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Handout

February 2, 2010

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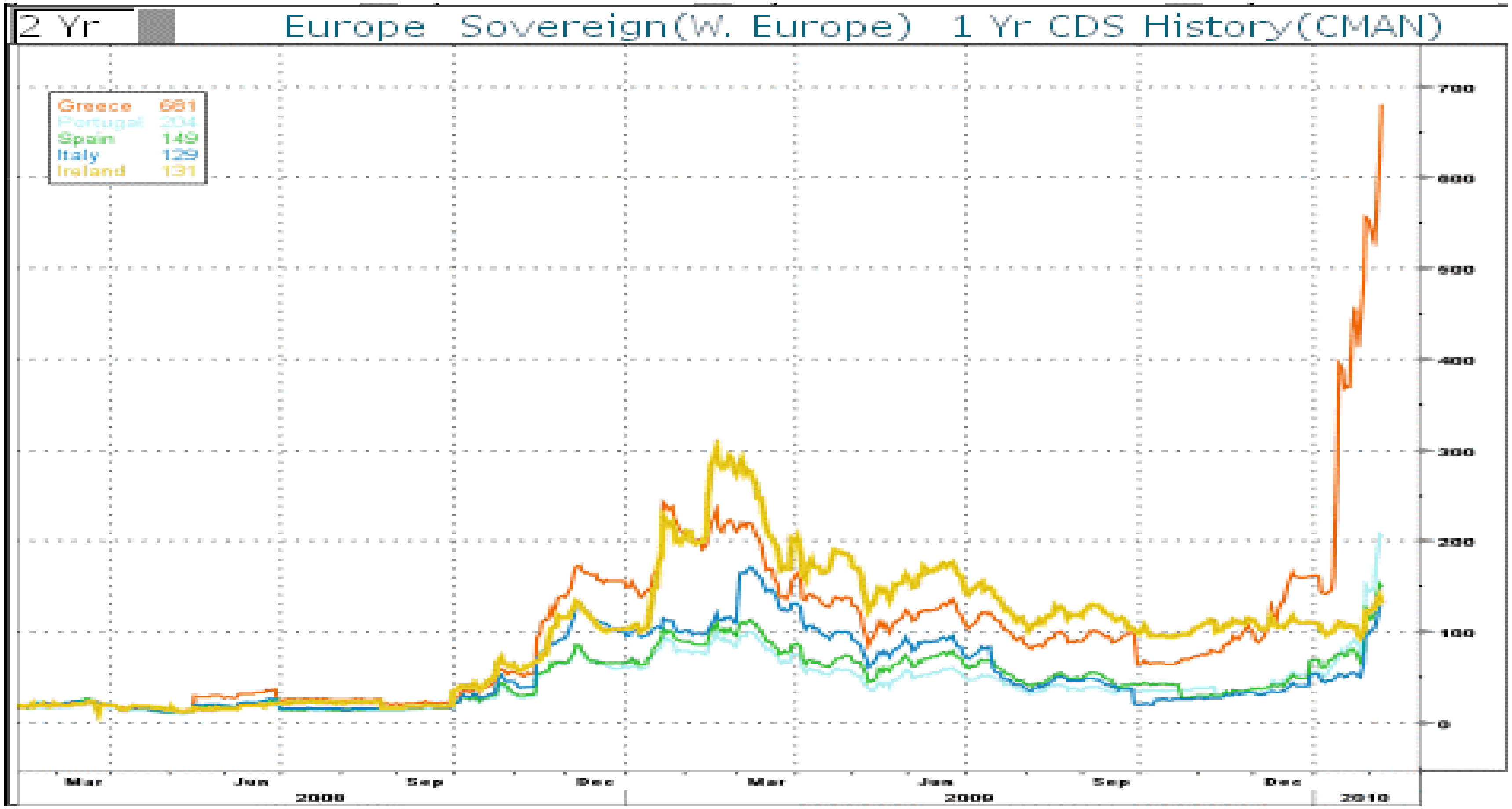
Greece CDS



