

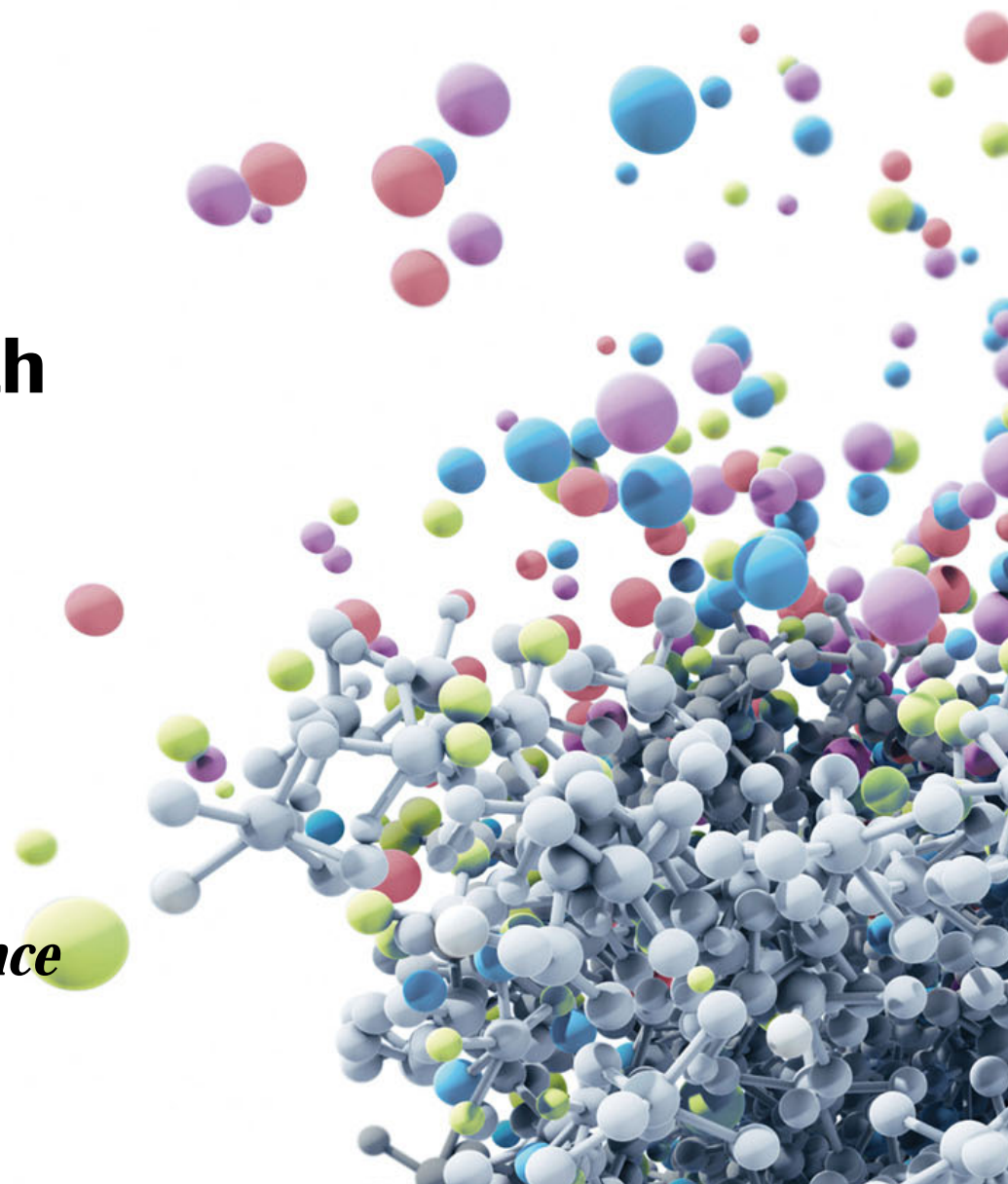
Innovation and growth

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- 2 legislative and regulatory developments and economic conditions;
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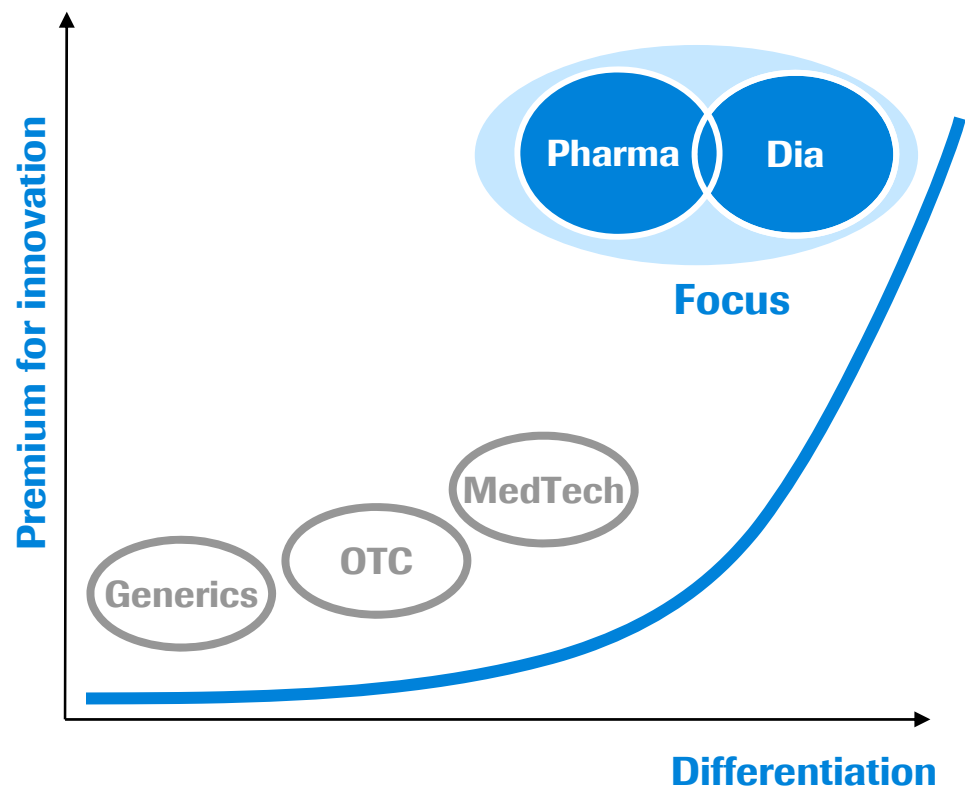
Performance update

Innovation matters: Industry in context

Building pillars of innovation and growth

Summary

Roche strategy: Focused on medically differentiated therapies



Regulators:

Optimised benefit / risk ratio

Payors:

Optimised benefit / cost ratio

2013: Targets fully achieved



Targets for 2013

FY 2013

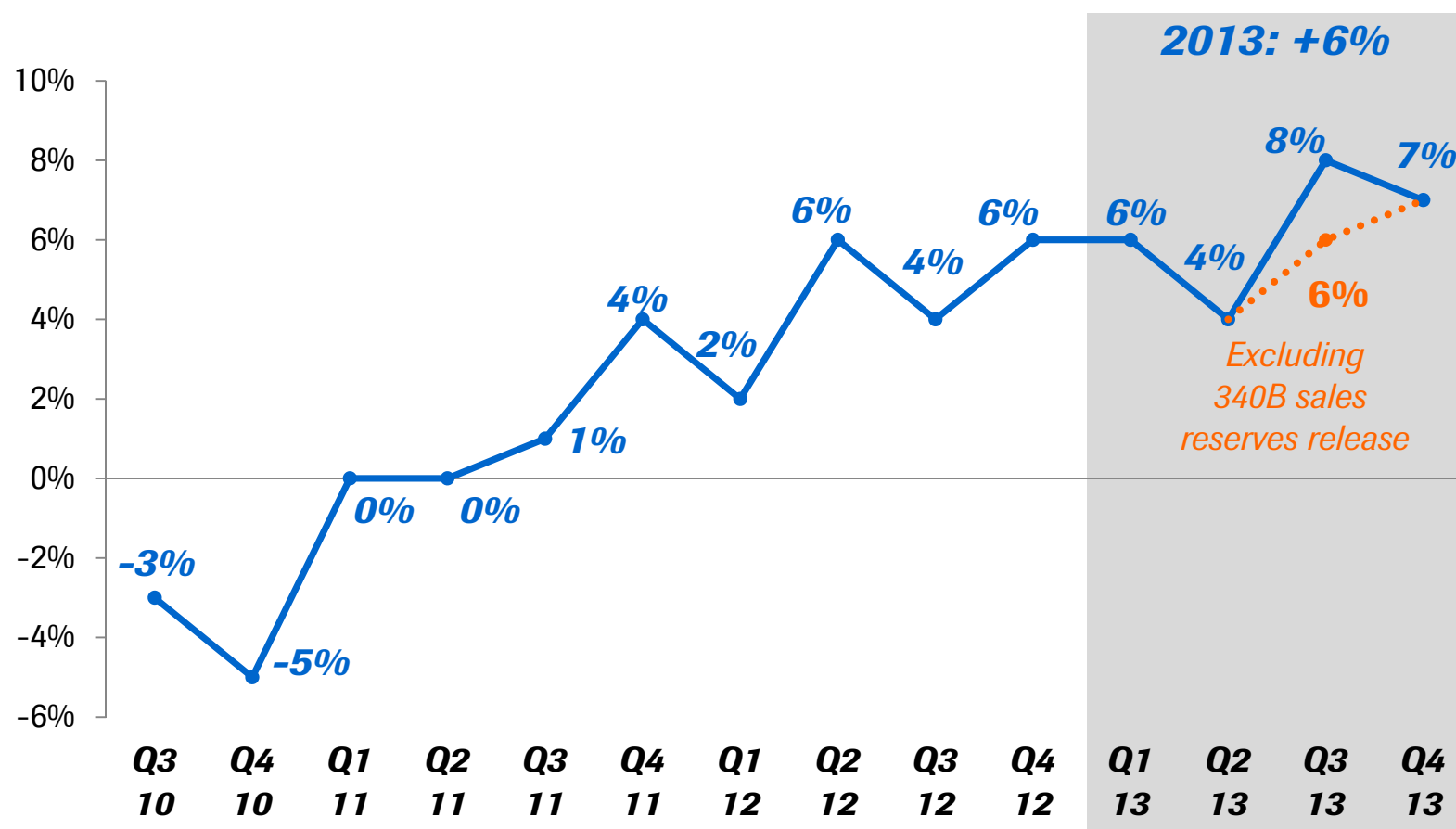
Group sales	In line with sales growth recorded in 2012 ¹	+6%	✓
Core EPS	Ahead of sales growth ¹	+10%	✓
Dividend	Further increase dividend	CHF 7.80 +6%	✓

¹At constant exchange rates

Excluding one-off Past Service Income impact of CHF 236m on core net income and excluding 340B reserve release impact of CHF 182m on sales and CHF 94m on core net income

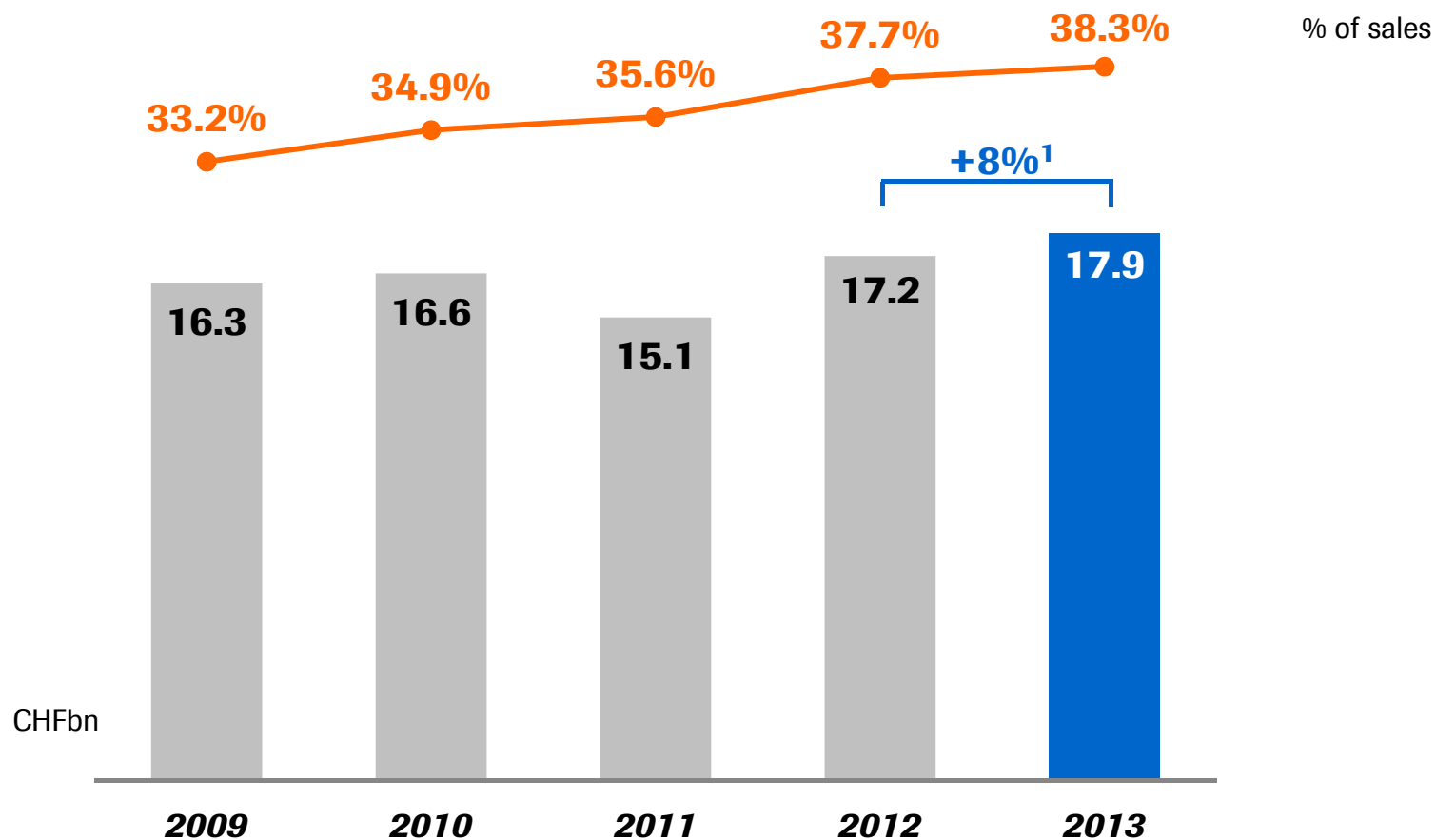
2013 dividend as proposed by the Board of Directors

