



Roche
First half 2003

Presentation to analysts

Basle, Zurich, New York

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Group

Dr. Franz B. Humer
Chief Executive Officer

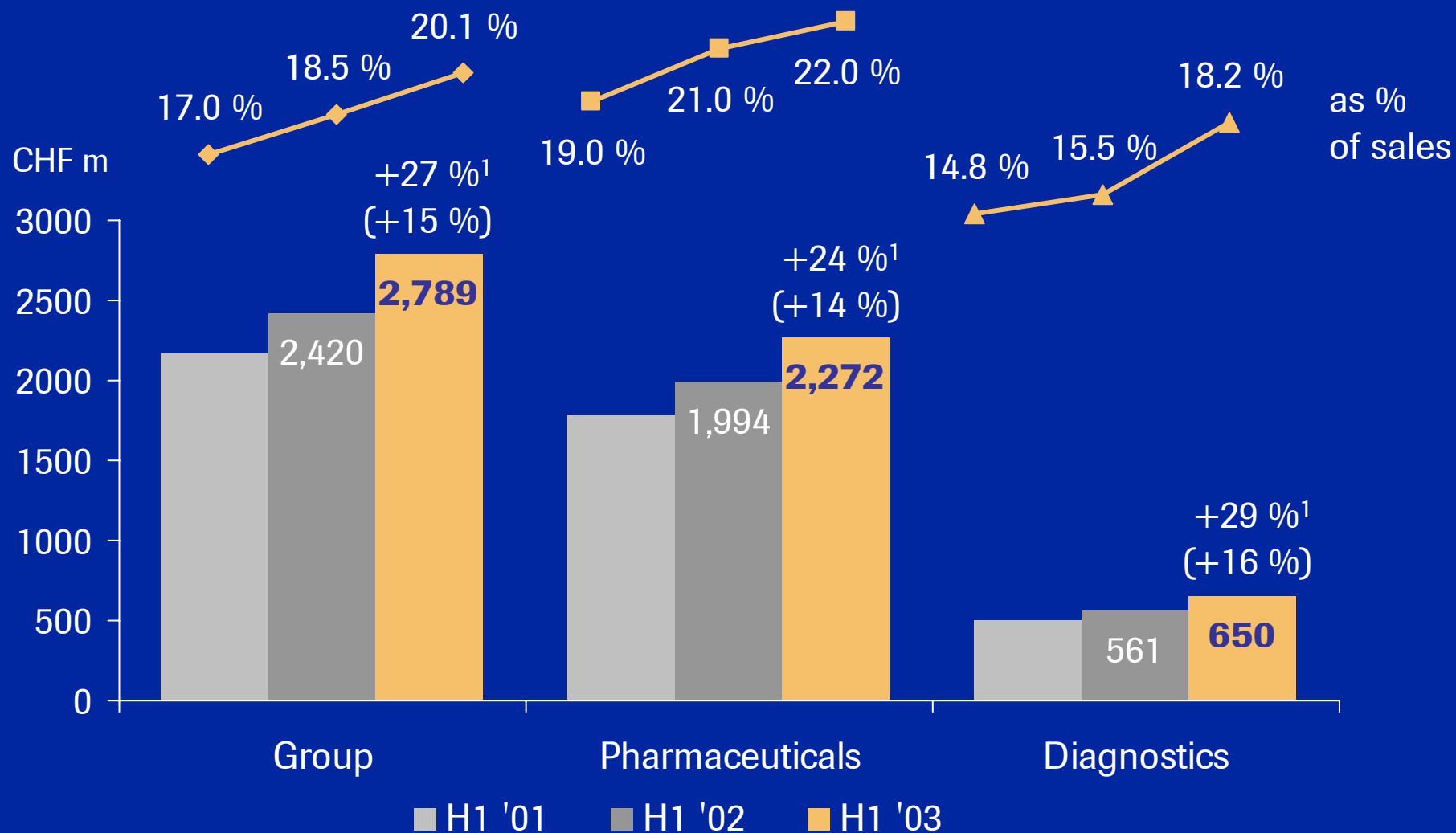
Group financials of first half 2003

Further improvement in operating results

	% change in			% change in		
	CHF billion	CHF	local	CHF billion	CHF	local
sales	15.3	4	15	13.9	6	17
EBITDA	4.2	32	53	4.1	9	21
operating profit	2.5	44	72	2.8	15	27
financial income, net	-0.4	--		-0.3	--	
profit before taxes	2.1	-6		2.4	-20	
income taxes	-0.7	+18		-0.7	-20	
net income	1.3	-28		1.6	-24	
<i>as % of sales</i>	<i>8.4</i>			<i>11.4</i>		
	financial statements			adjusted		

Strong growth in operating profit (adjusted)

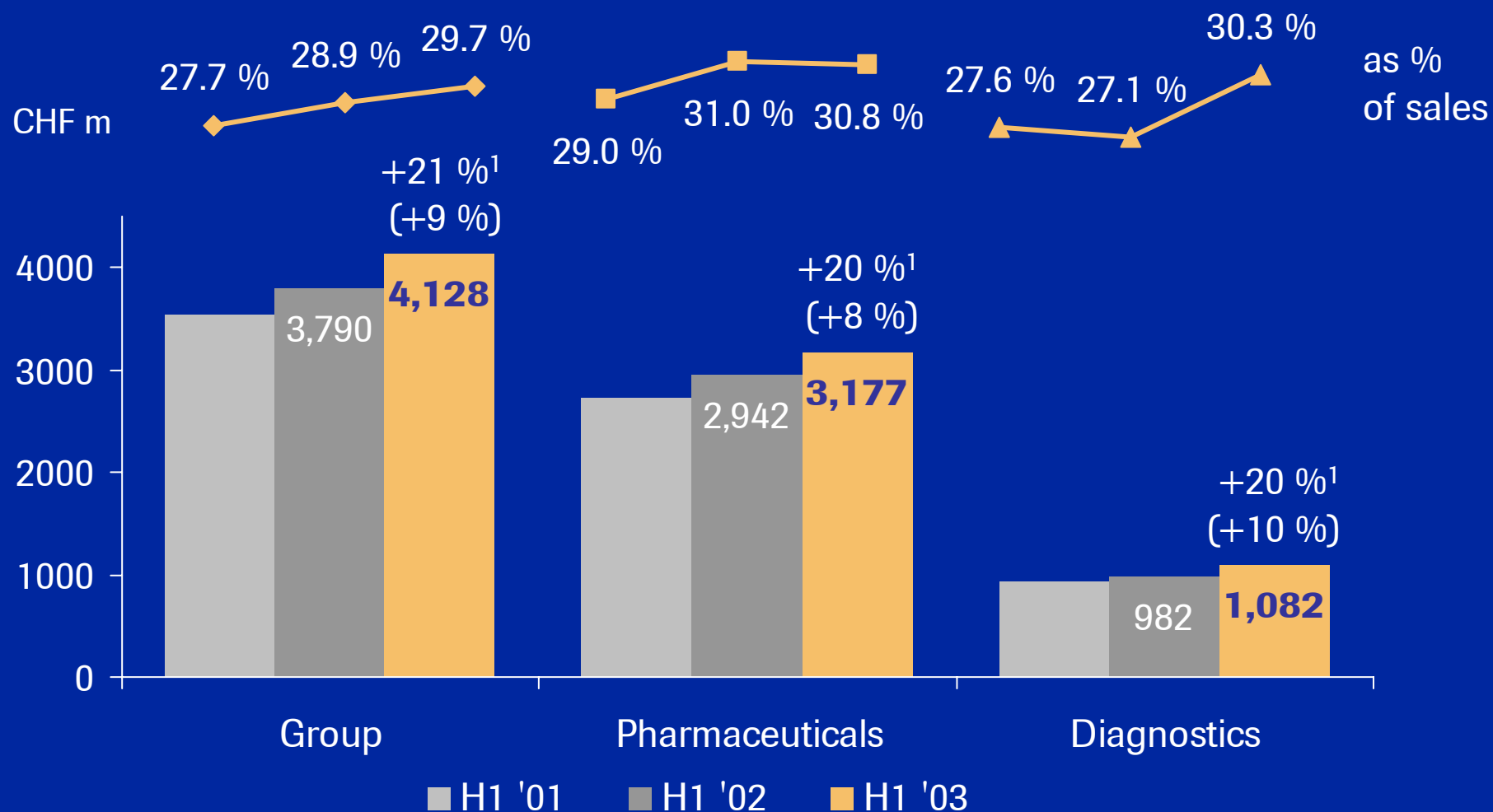
Profit margin further increased



¹ local growth, (growth in CHF)

Strong underlying cash-flow (adjusted)

EBITDA growth >20 % for the Group



¹ local growth, (growth in CHF)

Highlights first half 2003

Strong momentum of underlying business

- **Sales growing above world market, led by strong growth of all key franchises**
 - Group sales +17 % local growth, +9 % excl. Chugai
 - no. 1 position in oncology, successful launch of Pegasys
- **Further margin improvement, despite product launches, generic Accutane and a strengthened investment in R&D**
 - above 20 % profit increase (in local currency) in all divisions
- **Chugai integration on track**
 - with MRA, first collaboration project with Chugai
- **Disetronic integrated in May, quality measures put in place**