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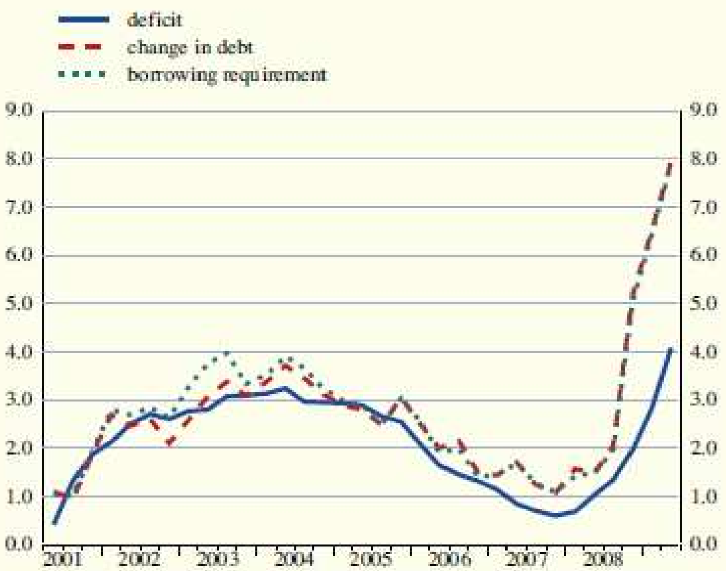
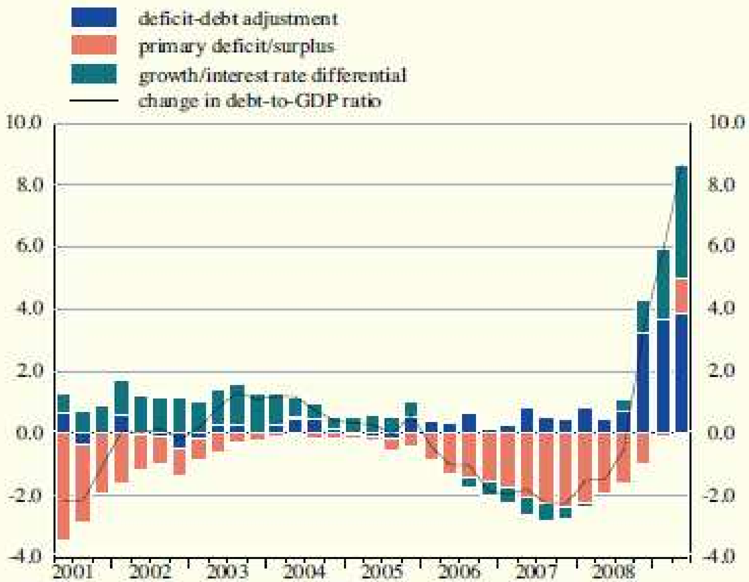
Maastricht debt

C28 Deficit, borrowing requirement and change in debt
(four-quarter moving sum as a percentage of GDP)



C29 Maastricht debt
(annual change in the debt-to-GDP ratio and underlying factors)



Source: ECB calculations based on Eurostat and national data.
1) The stock data in quarter t are expressed as a percentage of the sum of GDP in t and the previous three quarters.

