

Basel, 21 July 2016

## Roche delivers continued growth in the first half of 2016

- Group sales increased by 5%<sup>1</sup> at constant exchange rates, 6% in Swiss francs
- Pharmaceuticals Division sales up 4%, driven by oncology and immunology medicines
- Diagnostics Division sales grew 6%, driven primarily by immunodiagnostic products; challenging market conditions in Diabetes Care
- Core earnings per share grew slightly faster than sales at 5% at constant exchange rates, 7% in Swiss francs
- OCREVUS filed in US and EU for relapsing and primary progressive forms of multiple sclerosis; FDA granted priority review
- Cancer immunotherapy medicine Tecentriq received accelerated FDA approval in bladder cancer in the US
- cobas e801 immunodiagnostic module launched for high-volume testing
- Outlook for 2016 confirmed

| Key figures<br>January - June | In millions of CHF |        | % change         |     |
|-------------------------------|--------------------|--------|------------------|-----|
|                               | 2016               | 2015   | CER <sup>1</sup> | CHF |
| Group sales                   | 25,022             | 23,585 | +5               | +6  |
| Pharmaceuticals Division      | 19,460             | 18,350 | +4               | +6  |
| Diagnostics Division          | 5,562              | 5,235  | +6               | +6  |
| Core operating profit         | 9,854              | 9,236  | +5               | +7  |
| Core EPS - diluted (CHF)      | 7.74               | 7.22   | +5               | +7  |
| IFRS net income               | 5,467              | 5,249  | +3               | +4  |

Commenting on the Group's results, Roche CEO Severin Schwan said: "In the first half of the year, both our Pharmaceuticals and Diagnostics Divisions showed good growth across all regions. The launch of our first cancer immunotherapy medicine Tecentriq is off to a strong start. We also completed the US and EU filings of OCREVUS, which brings us an important step closer toward launching this promising multiple sclerosis medicine. Based on our half year performance, I am confident that we will meet our full-year targets for 2016."

<sup>1</sup> Unless otherwise stated, all growth rates in this document are at constant exchange rates (CER: average 2015).

## **Group**

### **Strong performance in both divisions**

In the first half of 2016, Group sales rose 4.8% at constant exchange rates to CHF 25.0 billion. Core EPS grew 5.2% at constant exchange rates, slightly faster than sales. Core EPS growth reflects the good underlying business performance, investments into the launch of new products and the product pipeline, the one-off accounting impact of changes to the Group's Swiss pension plans, as well as an early bond redemption.

IFRS net income was up 3% at constant exchange rates and 4% in Swiss francs. The positive currency effect was driven by the weakening of the Swiss franc against the US dollar, the yen and the euro, partly offset by a strengthening of Latin American currencies.

Sales in the Pharmaceuticals Division were up 4% to CHF 19.5 billion, driven by demand for oncology and immunology medicines. Sales in the US increased 4%, led by immunology treatments Xolair and Esbriet, as well as Herceptin and Perjeta against HER2-positive breast cancer. There was high demand for Alecensa, which was recently launched in the US for a specific type of lung cancer. Sales of Lucentis and Tarceva declined due to the continued impact of competition. In Europe (+5%), Perjeta, MabThera/Rituxan and Actemra/RoActemra recorded strong sales growth, especially in Germany and France. In the International region (+4%), growth was driven by HER2 medicines, Avastin and MabThera/Rituxan. This growth was partly offset by lower Pegasys sales due to competition from a new generation of hepatitis C treatments. In Japan, sales rose 2% driven by HER2 medicines, Alecensa and Actemra/RoActemra.

Sales in the Diagnostics Division grew 6% to CHF 5.6 billion. All regions contributed to this growth, particularly Asia-Pacific (+17%). Professional and Tissue Diagnostics grew strongly. Diabetes Care sales were impacted by continued challenging market conditions, especially in North America.

### **Regulatory approvals**

In the second quarter, Roche achieved several key regulatory milestones. In April, Venclexta (venetoclax) received accelerated approval in the US for a specific form of leukemia. This medicine was jointly developed with AbbVie. In May, the FDA granted cancer immunotherapy Tecentriq (atezolizumab) accelerated approval in the US for a specific type of bladder cancer. Also in May, the subcutaneous formulation of MabThera/Rituxan received approval in the EU for people with chronic lymphocytic leukaemia. In June, the European Commission approved Gazyva/Gazyvaro plus bendamustine for the second-line treatment of follicular lymphoma. The EU authorities also approved the combination of Avastin and Tarceva for the treatment of people with a specific type of lung cancer.

### **Strong Pharma pipeline**

Roche made significant progress in late-stage development. In June, the European Medicines Agency (EMA) and the FDA confirmed that the data submission for OCREVUS (ocrelizumab) is complete, and the marketing applications for both relapsing and progressive multiple sclerosis are being reviewed. In addition, the FDA granted priority review for the US application with an action date of 28 December 2016.

In the same month, the largest clinical trial ever conducted in giant cell arteritis (GCA), a serious inflammatory disease of blood vessels, showed positive results. Initially combined with a six-month steroid regimen, Actemra/RoActemra more effectively sustained remission through one year compared to a 6- or 12-month steroid-only regimen in people with newly diagnosed and relapsing GCA.

At the American Society of Clinical Oncology (ASCO) annual meeting in June, Roche presented an updated clinical analysis for Tecentriq in previously treated lung cancer. Overall survival benefit was seen regardless of Programmed Death-Ligand 1 (PD-L1) expression compared to chemotherapy. In addition, Roche shared encouraging results from clinical trials with Tecentriq in combination with chemotherapy, targeted anti-cancer medicines and other cancer immunotherapy agents in several tumour types.

In May, a phase III study (J-ALEX) by Chugai found that Alecensa significantly reduced the risk of disease worsening or death compared to crizotinib. This trial in a Japanese patient population with advanced or recurrent ALK-positive non-small cell lung cancer was stopped early after a pre-planned interim analysis.

Roche recently provided an update on the phase III study of Gazyva/Gazyvaro in previously untreated diffuse large B-cell lymphoma (GOYA). The study did not meet its primary goal of extending the time patients live without their disease advancing. In May, another phase III study of Gazyva/Gazyvaro (GALLIUM) was stopped early after a pre-planned interim analysis showed positive results in the first-line treatment of follicular lymphoma. In both studies, Gazyva/Gazyvaro plus chemotherapy was tested head-to-head with MabThera/Rituxan combined with chemotherapy. The GALLIUM data will be submitted to health authorities for approval consideration. Gazyva/Gazyvaro is already approved for previously treated follicular lymphoma.