First half 2003 at a glance

Significant progress in Financing and Treasury

- **Reducing both net interest expenses and risk profile**
 - further restructuring of Group's debt (LYON's II, Bullet)
 - significant reduction of equities
- **Gains on LabCorp shares in 2002 explain difference in net financial income and net income**
- **Igen – Court of Appeals reversed punitive and most of compensatory damages**
 - \$ 486 million of the \$ 505 million damages eliminated

Up-date on the Vitamins sale to DSM

Influenced by adverse development of the vitamin market

- Reduction in the transaction price for Vitamins sale by EUR 200 million, due to adverse development of the world vitamin market
- Closing security for the deal
- Only outstanding item EU and FTC approval, expected closing of the transaction Q3 '03

Strong positive newsflow

Improved quality and quantity of our pipeline

- Significant advances in late-stage pipeline

Avastin

phase III in CRC

AmpliChip CYP 450

ASR released in the US

Boniva

approved in US

Fuzeon

approved in US and EU

MabThera

phase III in RA started (TNF failures)

MRA

phase IIb in RA

Pegasys

phase III in hepatitis B started

Xolair

approved in US

- Moving the pipeline forward
 - 11 pipeline projects advanced to the next stage

News-flow for second half 2003

- **Major launches**

- Xolair / Raptiva in the US
- Pegasys and Xeloda in Japan
- Human Papilloma virus diagnostic test in US (ASR)

- **Major filings**

- Avastin US filing
- Avastin filing EU (year end / beginning of 2004)

- **Major clinical news**

- Tarceva phase III data in 1st line NSCLC
- CERA IIb data H2 '03

- **Closure of Vitamins & Fine Chemicals sale to DSM**

Outlook

Guidance reiterated

2003

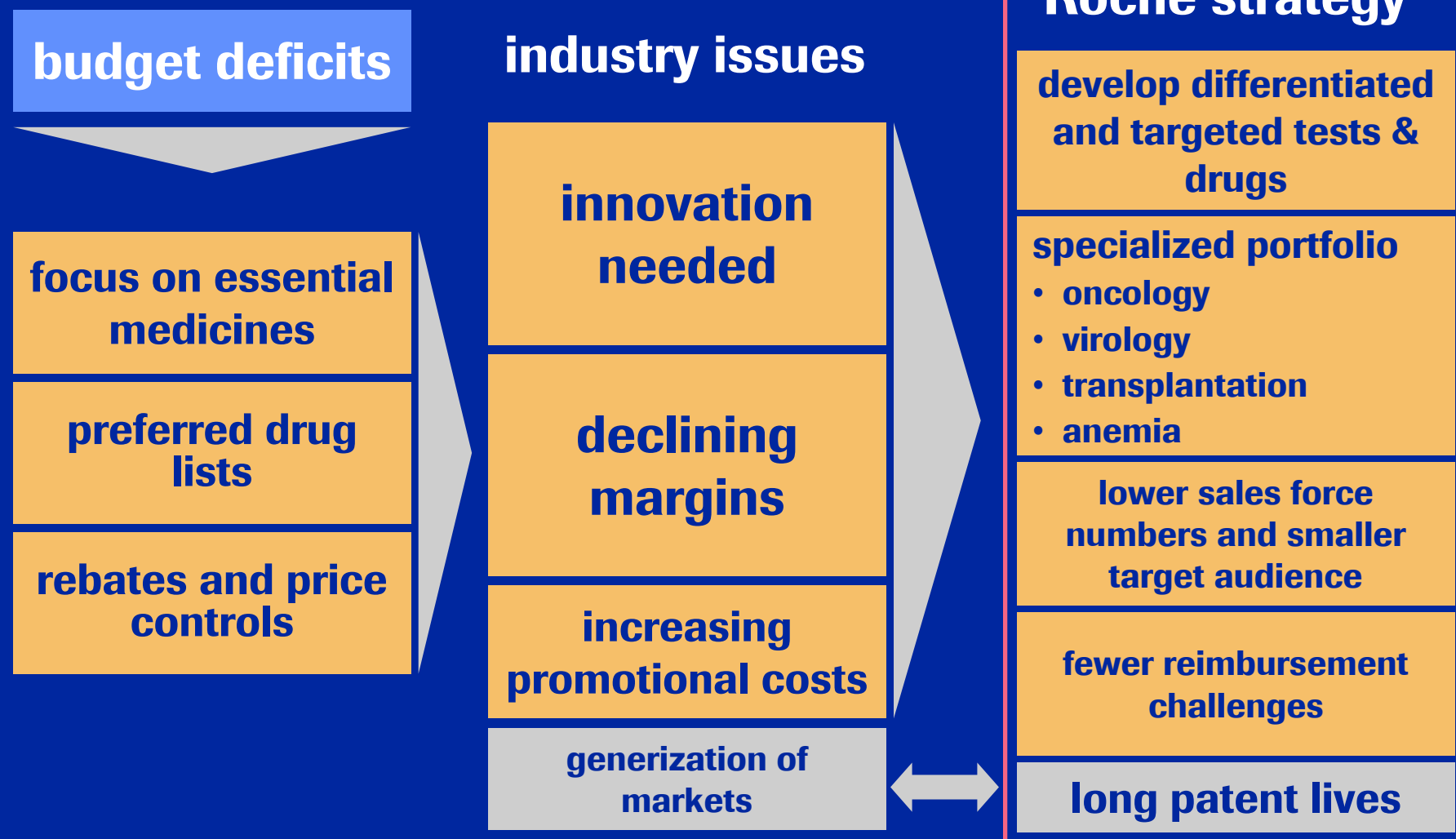
- Double-digit growth in sales and operating profit for Group, and both the Pharmaceuticals and Diagnostics division in local currencies; each above market growth
- At least stable operating profit margins for the Group as a whole; tax rate around 29 %

... 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

Challenges in Pharmaceutical industry going ahead – how does Roche position itself?

Roche recognizing challenges *... and acting upon*



Growth driven by existing business

... and various opportunities in the pipeline

- Continuous growth of already launched products indicating
 - shift of our portfolio towards specialty care
 - shift of our portfolio towards biotech
- Diagnostics less affected by healthcare reforms – shift from "one size fits all" to "right patient / right drug"
- Various opportunities in the pipeline to support long-term growth in both specialty and primary care



Pharmaceuticals Division

William M. Burns

Head of Pharmaceuticals Division

Strong operating performance

Brands driving growth

Pipeline well positioned for future growth

An exciting start into 2003

- Improvement in sales growth, despite generic erosion of Accutane and Rocephin
- Two successful new product launches (Pegasys, Fuzeon)
- Avastin - our fourth cancer product showing survival benefit
- Operating profit increase
- Significantly strengthened our pipeline
- Chugai integration on track - MRA first project of collaboration

Pharmaceuticals sales (adjusted)



	H1 2003 CHF m	growth vs. H1 '02 in CHF	growth vs. H1 '02 in local currencies
Roche world wide Prescription group^{1,2}	9,443	9 %	21 %
OTC	868	10 %	18 %
Pharmaceuticals¹	10,311	9 %	21 %

¹ sales are adjusted to include the reclassification of sales to the Vitamins & Fine Chemicals Division

