



This presentation contains certain forward-looking statements. These forward-looking statements may be identified by words such as “believes”, “expects”, “anticipates”, “projects”, “intends”, “should”, “seeks”, “estimates”, “future” or similar expressions or by discussion of strategy, goals, plans or intentions. Various factors may cause actual results to differ materially in the future from those reflected in forward-looking statements contained in this presentation among others: (1) pricing and product initiatives of competitors; (2) legislative and regulatory developments and economic conditions; (3) delay or inability in obtaining regulatory approvals or bringing products to market; (4) fluctuations in currency exchange rates and general financial market conditions; (5) uncertainties in the discovery, development or marketing of new products or new uses of existing products; (6) increased government pricing pressures; (7) interruptions in production; (8) loss of or inability to obtain adequate protection for intellectual property rights; (9) litigation; (10) loss of key executives or other employees; and (11) adverse publicity or news coverage.

Roche

Full year 2002

Dr. Erich Hunziker
Chief Financial Officer

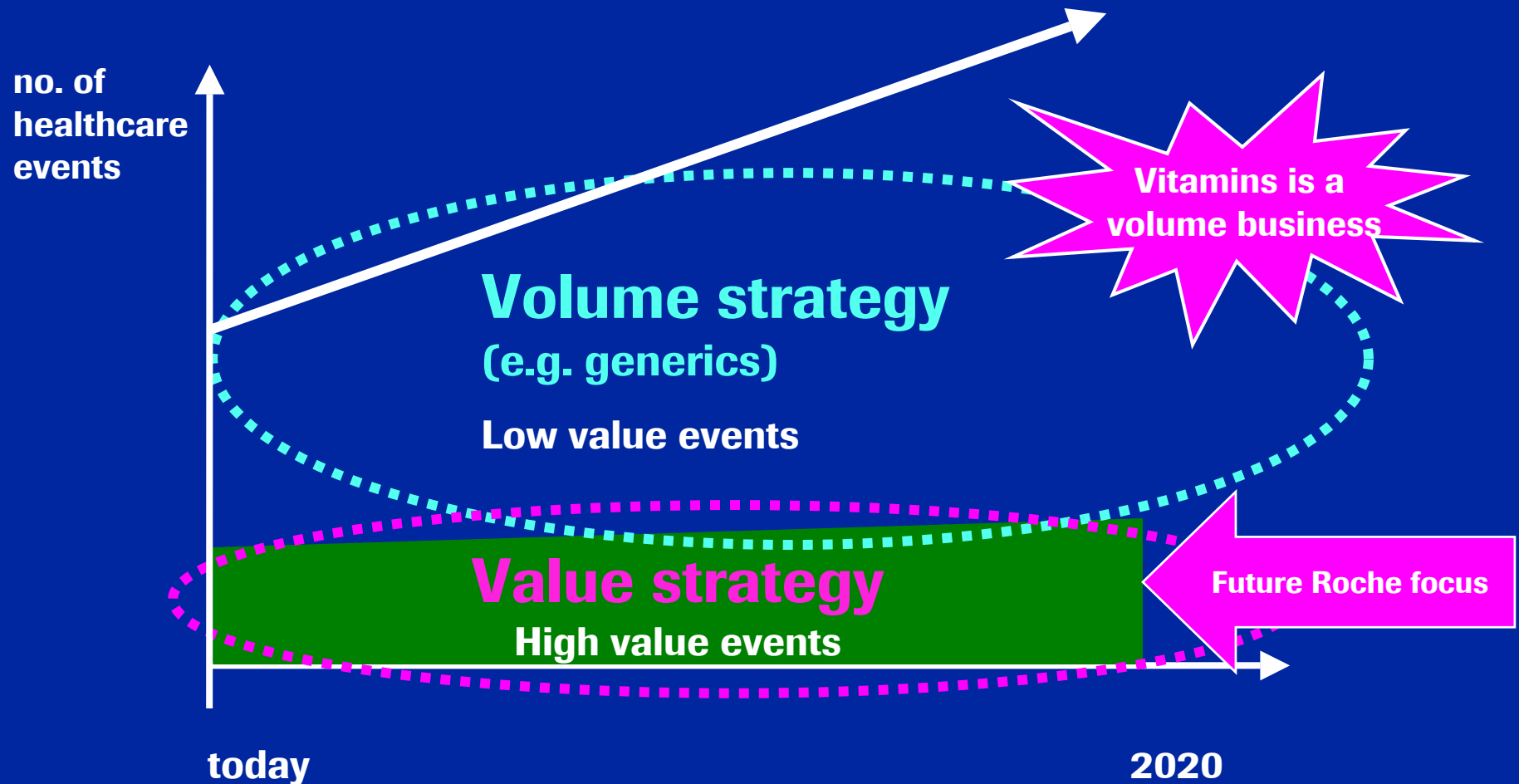
US Roadshow
New York, March 26th

Health - a basic need of mankind - now and in the future



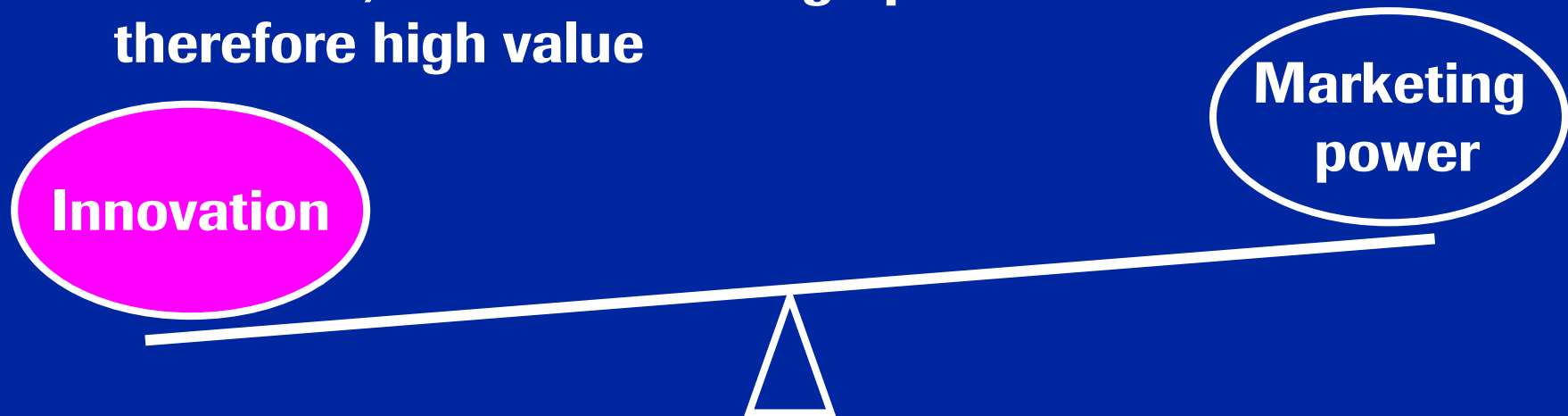
"Healthcare events" dominate or at least influence the life of most people

The healthcare market is splitting into high value and low value segments



What is the critical factor to be successful with a high value strategy?

only if we create real proven benefit for the customer, we achieve a high price and therefore high value

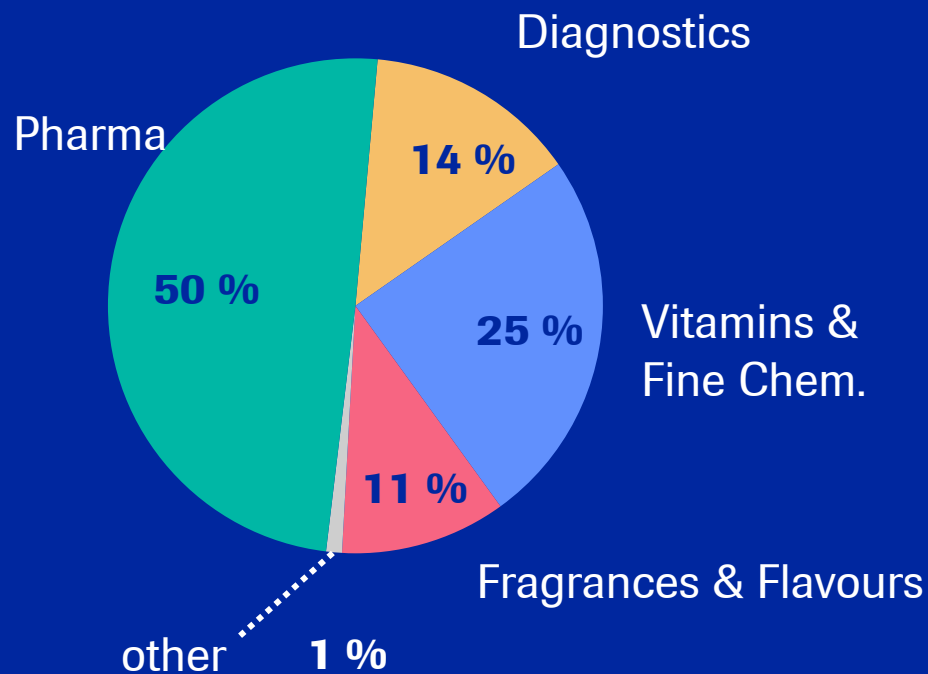


Innovation is the key driver in high value healthcare

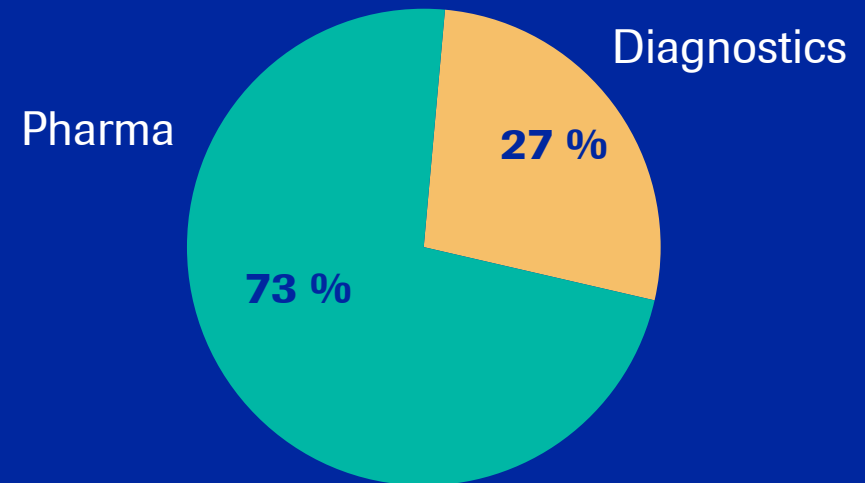
The Roche strategy

Actively managing our future - focusing on two pillars

starting point 1990 ...
CHF 9.7 billion



... result in 2002
CHF 26.5 billion



Group financial results 2002 impacted by significant events and decisions

The strategic level

- Two pillar strategy strengthened by Chugai acquisition
- Sale of Vitamins business