### **Portfolio progress in Diagnostics**

In May, Roche launched the CoaguChek INRange, the first Bluetooth enabled home device, allowing patients and their healthcare providers greater control over their coagulation status. In June, Roche launched the cobas e801 module in countries accepting the CE Mark. As part of the cobas 8000 analyzer, this module provides increased immunochemistry testing capacity and an extensive test menu to laboratories with high testing volumes. Also in June, the cobas liquid biopsy test for the detection of specific mutations of the epidermal growth factor receptor (EGFR) gene became the first FDA approved liquid biopsy test. It can support therapy

guidance in non-small cell lung cancer (NSCLC) via the analysis of a simple blood sample; and it complements the existing tissue-based EGFR test.

### Outlook for 2016 confirmed

Roche continues to expect sales to grow low- to mid-single digit at constant exchange rates in 2016. Core earnings per share are targeted to grow ahead of sales at constant exchange rates. Roche expects to further increase its dividend in Swiss francs.

### Pharmaceuticals Division

| Key figures<br>January – June | In millions of CHF |        | As % of sales |      | % change |        |
|-------------------------------|--------------------|--------|---------------|------|----------|--------|
|                               | 2016               | 2015   | 2016          | 2015 | At CER   | In CHF |
| Pharmaceuticals Division      | 19,460             | 18,350 | 100           | 100  | +4       | +6     |
| United States                 | 9,273              | 8,586  | 48            | 47   | +4       | +8     |
| Europe                        | 4,639              | 4,291  | 24            | 23   | +5       | +8     |
| Japan                         | 1,756              | 1,540  | 9             | 8    | +2       | +14    |
| International*                | 3,792              | 3,933  | 19            | 22   | +4       | -4     |

\*Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

**Herceptin, Perjeta and Kadcyla** (combined +10%). For HER2-positive breast cancer and HER2-positive metastatic gastric cancer (Herceptin only). **Herceptin** sales grew 5%, driven by increasing demand in the US due to longer duration of treatment in combination with Perjeta and in China following improved access. **Perjeta** (+34%) performed well, particularly in Europe and the US driven mainly by uptake in the neoadjuvant setting and continued strong growth in the metastatic setting. **Kadcyla** sales (+11%) grew mainly because of increasing demand in the International region and in Europe. Kadcyla is approved as a single agent in more than 80 countries worldwide for the second-line treatment of HER2-positive metastatic breast cancer.

**MabThera/Rituxan** (+4%). For common forms of blood cancer, rheumatoid arthritis and certain types of vasculitis. Sales continued to grow, despite competitive pressure, with increasing demand in the US, Europe and the International region. The use of the subcutaneous formulation of MabThera/Rituxan has been expanding globally, with a recent launch in Brazil.

**Avastin** (+4%). For advanced colorectal, breast, lung, kidney, cervical and ovarian cancer, and relapsed glioblastoma (a type of brain tumour). Sales continued to grow and were driven by the International region (+22%), especially China, where sales increased following improved access in the lung cancer setting. In Europe, sales grew 3% as a result of increasing use in breast and colorectal cancer, in particular in Germany. Sales in the US, where Avastin already is being broadly used in its approved indications, declined 1%. In Japan, sales grew 2%, with increasing growth in all approved indications outweighing the impact of bi-annual government-mandated price cuts that took effect in April.

**Gazyva/Gazyvaro (+42%).** For the treatment of chronic lymphocytic leukemia (CLL) and follicular lymphoma. Strong growth was seen in the US and Europe despite increasing competition in CLL. Gazyva/Gazyvaro is now approved for CLL in more than 70 countries. In addition to FDA approval in February, in June this medicine was also approved in Europe for people with previously treated follicular lymphoma. The initial uptake for this indication in the US has been encouraging.

**Actemra/RoActemra (+17%).** For rheumatoid arthritis and forms of juvenile idiopathic arthritis. Increasing use of Actemra/RoActemra as a single agent, and of the subcutaneous formulation, remained key growth drivers in the US and Europe.

**Esbriet (+51%).** For idiopathic pulmonary fibrosis (IPF). This medicine experienced continued good market uptake. Sales reached CHF 261 million in the US and CHF 86 million in Europe.

All newly launched medicines also showed good sales performance. In December 2015, **Alecensa** received approval in the US for the treatment of people with ALK-positive advanced non-small cell lung cancer whose disease has progressed on, or who are intolerant to crizotinib. It has had strong uptake there, driven by use in the second- and third-line treatment settings. In Japan, where Alecensa was first launched in 2014 for unresectable, recurrent or advanced ALK-positive NSCLC, sales continued to grow strongly. Also late in 2015, Roche received approvals in the US and EU for **Cotellic** in combination with Zelboraf to treat metastatic melanoma. Cotellic had a good start, especially in France, Germany and the US. Following the accelerated approval of **Tecentriq** in locally advanced or metastatic urothelial carcinoma in the US in May, the initial market uptake has been very good.

| Top-selling<br>Pharmaceuticals<br>January – June | Total |     | United States |     | Europe |     | Japan |    | International* |     |
|--|-------|-----|---------------|-----|--------|-----|-------|----|----------------|-----|
|  | CHFm  | %   | CHFm          | %   | CHFm   | %   | CHFm  | %  | CHFm           | %   |
| MabThera/Rituxan                                 | 3,702 | 4   | 2,001         | 3   | 961    | 5   | 134   | 12 | 606            | 7   |
| Herceptin  | 3,434 | 5   | 1,281         | 5   | 1,048  | 2   | 146   | 5  | 959            | 7   |
| Avastin  | 3,430 | 4   | 1,538         | -1  | 944    | 3   | 398   | 2  | 550            | 22  |
| Perjeta  | 906   | 34  | 454           | 16  | 310    | 60  | 50    | 14 | 92             | 91  |
| Actemra/RoActemra                                | 814   | 17  | 309           | 18  | 274    | 19  | 130   | 14 | 101            | 16  |
| Xolair   | 731   | 19  | 731           | 19  | -      | -   | -     | -  | -              | -   |
| Lucentis   | 704   | -12 | 704           | -12 | -      | -   | -     | -  | -              | -   |
| Activase/TNKase                                  | 537   | 19  | 515           | 19  | -      | -   | -     | -  | 22             | 8   |
| Tarceva  | 520   | -16 | 277           | -16 | 92     | -22 | 49    | 2  | 102            | -15 |
| Tamiflu  | 410   | -5  | 263           | -18 | 31     | 152 | 64    | 8  | 52             | 25  |

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

## Diagnosics Division

| Key figures<br>January - June |                             | In millions<br>of CHF | % change |        | As % of<br>sales |
|-------------------------------|-----------------------------|-----------------------|----------|--------|------------------|
|                               |                             |                       | At CER   | In CHF |                  |
| Sales - Diagnostics Division  |                             | 5,562                 | +6       | +6     | 100              |
| Business<br>Areas             | Professional Diagnostics    | 3,233                 | +9       | +9     | 58               |
|                               | Diabetes Care               | 998                   | -4       | -6     | 18               |
|                               | Molecular Diagnostics       | 903                   | +8       | +9     | 16               |
|                               | Tissue Diagnostics          | 428                   | +12      | +14    | 8                |
| Regions                       | Europe, Middle East, Africa | 2,314                 | +1       | +2     | 42               |
|                               | North America               | 1,466                 | +2       | +5     | 26               |
|                               | Asia-Pacific                | 1,192                 | +17      | +15    | 21               |
|                               | Latin America               | 375                   | +27      | +6     | 7                |
|                               | Japan                       | 215                   | +2       | +14    | 4                |

**Professional Diagnostics** (+9%) was the largest contributor to the Division's sales performance, led by the Asia-Pacific region, with continued strong growth in China (+25%). The immunodiagnosics business saw strong growth (+14%) and sales of the clinical chemistry business increased 6%.