² Roche, Genentech and Chugai combined

Strong growth in US, Japan and key franchises

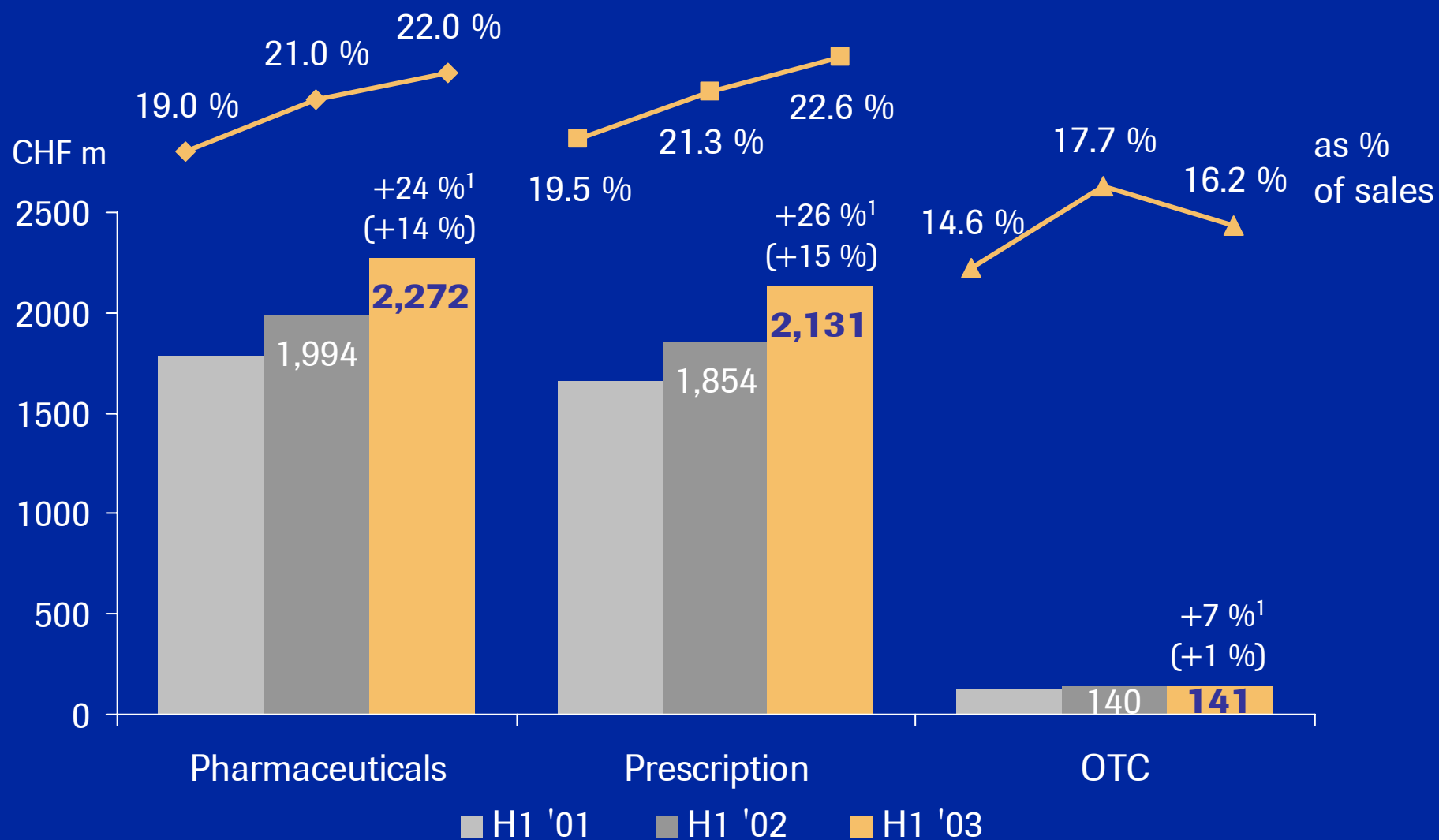


	% of Prescr. sales	growth (local)	market growth (IMS)
North America	37 %	12 %	10 %
Japan	15 %	239 %	2 %
Western Europe	29 %	8 %	6 %
total	81 %		
oncology	31 %	36 %	15 % ¹
transplantation	8 %	20 %	9 % ²
virology	7 %	102 %	16 % ³
anemia	9 %	39 % ⁴ / 160 %	13 % ⁵
total	55 %	45 %	

¹ ATC L1 & L2; ² immunosuppressants & CMV; ³ HIV, HCV, Influenza; ⁴ excl. Chugai; ⁵ world wide anemia market

Strong growth in operating profit

Targeting towards 25 % by end of 2004



¹ local growth, (growth in CHF)

Pharmaceuticals score card first half 2003

Fulfilling the promises

stated objectives	H1 '03	
• Sales growth	double digit ¹	21 %
• Operating profit margin	stable	up 1 pp to 22.0 %
• Product portfolio	strengthening	+17 NME's vs. H1 '02
• Fuzeon approval	launch in US	✓
	EU	✓
• Pegasys combination	June market share	
	32 % in US	✓
• MabThera in RA		
phase III (TNF failures)	start of recruitment H1 '03	✓
phase IIb ²	start of study H1 '03	✓
• MRA	in-licensed from Chugai	✓
• Chugai integration	on track	✓

¹ local currency ² signs, symptoms, and structural damages

and more ...

- **Avastin** (phase III) showing survival benefit in metastatic colorectal cancer
- **Boniva** in osteoporosis approved in US
- **CellCept** less incidence of lymphoma than other immunosuppressant
- **Dilatrend** (carvedilol) COMET study showed significantly more lives saved compared to metoprolol, a conventional beta blocker
- **MabThera** improvement in long-term survival in aNHL (three year follow-up data from GELA study)
- **NeoRecormon** once every two weeks in renal anemia approved in EU
- **Valcyte** approved in EU for prevention of cytomegalovirus disease
- **Xeloda / Renagel** launched in Japan
- **Xolair** approved in US

Strong operating performance

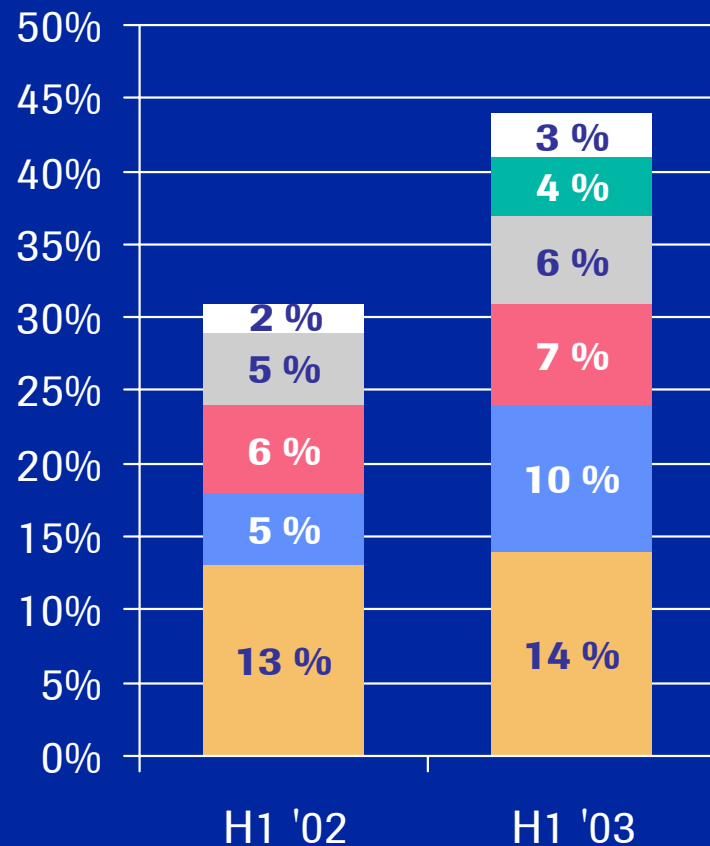
Brands driving growth

Pipeline well positioned for future growth

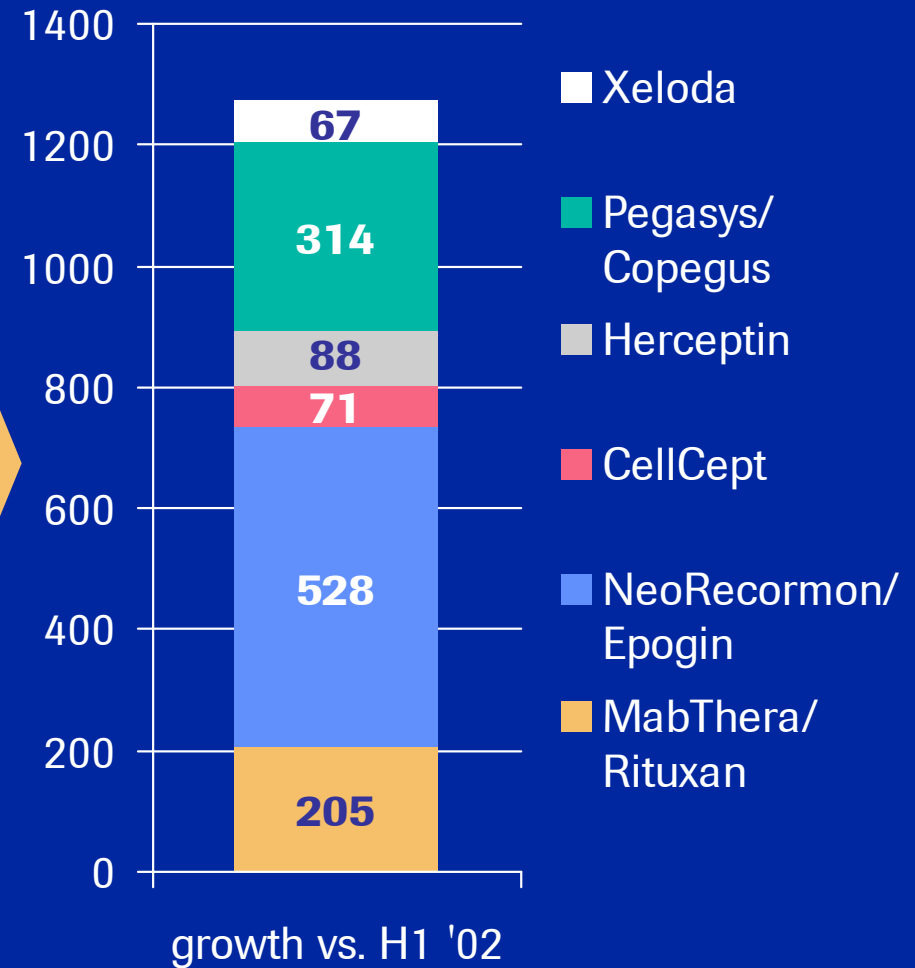
Prescription – key brands driving growth