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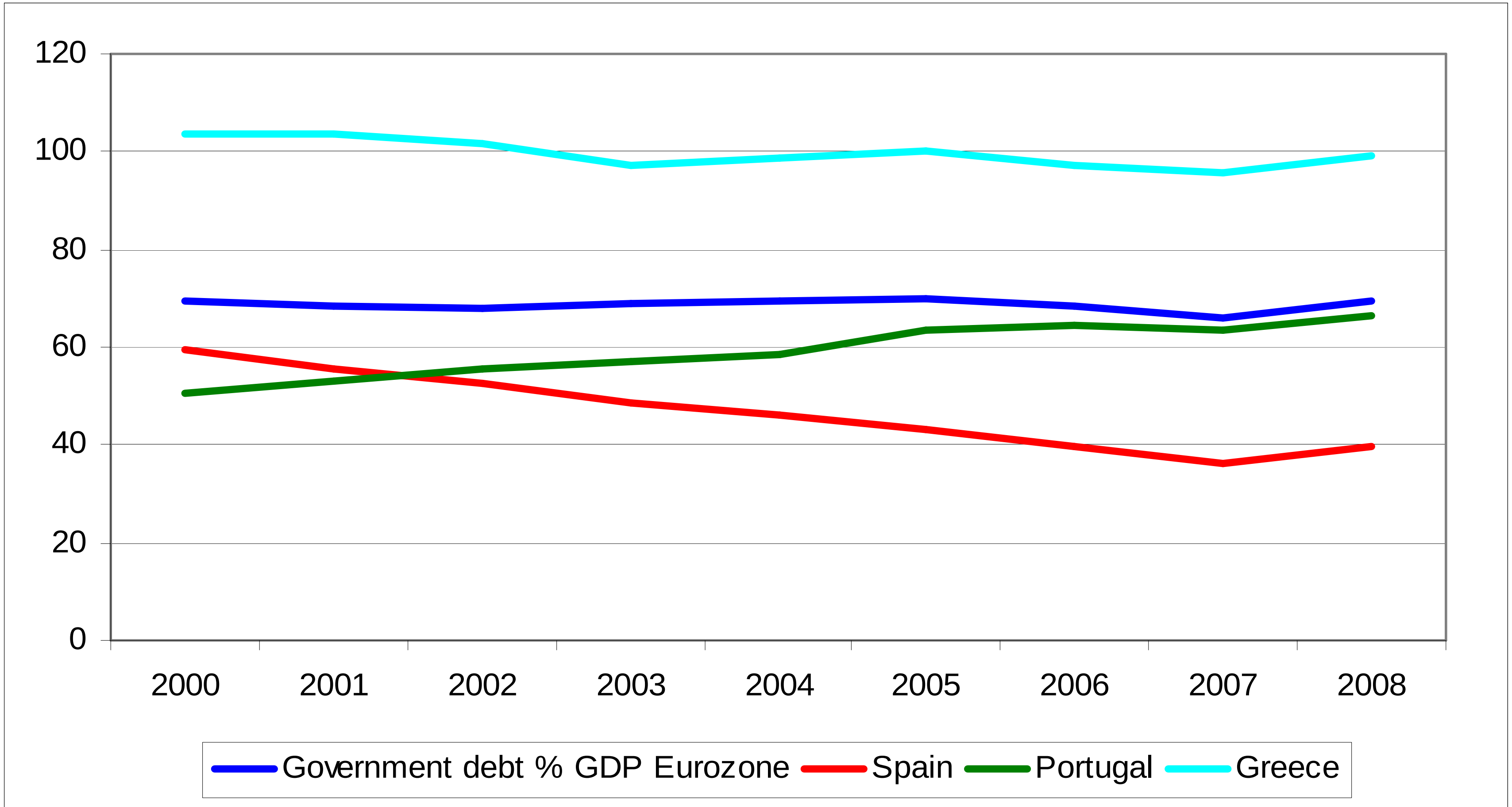
Eurozone government debt



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2009: Highlights

- Sales growth above market in both divisions
- Solid double-digit Core EPS growth[1] (+20%)
- New Pharma wholesaler inventory policy in Q4:
  - harmonization of distribution systems following the merger with Genentech, and reduction in overall risk level
  - no change in prescription trend, 2010 starting with strong sales growth
- Excellent progress in developing late-stage pipeline and active management of R&D investments
- Strong increase in dividend by 20% to CHF 6.00 and pay out ratio to 52.8%

[1] in local currency

2009: Highlights

- **Strong financial condition**
  - Free cash flow of ~CHF 9.0 bn, + 79%
  - CHF 6.9 bn of debt already redeemed in the second half of 2009
- **Genentech transaction accretive from day one**
  - Core EPS at constant exchange rates + 20% (+ 10% in CHF)
  - Net income down 22% to CHF 8.5 bn, primarily due to exceptional items
  - Net income[1] attributable to Roche shareholders +9%, close to CHF 10 bn
- **Increase in dividend pay-out ratio**
  - Increase in proposed dividend of 20% to 6.00 Swiss francs