In May, the CoaguChek INRange was introduced in countries accepting the CE Mark. The CoaguChek INRange system is the first Bluetooth enabled PT/INR<sup>2</sup> home health device that helps patients and their healthcare providers have greater control over their coagulation status and the ability to monitor Vitamin K Antagonist therapy.

In June, the cobas e801 module was launched in markets accepting the CE Mark. This is a high-volume immunochemistry analyser which offers laboratories a significant gain in productivity and efficiency.

In **Molecular Diagnostics**, sales increased 8%, led by the Asia-Pacific region. The main growth contributors were the sequencing and molecular businesses. The molecular business growth was driven by virology (+12%) including the diagnosis and monitoring of hepatitis and HIV viral load as well as HPV screening (+16%).

In April, a new collaboration was announced to increase access to testing and treatment for people infected with the hepatitis C virus in six low- and middle-income countries. Additional members of the collaboration include the Clinton Health Access Initiative Inc., USA, and Ministries of Health in Ethiopia, Indonesia, Myanmar, Nigeria, Rwanda and Vietnam.

<sup>2</sup> PT/INR: Prothrombin Time and International Normalized Ratio

In June, the FDA approved the cobas EGFR Mutation Test v2 as a companion diagnostic for Tarceva in non-small cell lung cancer in the US. This test is the first FDA approved assay for a liquid biopsy indication and can use both plasma and tumour tissue for detection of the epidermal growth factor receptor gene.

Also in June, the availability of the LightMix Modular Zika Virus Assay in markets accepting the CE Mark was announced. This diagnostic test can be used on the LightCycler 480 system to analyse blood samples from patients with signs and symptoms of Zika virus infection. This follows an FDA announcement in March allowing the use of an investigational Roche test to screen blood donations for the Zika virus.

**Tissue Diagnostics** sales increased 12%, driven by sales in North America. Sales in the advanced staining portfolio grew 9% and sales in primary staining increased 16%. The strong increase in primary staining was driven by the new, fully automated Ventana HE 600 system for hematoxylin and eosin tissue staining, launched in late 2015. Revenue from external personalised healthcare partnerships showed continued strong growth (+29%).

In May, the FDA approved the Ventana PD-L1 (SP142) test as a complementary diagnostic for Tecentriq treatment. This test measures levels of PD-L1 expression in patients with bladder cancer.

**Diabetes Care** sales decreased 4%, predominantly due to continued price pressure in the US. Increasing sales were recorded in Latin America, while EMEA and Asia-Pacific regional sales were down.

## **About Roche**

Roche is a global pioneer in pharmaceuticals and diagnostics focused on advancing science to improve people's lives.

Roche is the world's largest biotech company, with truly differentiated medicines in oncology, immunology, infectious diseases, ophthalmology and diseases of the central nervous system. Roche is also the world leader in *in vitro* diagnostics and tissue-based cancer diagnostics, and a frontrunner in diabetes management. The combined strengths of pharmaceuticals and diagnostics under one roof have made Roche the leader in personalised healthcare – a strategy that aims to fit the right treatment to each patient in the best way possible.

Founded in 1896, Roche continues to search for better ways to prevent, diagnose and treat diseases and make a sustainable contribution to society. Twenty-nine medicines developed by Roche are included in the World Health Organization Model Lists of Essential Medicines, among them life-saving antibiotics, antimalarials and cancer medicines. Roche has been recognised as the Group Leader in sustainability within the Pharmaceuticals, Biotechnology & Life Sciences Industry seven years in a row by the Dow Jones Sustainability Indices.

The Roche Group, headquartered in Basel, Switzerland, is active in over 100 countries and in 2015 employed more than 91,700 people worldwide. In 2015, Roche invested CHF 9.3 billion in R&D and posted sales of CHF 48.1 billion. Genentech, in the United States, is a wholly owned member of the Roche Group. Roche is the majority shareholder in Chugai Pharmaceutical, Japan. For more information, please visit [www.roche.com](http://www.roche.com).

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### **Additional information**

- Media Release including full set of tables: <http://www.roche.com/media/med-cor-2016-07-21.htm>
- Pharmaceuticals: major clinical and regulatory news-flow in 2016: <http://www.roche.com/pharmaHY16.pdf>
- Diagnostics: key diagnostics product launches in 2016: <http://www.roche.com/diaHY16.pdf>
- Finance Report Half Year 2016: [www.roche.com/annual\\_reports](http://www.roche.com/annual_reports)

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## Appendix: Tables

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**1. Sales January to June 2016 and 2015**

| CHF millions             | Six months ended<br>30 June |        | % change |        |
|--------------------------|-----------------------------|--------|----------|--------|
|                          | 2016                        | 2015   | At CER   | In CHF |
| Pharmaceuticals Division | 19,460                      | 18,350 | 4        | 6      |
| United States            | 9,273                       | 8,586  | 4        | 8      |
| Europe                   | 4,639                       | 4,291  | 5        | 8      |
| Japan                    | 1,756                       | 1,540  | 2        | 14     |
| International*           | 3,792                       | 3,933  | 4        | -4     |
| Diagnostics Division     | 5,562                       | 5,235  | 6        | 6      |
| Roche Group              | 25,022                      | 23,585 | 5        | 6      |

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

2. Quarterly sales and constant exchange rate sales growth by Division in 2016 and 2015

| CHF millions             | Q2 2015 | % change       | Q3 2015 | % change       | Q4 2015 | % change       | Q1 2016 | % change       | Q2 2016 | % change       |
|--------------------------|---------|----------------|---------|----------------|---------|----------------|---------|----------------|---------|----------------|
|                          |         | vs.<br>Q2 2014 |         | vs.<br>Q3 2014 |         | vs.<br>Q4 2014 |         | vs.<br>Q1 2015 |         | vs.<br>Q2 2015 |
| Pharmaceuticals Division | 9,028   | 7              | 9,340   | 6              | 9,641   | 3              | 9,800   | 4              | 9,660   | 5              |
| United States            | 4,194   | 7              | 4,461   | 7              | 4,569   | 3              | 4,716   | 3              | 4,557   | 5              |
| Europe                   | 2,113   | 3              | 2,185   | 6              | 2,258   | 5              | 2,319   | 5              | 2,320   | 6              |
| Japan                    | 777     | 18             | 801     | 8              | 883     | 2              | 853     | 4              | 903     | 1              |
| International*           | 1,944   | 5              | 1,893   | 4              | 1,931   | 2              | 1,912   | 4              | 1,880   | 5              |
| Diagnostics Division     | 2,724   | 7              | 2,600   | 4              | 2,979   | 7              | 2,614   | 5              | 2,948   | 8              |
| Roche Group              | 11,752  | 7              | 11,940  | 6              | 12,620  | 4              | 12,414  | 4              | 12,608  | 6              |