~CHF 1.3 billion additional sales¹

% of World Wide Prescription sales



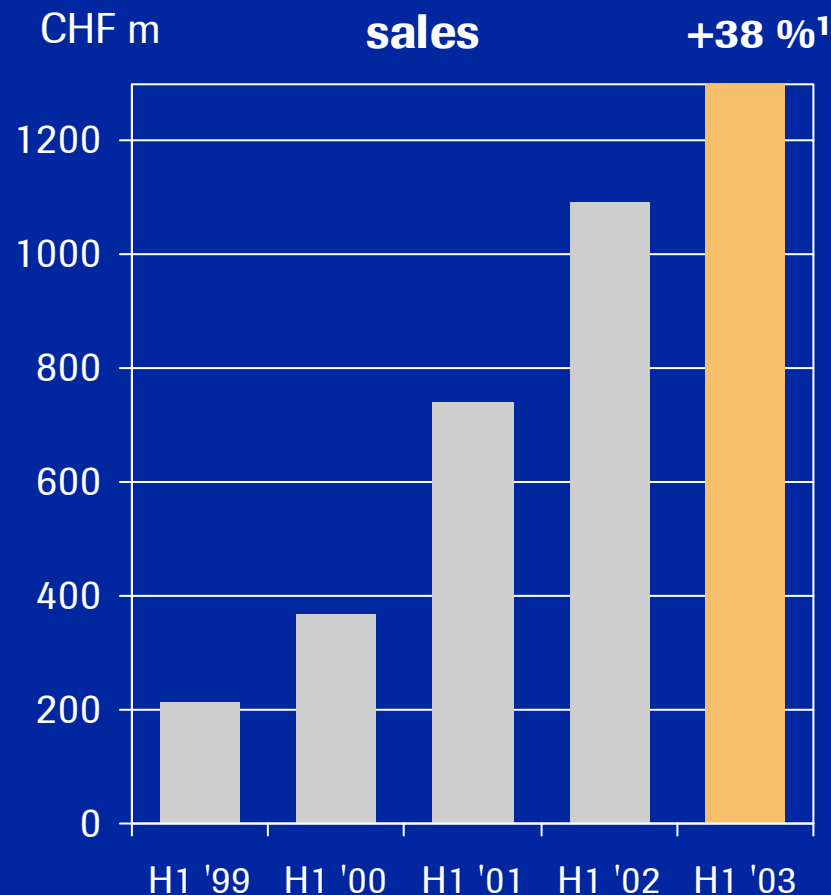
CHF m



¹ at constant fx: 1.6 billion additional sales

MabThera - ongoing success

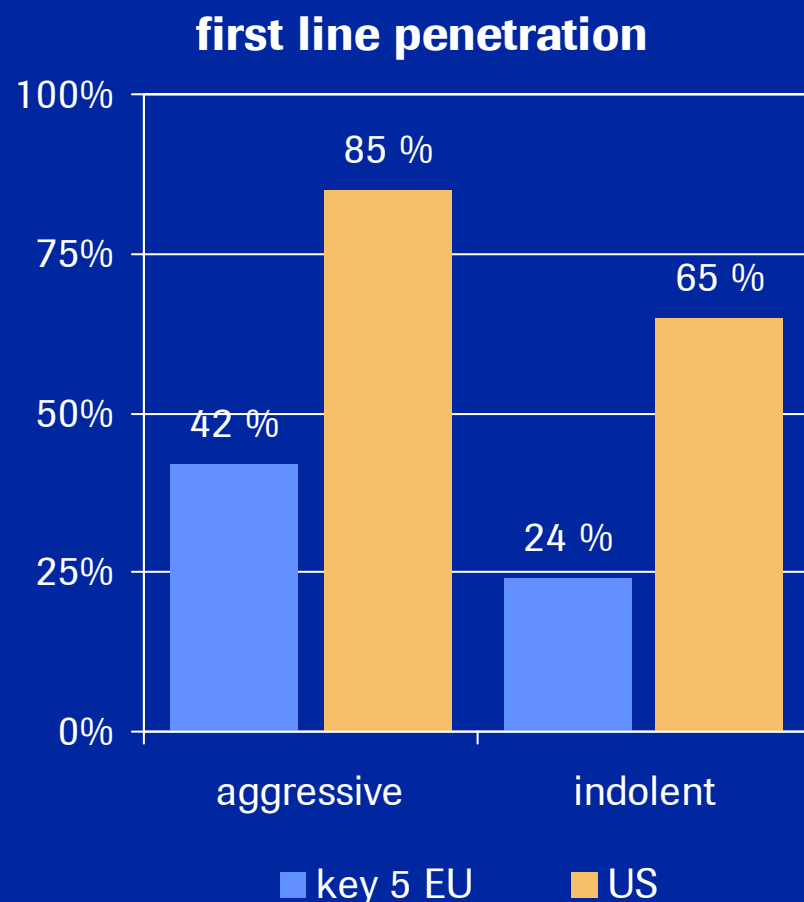
Becoming the biggest oncology brand



- Sales CHF 1.3 billion in H1 '03
- Peak sales potential increased from CHF 3.5 billion to CHF 4.5 billion
- Important recent results
 - 1st line aNHL: survival benefit maintained in 3 years follow-up (GELA trial)
 - randomized trial confirms benefit of maintenance therapy in iNHL
- Ongoing development in oncology
 - 1st line iNHL: filing expected H2 '04
- Opportunity in RA - filing expected 2005

MabThera / Rituxan in oncology

Two approaches to grow sales



1. Increase penetration

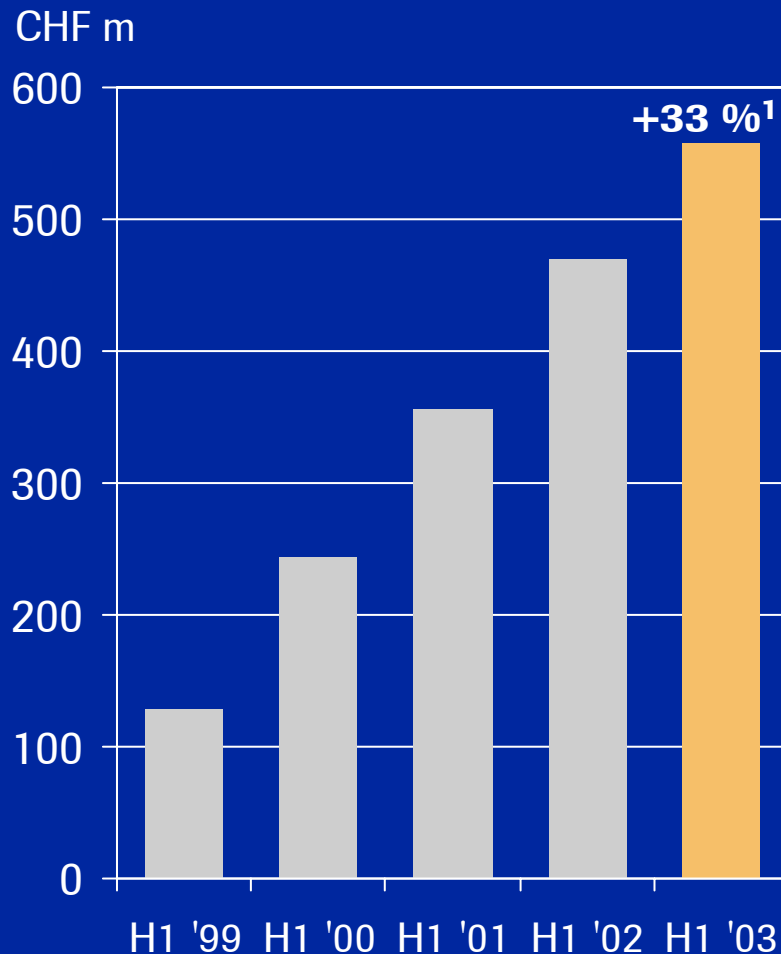
- 1st line aggressive NHL based on GELA trial, high medical need and survival data
- 1st line and relapsed indolent NHL