[1] before exceptional items

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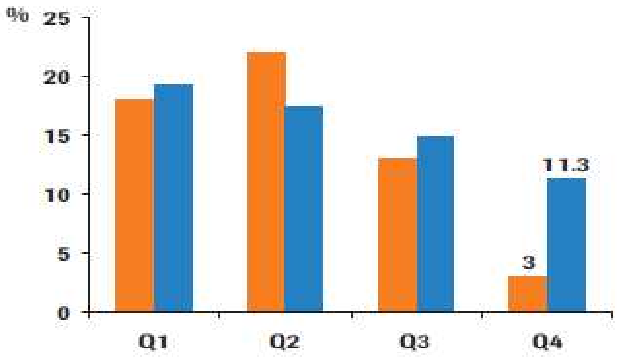
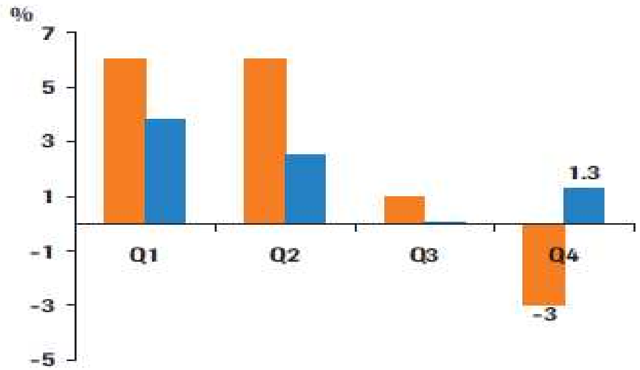
Q4 2009 channel inventory management

Wholesaler inventory reduction influenced Q4 sales, despite growing demand

Avastin (2009 US growth)



Rituxan (2009 US growth)



Reported sales growth vs. prior year quarter
Volume prescription growth vs. prior year quarter

16 major positive phase III outcomes in 2009

Fuel for growth

	Product	Indication	Study	Global peak 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 (final OS data)	●
	Tarceva+Avastin	NSCLC 1st line maintenance	ATLAS	●
Inflammation	Actemra	RA (progression of joint damage)	LiTHE 2 years	●●●
	Actemra	sJIA	TENDER	●
	ocrelizumab	RA (MTX-IRs)	STAGE	●●
Ophthalmology	Lucentis	RVO	BRAVO and CRUISE	●
Metabolism	taspoglutide	Type 2 diabetes	T-emerge 1, 2, 4, 5, 7	●●●

●< CHF 500 mn; ●● CHF 0.5 to 1 bn; ●●● > CHF 1 bn

Major regulatory filings in 2009

Fuel for growth in near future

Product	Indication	Study	Region	Global peak sales potential
Avastin	1st line mBC, combination with standard chemotherapy	RIBBON-1, AVADO RIBBON-1	US EU	●●●
MabThera/ Rituxan	CLL 1st line	CLL-8	US	●●
MabThera/ Rituxan	CLL relapsed	REACH	US, EU	●
MabThera/ Rituxan	RA DMARD IR+ PJD	IMAGE, SERENE, MIRROR	EU	●
Herceptin	HER2-positive gastric cancer	ToGA	EU	●●
Tarceva	1st line maint. NSCLC	SATURN	US, EU	●
Lucentis	RVO	BRAVO, CRUISE	US	●
Xeloda	Adj CC with oxaliplatin	NO16968	EU	●