Group: Strong sales growth sustained



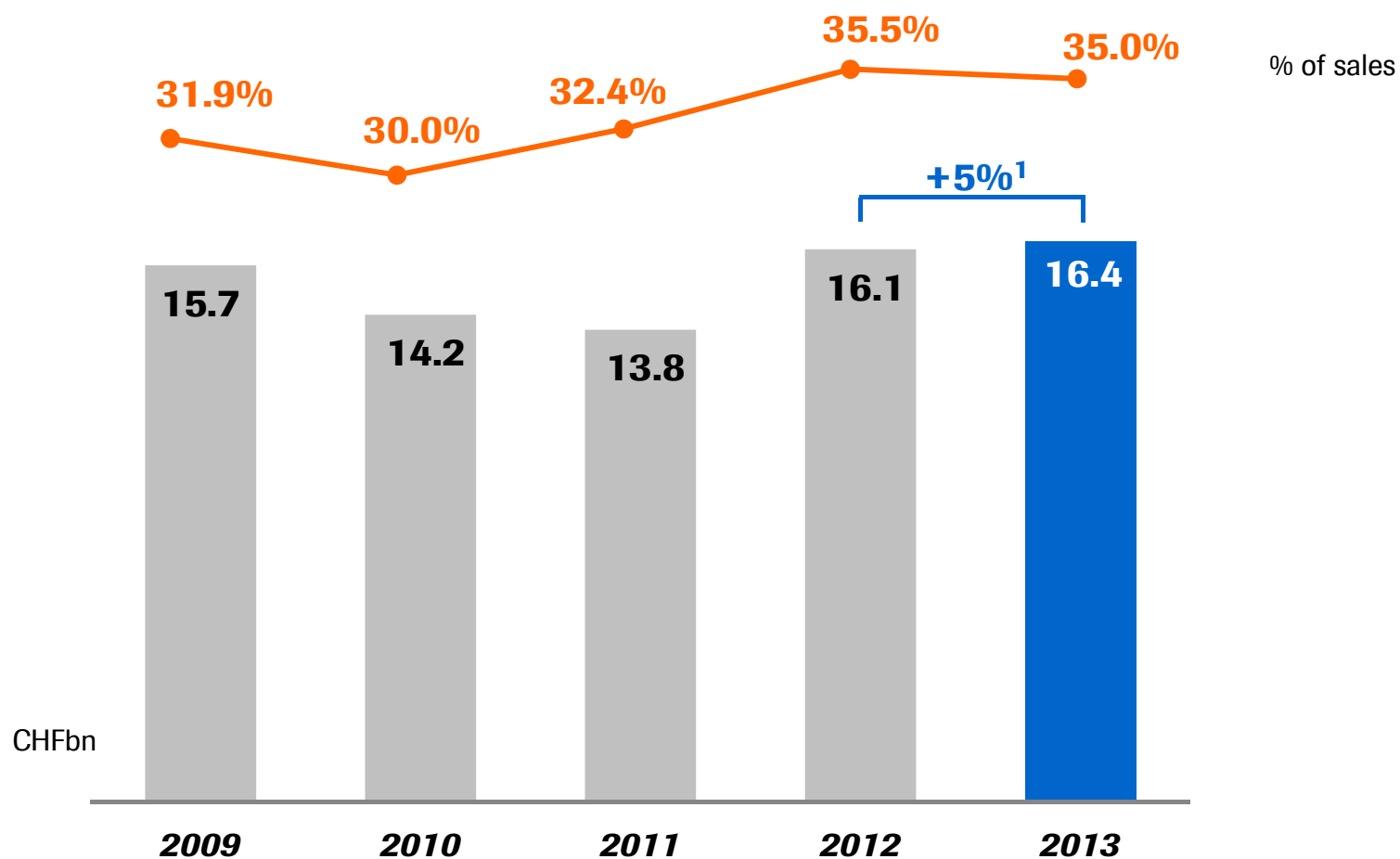
All values at constant exchange rates

Group operating profit and margin



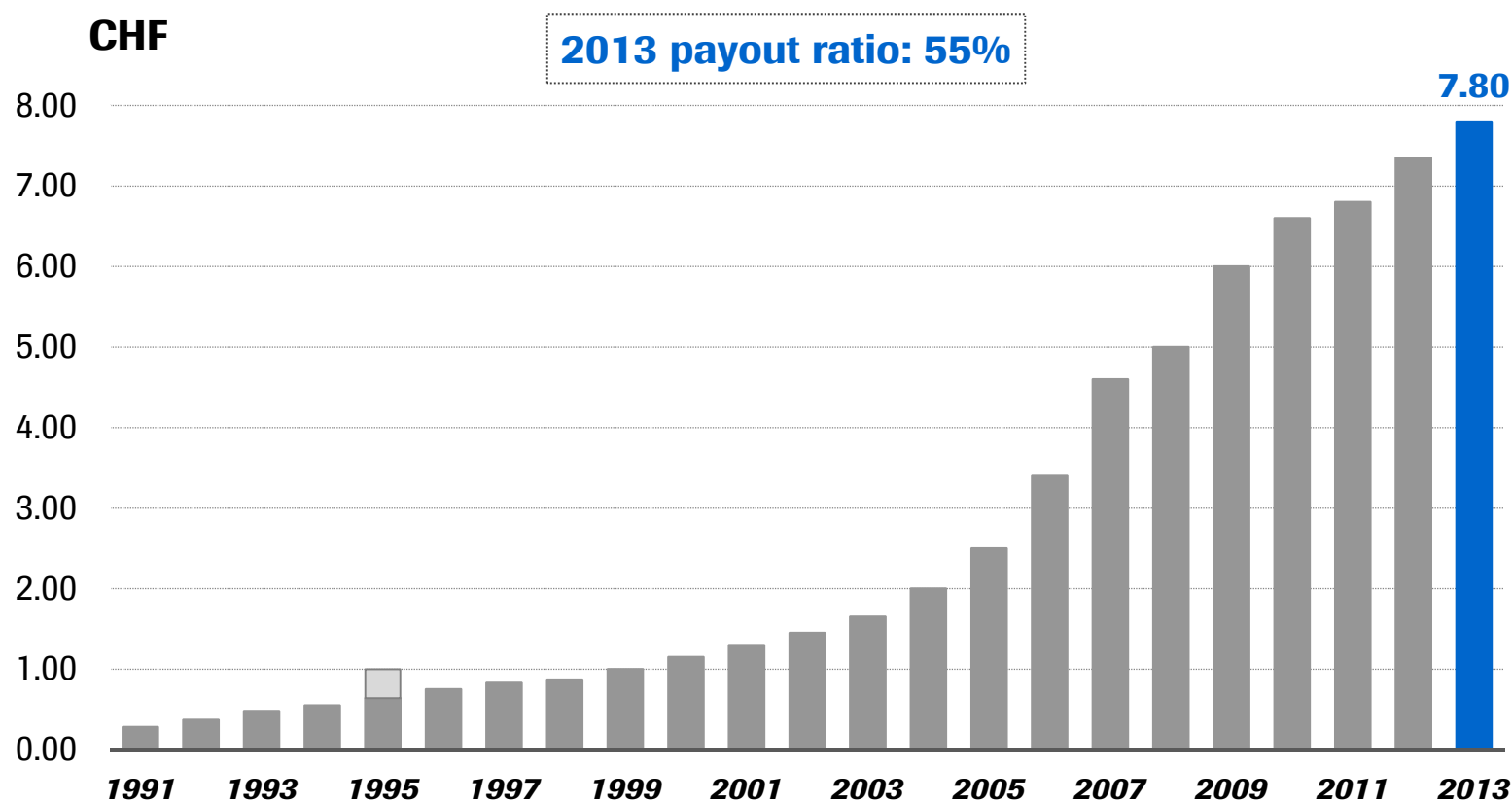
¹ At constant exchange rates

Strong operating free cash flow



¹ At constant exchange rates

2013: Dividend further increased



Performance update

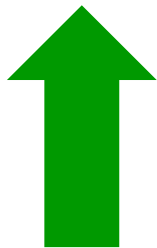
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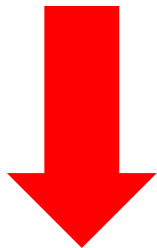
Summary