2. More infusions per patient

- Maintenance treatment
- Re-treatment

Herceptin

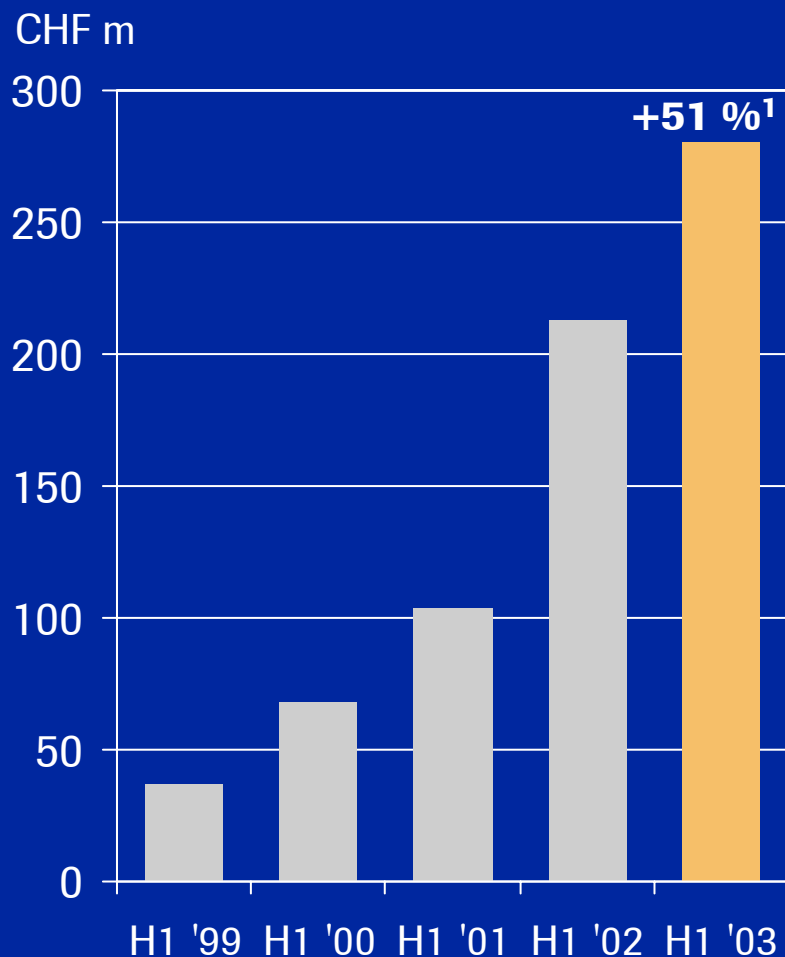
Targeted on HER2, focused on living



- Sales of CHF 557 million in H1 '03
- Growth drivers
 - increased testing
 - expansion in 1st line usage and duration of treatment
- Filing for 1st line monotherapy of HER2+ in mBC, 3-weekly cycle, Q4 '03
- Filing of Herceptin in combination with *Taxotere* 1st line in EU by Q4 '03

Xeloda

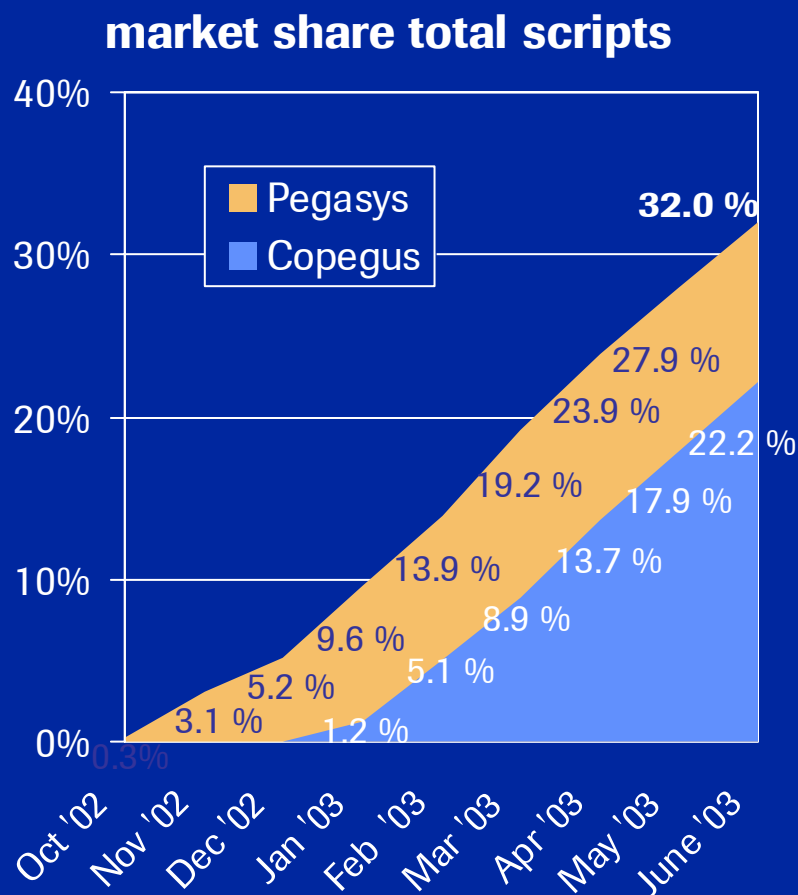
Sales consistently increasing since launch



- Sales of CHF 280 million in H1 '03
- Key events
 - adj. CRC monotherapy safety profile at ASCO
 - 1st line CRC trial of Xeloda-based combination therapy started
 - NICE recommendation for Xeloda in mCRC and mBC
- Initiatives
 - combination with cytotoxics and novel biologics (e.g. Avastin) in mCRC

Pegasys / Copegus

Rapidly gaining market share in the US



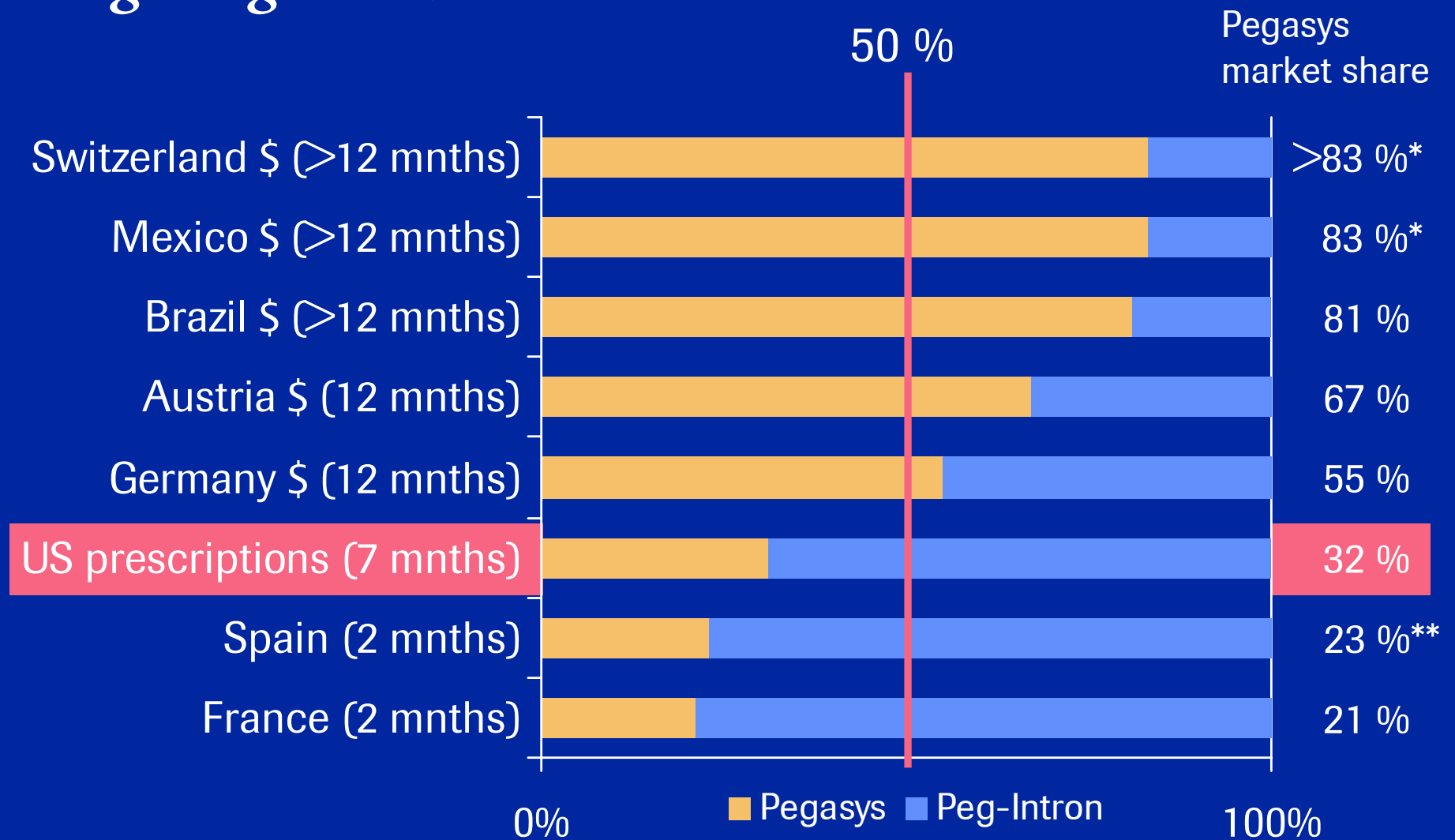
- Sales of CHF 335 million in H1 '03
- 99 % of Hepatitis C patients successfully treated with Pegasys still virus free up to 4 years later¹
- REPEAT trial initiated (patients who failed to respond to Peg-Intron)
- Pegasys twice as effective as current standard therapy in Hepatitis B²