The operational level

- Profitability improvement at EBITDA and EBIT levels
- Progress of all key products / projects

The non-operational level

- Progress in re-building Roche finance
- Progress in major litigation cases

Group financials of 2002

Further improvement in operating results

	% change in			% change in		
	CHF billion	CHF	local	CHF billion	CHF	local
sales	29.7	2	8	26.5	3	9
EBITDA	6.0	-6	4	7.7	7	16
operating profit	1.3	-59	-44	5.0	12	22
financial income, net	-4.5	-		0.7	-52	
profit before taxes	-3.2	-		5.7	-4	
income taxes	-0.8	-19		-1.7	21	
net income	-4.0	-		3.8	-17	
<i>as % of sales</i>	<i>-14</i>			<i>14</i>		
	financial statements			adjusted		

Net income 2002 impacted by significant events and decisions

The strategic level

The operational level

The non-operational level

Items included in the financial statements / excluded in the "adjusted results"

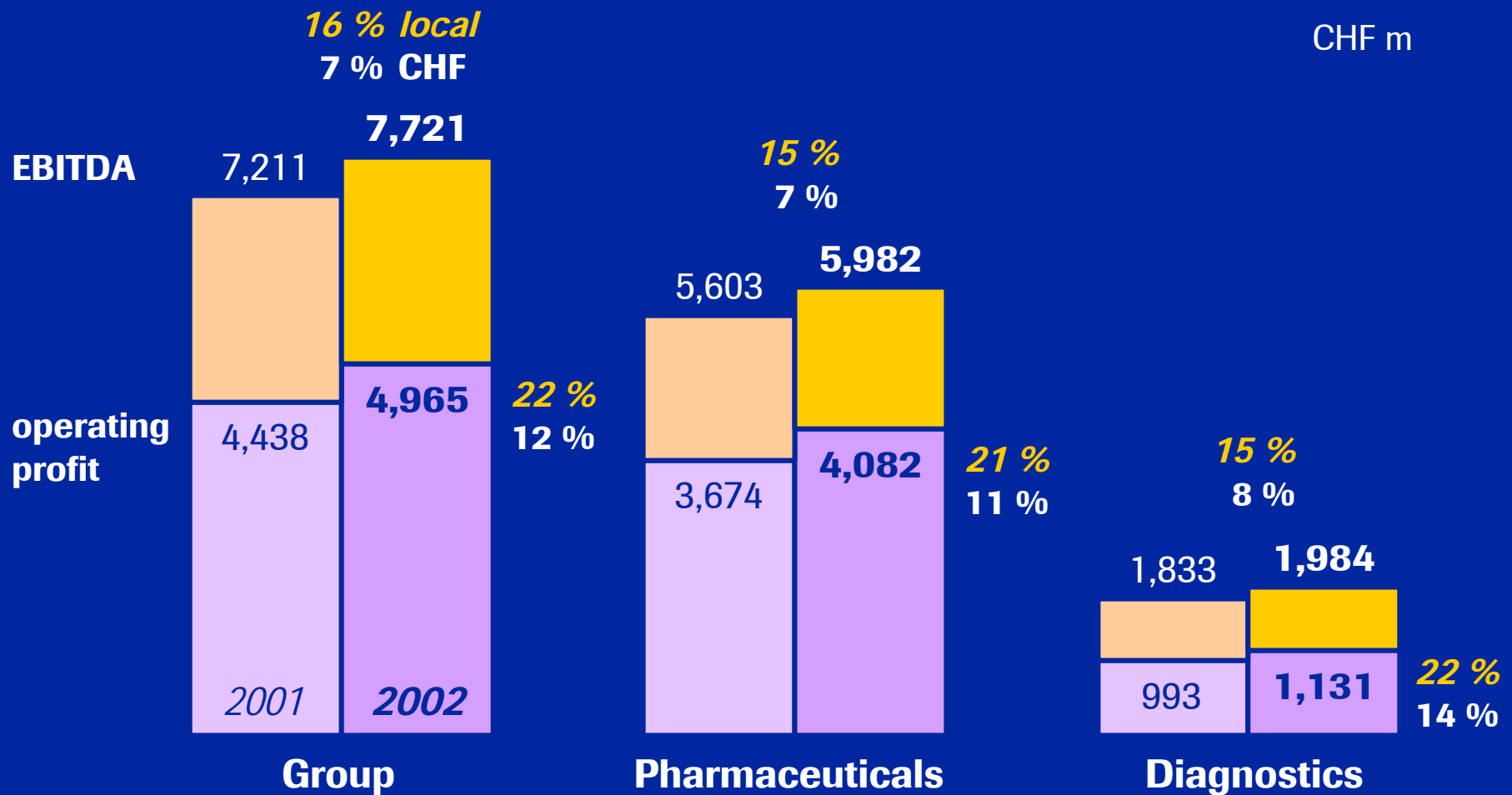
CHF billion

• Gain on Chugai transaction	0.5
• Impairment V&FC divestment	-1.6
• V&FC business (after-tax)	0.1
• Pharma restructuring	-0.2
• Provisions Vitamin case	-1.8
• Genentech legal case	-0.8
• Impairment financial assets	-5.2
• Taxes and minority interests	1.1
total impact on net income	-7.8

Operating performance 2002 (adjusted)

Operating profit growth above 20 % in all divisions*

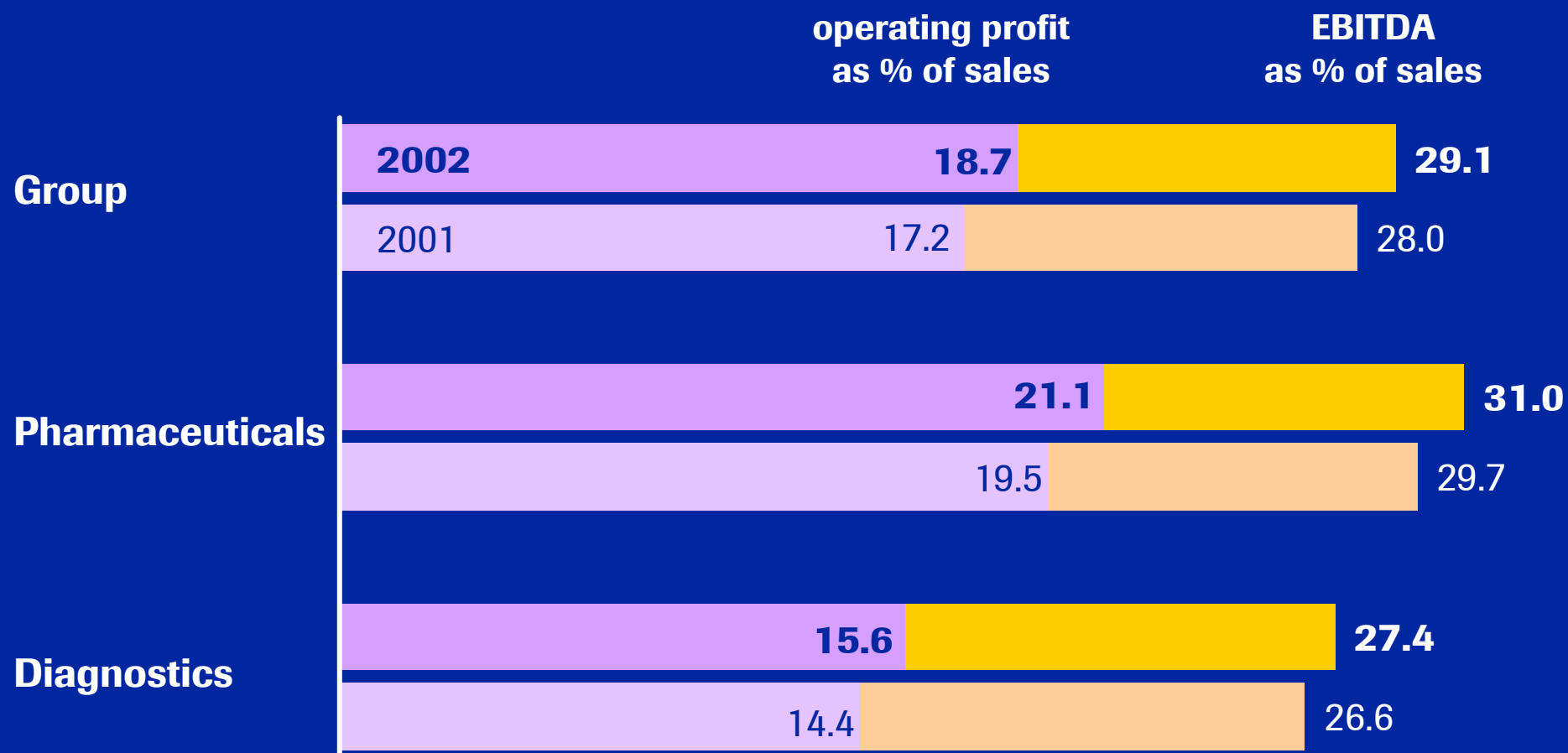
CHF m



* local currency

Profitability 2002 (adjusted)