\*Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

### 3. Pharmaceuticals Division – Top-selling pharmaceuticals and recent new launches

| Top-selling pharmaceuticals<br>and recent new launches | Total |     | United States |     | Europe |     | Japan |    | International* |     |
|--|-------|-----|---------------|-----|--------|-----|-------|----|----------------|-----|
|  | CHF m | %   | CHF m         | %   | CHF m  | %   | CHF m | %  | CHF m          | %   |
| January - June 2016                                    |       |     |               |     |        |     |       |    |                |     |
| MabThera/Rituxan                                       | 3,702 | 4   | 2,001         | 3   | 961    | 5   | 134   | 12 | 606            | 7   |
| Herceptin  | 3,434 | 5   | 1,281         | 5   | 1,048  | 2   | 146   | 5  | 959            | 7   |
| Avastin  | 3,430 | 4   | 1,538         | -1  | 944    | 3   | 398   | 2  | 550            | 22  |
| Perjeta  | 906   | 34  | 454           | 16  | 310    | 60  | 50    | 14 | 92             | 91  |
| Actemra/RoActemra                                      | 814   | 17  | 309           | 18  | 274    | 19  | 130   | 14 | 101            | 16  |
| Xolair   | 731   | 19  | 731           | 19  | -      | -   | -     | -  | -              | -   |
| Lucentis   | 704   | -12 | 704           | -12 | -      | -   | -     | -  | -              | -   |
| Activase/TNKase  | 537   | 19  | 515           | 19  | -      | -   | -     | -  | 22             | 8   |
| Tarceva  | 520   | -16 | 277           | -16 | 92     | -22 | 49    | 2  | 102            | -15 |
| Tamiflu  | 410   | -5  | 263           | -18 | 31     | 152 | 64    | 8  | 52             | 25  |
| <b>Recent new launches</b>                             |       |     |               |     |        |     |       |    |                |     |
| Esbriet  | 358   | 51  | 261           | 70  | 86     | 22  | -     | -  | 11             | -2  |
| Zelboraf   | 110   | 4   | 23            | -1  | 66     | 4   | 2     | 63 | 19             | 7   |
| Erivedge   | 99    | 35  | 66            | 26  | 25     | 51  | -     | -  | 8              | 66  |
| Gazyva   | 91    | 42  | 58            | 62  | 23     | 157 | -     | -  | 10             | -46 |
| Alecensa   | 72    | 176 | 26            | -   | -      | -   | 46    | 71 | -              | -   |
| Tecentriq  | 19    | -   | 19            | -   | -      | -   | -     | -  | -              | -   |
| Cotellic   | 19    | -   | 5             | -   | 14     | -   | -     | -  | -              | -   |

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

#### 4. Top 20 Pharmaceuticals Division product sales and constant exchange rate growth HY 2016 vs. HY 2015

| CHF millions       | Total |     | United States |     | Europe |     | Japan |     | International* |     |
|--------------------|-------|-----|---------------|-----|--------|-----|-------|-----|----------------|-----|
|                    | CHF m | %   | CHF m         | %   | CHF m  | %   | CHF m | %   | CHF m          | %   |
| MabThera/Rituxan   | 3,702 | 4   | 2,001         | 3   | 961    | 5   | 134   | 12  | 606            | 7   |
| Herceptin          | 3,434 | 5   | 1,281         | 5   | 1,048  | 2   | 146   | 5   | 959            | 7   |
| Avastin            | 3,430 | 4   | 1,538         | -1  | 944    | 3   | 398   | 2   | 550            | 22  |
| Perjeta            | 906   | 34  | 454           | 16  | 310    | 60  | 50    | 14  | 92             | 91  |
| Actemra/RoActemra  | 814   | 17  | 309           | 18  | 274    | 19  | 130   | 14  | 101            | 16  |
| Xolair             | 731   | 19  | 731           | 19  | -      | -   | -     | -   | -              | -   |
| Lucentis           | 704   | -12 | 704           | -12 | -      | -   | -     | -   | -              | -   |
| Activase/TNKase    | 537   | 19  | 515           | 19  | -      | -   | -     | -   | 22             | 8   |
| Tarceva            | 520   | -16 | 277           | -16 | 92     | -22 | 49    | 2   | 102            | -15 |
| Tamiflu            | 410   | -5  | 263           | -18 | 31     | 152 | 64    | 8   | 52             | 25  |
| Kadcyla            | 408   | 11  | 159           | 2   | 167    | 7   | 37    | 23  | 45             | 54  |
| CellCept           | 373   | -5  | 88            | -10 | 89     | -1  | 33    | 13  | 163            | -6  |
| Esbriet            | 358   | 51  | 261           | 70  | 86     | 22  | -     | -   | 11             | -2  |
| Pulmozyme          | 337   | 9   | 233           | 6   | 61     | 5   | -     | -   | 43             | 32  |
| Mircera            | 241   | 4   | -             | -   | 43     | -4  | 100   | 3   | 98             | 8   |
| Xeloda             | 230   | -12 | 17            | -47 | 17     | -25 | 54    | 14  | 142            | -10 |
| NeoRecormon/Epogin | 161   | -11 | -             | -   | 71     | -10 | 22    | -12 | 68             | -12 |
| Valcyte/Cymevene   | 160   | -14 | 38            | -8  | 60     | -24 | -     | -   | 62             | -6  |
| Rocephin           | 157   | 11  | -             | -   | 20     | -13 | 13    | -15 | 124            | 20  |
| Pegasys            | 143   | -49 | 21            | -18 | 36     | -37 | 2     | -80 | 84             | -55 |