Pharma market drivers and constraints

Balance of these factors will determine future growth



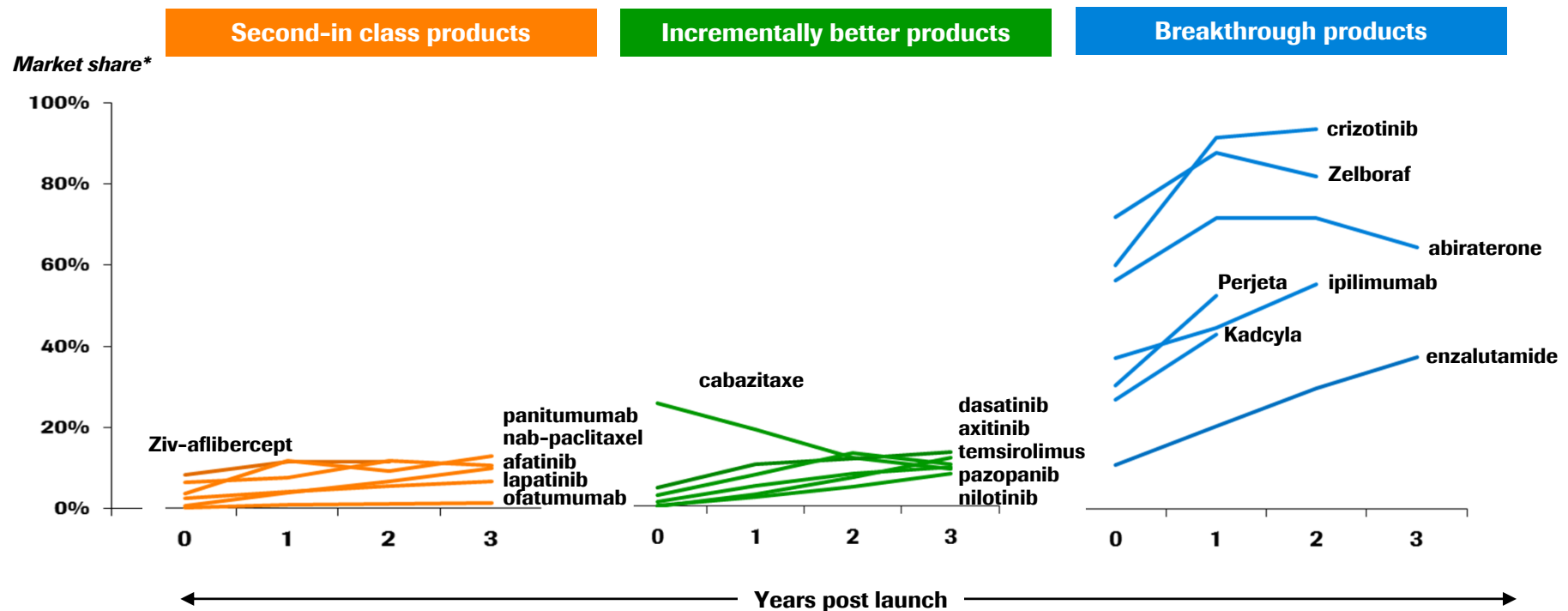
- Major advances in science and medicine
- Growth and aging of world population
- Increasing wealth and access in Emerging Markets



- Patent expirations
- Global economic slowdown
 - Slower expansion of budgets in emerging markets
 - Increased pricing hurdles in developed world