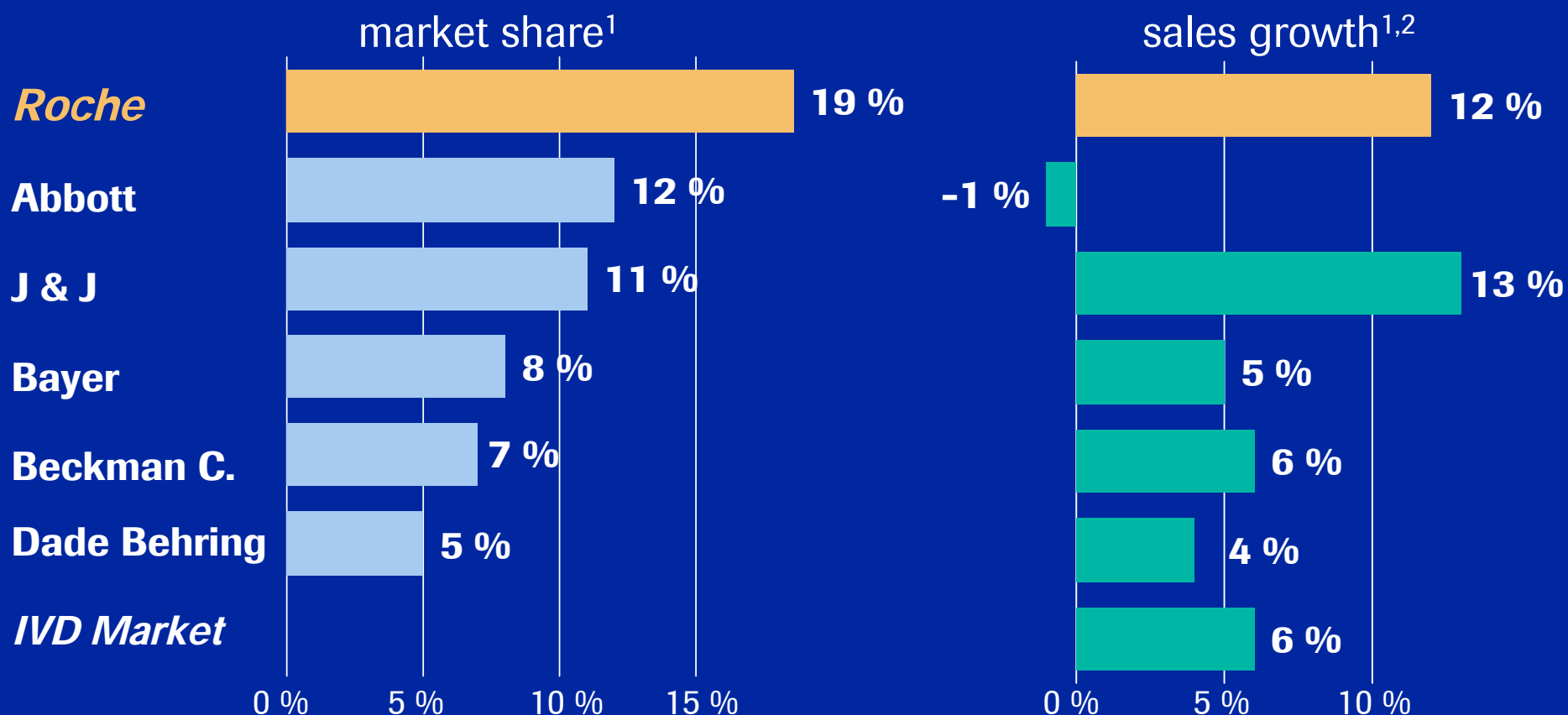
Strong improvement of margins





Roche continues outpacing the industry

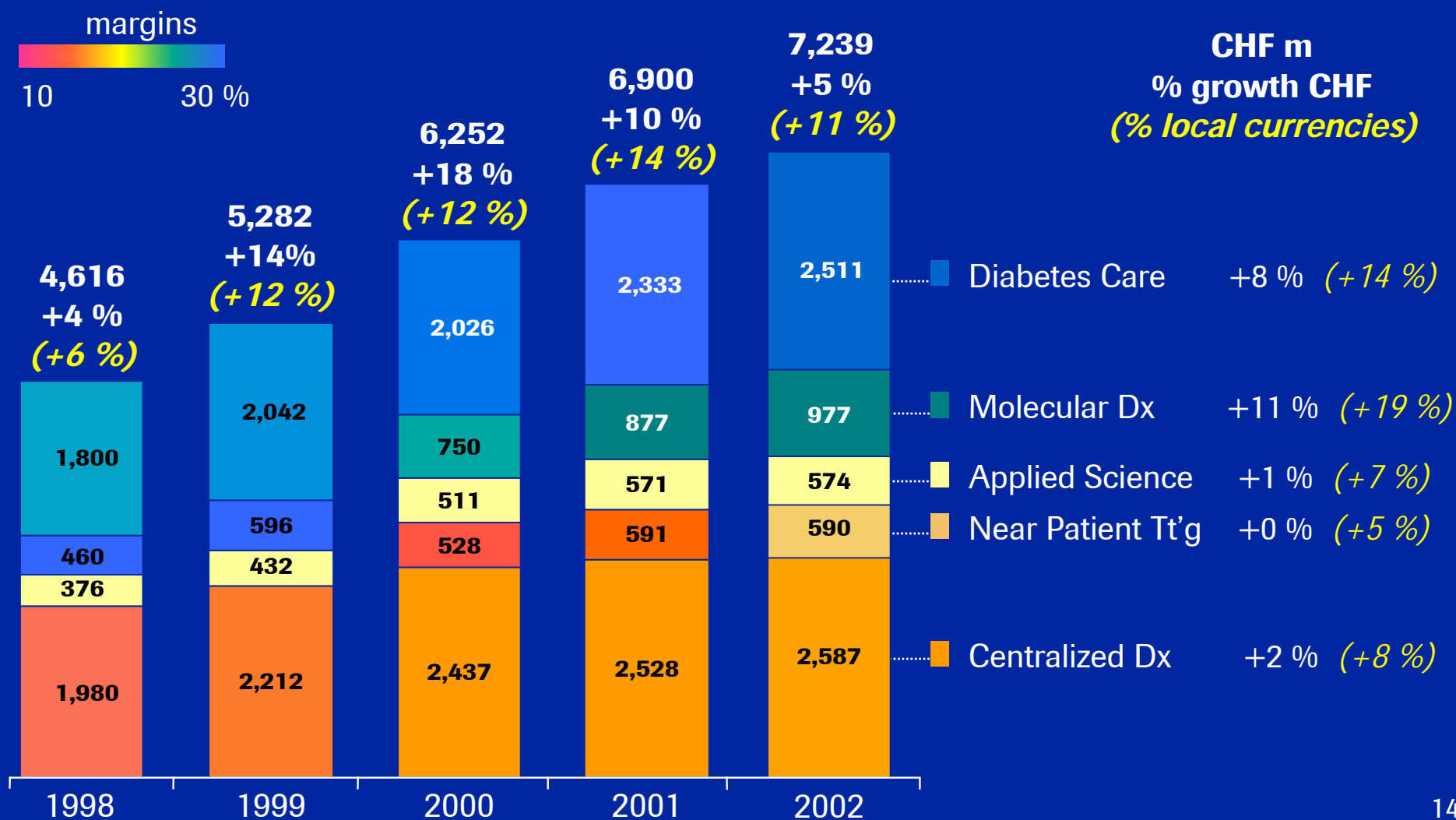
Double digit growth four years in a row



source: company reports, Boston Biomedical Consultants, Roche analysis

¹ excludes Applied Science ² in local currencies

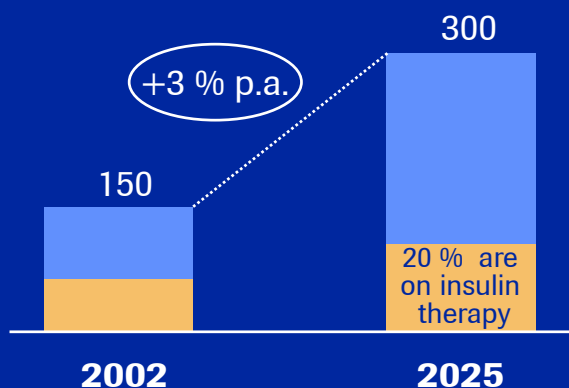
Strong growth in high margin areas



Monitoring and therapy delivery are converging

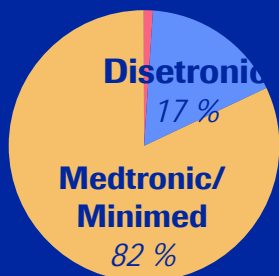
1 Growing market

(people with diabetes in millions)