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

5. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth

| CHF millions       | Q2 2015 | % change<br>vs.<br>Q2 2014 | Q3 2015 | % change<br>vs.<br>Q3 2014 | Q4 2015 | % change<br>vs.<br>Q4 2014 | Q1 2016 | % change<br>vs.<br>Q1 2015 | Q2 2016 | % change<br>vs.<br>Q2 2015 |
|--------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|
| MabThera/Rituxan   | 1,752   | 6                          | 1,772   | 4                          | 1,777   | 4                          | 1,825   | 3                          | 1,877   | 5                          |
| Herceptin          | 1,613   | 10                         | 1,614   | 7                          | 1,659   | 10                         | 1,725   | 4                          | 1,709   | 5                          |
| Avastin            | 1,644   | 13                         | 1,705   | 8                          | 1,716   | 9                          | 1,706   | 4                          | 1,724   | 4                          |
| Perjeta            | 337     | 64                         | 376     | 57                         | 410     | 50                         | 439     | 33                         | 467     | 35                         |
| Actemra/RoActemra  | 341     | 23                         | 367     | 18                         | 390     | 25                         | 386     | 14                         | 428     | 21                         |
| Xolair             | 312     | 27                         | 339     | 21                         | 345     | 22                         | 356     | 22                         | 375     | 17                         |
| Lucentis           | 375     | -16                        | 373     | -18                        | 378     | -17                        | 355     | -13                        | 349     | -10                        |
| Activase/TNKase    | 216     | 16                         | 239     | 14                         | 259     | 36                         | 276     | 21                         | 261     | 17                         |
| Tarceva            | 307     | -10                        | 292     | -7                         | 287     | -9                         | 258     | -14                        | 262     | -17                        |
| Tamiflu            | 41      | 61                         | 118     | 46                         | 170     | -67                        | 367     | -6                         | 43      | 5                          |
| Kadcyla            | 183     | 54                         | 196     | 44                         | 211     | 36                         | 201     | 11                         | 207     | 10                         |
| CellCept           | 191     | -1                         | 194     | -4                         | 203     | 13                         | 189     | -4                         | 184     | -5                         |
| Esbriet            | 141     | -                          | 157     | -                          | 177     | 296                        | 178     | 96                         | 180     | 24                         |
| Pulmozyme          | 160     | 15                         | 166     | 14                         | 180     | 8                          | 160     | 7                          | 177     | 10                         |
| Mircera            | 108     | 17                         | 147     | 55                         | 106     | -1                         | 118     | 0                          | 123     | 7                          |
| Xeloda             | 124     | -29                        | 124     | -11                        | 129     | -9                         | 111     | -17                        | 119     | -5                         |
| NeoRecormon/Epogin | 89      | -19                        | 90      | -8                         | 94      | -6                         | 79      | -14                        | 82      | -8                         |
| Valcyte/Cymevene   | 87      | -47                        | 83      | -52                        | 99      | -41                        | 78      | -21                        | 82      | -6                         |
| Rocephin           | 63      | 0                          | 64      | -8                         | 73      | -1                         | 82      | 5                          | 75      | 18                         |
| Pegasys            | 117     | -58                        | 120     | -45                        | 133     | -32                        | 82      | -50                        | 61      | -48                        |

6. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth United States

| CHF millions       | Q2 2015 | % change<br>vs.<br>Q2 2014 | Q3 2015 | % change<br>vs.<br>Q3 2014 | Q4 2015 | % change<br>vs.<br>Q4 2014 | Q1 2016 | % change<br>vs.<br>Q1 2015 | Q2 2016 | % change<br>vs.<br>Q2 2015 |
|--------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|
| MabThera/Rituxan   | 938     | 7                          | 947     | 4                          | 938     | 7                          | 978     | 0                          | 1,023   | 6                          |
| Herceptin          | 578     | 18                         | 609     | 12                         | 599     | 13                         | 651     | 4                          | 630     | 6                          |
| Avastin            | 741     | 11                         | 784     | 6                          | 772     | 11                         | 775     | -2                         | 763     | 0                          |
| Perjeta            | 192     | 43                         | 208     | 37                         | 217     | 31                         | 224     | 15                         | 230     | 16                         |
| Actemra/RoActemra  | 129     | 30                         | 144     | 21                         | 153     | 32                         | 145     | 12                         | 164     | 23                         |
| Xolair             | 312     | 27                         | 339     | 21                         | 345     | 22                         | 356     | 22                         | 375     | 17                         |
| Lucentis           | 375     | -16                        | 373     | -18                        | 378     | -17                        | 355     | -13                        | 349     | -10                        |
| Activase/TNKase    | 206     | 18                         | 228     | 15                         | 246     | 36                         | 265     | 21                         | 250     | 18                         |
| Tarceva            | 165     | -15                        | 159     | -7                         | 160     | 1                          | 136     | -15                        | 141     | -17                        |
| Tamiflu            | 24      | 131                        | 104     | 54                         | 121     | -74                        | 251     | -15                        | 12      | -45                        |
| Kadcyla            | 72      | -2                         | 79      | 6                          | 79      | 12                         | 79      | -2                         | 80      | 7                          |
| CellCept           | 51      | 2                          | 53      | -14                        | 54      | 29                         | 45      | 0                          | 43      | -18                        |
| Esbriet            | 98      | -                          | 114     | -                          | 124     | *                          | 127     | 145                        | 134     | 32                         |
| Pulmozyme          | 109     | 15                         | 115     | 9                          | 128     | 19                         | 112     | 6                          | 121     | 7                          |
| Mircera            | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Xeloda             | 16      | -48                        | 12      | 3                          | 13      | 13                         | 5       | -71                        | 12      | -24                        |
| NeoRecormon/Epogin | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Valcyte/Cymevene   | 16      | -83                        | 16      | -86                        | 33      | -64                        | 19      | -25                        | 19      | 15                         |
| Rocephin           | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Pegasys            | 13      | -84                        | 17      | -45                        | 43      | 74                         | 11      | -16                        | 10      | -20                        |

\* Over 500%

7. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth Europe

| CHF millions       | Q2 2015 | % change<br>vs.<br>Q2 2014 | Q3 2015 | % change<br>vs.<br>Q3 2014 | Q4 2015 | % change<br>vs.<br>Q4 2014 | Q1 2016 | % change<br>vs.<br>Q1 2015 | Q2 2016 | % change<br>vs.<br>Q2 2015 |
|--------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|
| MabThera/Rituxan   | 443     | -1                         | 455     | 1                          | 468     | 3                          | 479     | 5                          | 482     | 5                          |
| Herceptin          | 490     | -1                         | 502     | 0                          | 510     | 4                          | 525     | 2                          | 523     | 3                          |
| Avastin            | 435     | 4                          | 457     | 5                          | 465     | 5                          | 471     | 2                          | 473     | 4                          |
| Perjeta            | 99      | 125                        | 114     | 96                         | 130     | 74                         | 149     | 65                         | 161     | 56                         |
| Actemra/RoActemra  | 114     | 21                         | 120     | 19                         | 129     | 23                         | 131     | 17                         | 143     | 21                         |
| Xolair             | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Lucentis           | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Activase/TNKase    | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Tarceva            | 56      | -16                        | 54      | -20                        | 52      | -23                        | 48      | -18                        | 44      | -27                        |
| Tamiflu            | 1       | 478                        | 1       | -65                        | 3       | 455                        | 20      | 78                         | 11      | *                          |
| Kadcyla            | 79      | 135                        | 83      | 92                         | 88      | 49                         | 83      | 13                         | 84      | 2                          |
| CellCept           | 43      | -9                         | 44      | -10                        | 47      | -1                         | 43      | -3                         | 46      | 2                          |
| Esbriet            | 37      | -                          | 37      | -                          | 46      | 44                         | 45      | 36                         | 41      | 9                          |
| Pulmozyme          | 28      | 2                          | 29      | 8                          | 30      | 8                          | 31      | 6                          | 30      | 5                          |
| Mircera            | 22      | -3                         | 21      | -1                         | 22      | -4                         | 21      | -7                         | 22      | -2                         |
| Xeloda             | 9       | -53                        | 10      | -41                        | 10      | -30                        | 9       | -31                        | 8       | -17                        |
| NeoRecormon/Epogin | 38      | -11                        | 38      | -9                         | 38      | -6                         | 36      | -10                        | 35      | -11                        |
| Valcyte/Cymevene   | 37      | -8                         | 39      | -1                         | 36      | -16                        | 30      | -26                        | 30      | -21                        |
| Rocephin           | 8       | -8                         | 5       | -15                        | 9       | -27                        | 13      | -13                        | 7       | -13                        |
| Pegasys            | 24      | -58                        | 24      | -45                        | 22      | -45                        | 19      | -40                        | 17      | -33                        |