Innovation: Importance of breakthrough efficacy

Major oncology drug launches

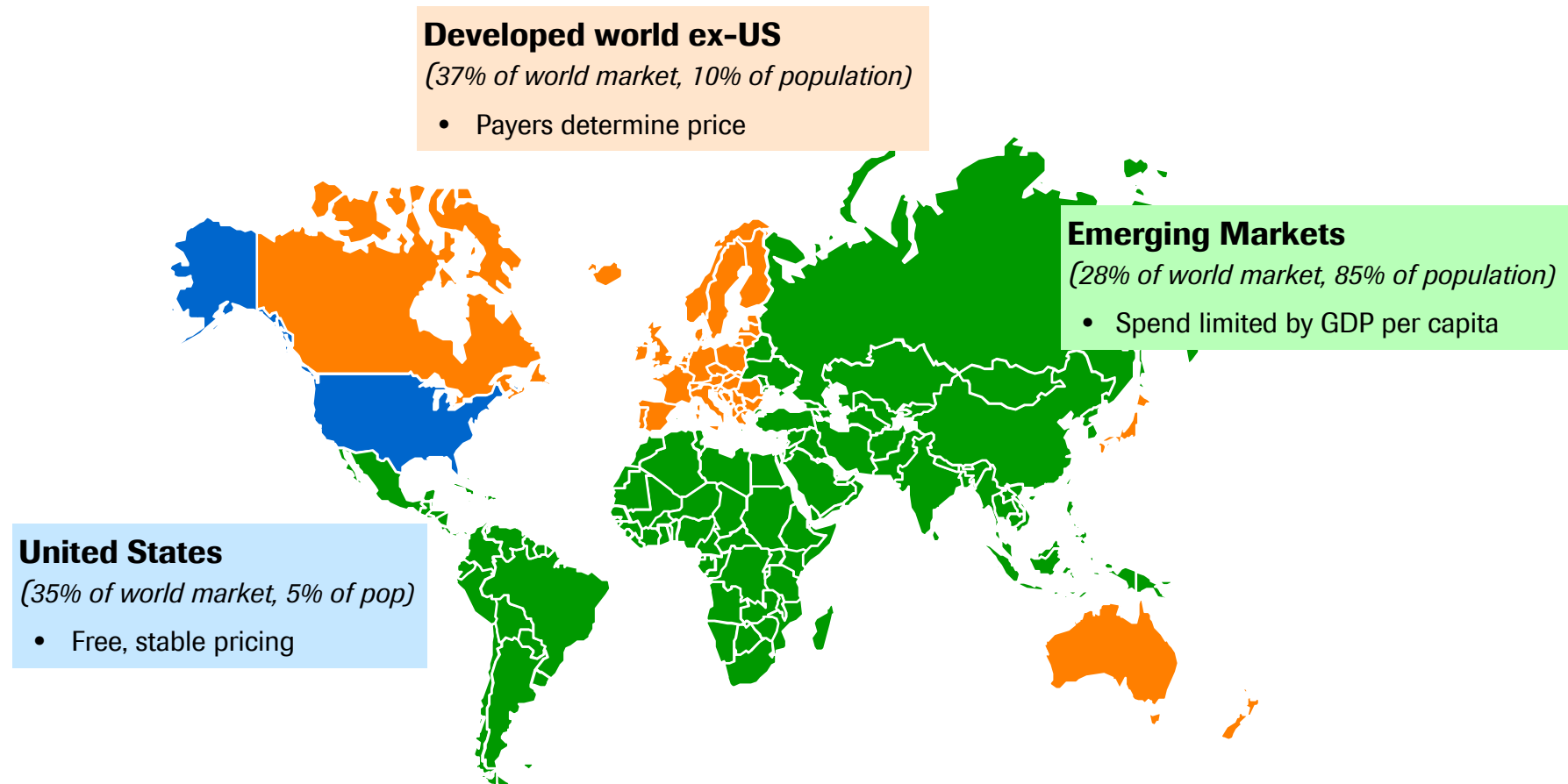


Source: Evaluate Pharma, Decision Resources, Roche internal analysis

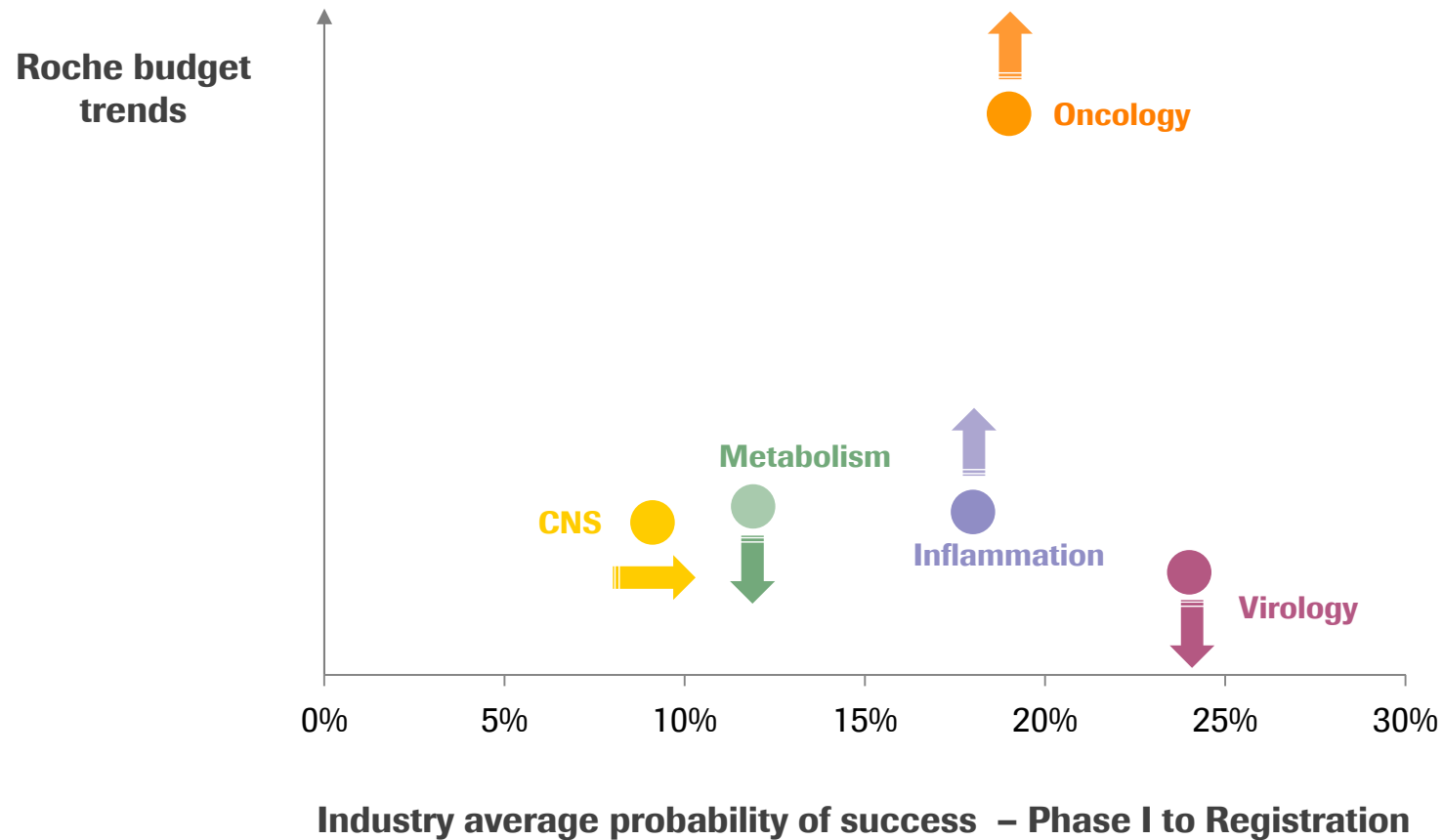
Note: *Market shares represent either % sales of target product relative to sales competing products in similar indications or patient shares

Access and pricing: Challenges and opportunities

Behavior stratified into 3 geographic clusters



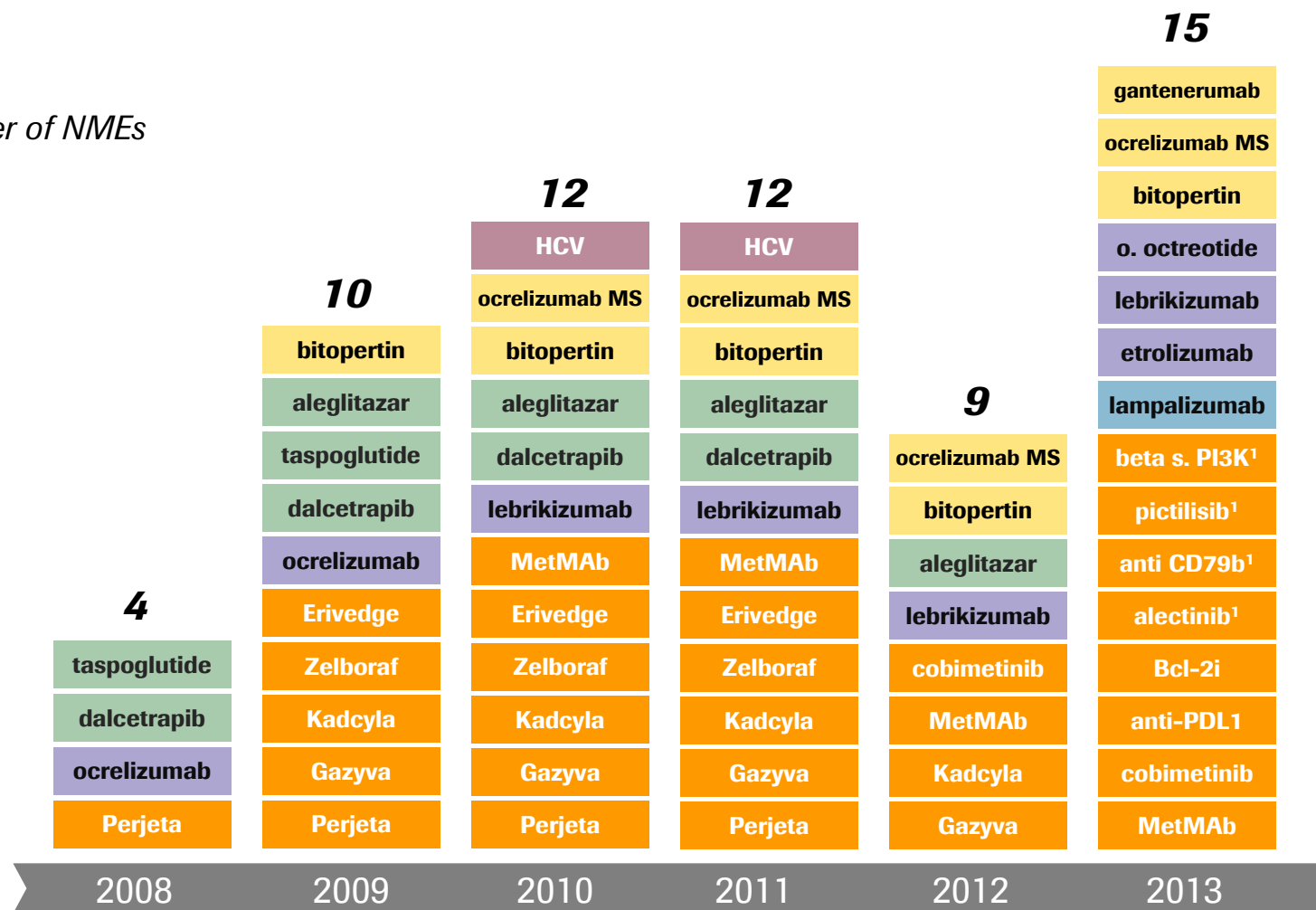
Roche: R&D well balanced from a risk & disease point of view