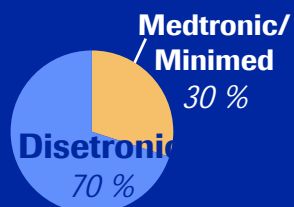


2 Insulin pump market

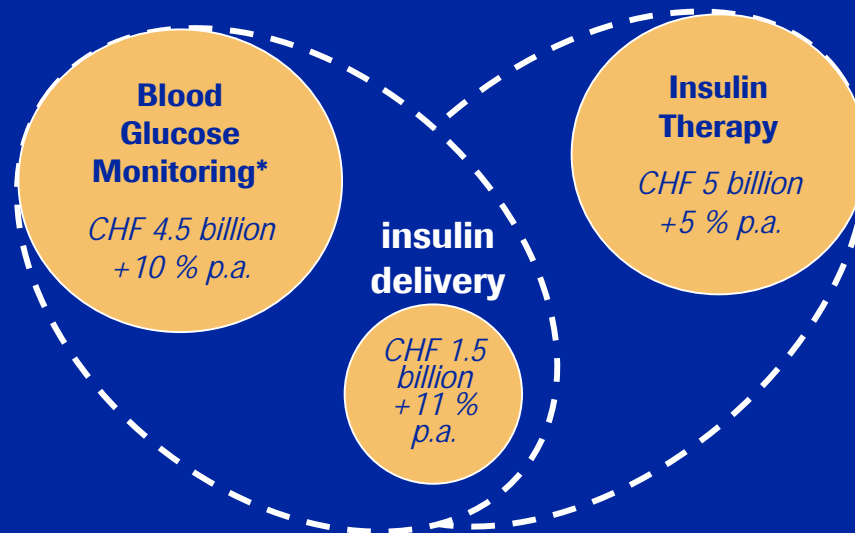
US market 2001
total: CHF 550 m



Ex-US market 2001
total: CHF 160 m



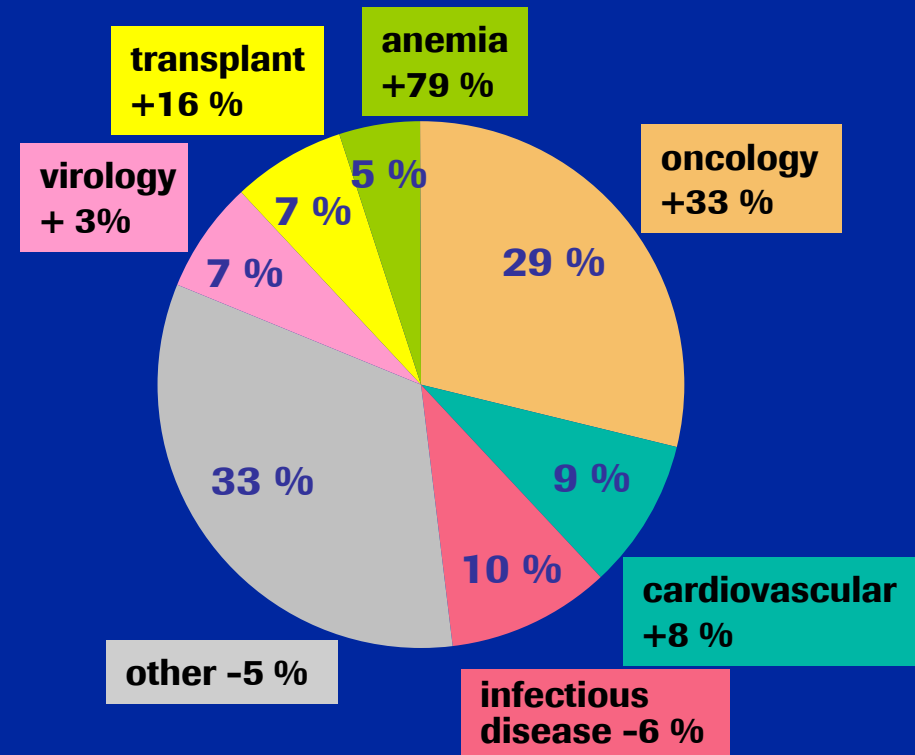
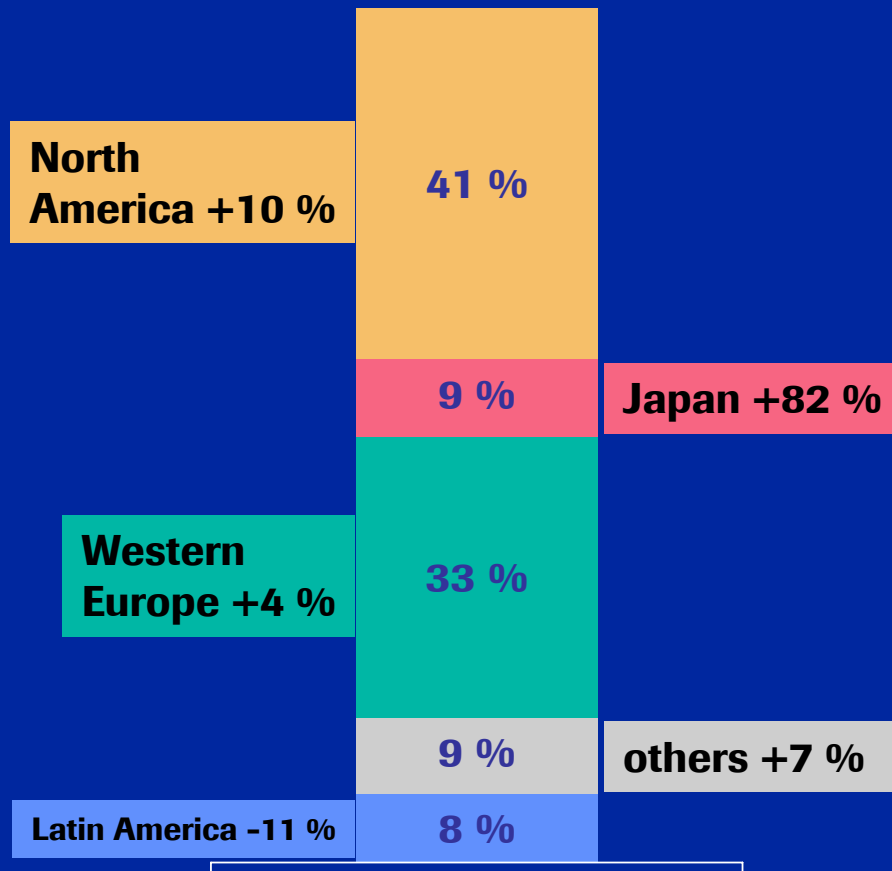
3 Creating value



* for people with diabetes on insulin treatment

2002 Prescription* sales

Strong growth in US, Japan and in key franchises

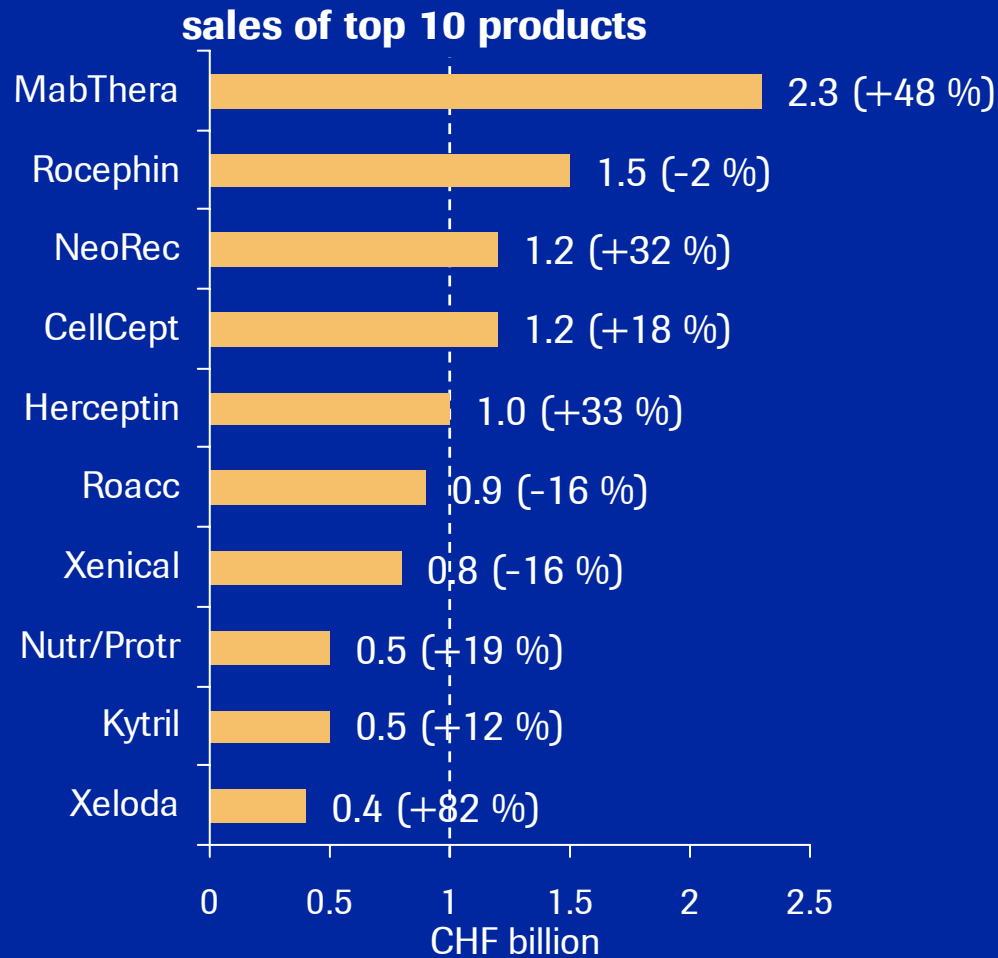


all growth figures are in local currencies

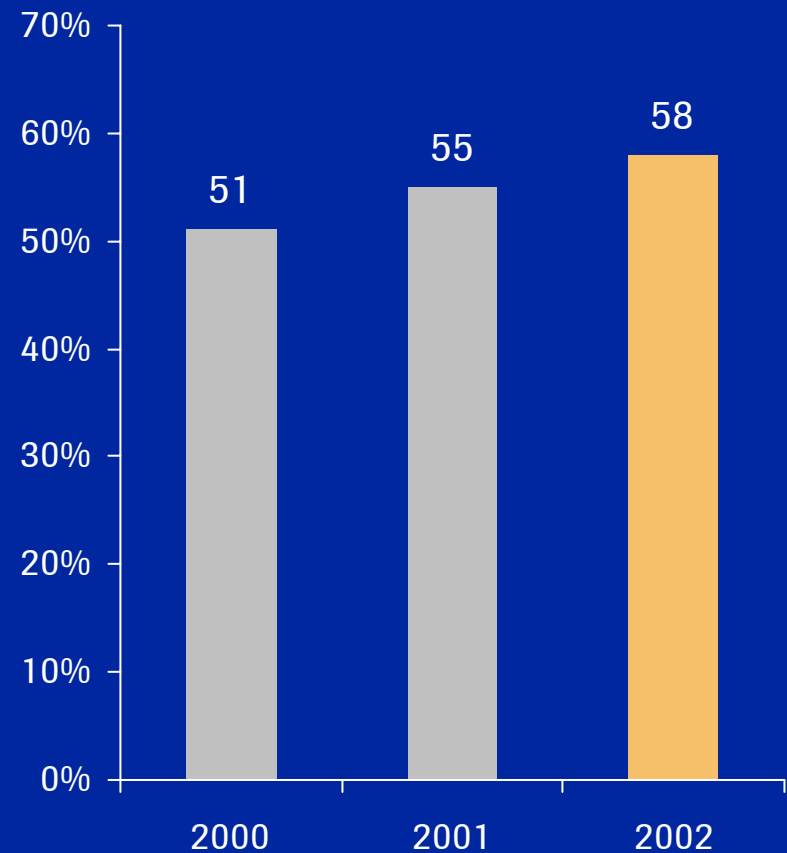
* Roche, Genentech and Q4 sales of Chugai combined

2002 major growth drivers

Multiple one-billion products



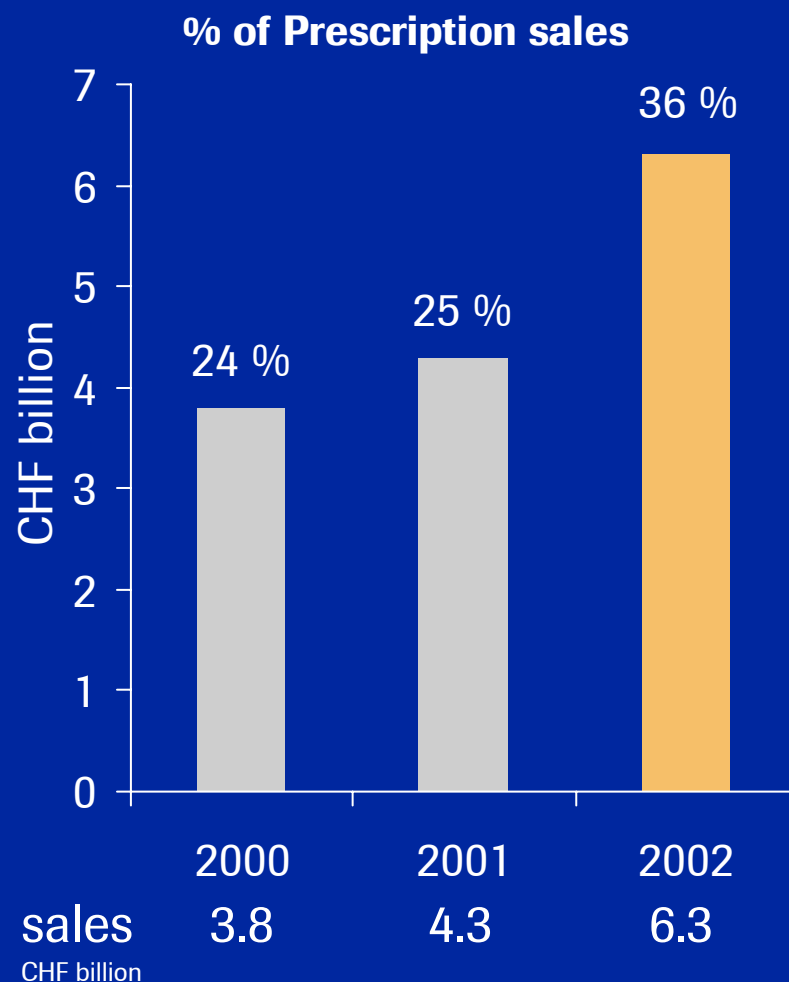
**sales of top 10 products
as % of Prescription**