\* Over 500%

8. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth Japan

| CHF millions       | Q2 2015 | % change<br>vs.<br>Q2 2014 | Q3 2015 | % change<br>vs.<br>Q3 2014 | Q4 2015 | % change<br>vs.<br>Q4 2014 | Q1 2016 | % change<br>vs.<br>Q1 2015 | Q2 2016 | % change<br>vs.<br>Q2 2015 |
|--------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|
| MabThera/Rituxan   | 55      | 28                         | 59      | 7                          | 64      | 9                          | 62      | 12                         | 72      | 12                         |
| Herceptin          | 65      | 22                         | 65      | 3                          | 70      | 3                          | 67      | 5                          | 79      | 4                          |
| Avastin            | 182     | 29                         | 189     | 13                         | 208     | 12                         | 192     | 7                          | 206     | -2                         |
| Perjeta            | 21      | 21                         | 22      | 18                         | 23      | 14                         | 23      | 18                         | 27      | 10                         |
| Actemra/RoActemra  | 54      | 28                         | 57      | 13                         | 61      | 10                         | 60      | 14                         | 70      | 13                         |
| Xolair             | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Lucentis           | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Activase/TNKase    | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Tarceva            | 23      | 8                          | 25      | 12                         | 24      | -1                         | 22      | 0                          | 27      | 3                          |
| Tamiflu            | -1      | -97                        | -       | -                          | 12      | -75                        | 60      | 4                          | 4       | *                          |
| Kadcyla            | 15      | 81                         | 15      | 39                         | 16      | 23                         | 17      | 27                         | 20      | 20                         |
| CellCept           | 14      | 8                          | 14      | 11                         | 16      | 11                         | 15      | 11                         | 18      | 16                         |
| Esbriet            | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Pulmozyme          | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Mircera            | 47      | 23                         | 48      | 6                          | 54      | 9                          | 45      | 4                          | 55      | 2                          |
| Xeloda             | 22      | 22                         | 22      | 8                          | 25      | 10                         | 25      | 12                         | 29      | 16                         |
| NeoRecormon/Epogin | 12      | 0                          | 12      | -7                         | 12      | -9                         | 10      | -12                        | 12      | -12                        |
| Valcyte/Cymevene   | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Rocephin           | 7       | 1                          | 8       | -2                         | 7       | -5                         | 6       | -10                        | 7       | -19                        |
| Pegasys            | 5       | -73                        | 2       | -82                        | 2       | -84                        | 1       | -83                        | 1       | -76                        |

\* Over 500%

**9. Top 20 Pharmaceuticals Division quarterly product sales and quarterly constant exchange rate sales growth International\***

| CHF millions       | Q2 2015 | % change<br>vs.<br>Q2 2014 | Q3 2015 | % change<br>vs.<br>Q3 2014 | Q4 2015 | % change<br>vs.<br>Q4 2014 | Q1 2016 | % change<br>vs.<br>Q1 2015 | Q2 2016 | % change<br>vs.<br>Q2 2015 |
|--------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|---------|----------------------------|
| MabThera/Rituxan   | 316     | 13                         | 311     | 5                          | 307     | -2                         | 306     | 11                         | 300     | 3                          |
| Herceptin          | 480     | 14                         | 438     | 9                          | 480     | 16                         | 482     | 7                          | 477     | 8                          |
| Avastin            | 286     | 27                         | 275     | 16                         | 271     | 7                          | 268     | 27                         | 282     | 18                         |
| Perjeta            | 25      | 112                        | 32      | 125                        | 40      | 131                        | 43      | 65                         | 49      | 121                        |
| Actemra/RoActemra  | 44      | 8                          | 46      | 15                         | 47      | 31                         | 50      | 10                         | 51      | 23                         |
| Xolair             | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Lucentis           | -       | -                          | -       | -                          | -       | -                          | -       | -                          | -       | -                          |
| Activase/TNKase    | 10      | -10                        | 11      | -11                        | 13      | 32                         | 11      | 13                         | 11      | 3                          |
| Tarceva            | 63      | 6                          | 54      | -1                         | 51      | -18                        | 52      | -14                        | 50      | -15                        |
| Tamiflu            | 17      | 18                         | 13      | 22                         | 34      | 73                         | 36      | 35                         | 16      | 9                          |
| Kadcyla            | 17      | 131                        | 19      | 74                         | 28      | 93                         | 22      | 56                         | 23      | 53                         |
| CellCept           | 83      | 1                          | 83      | 5                          | 86      | 16                         | 86      | -8                         | 77      | -4                         |
| Esbriet            | 6       | -                          | 6       | -                          | 7       | 114                        | 6       | 4                          | 5       | -8                         |
| Pulmozyme          | 23      | 34                         | 22      | 49                         | 22      | -22                        | 17      | 22                         | 26      | 38                         |
| Mircera            | 39      | 24                         | 78      | 206                        | 30      | -13                        | 52      | 0                          | 46      | 18                         |
| Xeloda             | 77      | -27                        | 80      | -11                        | 81      | -12                        | 72      | -13                        | 70      | -6                         |
| NeoRecormon/Epogin | 39      | -29                        | 40      | -8                         | 44      | -5                         | 33      | -18                        | 35      | -5                         |
| Valcyte/Cymevene   | 34      | -1                         | 28      | -17                        | 30      | -22                        | 29      | -14                        | 33      | 2                          |
| Rocephin           | 48      | 2                          | 51      | -7                         | 57      | 0                          | 63      | 12                         | 61      | 30                         |
| Pegasys            | 75      | -42                        | 77      | -40                        | 66      | -42                        | 51      | -55                        | 33      | -56                        |

\* Asia-Pacific, EEMEA (Eastern Europe, Middle East and Africa), Latin America, Canada, Others