A leading pipeline

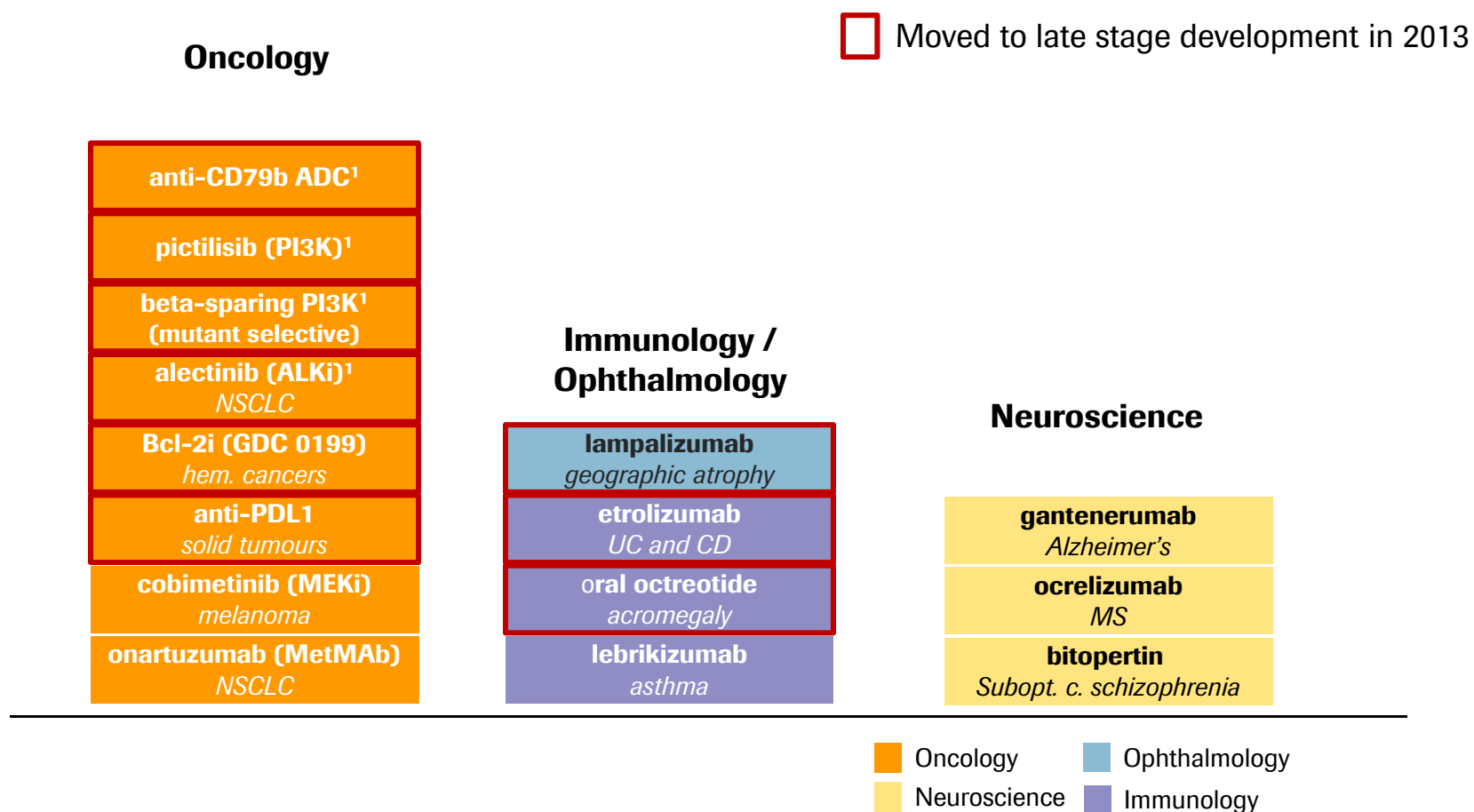
15 NMEs in late-stage development

Number of NMEs



¹ Phase III decision pending

2013: 15 new compounds in late stage development



¹ Phase III decision pending

Performance update

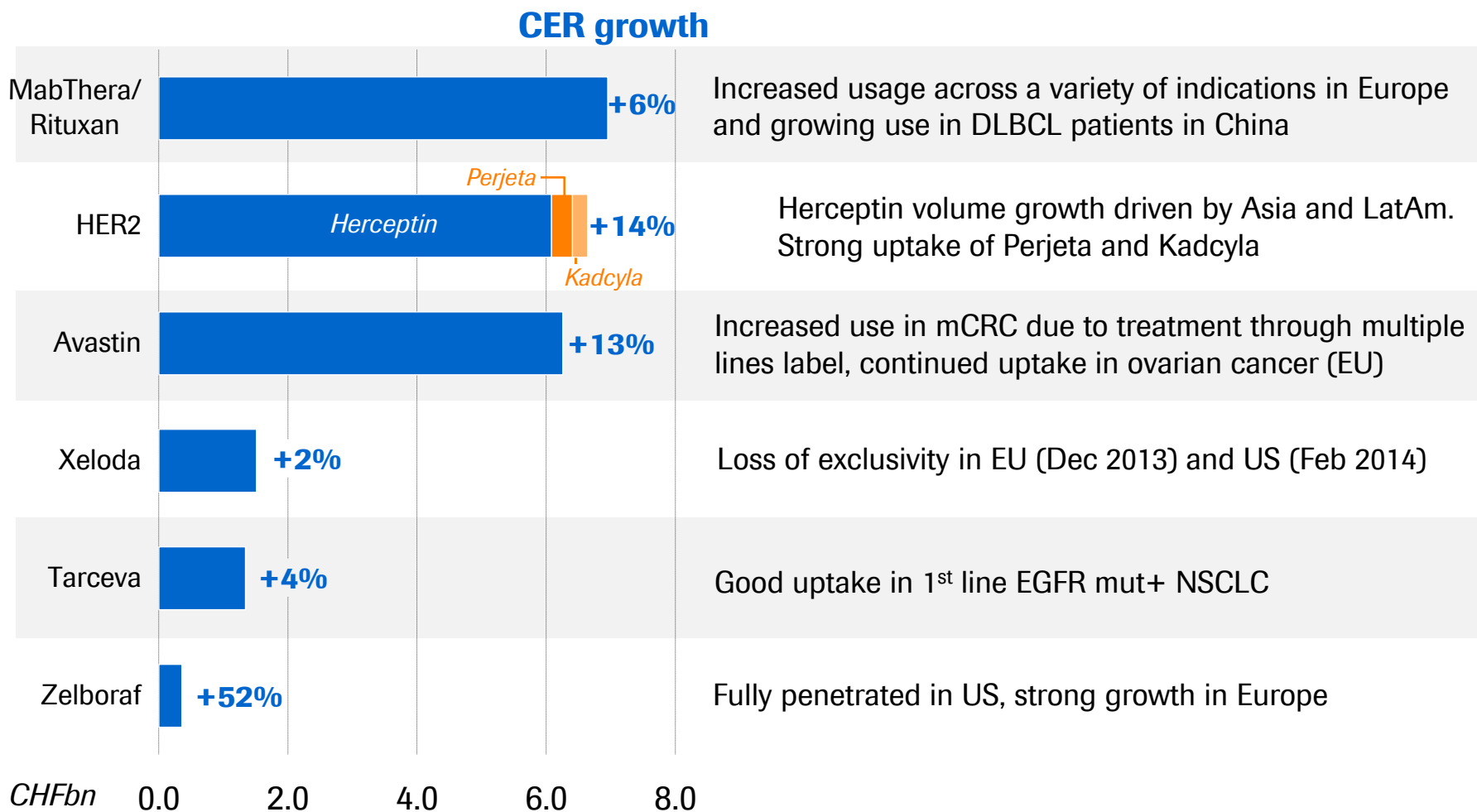
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Summary