¹ Swain, M, M-Y Lai, ML Shiffman *et al.* EASL, 2003; abstract number 4467.00

² Cooksley, W. Graham E *et al.*; J. Viral Hepatitis. 2003;10

Pegasys

Targeting >50 % market share



sources: IMS or local affiliate market research, June 2003 (* May 2003, ** IMS April 2003)

Fuzeon

Further data supporting increased clinical benefit

- Sales of CHF 7 million in H1 '03
- Approved in US, EU, Switzerland and Canada
- Reimbursement in US steadily increasing
 - 100 % of MEDICAID and Veterans' Administration
 - 98 % of largest managed care accounts
 - ADAP funds covering Fuzeon represents ~50 % of ADAP coverage
- Study confirms durability of response over 48 weeks¹
- Greatest benefit when used earlier in treatment schedule²
- Manufacturing progressing well

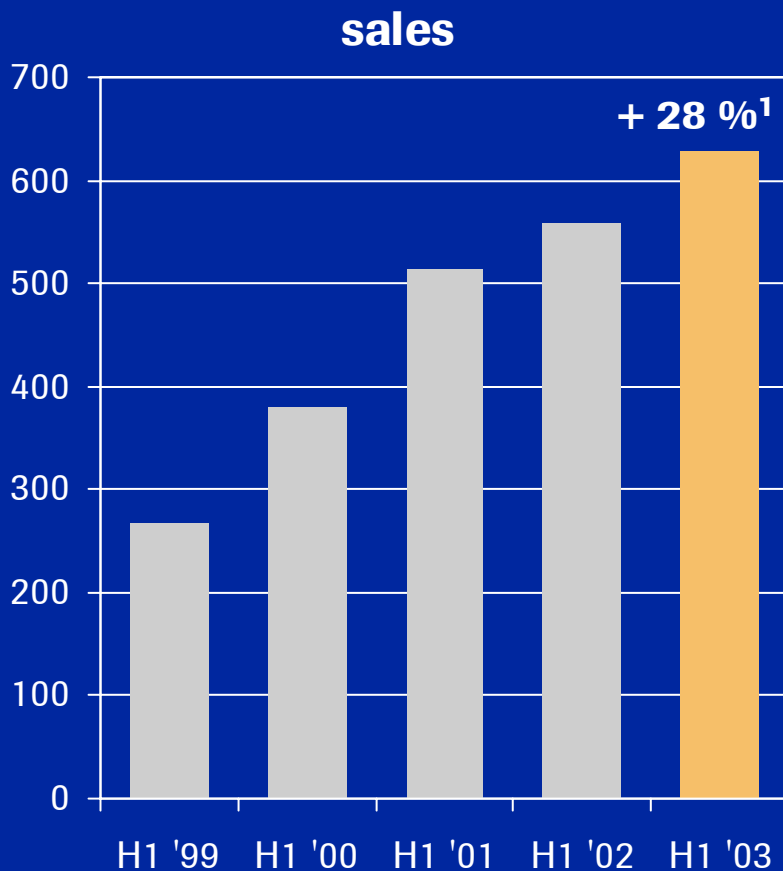
¹ abstract LB02, Paris IAS July '03

² within the first 10 drugs

CellCept

A cornerstone of transplant therapy

CHF m

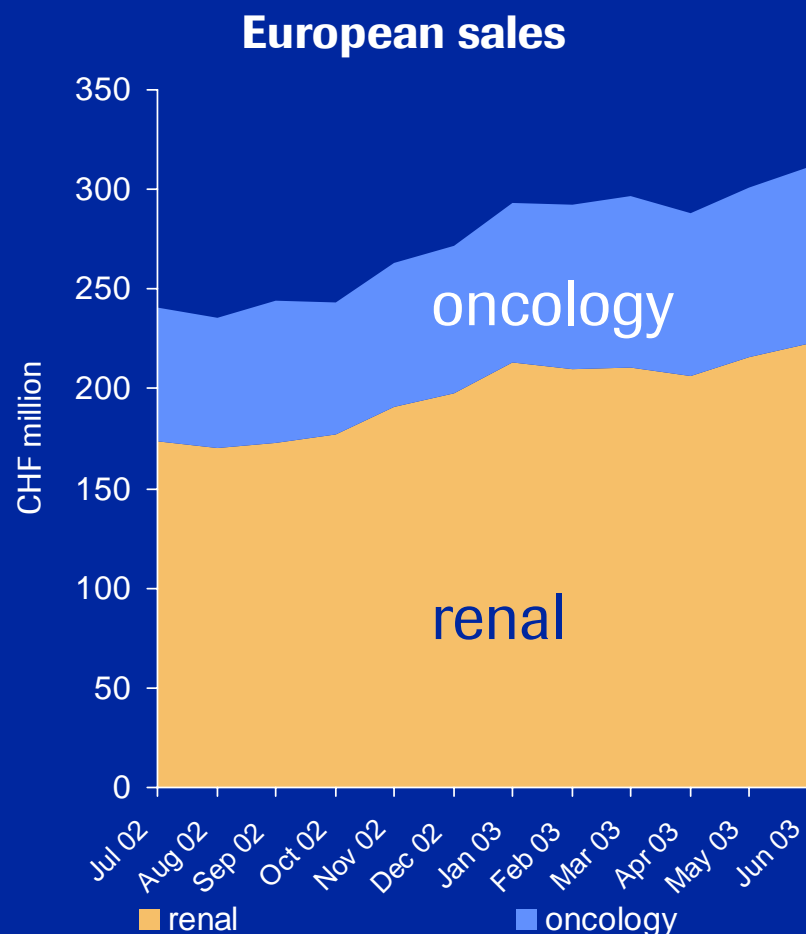


- Global sales of CHF 629 million in H1 '03
- US sales +26 % (~50 % ww market)
 - new patient usage: 75 % kidney, 59 % heart, 44 % liver
- EU / RoW sales +31 %
- Confirmation of long term protective effects of CellCept will drive future sales