all at local growth rates

Proteins and antibodies

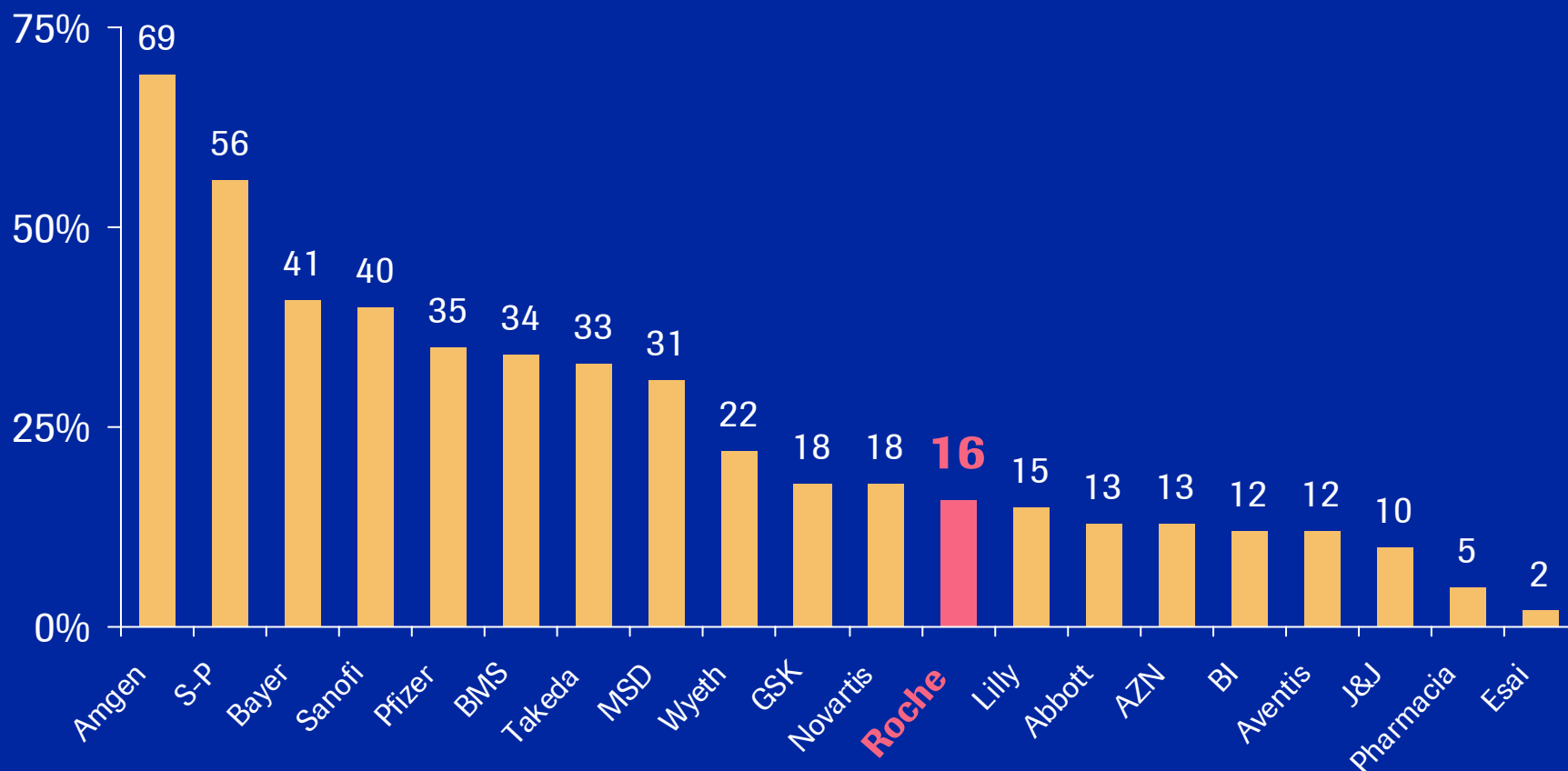
Roche group - the second biggest biotech company



- Relatively high market entry barriers
- Strong profit generators
- 12 products with significant medical differentiation
- Relatively low promotional effort required

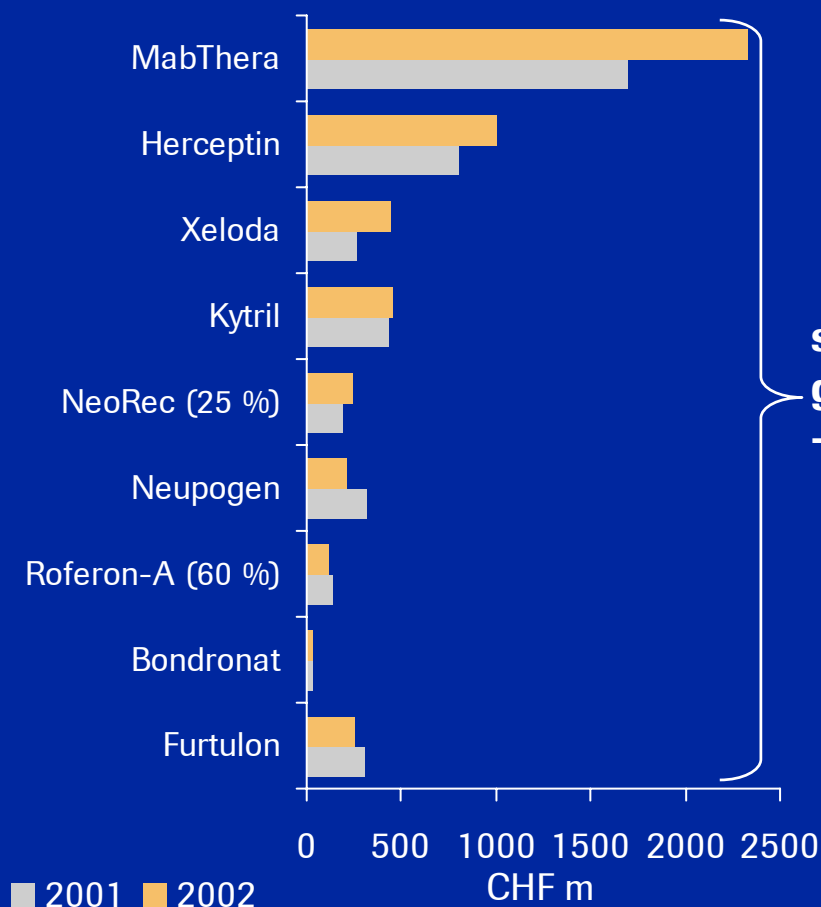
Patent expiry 2002 - 2006

Strong patent protected portfolio



Oncology - Roche the no. 1 company

Outperforming the market



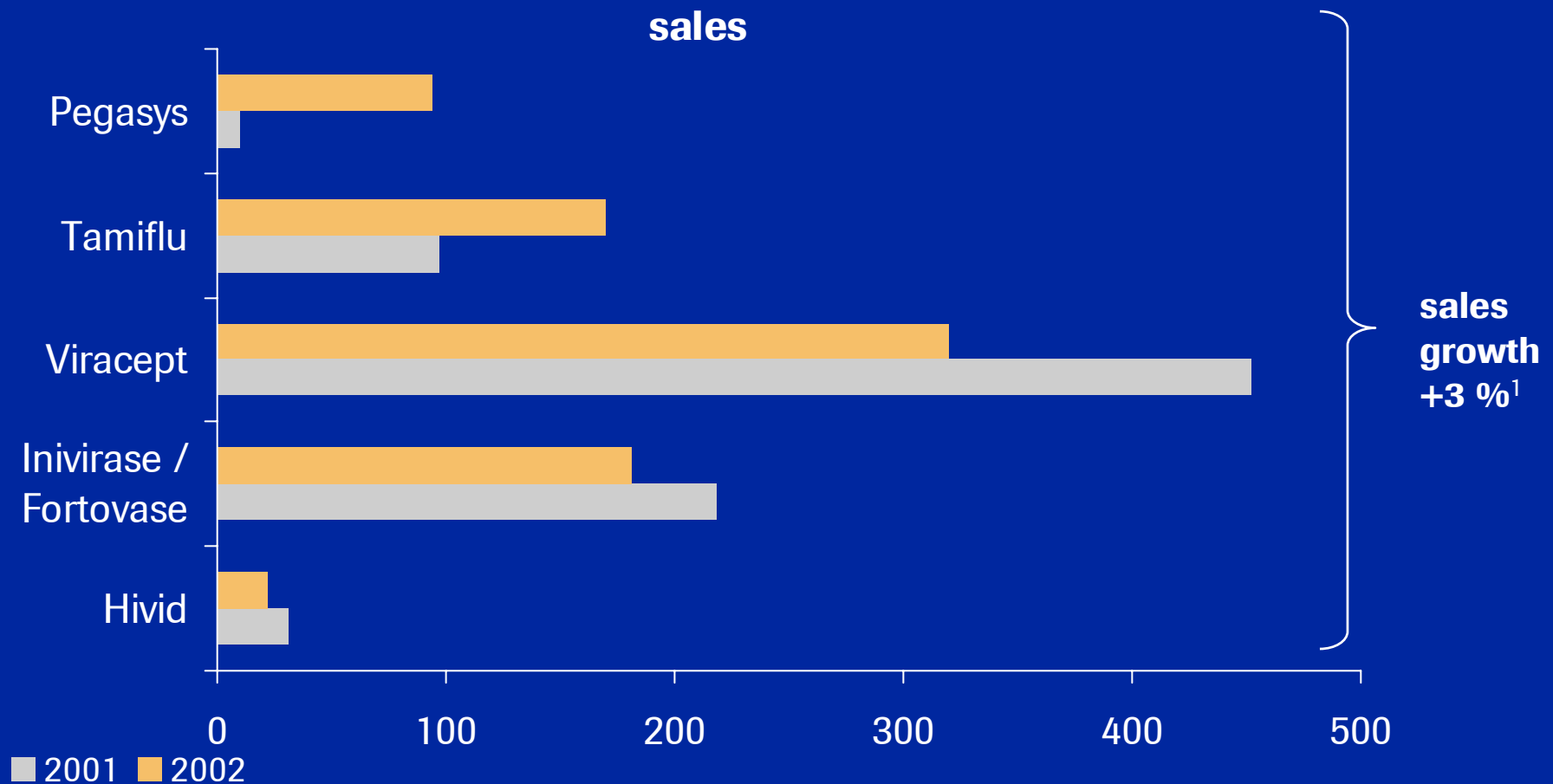
**sales
growth
+33 %¹**

- Long patent protection
- Additional opportunities with Tarceva, Avastin, Bondronat, Pemtumomab
- Rich pipeline targeting major tumor types
- Expected to further increase, from CHF > 5 billion (2002) to CHF 6 - 8 billion (2005)