Oncology

2013 sales: Oncology franchise up 10%



HER2 franchise: Innovative therapies define new standard of care



- Sales growth driven by metastatic BC
- Continued increase in 1L HER2+ mBC
- US approval of neo-adjuvant HER2+ BC
- Encouraging rollout in Europe



- Strong US uptake in HER2+ mBC 2nd line and beyond
- Continued increase in patient share
- Launched in some European countries



- Approval in Europe; positive feedback in centers where available

HER2 franchise: +14% growth¹ in 2013

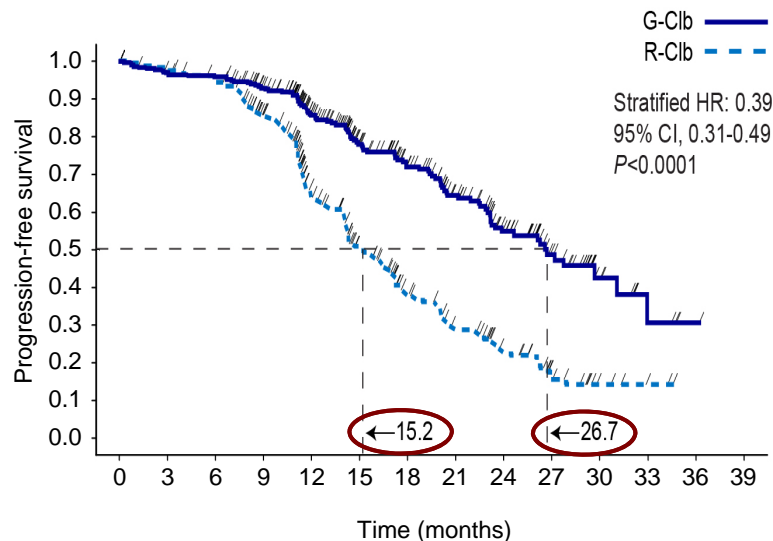
¹ At constant exchange rates

Haematology franchise

Establishing a new standard of care

Gazyva vs. MabThera/Rituxan in CLL

(combo with chlorambucil)



US approval Nov 2013
Included in NCCN guidelines

Bcl-2 inhibitor (ABT/GDC-199)

- Ph II in CLL patients with 17p deletion: expect data 2014/15
- TLS mitigation program on track: final measures to be decided mid-2014
- Ph III in combination with Gazyva in front-line CLL expected to start Q4 2014

- Gazyva: Several combination studies with new promising agents in preparation (Investigator sponsored studies and studies sponsored by other companies)

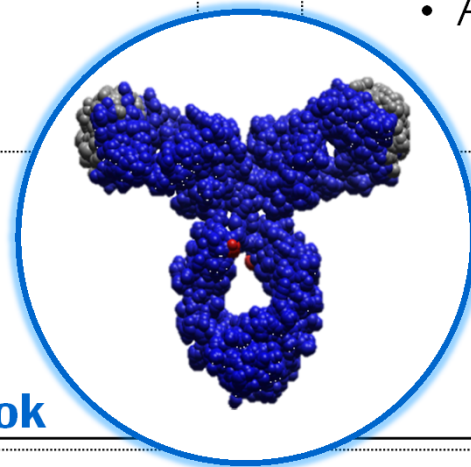
More pipeline: Immunotherapy/anti-PDL1

NSCLC & RCC

- Ph II FIR: expect data 2014/15
- Ph II POPLAR: expect data 2015
- Ph II BIRCH: expect data 2015
- Ph III OAK: expect data 2016
- Ph II in 1L RCC
(±Avastin vs. sunitinib)

Ongoing combination studies

- Anti-PDL1+Avastin (±chemo)
(solid tumours)
- Anti-PDL1+Tarceva (NSCLC)
- Anti-PDL1+Zelboraf (melanoma)
- Anti-PDL1+cobimetinib
(solid tumours)



2014 outlook

- 1H: data in new tumour type
- Additional combinations, including immune doublets, starting throughout 2014

Anti-PDL1 phase Ia in NSCLC: Best response by PD-L1 IHC Status



Diagnostic Population ^a (n = 53)	ORR ^b % (n/n)	PD Rate % (n/n)
IHC 3	83% (5/6)	17% (1/6)
IHC 2 and 3	46% (6/13)	23% (3/13)
IHC 1/2/3	31% (8/26)	38% (10/26)
All Patients ^c	23% (12/53)	40% (21/53)

^a IHC 3: ≥ 10% tumor immune cells positive for PD-L1 (IC+); IHC 2 and 3: ≥ 5% tumor immune cells positive for PD-L1 (IC+); IHC 1/2/3: ≥ 1% tumor immune cells positive for PD-L1 (IC+); IHC 0/1/2/3: all patients with evaluable PD-L1 tumor IC status.

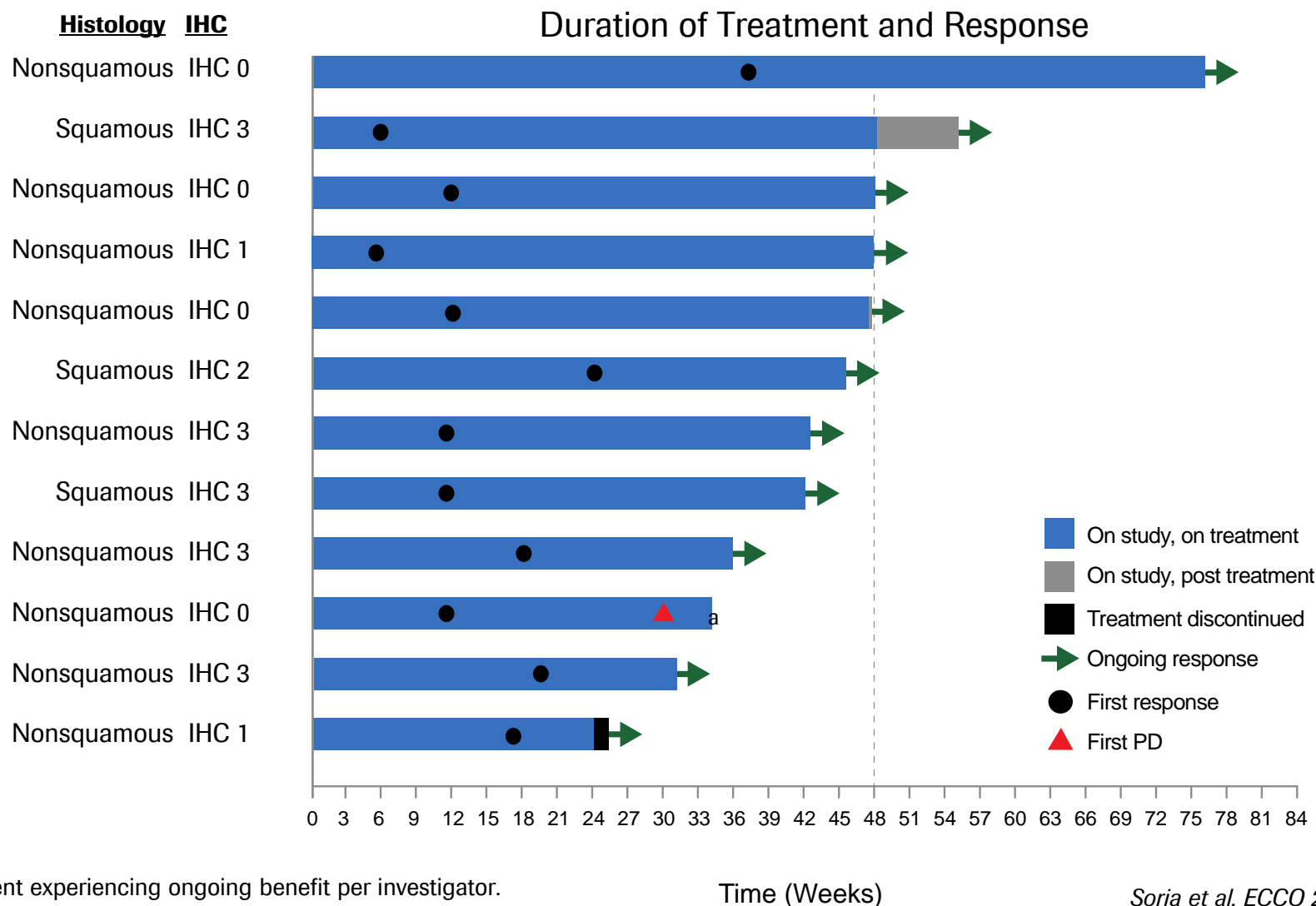
^b ORR includes investigator-assessed unconfirmed and confirmed PR.