## 10. Roche Group consolidated income statement for the six months ended 30 June 2016

| in millions of CHF                                       | Pharma-<br>ceuticals | Diagnostics  | Corporate    | Group         |
|--|----------------------|--------------|--------------|---------------|
| <b>Sales</b>   | <b>19,460</b>        | <b>5,562</b> | <b>0</b>     | <b>25,022</b> |
| Royalties and other operating income                     | 926                  | 60           | 0            | 986           |
| Cost of sales  | (4,809)              | (2,769)      | 0            | (7,578)       |
| Marketing and distribution                               | (3,048)              | (1,314)      | 0            | (4,362)       |
| Research and development                                 | (4,619)              | (678)        | 0            | (5,297)       |
| General and administration                               | (279)                | (197)        | (153)        | (629)         |
| <b>Operating profit</b>                                  | <b>7,631</b>         | <b>664</b>   | <b>(153)</b> | <b>8,142</b>  |
| Financing costs  |                      |              |              | (600)         |
| Other financial income (expense)                         |                      |              |              | (23)          |
| <b>Profit before taxes</b>                               |                      |              |              | <b>7,519</b>  |
| Income taxes   |                      |              |              | (2,052)       |
| <b>Net income</b>  |                      |              |              | <b>5,467</b>  |
| Attributable to  |                      |              |              |               |
| - Roche shareholders                                     |                      |              |              | 5,378         |
| - Non-controlling interests                              |                      |              |              | 89            |
| <b>Earnings per share and non-voting equity security</b> |                      |              |              |               |
| Basic (CHF)  |                      |              |              | 6.31          |
| Diluted (CHF)  |                      |              |              | 6.24          |

## 11. Roche Group core results reconciliation – Half Year 2016

| in millions of<br>CHF                      | IFRS          | Global<br>restructuring | Intangibles<br>amortisation | Intangibles<br>impairment | Alliances & business<br>combinations | Legal &<br>environmental | Normalisation of<br>ECP tax benefit | Core          |
|--|---------------|-------------------------|-----------------------------|---------------------------|--------------------------------------|--------------------------|-------------------------------------|---------------|
| <b>Sales</b>                               | <b>25,022</b> | -                       | -                           | -                         | -                                    | -                        | -                                   | <b>25,022</b> |
| Royalties and<br>other operating<br>income | 986           | -                       | -                           | -                         | -                                    | -                        | -                                   | 986           |
| Cost of sales                              | (7,578)       | 161                     | 823                         | -                         | 166                                  | -                        | -                                   | (6,428)       |
| Marketing and<br>distribution              | (4,362)       | 51                      | 2                           | -                         | -                                    | -                        | -                                   | (4,309)       |
| Research and<br>development                | (5,297)       | 69                      | 71                          | 377                       | -                                    | -                        | -                                   | (4,780)       |
| General and<br>administration              | (629)         | 110                     | -                           | -                         | (145)                                | 27                       | -                                   | (637)         |
| <b>Operating profit</b>                    | <b>8,142</b>  | <b>391</b>              | <b>896</b>                  | <b>377</b>                | <b>21</b>                            | <b>27</b>                | -                                   | <b>9,854</b>  |
| Financing costs                            | (600)         | 1                       | -                           | -                         | 21                                   | 5                        | -                                   | (573)         |
| Other financial<br>income (expense)        | (23)          | -                       | -                           | -                         | -                                    | -                        | -                                   | (23)          |
| <b>Profit before<br/>taxes</b>             | <b>7,519</b>  | <b>392</b>              | <b>896</b>                  | <b>377</b>                | <b>42</b>                            | <b>32</b>                | -                                   | <b>9,258</b>  |
| Income taxes                               | (2,052)       | (75)                    | (299)                       | (93)                      | (38)                                 | (11)                     | 71                                  | (2,497)       |
| <b>Net income</b>                          | <b>5,467</b>  | <b>317</b>              | <b>597</b>                  | <b>284</b>                | <b>4</b>                             | <b>21</b>                | <b>71</b>                           | <b>6,761</b>  |
| Attributable to                            |               |                         |                             |                           |                                      |                          |                                     |               |
| - Roche<br>shareholders                    | 5,378         | 316                     | 590                         | 284                       | 4                                    | 21                       | 70                                  | 6,663         |
| - Non-controlling<br>interests             | 89            | 1                       | 7                           | -                         | -                                    | -                        | 1                                   | 98            |
| EPS - diluted<br>(CHF)                     | 6.24          | 0.37                    | 0.69                        | 0.33                      | -                                    | 0.03                     | 0.08                                | 7.74          |

## 12. Divisional core results reconciliation – Half Year 2016

| in millions of<br>CHF                      | IFRS         | Global restructuring | Intangibles<br>amortisation | Intangibles<br>impairment | Alliances & business<br>combinations | Legal &<br>environmental | Core         |
|--|--------------|----------------------|-----------------------------|---------------------------|--------------------------------------|--------------------------|--------------|
| <b>Pharmaceuticals</b>                     |              |                      |                             |                           |                                      |                          |              |
| Sales                                      | 19,460       | -                    | -                           | -                         | -                                    | -                        | 19,460       |
| Royalties and<br>other operating<br>income | 926          | -                    | -                           | -                         | -                                    | -                        | 926          |
| Cost of sales                              | (4,809)      | 121                  | 654                         | -                         | 166                                  | -                        | (3,868)      |
| Marketing and<br>distribution              | (3,048)      | 8                    | 1                           | -                         | -                                    | -                        | (3,039)      |
| Research and<br>development                | (4,619)      | 45                   | 68                          | 377                       | -                                    | -                        | (4,129)      |
| General and<br>administration              | (279)        | 61                   | -                           | -                         | (152)                                | 4                        | (366)        |
| <b>Operating profit</b>                    | <b>7,631</b> | <b>235</b>           | <b>723</b>                  | <b>377</b>                | <b>14</b>                            | <b>4</b>                 | <b>8,984</b> |
| <b>Diagnostics</b>                         |              |                      |                             |                           |                                      |                          |              |
| Sales                                      | 5,562        | -                    | -                           | -                         | -                                    | -                        | 5,562        |
| Royalties and<br>other operating<br>income | 60           | -                    | -                           | -                         | -                                    | -                        | 60           |
| Cost of sales                              | (2,769)      | 40                   | 169                         | -                         | -                                    | -                        | (2,560)      |
| Marketing and<br>distribution              | (1,314)      | 43                   | 1                           | -                         | -                                    | -                        | (1,270)      |
| Research and<br>development                | (678)        | 24                   | 3                           | -                         | -                                    | -                        | (651)        |
| General and<br>administration              | (197)        | 34                   | -                           | -                         | 6                                    | 23                       | (134)        |
| <b>Operating profit</b>                    | <b>664</b>   | <b>141</b>           | <b>173</b>                  | <b>-</b>                  | <b>6</b>                             | <b>23</b>                | <b>1,007</b> |
| <b>Corporate</b>                           |              |                      |                             |                           |                                      |                          |              |
| General and<br>administration              | (153)        | 15                   | -                           | -                         | 1                                    | -                        | (137)        |
| <b>Operating profit</b>                    | <b>(153)</b> | <b>15</b>            | <b>-</b>                    | <b>-</b>                  | <b>1</b>                             | <b>-</b>                 | <b>(137)</b> |