●< CHF 500 mn; ●● CHF 0.5 to 1 bn; ●●● > CHF 1 bn

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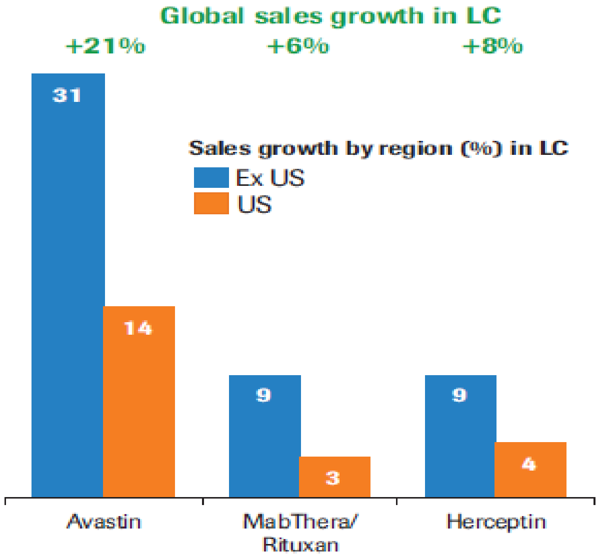
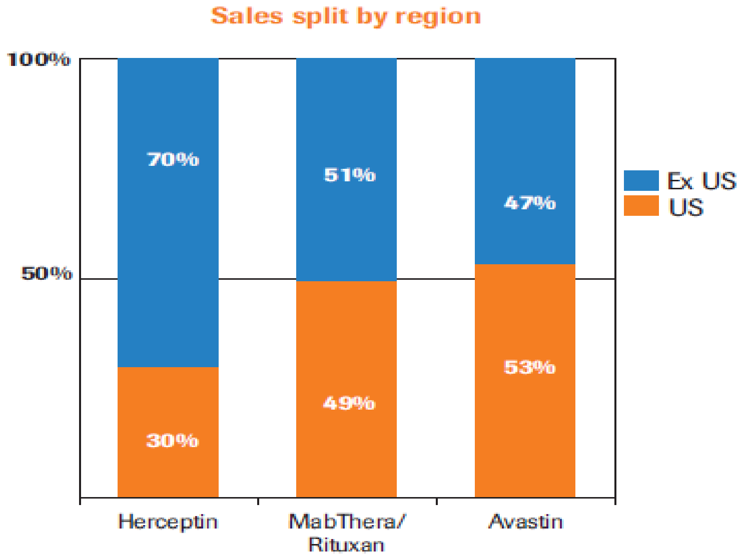
All oncology brands on continued growth path