¹ local growth

NeoRecormon / Epogin

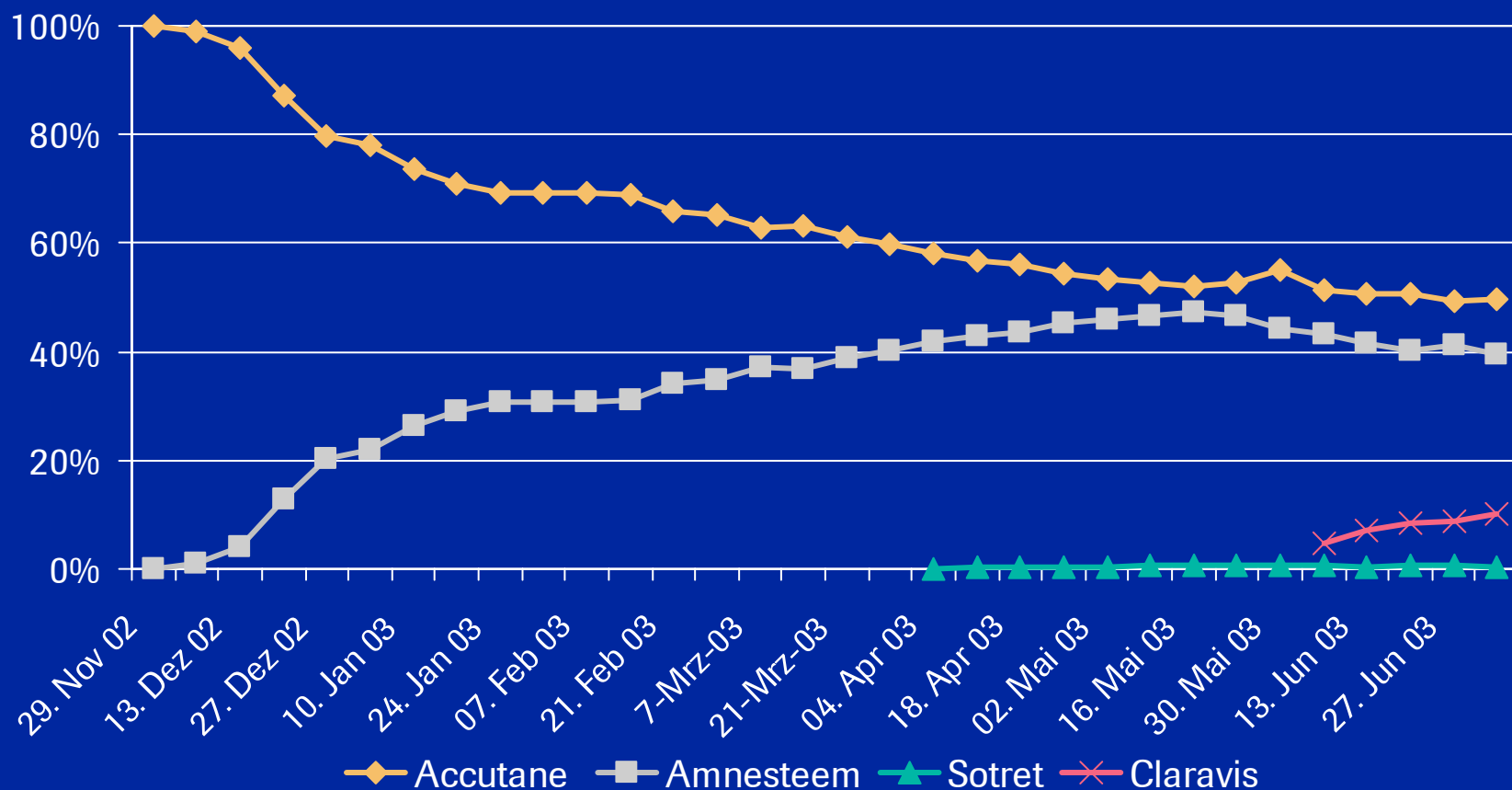
New market leader in renal outside US



- Sales* of CHF 970 million in H1 '03
- Peak sales potential: new CHF 2.5 billion
- Market dynamics (EU only)
 - EU market growth ~20 %³ in H1 '03
 - Roche oncology: +63 %¹ (25 % ms²)
 - Roche renal: +31 %¹ (43 % ms²)
- Japan (Chugai)
 - CHF 365 million sales in H1 '03
- Growth drivers
 - once weekly dosing in oncology
 - once every two weeks in renal
- CERA - phase II data available H2 '03

Three isotretinoin generics on the market

Accutane- declining as expected



data source: IMS NPA prescription data

Strong operating performance

Brands driving growth

Pipeline well positioned for future growth

Substantial opportunities (NME's only)

Decisions will be taken on 14 projects over next 12 months

accomplished	phase	action	time	
Boniva	III	database closure (new regimen)	H2 '03	decisions to be taken on phase III
MabThera in RA (TNF failure)	III	start of recruitment	H1 '03	
Tarceva	III	1 st line NSCLC data available	H2 '03	
Avastin	III	CRC study data available	H1 '03	
R1549	III	ovarian cancer study interim data	H2 '03	
R 1569 (Chugai)	III	start of study	H2 '03	decisions to be taken on phase II
MabThera in RA	IIb	start of study	H1 '03	
R483	II	data available	H2 '03	
R744	II	data available	H2 '03	
R673	II (US)	recruitment finished	H2 '03	
R411	II	recruitment finished	H2 '03	
R450	II	recruitment finished	H2 '03	
R1273	II	BC mono, recruitment finished	H2 '03	
T-1249	II	start of study	H2 '03	

Roche R&D pipeline today

Total of 65 NME's including 7 opt-in opportunities

phase 0

R1315	Alzheimer's
R1440	type 2 diabetes
R1454	solid tumors
R1497	depression
R1499	type 2 diabetes
R1500	Alzheimer's
R1503	RA
R1554	OAB
R1495	HIV
R1533	Alzheimer's
R1559	solid tumors
Gen	acute coronary synd.
Gen	tumors
antifungal (B)	
antifungal (B)	

phase I

R448	COPD
R701	OAB
R944	HIV
R1068	emesis
R1204	depression / anxiety
R1295	asthma
R1438	type 2 diabetes
R1439	type 2 diabetes
R1479	HCV
R1484	SUI
R1487	RA
R1492	solid tumors
R1516	anaemia
R1518	HCV
R1550	breast cancer
Chu	multiple myeloma
Chu	osteoporosis
Chu	breast cancer
solid tumors (At)	
lung cancer (At)	

phase II

R411	asthma
R450	(alpha 1 agonist) SUI
R483	(insulin sensitizer) type 2 diabetes
R667	emphysema
R673	(NK1) depression/anxiety
R724	(T-1249) HIV
R744	(next generation anaemia treatment)
R1124	emesis
R1270	HCV
R1273	solid tumors
R1461	HPV
R1524	renal transplant
R1536	solid tumors
R1569	RA
Gen	inflamm. bowel disease
Gen	macular degeneration
Chu	bone metastases
Chu	osteoporosis
Chu	CHD
Chu	gastroparesis
Chu	post hepatectomy
subarachnoid haemorrhage (Ax)	
psoriasis (B)	
antibiotic (B)	

phase III / registration

R435	(Avastin) oncology
R484	(Boniva) osteoporosis
R1415	(Tarceva) oncology
R1549	(Pemtumomab) ovarian cancer
Gen	(Raptiva) psoriasis
Chu	(Antevas) subarachn. haemorrhage



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



Projected filing dates for Roche managed NDA's

New molecular entities and significant line extensions

2003	2004	2005	2006		2007
Avastin* colorectal cancer EU	Tarceva NSCLC, EU	R1549 ovarian cancer	R1124 emesis	R483 type 2 diabetes	R944 HIV / AIDS
NeoRecormon pre-filled syringe, EU	MabThera 1 st line iNHL, EU	MabThera RA, TNF failures, EU	R744 renal & cancer anemia	R673 depression	R411 asthma
Herceptin mBC 1 st line combo, EU	Pegasys HBV	R212 2 nd gen. obesity new formulation	R450 urinary stress incontinence	R1270 HCV	R1492 solid tumors
Xenical four year Xendos study, EU	Boniva osteoporosis iv & oral formul.		MabThera CLL, EU	R1273 solid tumors EU	R1479 HCV
Xenical adolescent obesity, US	Xeloda adj. colon cancer mono			Xeloda 1 st & 2 nd line mCRC combo	R724 HIV / AIDS
				Herceptin mBC hormonal, EU	MabThera RA signs, symp, struct. damage EU
					Herceptin adjuvant BC EU

 new molecular entity
 line extension

status: June 30, 2003 * stretch target

Our growth objectives for 2003 and beyond

Pharmaceuticals



2003

- Double-digit sales growth*
- Double-digit operating profit growth*

... and beyond

- Operating profit margin: towards 25 % by end of 2004



Diagnostics Division

Heino von Prondzynski

Head of Roche Diagnostics

Roche Diagnostics

Continuously outgrowing the IVD market

- **Major product launches to support long term growth**
 - AmpliChip CYP450 (US), TaqScreen WNV test, OMNI S
- **Acquisitions & alliances to enter new markets**
 - Disetronic acquisition
 - Alliances with Affymetrix & Epigenomics
- **Restructuring to focus on high value businesses**
 - divestiture of the DAT and OPTI product lines
 - transfer of the US hematology business to Sysmex