¹ local growth

Virology

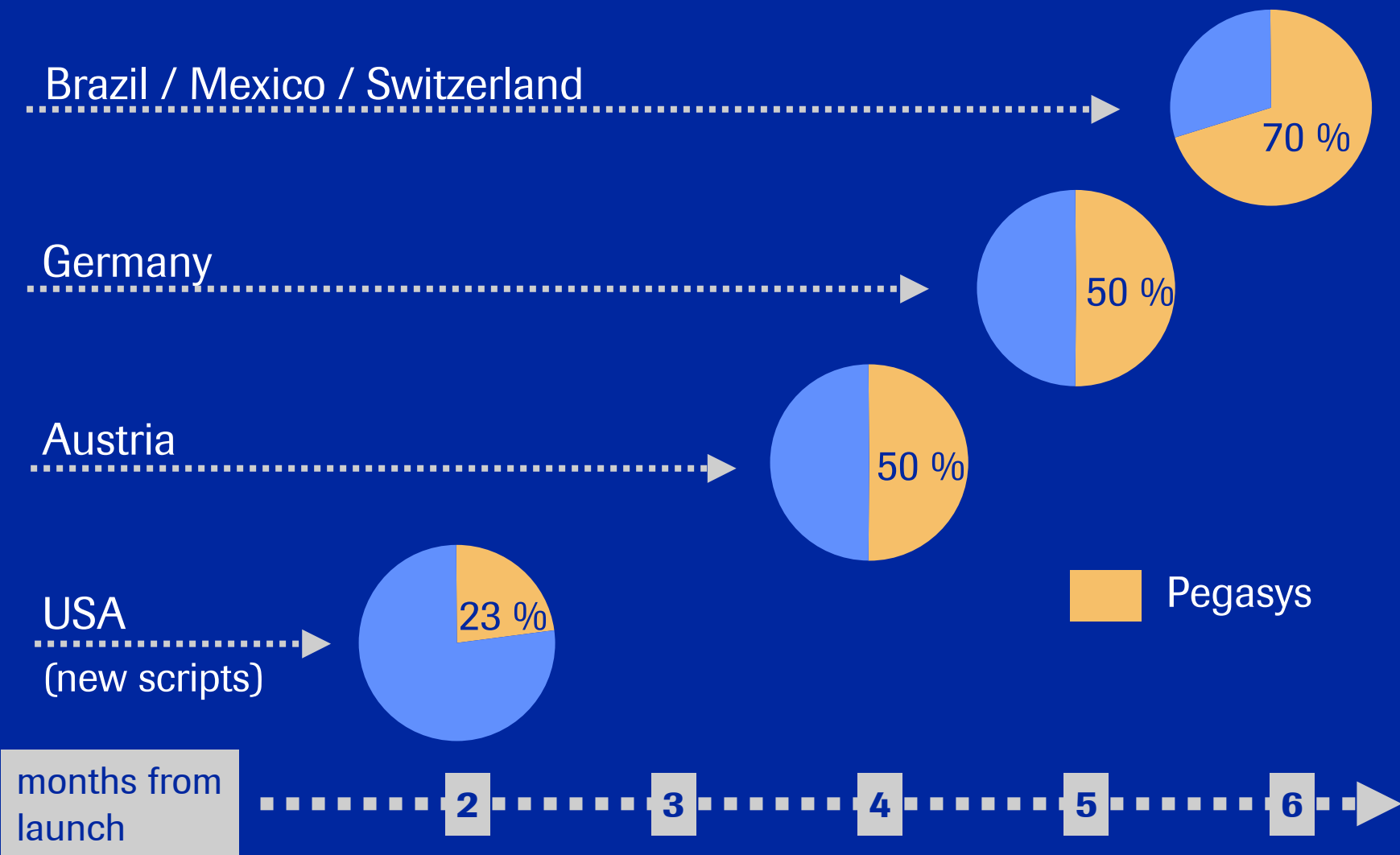
Strong commitment retained



¹ local growth

Pegasys

Rapid market share gains



Fuzeon

Active against current strains of drug resistant HIV-1

- Targeted for ~ 30 % of patients (3rd line)
- Priced in Europe at Euro 52 per daily treatment
- > 90 % of patients found self injection of Fuzeon "very easy", "easy" or "neutral"
- Filings
 - US: September 17th '02, EU: September 20th '02
- Production capacity
 - end of '03: 20,000 production capacity; 12,000 - 15,000 patients
 - end of '04: 39,000 production capacity; 32,000 patients
 - end of '05: 39,000 production capacity; 39,000 patients
- Expected approval H1 '03



Roche R&D pipeline today

Total of 65 NME's including 9 opt-in opportunities

phase 0

R1067	depression
R1295	asthma
R1438	type 2 diabetes
R1439	type 2 diabetes
R1440	type 2 diabetes
R1453	solid tumors
R1454	solid tumors
R1479	HCV
R1484	stress incontinence
R1495	HIV
R1503	rheumatoid arthritis
R1516	anaemia treatment
R1518	HCV
R1533	Alzheimer's
R1554	OAB
R1559	solid tumors
acute coronary syndrome	
antifungal (B)	
antifungal (B)	

phase I

R701	overactive bladder
R944	HIV
R1068	emesis
R1204	depression/anxiety
R1270	HCV
R1487	rheumatoid arthritis
R1492	solid tumors
R1550	breast cancer
multiple myeloma	
osteoporosis	
breast cancer	
solid tumors (At)	
lung cancer (At)	
antibiotic (B)	

phase II

R411	asthma
R450	(alpha 1 agonist) stress incontinence
R483	(insulin sensitizer) type 2 diabetes
R667	emphysema
R673	(NK1) depression/anxiety
R724	(T-1249) HIV
R744	(next generation anaemia treatment)
R1124	emesis
R1273	solid tumors
R1461	HPV
R1524	renal transplant
R1536	solid tumors
inflamm. bowel disease	
macular degeneration	
bone metastases	
osteoporosis	
rheumatoid arthritis	
CHD	
gastroparesis	
post hepatectomy	
subarachnoid hemorrhage (Ax)	
psoriasis (B)	
eczema (B)	
cardiovascular disease (S)	

phase III / registration

R484	Bonviva osteoporosis
R698	(Fuzeon) HIV
R1415	(Tarceva) oncology
R1549	(Pemtumomab) ovarian cancer
Avastin (oncology)	
Raptiva	
Xolair	
subarachnoid hemorrhage	

- Roche managed
- participation through Genentech
- participation through Chugai
- opt-in opportunities
Antisoma (At)
Axovan (Ax)
Basilea (B)
Speedel (S)

Non-operational level

Building Roche Finance into a platform for value creation

- Liquidity level to serve the strategic purposes of the core businesses Pharmaceuticals and Diagnostics
- Liquidity to be invested with risk profile in line with industry peers
- Decrease and re-finance debt to improve maturity profile and to strengthen balance sheet
- Tax structure and currency exposure to be brought in line with the focus on the operating business
- Corporate governance and transparency strengthened

Non-operational level

Unrealized losses of CHF 5.2 billion as an impairment

Roche policy until 31 Dec '02

- Impairment based on significant financial difficulty of the issuer



Roche policy from 31 Dec '02

- Impairment based on sustained (> 6 months) and substantial (> 25 %) drop of market value below cost