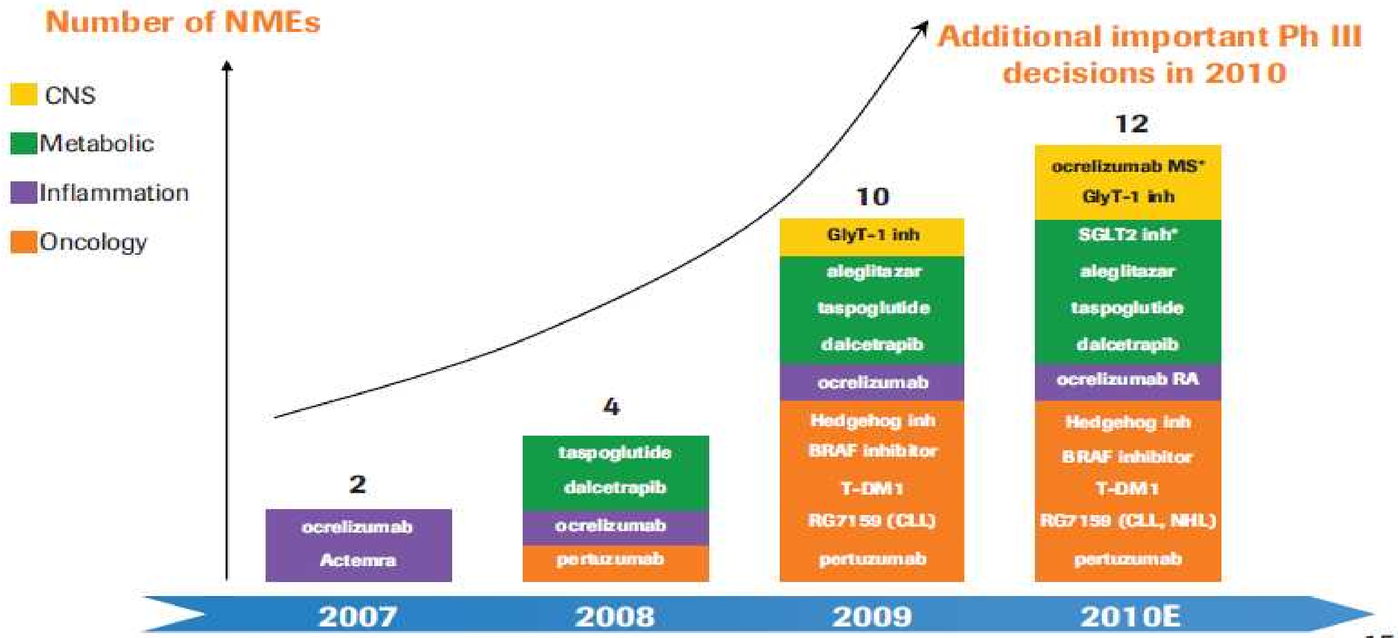
New indications driving growth





Late-stage pipeline continues to build up

Expanding into new therapeutic areas



* Go/no-go decision for phase III pending

Roche Group R&D Pipeline today

Roche

phase I (35 NMEs)

RG4733	g secretase inh	solid tumors
RG7160	EGFR huMab	solid tumors
RG7167	CIF/MEK	solid tumors
RG7304	-	solid tumors
RG7334	Anti-PLGF	solid tumors
RG7347	Anti-NRP1	solid tumors
RG7112	MDM2 ant (2)	solid & hem tumors
RG3639	dulanermin	cancer
RG7420	MEK inh	solid tumors
RG7422	PI3 kinase inh	solid & hem tumors
RG7321	PI3 kinase inh	solid tumors
RG7414	Anti-EGFL7	solid tumors
CHU	anti-glypican Mab	liver cancer
RG7413	rhuMab Beta7	ulcerative colitis
RG7416	Anti-LT alpha	RA
BTI	VAP-1	inflammatory diseases
CHU	serine palmitoyltransf inh	HCV
CHU	nitazoxanide	HCV
RG7089	Y2R pept ago	type 2 diabetes
RG1512	P selectin huMab	PVD
RG4929	11 beta HSD inh	type 2 diabetes
RG7234	11 beta HSD inh (2)	type 2 diabetes
RG7273	ABCA1 inducer	dyslipidemia
RG7376	craf inh	polycystic kidney disease
RG7418	Anti-oxLDL	sec prev CV events
RG7426	BHT-3021	type 1 diabetes
RG1450	gantenerumab (A-beta)	Alzheimer's
RG1578	mGluR2 antag (2)	depression
RG1662*	GABA-A ago	Alzheimer's
RG7010	IGF1 PEG	ALS
RG7166	triple Reuptake inh	depression
RG7351	TAAR1 part ago	depression
RG7412	Anti-Abeta	Alzheimer's
EVO	NMDA receptor antag	TRD
RG7417	Anti-factor D	geographic atrophy

* EIH in Jan 2010

phase II (16 NMEs + 10 AIs)

RG435	Avastin	mult. myeloma
RG435	Avastin	met. melanoma
RG1273	pertuzumab	EBC HER2+
RG3502	T-DM1	mBC 3rd line HER2+
RG3502	T-DM1	mBC 1st line HER2+
RG3616	hedgehog path inh	basal cell carc
RG3616	hedgehog path inh	CRC
RG3616	hedgehog path inh	ovarian cancer
RG7159	GA101 anti-CD 20	NHL
RG3638	Met Mab	mNSCLC
RG7433	ABT-263	sol & hem tumors
CHU	topoisomerase I inh	gastric cancer
RG667	palovarotene	emphysema
RG3637	lebrikizumab (Anti-IL13)	asthma
RG4930	OX40L huMab	asthma
RG7415	rontalizumab (IFN alpha Ab)	SLE
RG3648	Xolair	chronic idiopathic urticaria
RG3484	HPV16	cervical neoplasia
RG7128	nucleoside inh prodrug	HCV
RG7227	protease inh	HCV
RG1439	aleglitazar	CV risk reduction
RG7201	SGLT2 inh	type 2 diabetes
RG1594	ocrelizumab	RRMS
RG1678	GlyT1 inh	schizophrenia
RG3487	nic alpha7	AD
RG7090	mGluR5 antag (2)	TRD

phase III (7 NMEs + 30 AIs)