### 13. Roche Group consolidated balance sheet

| in millions of CHF                                      | 30 June 2016    | 31 December<br>2015 | 31 December<br>2014 |
|---|-----------------|---------------------|---------------------|
| <b>Non-current assets</b>                               |                 |                     |                     |
| Property, plant and equipment                           | 19,090          | 18,473              | 17,195              |
| Goodwill  | 11,030          | 11,082              | 9,930               |
| Intangible assets                                       | 12,877          | 13,861              | 12,799              |
| Deferred tax assets                                     | 2,958           | 2,564               | 2,829               |
| Defined benefit plan assets                             | 710             | 642                 | 691                 |
| Other non-current assets                                | 1,237           | 959                 | 982                 |
| <b>Total non-current assets</b>                         | <b>47,902</b>   | <b>47,581</b>       | <b>44,426</b>       |
| <b>Current assets</b>                                   |                 |                     |                     |
| Inventories   | 8,221           | 7,648               | 7,743               |
| Accounts receivable                                     | 9,104           | 8,329               | 9,003               |
| Current income tax assets                               | 262             | 239                 | 244                 |
| Other current assets                                    | 2,484           | 2,795               | 2,421               |
| Marketable securities                                   | 3,724           | 5,440               | 7,961               |
| Cash and cash equivalents                               | 2,817           | 3,731               | 3,742               |
| <b>Total current assets</b>                             | <b>26,612</b>   | <b>28,182</b>       | <b>31,114</b>       |
| <b>Total assets</b>                                     | <b>74,514</b>   | <b>75,763</b>       | <b>75,540</b>       |
| <b>Non-current liabilities</b>                          |                 |                     |                     |
| Long-term debt  | (16,415)        | (17,100)            | (19,347)            |
| Net deferred tax liabilities                            | (252)           | (545)               | (504)               |
| Defined benefit plan liabilities                        | (9,751)         | (8,341)             | (8,994)             |
| Provisions  | (2,037)         | (2,204)             | (1,778)             |
| Other non-current liabilities                           | (522)           | (505)               | (251)               |
| <b>Total non-current liabilities</b>                    | <b>(28,977)</b> | <b>(28,695)</b>     | <b>(30,874)</b>     |
| <b>Current liabilities</b>                              |                 |                     |                     |
| Short-term debt   | (8,399)         | (6,151)             | (6,367)             |
| Current income tax liabilities                          | (3,333)         | (2,781)             | (2,616)             |
| Provisions  | (2,261)         | (2,432)             | (2,465)             |
| Accounts payable  | (2,495)         | (3,207)             | (2,883)             |
| Other current liabilities                               | (7,968)         | (9,197)             | (8,777)             |
| <b>Total current liabilities</b>                        | <b>(24,456)</b> | <b>(23,768)</b>     | <b>(23,108)</b>     |
| <b>Total liabilities</b>                                | <b>(53,433)</b> | <b>(52,463)</b>     | <b>(53,982)</b>     |
| <b>Total net assets</b>                                 | <b>21,081</b>   | <b>23,300</b>       | <b>21,558</b>       |
| <b>Equity</b>   |                 |                     |                     |
| Capital and reserves attributable to Roche shareholders | 18,458          | 20,979              | 19,586              |
| Equity attributable to non-controlling interests        | 2,623           | 2,321               | 1,972               |
| <b>Total equity</b>                                     | <b>21,081</b>   | <b>23,300</b>       | <b>21,558</b>       |

## 14. Roche Group consolidated statement of cash flows

| in millions of CHF  | HY 2016        | HY 2015        |
|---|----------------|----------------|
| <b>Cash flows from operating activities</b>                                 |                |                |
| Cash generated from operations  | 11,005         | 10,917         |
| (Increase) decrease in net working capital                                  | (2,776)        | (1,764)        |
| Payments made for defined benefit plans                                     | (429)          | (312)          |
| Utilisation of provisions   | (432)          | (473)          |
| Disposal of products  | 50             | 45             |
| Other operating cash flows  | -              | -              |
| <b>Cash flows from operating activities, before income taxes paid</b>       | <b>7,418</b>   | <b>8,413</b>   |
| Income taxes paid   | (1,748)        | (1,846)        |
| <b>Total cash flows from operating activities</b>                           | <b>5,670</b>   | <b>6,567</b>   |
| <b>Cash flows from investing activities</b>                                 |                |                |
| Purchase of property, plant and equipment                                   | (1,736)        | (1,614)        |
| Purchase of intangible assets   | (380)          | (334)          |
| Disposal of property, plant and equipment                                   | 29             | 21             |
| Disposal of intangible assets   | -              | -              |
| Business combinations   | (69)           | (1,402)        |
| Divestment of subsidiaries  | -              | -              |
| Interest and dividends received   | 13             | 15             |
| Sales of marketable securities  | 22,822         | 30,505         |
| Purchases of marketable securities  | (20,895)       | (26,475)       |
| Other investing cash flows  | (194)          | (20)           |
| <b>Total cash flows from investing activities</b>                           | <b>(410)</b>   | <b>696</b>     |
| <b>Cash flows from financing activities</b>                                 |                |                |
| Proceeds from issue of bonds and notes                                      | 1,690          | 1,670          |
| Redemption and repurchase of bonds and notes                                | (2,943)        | (1,379)        |
| Increase (decrease) in commercial paper                                     | 2,854          | (86)           |
| Increase (decrease) in other debt   | (68)           | 98             |
| Hedging and collateral arrangements   | 51             | (163)          |
| Changes in non-controlling interests  | -              | (2)            |
| Equity contribution by non-controlling interests - capital injection        | -              | 40             |
| Interest paid   | (601)          | (681)          |
| Dividends paid  | (6,969)        | (6,894)        |
| Equity-settled equity compensation plans, net of transactions in own equity | (289)          | (77)           |
| Other financing cash flows  | (1)            | 1              |
| <b>Total cash flows from financing activities</b>                           | <b>(6,276)</b> | <b>(7,473)</b> |
| Net effect of currency translation on cash and cash equivalents             | 102            | (285)          |
| <b>Increase (decrease) in cash and cash equivalents</b>                     | <b>(914)</b>   | <b>(495)</b>   |
| Cash and cash equivalents at beginning of period                            | 3,731          | 3,742          |
| <b>Cash and cash equivalents at end of period</b>                           | <b>2,817</b>   | <b>3,247</b>   |