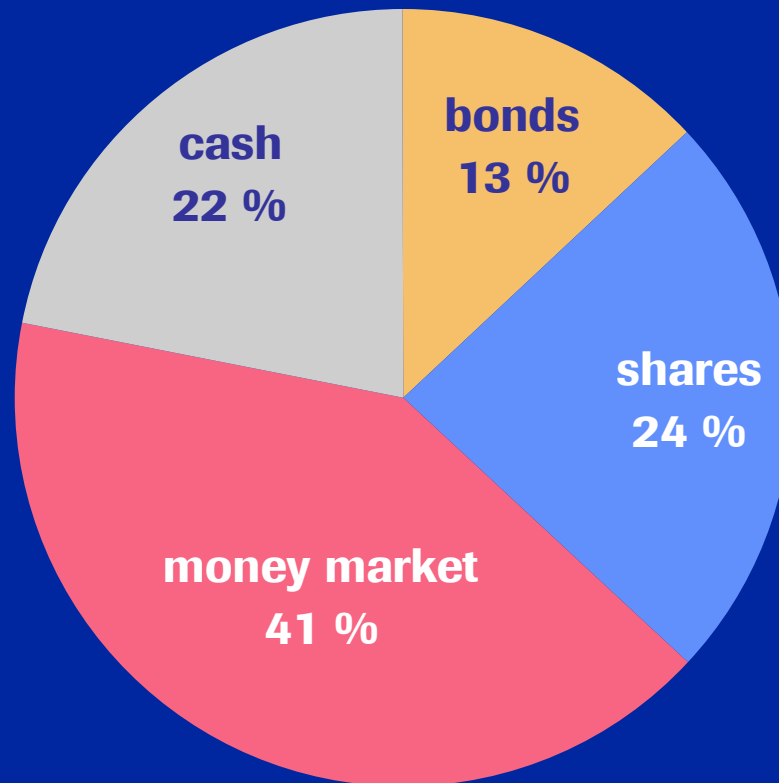


one-time impairment charge of
CHF 5.2 billion in 2002

Asset allocation



total CHF 15.8 billion
December 31, 2002



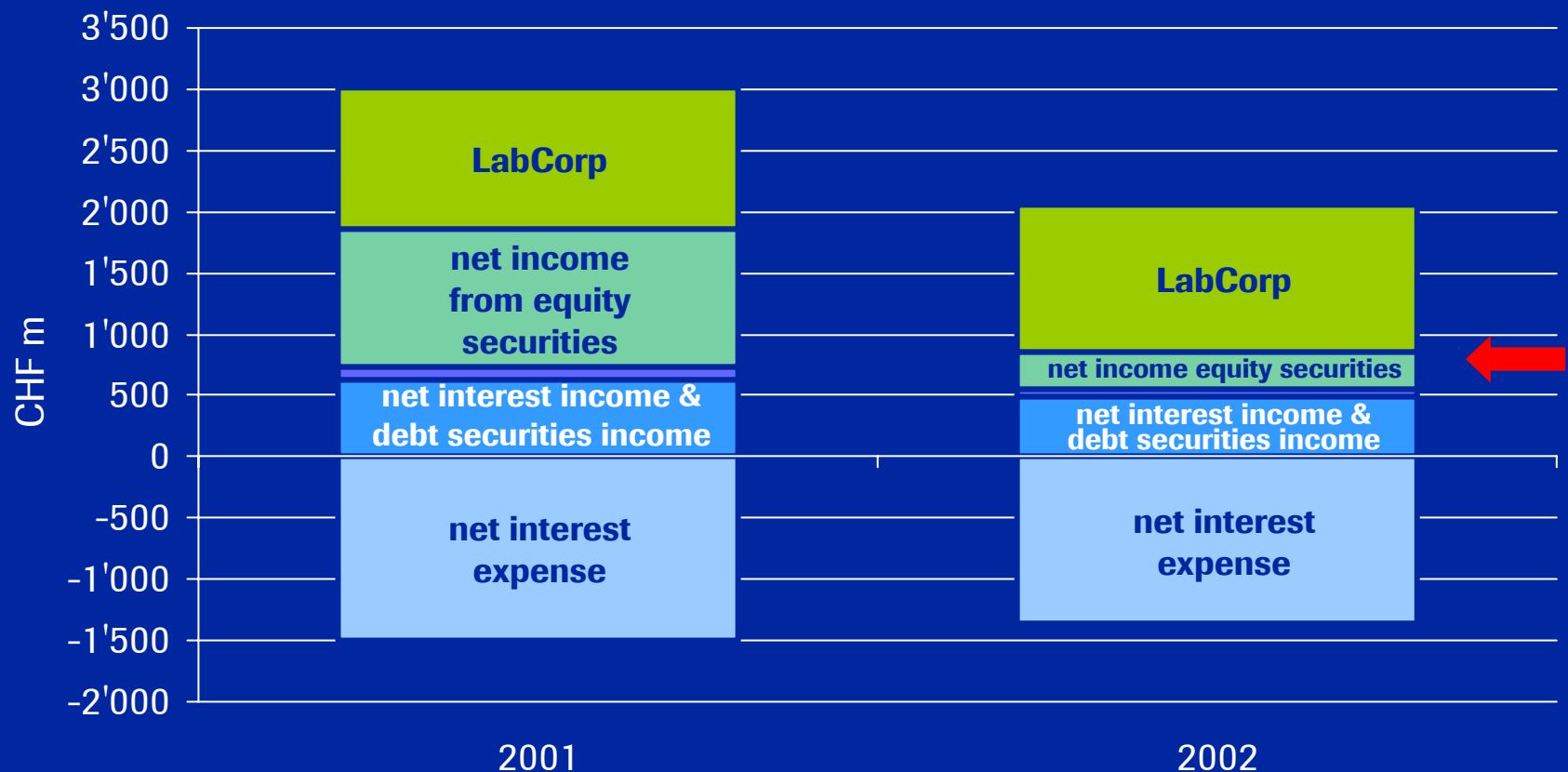
Operating performance (financial statements)

Strong operating performance offset by special items

	2002	2001	change		% local
			CHF m	%	
sales	29,725	29,163	+562	+2	+8
cost of sales	-8,432	-8,339	-93	+1	
gross profit	21,293	20,824	+469	+2	
M & D	-8,538	-8,452	-86	+1	
R & D	-4,257	-3,893	-364	+9	
administration	-1,295	-1,219	-76	+6	
amortization	-1,520	-1,553	+33	-2	
impairment	-13	-18	+5	-28	
Chugai transaction	586	-	+586	-	
Pharma restructuring	-154	-777	+623	-80	
Vitamins & F.C.					
impairment of net assets	-1,650	-	-1,650	-	
vitamin case	-1,770	-760	-1,010	+133	
major legal cases	-778	-	-778	-	
other op. expenses, net	-569	-905	+336	-37	
operating profit	1,335	3,247	-1,912	-59	-44
<i>as % of sales</i>	<i>4</i>	<i>11</i>			

Financial income


Difficult market environment has a strong impact



net financial incl. (exp.)	1,515
excl gain LabCorp transaction	355

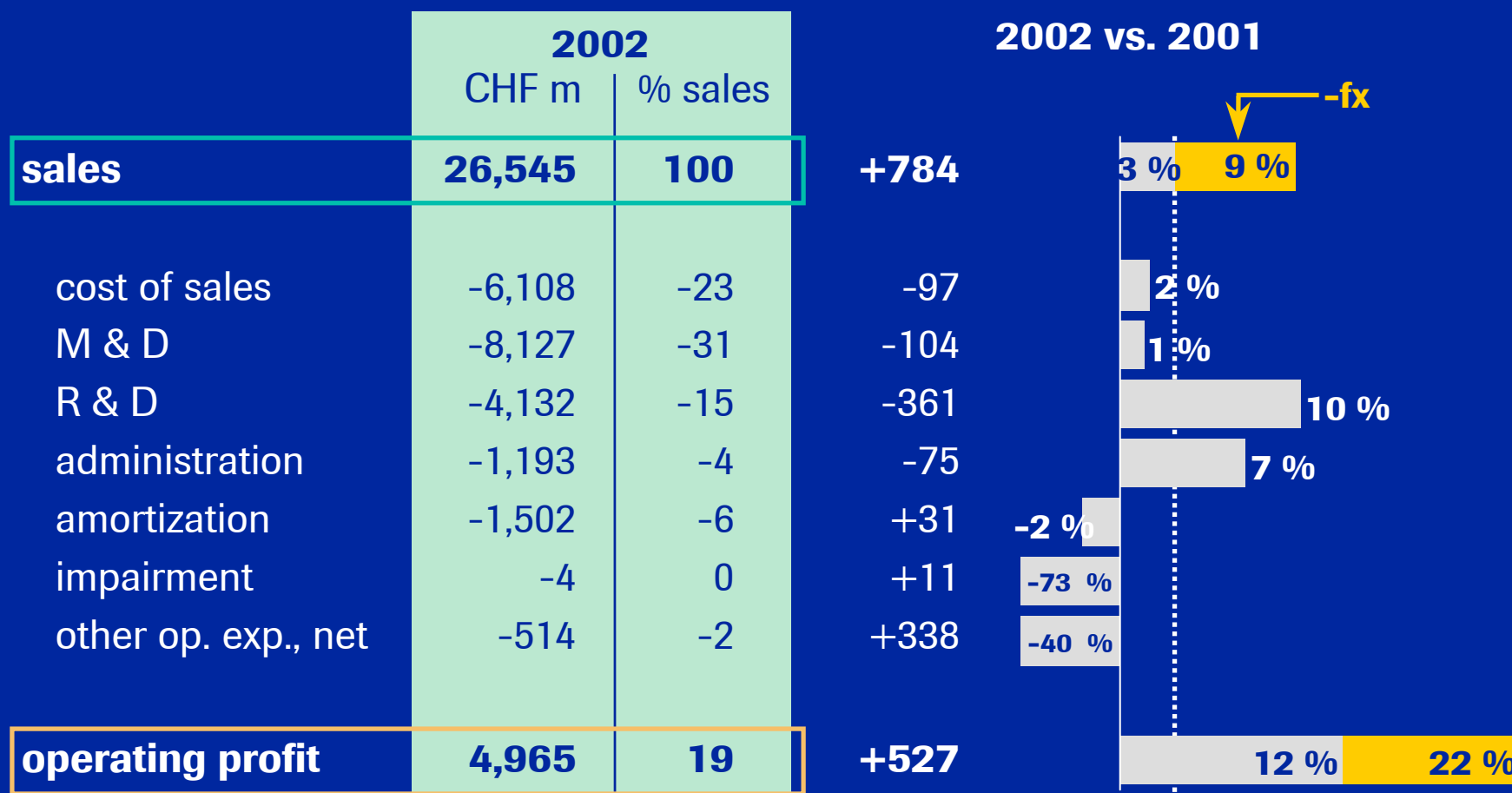
663
-536

Net income (financial statements)

CHF m	2002	2001	change	
			CHF m	%
sales	29,725	29,163	+562	+2
operating profit	1,335	3,247	-1,912	-59
financial income, net	663	1,515	-852	-56
 impairment financial assets	-5,192	-	-5,192	-
profit before taxes	-3,194	4,762	-7,956	-
income taxes	-839	-1,038	+199	-19
<i>tax rate in %</i>	<i>-26</i>	<i>22</i>		
minority interests	41	-34	+75	-
associated companies	-34	7	-41	-
net income	-4,026	3,697	-7,723	-
<i>% of sales</i>	<i>-14</i>	<i>13</i>		

Operating performance (adjusted)

22 % operating profit growth in LC, 12 % in CHF*



* local currency

Net income (adjusted)

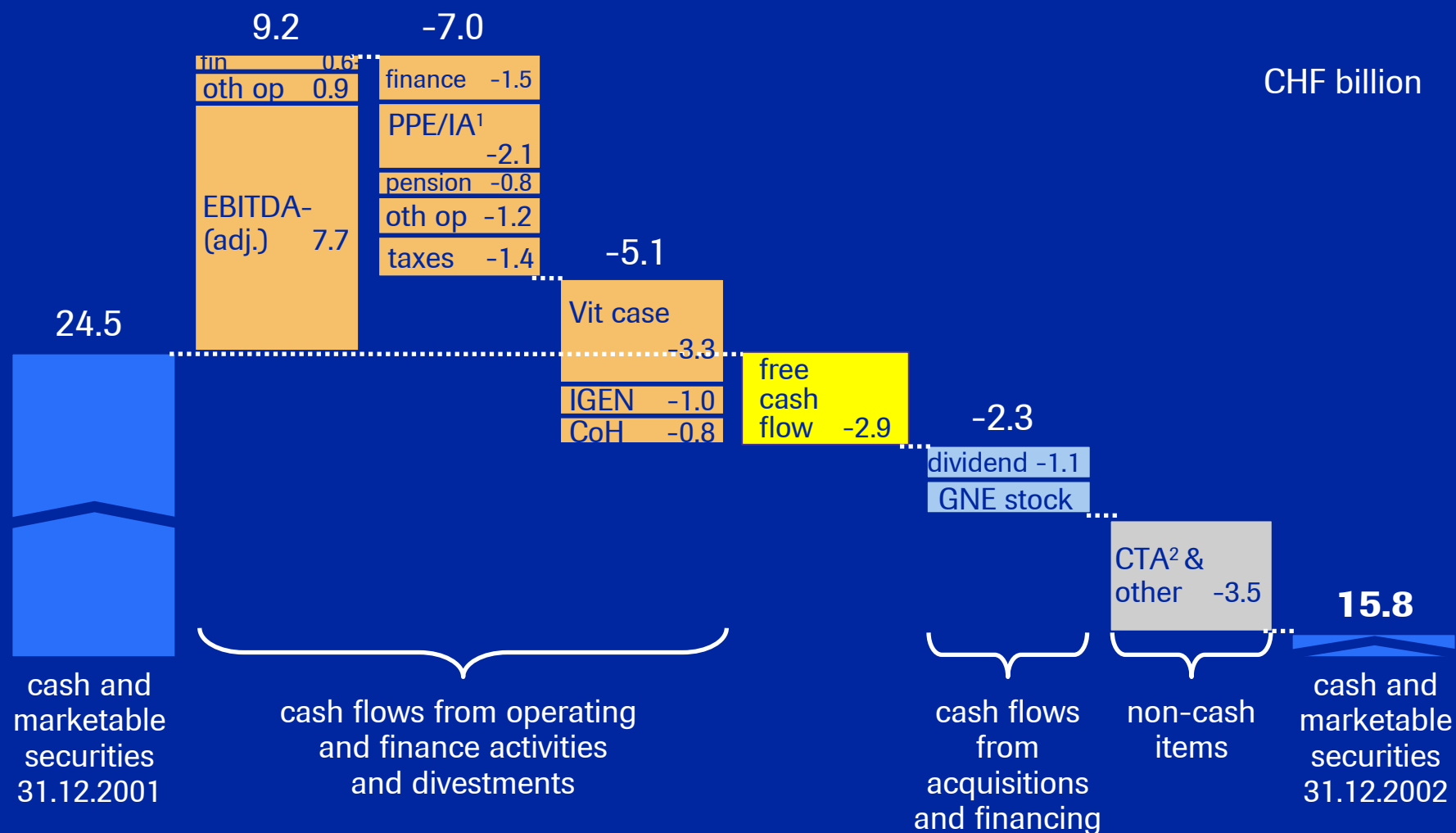
Improved operating result offset by lower financial income and higher taxes