RG105	MabThera	iNHL maint 1st line
RG105	MabThera + Avastin	DLBCL
RG340	Xeloda	adj CC combo Avastin
RG340	Xeloda	adj BC
RG435	Avastin	adj CC
RG435	Avastin	prostate ca
RG435	Avastin	adj BC HER 2+
RG435	Avastin	ovarian cancer 1st line
RG435	Avastin	mBC combo Herceptin 1st
RG435	Avastin	adj NSCLC
RG435	Avastin	met gastric cancer
RG435	Avastin	adj BC HER2-
RG435	Avastin	adj BC Triple neg
RG435	Avastin	combo hormonal mBC HER 2-
RG435	Avastin	ovarian platinum sensitive
RG435	Avastin	mBC 2nd line
RG435	Avastin	high risk carcinoid
RG435	Avastin	glioblastoma 1st line
RG597	Herceptin	SC formulation HER2+
RG597	Herceptin	adj BC HER2+ 2Y
RG1273	pertuzumab	mBC HER2+
RG1415	Tarceva	NSCLC EGFR mut 1st line
RG1415	Tarceva	adj NSCLC
RG1415+435	Tarceva+Avastin	NSCLC maint 1st line
RG7159*	GA101 anti-CD 20	CLL
RG7204*	BRaf inh	malig melanoma
RG3502	T-DM1	mBC 2nd line HER2
RG105	MabThera	ANCA assoc vascul
RG1569	Actemra	sJIA
RG1569	Actemra	early RA
RG1594	ocrelizumab	RA / PJD
RG3648	Xolair	asthma add-on ICS /LABA
RG1583	taspoglutide	T2D
RG1658	dalcetrapib	dyslipidemia
RG3625	TNKase	catheter clearance
RG3645	Lucentis	diabetic macular edema
RG3645	Lucentis	AMD high dose

* FPI in Jan 2010

Registration (1 NME + 12 AIs)

RG105*	MabThera	CLL 1st line
RG105*	MabThera	CLL relapsed
RG340	Xeloda	adj CC combo oxaliplatin
RG435*	Avastin	mBC combo docetaxel 1st
RG435	Avastin	mBC combo std chemos 1st
RG597*	Herceptin	met gastric ca HER2+
RG1415	Tarceva	NSCLC maint 1st line
RG105	MabThera	RA DMARD IR
RG3648*	Xolair	pediatric asthma
CHU	ED-71	osteoporosis
RG127	Valcyte	CMV extension
RG3645	Lucentis	retinal vein occlusion
CHU	EPOCH	chemo induced anemia

* approved in EU

NME
Additional Indication

Oncology
Inflammation/Immunology
Virology
Metabolic/Cardiovascular
CNS
Ophthalmology
Others

RG-No Roche Genentech managed
CHU Chugai managed
BTI BioTie opt-in
EVO Evotec

RG105 MabThera is branded as Rituxan in US and Japan

Status as of December 31, 2009

10 NMEs in ongoing or planned late-stage studies

	Product candidate	Indication	Status	Market potential
Oncology	pertuzumab	HER2-positive breast cancer	Ph III started Q1 2008	First in class
	T-DM1	HER2-positive breast cancer	Ph III started Q1 2009	First in class
	RG7159 (GA101)	CLL, NHL	Ph III started Q4 2009	Best in class
	RG7204 (PLX4032)	malignant melanoma	Ph III started Q1 2010	First in class
	Hedgehog pathway inhibitor	Advanced basal cell carcinoma	Pivotal Ph II started Q1 2009	First in class
Inflammation	ocrelizumab	RA	Positive Ph III (STAGE) in Q4 2009	Best in class
Metabolism	taspoglutide	Type 2 diabetes (T2D)	5 positive Ph III studies in Q4 2009, further data in 2010	Best in class
	dalcetrapib	Dyslipidemia, cardiovascular high risk	Ph III enrolment on track	First in class
	aleglitazar	Cardiovascular high risk in T2D	Ph III to start in Q1 2010	Best in class
CNS	GlyT-1 inh.	Negative symptoms of Schizophrenia	Ph III to start in 2010	First in class