^c All patients includes patients with IHC 0/1/2/3 and 7 patients have an unknown diagnostic status.
Patients first dosed at 1-20 mg/kg by Oct 1, 2012; data cutoff Apr 30, 2013.

Soria et al, ECCO 2013

Duration of treatment in responders

Sustained response in majority of responders



Anti-PDL1 Development: NSCLC



FIR Study: Phase II Dx-positive advanced mNSCLC



PDL1 positive NSCLC

Anti-PDL1 1200 mg IV
Q3 weeks

Ongoing

Primary end-point:
Overall Response Rate

POPLAR Study: Phase II 2/3L mNSCLC



**Metastatic
NSCLC (2/3L)**

Docetaxel
75 mg/m² IV Q3 wk

Anti-PDL1
1200 mg IV Q3 wk

Ongoing

Primary end-point:
Overall Survival

OAK Study: Phase III 2/3L mNSCLC



**Metastatic
NSCLC (2/3L)**

Docetaxel
75 mg/m² IV Q3 wk

Anti-PDL1
1200 mg IV Q3 wk

Expect FPI: Q1 2014

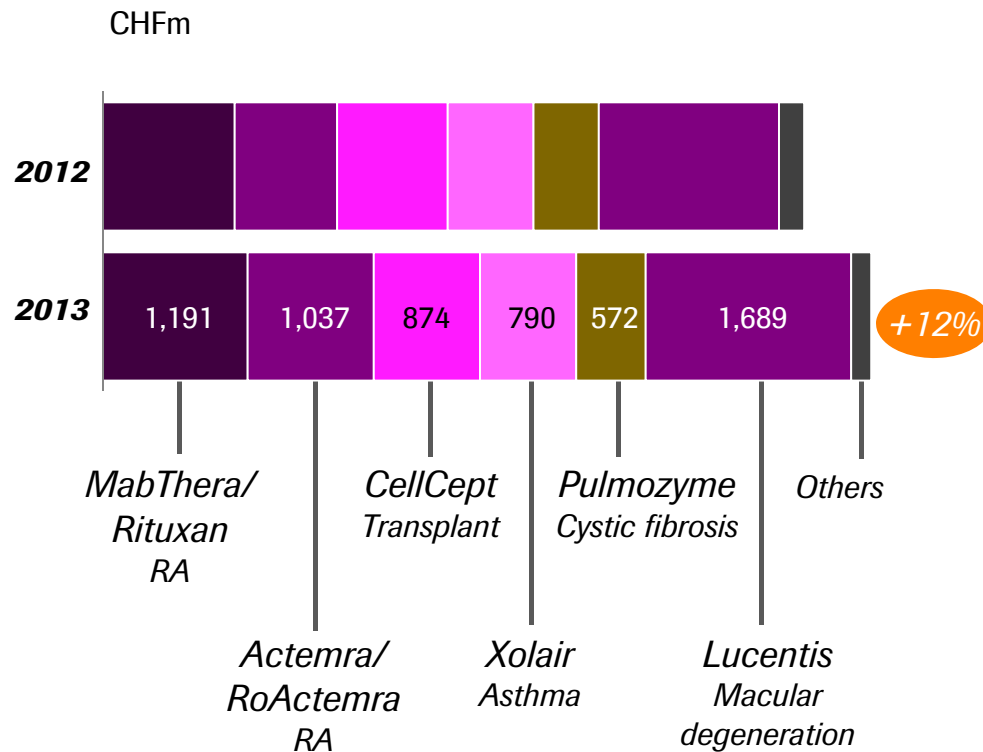
Primary end-point:
Overall Survival

Immunology & ophthalmology

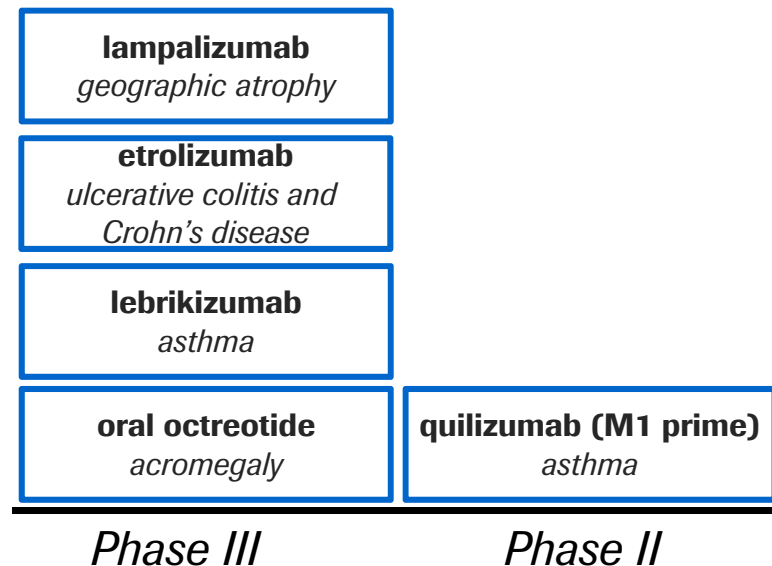
Immunology and Ophthalmology

New late-stage compounds in a well-established franchise

Growing existing franchise (CHF 6.3bn)

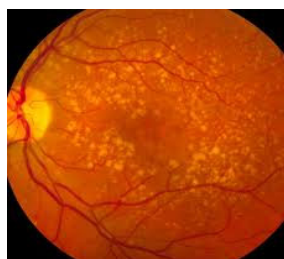


Developing pipeline



Pipeline example: Entering new Therapeutic Areas

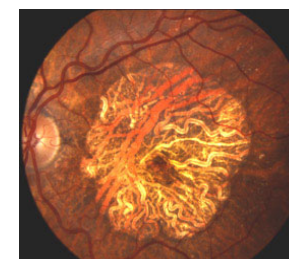
Lampalizumab in Geographic Atrophy (GA)



AMD
(Drusen)



Extrafoveal GA



Advanced GA

Lampalizumab: Anti-factor D

High efficacy in subpopulation with exploratory biomarker

- GA progression rate decreased by 44% at 18 months.
- In the subset of patients with better vision (20/50 to 20/100), progression was reduced by 54%
- All comers: 20.4 % reduction rate at 18 months

Safety

- No unexpected or unmanageable SAEs
- Intraocular inflammation AE rates and intraocular pressure elevation AE rates were consistent with Lucentis rates in wAMD

Performance up-date

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Summary

Summary: Focus on innovation and growth



1

Strategic focus on innovation and driving Personalised Healthcare

2

Strong growth in Emerging Markets facilitated by tailored access models

3

Leading product pipeline providing value for the future

Doing now what patients need next