th>Professional Dia</th>
<th>+9%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Diabetes Care</strong></td>
<td>0%</td>
</tr>
<tr>
<td>Molecular Dia ¹</td>
<td>+4%</td>
</tr>
<tr>
<td>Tissue Dia</td>
<td>+9%</td>
</tr>
</tbody>
</table>

- **Continued double digit growth in immunodiagnostics (+12%)**
  - Launch of cobas 6500 fully automated urinalysis system
- **Sales driven by Accu-Chek Aviva/Performa (+2%), Accu-Chek Mobile (+22%) and Insulin Delivery Systems (+6%)**
- **FDA approval for cobas HPV test for primary screening in cervical cancer. HPV (+59%), virology (+5%) and blood screening (+7%)**
- **Growth driven by advanced staining portfolio (+8%) and companion diagnostics (+29%)**

¹ Underlying growth of Molecular Diagnostics excluding Sequencing Solutions: +6%
CER=Constant Exchange Rates; EMEA=Europe, Middle East and Africa
**HY 2014: Diagnostics Division**  
Profit influenced by unfavorable base effects

**HY 2014**  
<table>
<thead>
<tr>
<th>CHFm</th>
<th>% sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>5,140</td>
</tr>
<tr>
<td>Royalties &amp; other op inc</td>
<td>64</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>-2,319</td>
</tr>
<tr>
<td>M &amp; D</td>
<td>-1,170</td>
</tr>
<tr>
<td>R &amp; D</td>
<td>-492</td>
</tr>
<tr>
<td>G &amp; A</td>
<td>-235</td>
</tr>
</tbody>
</table>

**Core operating profit**  
988  
19.2

**2014 vs. 2013**  
CER growth

<table>
<thead>
<tr>
<th>2014 vs. 2013</th>
<th>CER growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>-10%</td>
<td>6%</td>
</tr>
<tr>
<td>0%</td>
<td>10%</td>
</tr>
<tr>
<td>0%</td>
<td>6%</td>
</tr>
<tr>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>-9% in CHF</td>
<td></td>
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</tbody>
</table>

CER = Constant Exchange Rates (avg full year 2013)  
* One-off item: impacts from past service income (PSI) in 2013
RPD: Growth driven by serum work area solutions
Largest footprint and broadest menu in the industry

Integrated SWA¹ solution

- 41% of Diagnostics sales in SWA (+11%):
  - Immunodiagnostics (+12%)
  - Clinical chemistry (+9%)

Leader in CHF 19bn SWA market

Roche

*Source: Roche Analysis, Company reports for 2013 validated by an independent IVD consultancy;
¹SWA: serum work area (immunodiagnostics & clinical chemistry)
RPD: Launch of cobas 6500 for urinalysis
Fully automated urine testing solution

- **Target market** ~CHF 600m
- Combines urine strip testing & digital microscopy
- 23 parameters measured to help diagnose urinary tract infections, kidney diseases and diabetes

**Competitive advantages:**
- Fastest and most accurate instrument
- Reagent free
- Minimizes manual steps
- Improves safety
RPD: Launch of Elecsys® Syphilis Test
For infectious disease and blood screening

Elecsys Syphilis

- Expands leading immunoassay portfolio
- Target market (HIV, Syphilis, Herpes immunoassay): ~CHF 850m
- Test can be performed across entire cobas analyzer platform series
- Competitive advantages:
  - High sensitivity/specificity
  - Low blood sample volume
  - Short time to result
- Offers complete solution for STD and pre-natal infections testing
- Fulfills WHO requirements for blood safety solutions

STD=Sexually transmitted diseases
Molecular Diagnostics: HPV testing
Approval for primary screening in US and Canada

cobas HPV test (+59%)

Three results in one test
• HPV genotype 16
• HPV genotype 18
• 12 high risk HPV pool

HPV primary screening

• HPV market ~CHF 300m (+13%)
• FDA recommends cobas HPV test as primary screening for cervical cancer and expand screening age to 25 - 29
• ATHENA study: Pap smear misses cervical disease in 1 in 7 HPV 16 positive women
• Ongoing pilot studies: Sweden, Netherlands, UK and Italy

FDA approval on April 24th, 2014
RMD: cobas 8800/6800/4800
Setting new standards for molecular testing

<table>
<thead>
<tr>
<th>Blood Screening</th>
<th>Virology</th>
<th>HPV &amp; CT/NG</th>
<th>Microbiology</th>
<th>Genomics &amp; Oncology</th>
</tr>
</thead>
<tbody>
<tr>
<td>Multiplex HIV, HCV, HBV</td>
<td>HIV</td>
<td>Human Papillomavirus</td>
<td>MTBMAI</td>
<td>BRAF</td>
</tr>
<tr>
<td>West Nile Virus</td>
<td>Hepatitis B, C</td>
<td>Chlamydia &amp; Gonorrhea</td>
<td>MRSA</td>
<td>K-RAS</td>
</tr>
<tr>
<td>B19 and HAV</td>
<td>HSV</td>
<td>CMV</td>
<td>C. Difficile</td>
<td>EGFR</td>
</tr>
<tr>
<td></td>
<td>CMV</td>
<td></td>
<td></td>
<td>PIK3CA</td>
</tr>
</tbody>
</table>