Pharma: Key objectives for 2010

Major clinical news flow

Compound	Phase	Indication
Avastin	III	Ovarian cancer, front line (GOG-0218, ICON-7)
Avastin	III	Gastric cancer
Avastin	III	Prostate cancer
Hedgehog inh	II	mCRC proof of concept data
Pertuzumab early BC	II	Phase II data
Taspoglutide	III	Phase III data presentation
Ocrelizumab RA	III	Data in DMARD- and anti TNF-IRs
Ocrelizumab RRMS	II	Full Phase II data and Ph III decision

Filings

Compound	Indication
Avastin	mBC 2nd line
Avastin	Ovarian cancer front line
Avastin	Gastric cancer
Mabthera	1st line maintenance iNHL
Ocrelizumab	RA
Xeloda	Adj BC

Pharma Division Outlook 2010:

Mid single-digit sales growth excluding Tamiflu

Avastin: significant potential in additional indications

Important Phase III news flow in 2010

Indication	Study name	Status	Regulatory Submission
1st-line advanced gastric cancer	AVAGAST	Expect data 2010	2010
Adjuvant colon cancer	AVANT	Expect data 2010	TBD
Front-line ovarian cancer	GOG-0218	Expect data 2010	2010
	ICON-7	Expect data 2010	2010
1st-line hormone-refractory prostate cancer	CALGB 90401	Expect data 2010	2011

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Major short-term growth opportunities in oncology

High-visibility growth drivers

Product	Growth opportunities		Global peak sales potential
	Indications	Geographies	
Avastin	mCRC mBC mNSCLC RCC	Ex US Global Ex US Global	CHF 8 - 9 bn
	GBM	Global	●●
	Ovarian	Global	●/●●●
	Prostate	Global	●/●●●
	Gastric	Global	●/●●●
MabThera/Rituxan	CLL	Ex US	●●
	NHL- maint 1st line	Ex US	●●
Herceptin	Adj BC	Emerging markets	●●
	Gastric	Global	●●●

●< CHF 500 mn; ●● CHF 0.5 to 1 bn; ●●●> CHF 1 bn

Key launches in 2010

Professional Diagnostics	• cobas 8000 e 602 & c 702 modules (EU, APAC, LATAM) • cobas 8000 c 701, c 502 and e 602 modules (US) • cobas b 123 for bloodgas, electrolytes (EU) • New immunoassays: 8 (US), 6 (EU)
Diabetes Care	• Accu-Chek Aviva Nano (US) • Accu-Chek Mobile (APAC) • Accu-Chek Combo (US, APAC)
Molecular Diagnostics	• cobas TaqScreen DPX blood screening test for B19 virus & HAV (EU) • MRSA Test (US) • CAP/CTM CMV test (EU)
Applied Science	• GS Junior sequencing system (global) • Next-generation ultra-high density NimbleGen microarrays (global) • xCELLigence RTCA HT instrument (global)
Tissue Diagnostics	• Benchmark GX (EU, APAC) • Molecular probes for Top2a and IGF-1R (EU) • Discovery Ultra for IHC & ISH research (EU)

Diagnostics Division Outlook: Sales growth significantly above the market

* Subject to appropriate regulatory approvals

barring unforeseen events

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Outlook for 2010

Sales growth (in LC)	Group & Pharma (excl. Tamiflu): mid single-digit Diagnostics: significantly above market
Synergies	2010: CHF 800 m 2011: CHF 1,000 m
R&D investment	Slightly below 2009 level
Core EPS growth (in LC)	Double-digit
Debt	2010: 25% reduction of debt initially raised 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 1.2 bn assumed for 2010; LC=Local Currency
* Continuous increase in dividend pay-out ratio over the period 2008-2010