CHF m

	2002	2001	change	
			CHF m	%
sales	26,545	25,761	+784	+3
operating profit	4,965	4,438	+527	+12
financial income, net	736	1,523	-787	-52
profit before taxes	5,701	5,961	-260	-4
income taxes	-1,674	-1,386	-288	+21
tax rate in %	29	23		
minority interests	-182	-38	-144	+379
associated companies	-37	25	-62	-
net income	3,808	4,562	-754	-17
% of sales	14	18		

2002 - free cash flow of CHF -2.9 billion

Impact of litigation payments



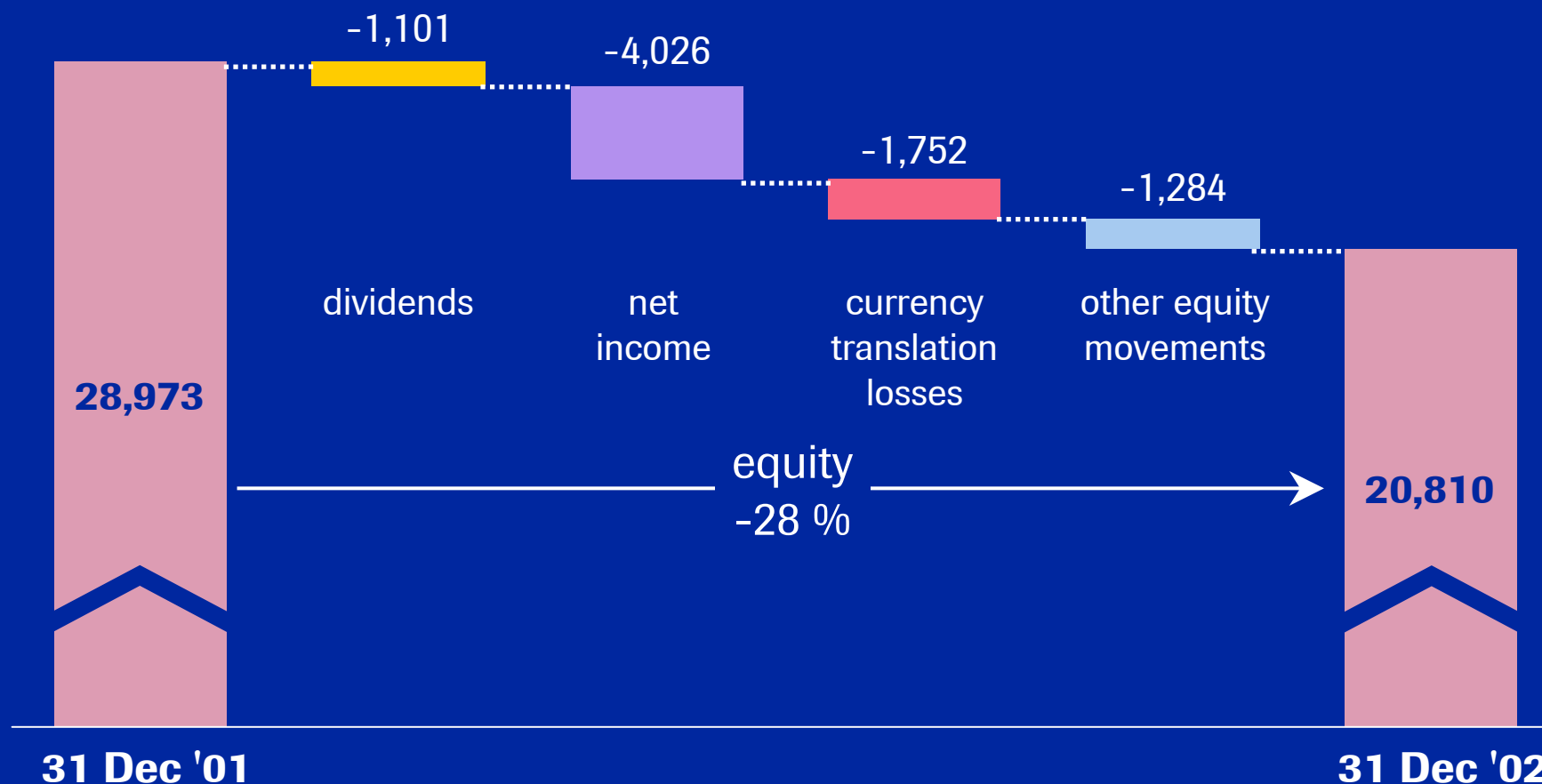
¹ property, plant and equipment; intangible assets

² currency translation adjustments

Equity decrease of 28 %

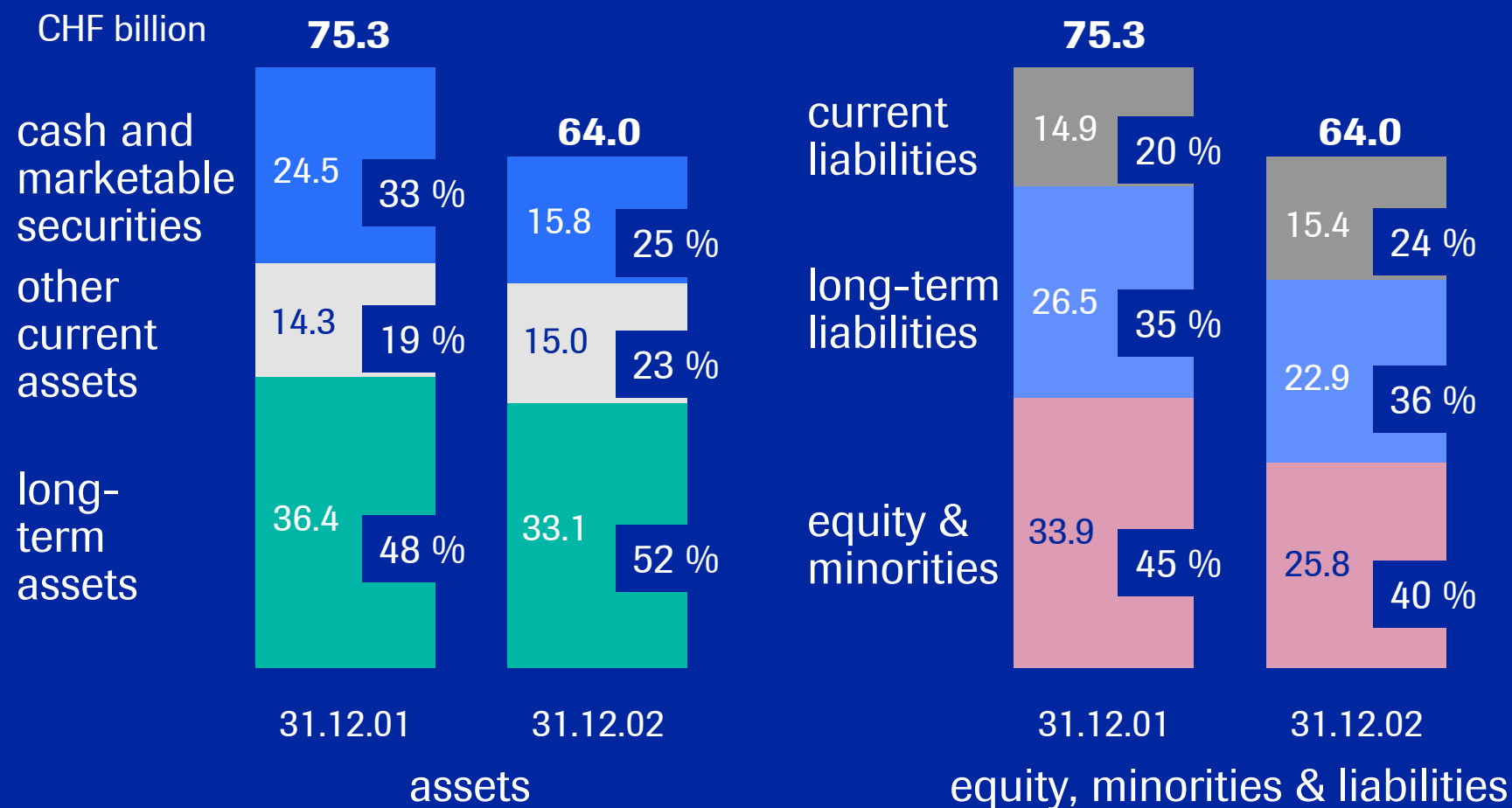
Driven by net loss and fx translation

CHF m



Balance sheets

Solid financing, lower equity ratio, fx impacts



The Roche strategy

Managing the future on our own

- Building on our own strength
 - Roche the no. 3 specialty care company globally
 - Roche the no. 2 Biotech company*
 - Roche the no. 1 Diagnostics company
 - distinctive research network across the globe
- Strong growing franchises
 - Roche the no. 1 company in oncology
 - Roche the only company with two major launches in virology
 - Roche the no. 1 company in the US in transplantation
- Rich NME portfolio and in-licensing activities support long term growth

2003

- Double-digit growth in sales and operating profit for Group, and both the Pharmaceuticals and Diagnostics division in local currencies; each above market growth
- Stable operating profit margins for the Group as a whole.
Tax rate around 29 %

... and after

- Improved operating profit margins: Group > 20 % in medium term; Pharmaceuticals approaching 25 % by the end of 2004; Diagnostics slightly better than 20 % by 2006
- By the end of 2004 conditions in place for a balanced financial income