**RMD Assays**
- Multiplex HIV, HCV, HBV
- West Nile Virus
- B19 and HAV
- HIV
- Hepatitis B, C
- HSV
- CMV
- Human Papillomavirus
- Chlamydia & Gonorrhea
- MTBMAI
- MRSA
- C. Difficile
- BRAF
- K-RAS
- EGFR
- PIK3CA

**c cobas 8800/6800 Systems**
- Advanced PCR automation
- Highest throughput (3x above closest competitor)
- Broadest menu

**c cobas 4800 System**
- Low to middle volume throughput
- Broadest menu
IQuum acquisition
Entering Point of Care in molecular diagnostics

Target market:
• ~CHF 350m, growing ~20%

Liat (laboratory in a tube) technology:
• Fast and simple with automated process performed in a test tube
• Brings laboratory PCR to the Point of Care
• Short turnaround time

Portfolio:
• Analyzer and Influenza A/B assay approved
• Strep A and Respiratory Syncytial Virus tests in clinical studies
• Planned expansion into MRSA and C-difficile
Genia acquisition
Strengthening next generation sequencing pipeline

**Genia technology**

**Target market:** CHF 1.1bn (+20% pa until 2018)

**Genia technology:**
- Single DNA molecule sequencing
- Biological nanopore electrical detection
- Shorter turnaround time, better sensitivity & accuracy than existing NGS¹ platforms
- Opportunity to reduce sequencing costs

¹NGS = Next Generation Sequencing
# Key launches 2014

<table>
<thead>
<tr>
<th>Area</th>
<th>Product</th>
<th>Market</th>
<th>BA¹</th>
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<tbody>
<tr>
<td><strong>Labs</strong></td>
<td><strong>Instruments</strong>/<strong>Devices</strong></td>
<td></td>
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<tr>
<td></td>
<td>cobas 6800/8800 – Next generation molecular (PCR) system</td>
<td>WW*</td>
<td>RMD</td>
</tr>
<tr>
<td></td>
<td>cobas m 511 – Fully integrated and automated hematology system</td>
<td>EU</td>
<td>RPD</td>
</tr>
<tr>
<td></td>
<td>cobas 6500 – Automated urinalysis work area platform</td>
<td>EU</td>
<td>RPD</td>
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<td></td>
<td>Connect-V – Middleware providing connectivity to LIS²</td>
<td>WW</td>
<td>RTD</td>
</tr>
<tr>
<td><strong>Diabetes Care</strong></td>
<td><strong>Tests</strong>/<strong>Assays</strong></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Accu-Chek Insight- Next generation insulin pump &amp; bGm³ system</td>
<td>EU</td>
<td>RDC</td>
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<tr>
<td></td>
<td>Accu-Chek Connect – bG meter with connectivity to smart phones, mobile App and cloud</td>
<td>EU</td>
<td>RDC</td>
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<tr>
<td><strong>Infectious Diseases/Blood Screening</strong></td>
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<td></td>
<td>MPX 2.0 – Next generation blood screening multiplex test</td>
<td>US</td>
<td>RMD</td>
</tr>
<tr>
<td></td>
<td>MPX (HIV, HCV, HBV), HEV, DPX⁴, WNV⁵ – Full NAT blood screening menu for cobas 6800/8800</td>
<td>WW*</td>
<td>RMD</td>
</tr>
<tr>
<td></td>
<td>HIV, HCV, HBV – Virology tests for cobas 6800/8800</td>
<td>WW*</td>
<td>RMD</td>
</tr>
<tr>
<td></td>
<td>HSV- Detection of Herpes Simplex Virus on cobas 4800</td>
<td>EU</td>
<td>RMD</td>
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<td></td>
<td>Syphilis– Immunoassay for the detection of Treponema pallidum</td>
<td>EU</td>
<td>RPD</td>
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<tr>
<td><strong>Microbiology</strong></td>
<td></td>
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<tr>
<td></td>
<td>MRSA/SA – Next generation assay on cobas 4800</td>
<td>EU</td>
<td>RMD</td>
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<tr>
<td></td>
<td>C-difficile – Diagnosis of infections and associated diarrhea</td>
<td>EU</td>
<td>RMD</td>
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<tr>
<td><strong>Women’s Health</strong></td>
<td></td>
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<td></td>
<td>PE Prognosis– Claim extension for short-term prediction of Preeclampsia in pregnancy</td>
<td>EU</td>
<td>RPD</td>
</tr>
<tr>
<td></td>
<td>AMH– Assessment of ovarion reserve for fertility</td>
<td>EU</td>
<td>RPD</td>
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</tbody>
</table>

¹Excluding US;
²Business Areas: RPD: Roche Professional Diagnostics; RDC: Roche Diabetes Care; RMD: Roche Molecular Diagnostics, RTD: Roche Tissue Diagnostics; hospital information systems; blood glucose monitoring; parvovirus B19 and hepatitis A virus; west nile virus
Outlook
Sustain sales growth and profitability

Drivers

• Further expand installed base and test menu
• Launch next generation platforms and drive lab efficiency
• Continue to strengthen leading presence in emerging markets
• Ongoing adjustments in Diabetes Care to adapt to market environment
• Grow PHC* and companion diagnostics collaborations

* Personalised healthcare
Doing now what patients need next