Strong operational performance

Strategic initiatives and upcoming launches

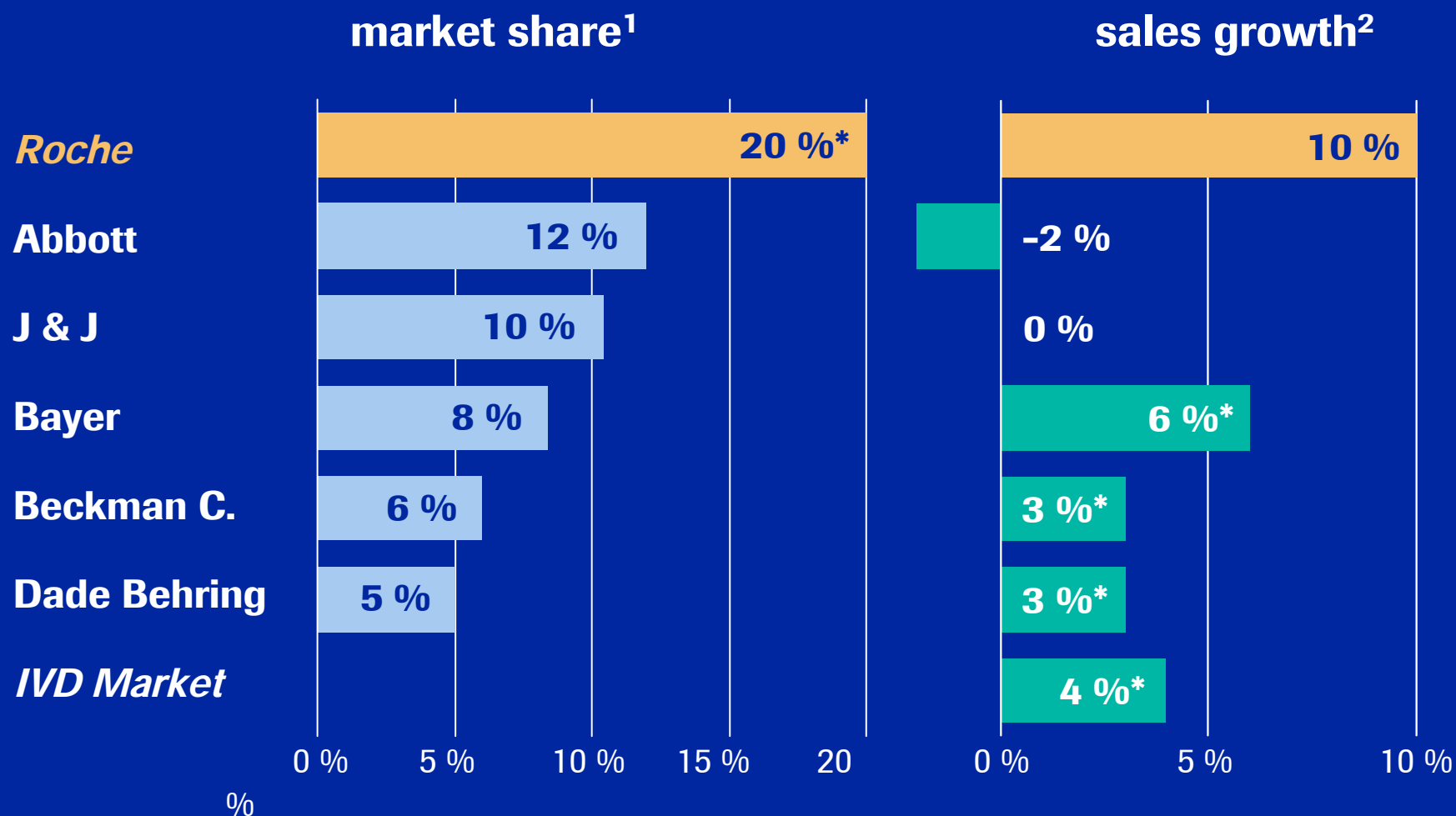
Diagnostics sales by business area

First half 2003 vs. 2002

	H1 '03	H1 '02	growth	
	CHF m	CHF m	local	in CHF
Diabetes Care*	1,280	1,235	14 %	4 %
Molecular Diagnostics (ex. ind.bus.)	423	389	20 %	9 %
Centralized Diagnostics	1,286	1,301	6 %	-1 %
Near Patient Testing	271	297	-1 %	-9 %
Roche <i>in vitro</i> Diagnostics	3,260	3,222	10 %	1 %
Applied Science	251	295	-6 %	-15 %
Molecular Diag - industrial business	58	104	-37 %	-44 %
Life Science	309	399	-14 %	-23 %
Roche Diagnostics	3,569	3,621	7 %	-1 %

* including 31 million CHF from Disetronic, as of May 2003

Roche continues to expand market leadership



¹ source: company reports, Boston Biomedical Consultants, Roche analysis June '03

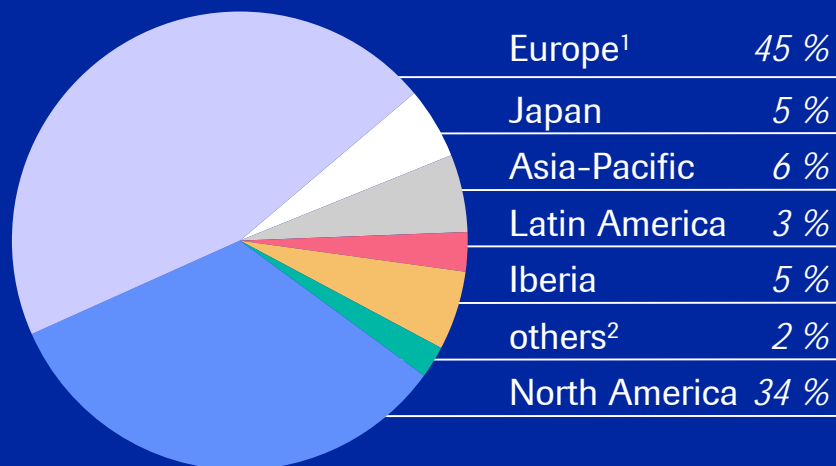
² in local currencies, excludes Life Science research market

* estimates based on 2002, Q1 '03 and preliminary Q2 '03 data

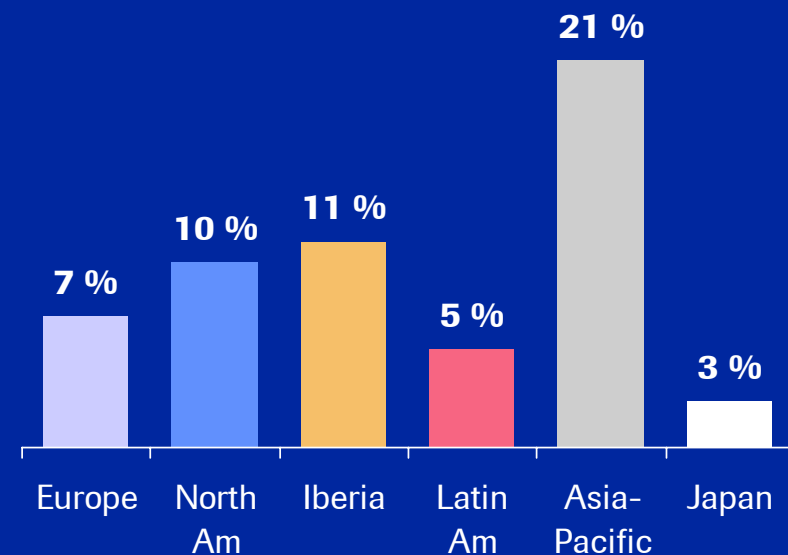
Diagnostics sales in first half 2003

Above local market growth in all regions

CHF 3,569 million



local sales growth

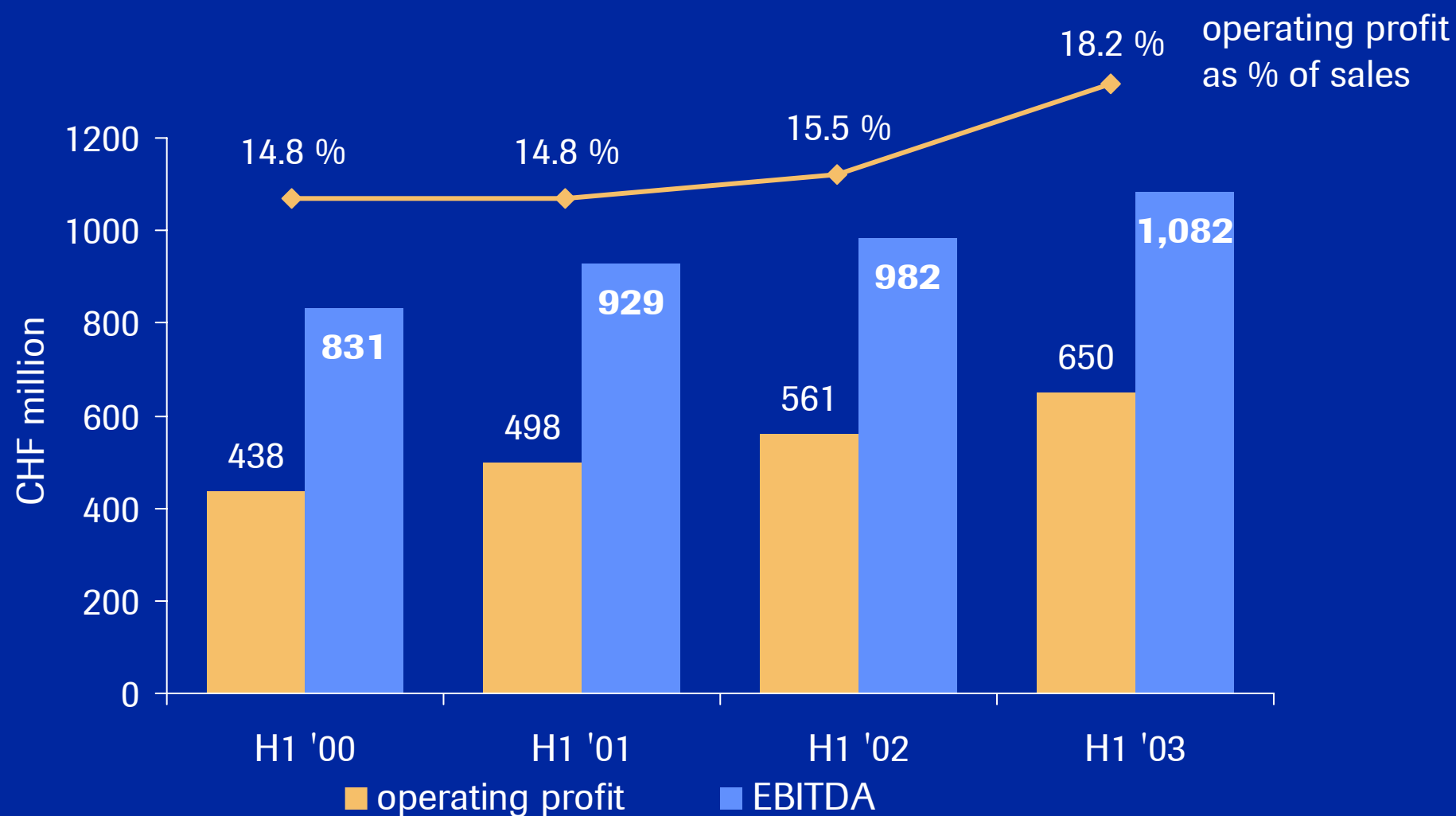


¹ Europe, Middle East and Africa (excl. Iberia)

² local sales growth -35 %

Operating profit

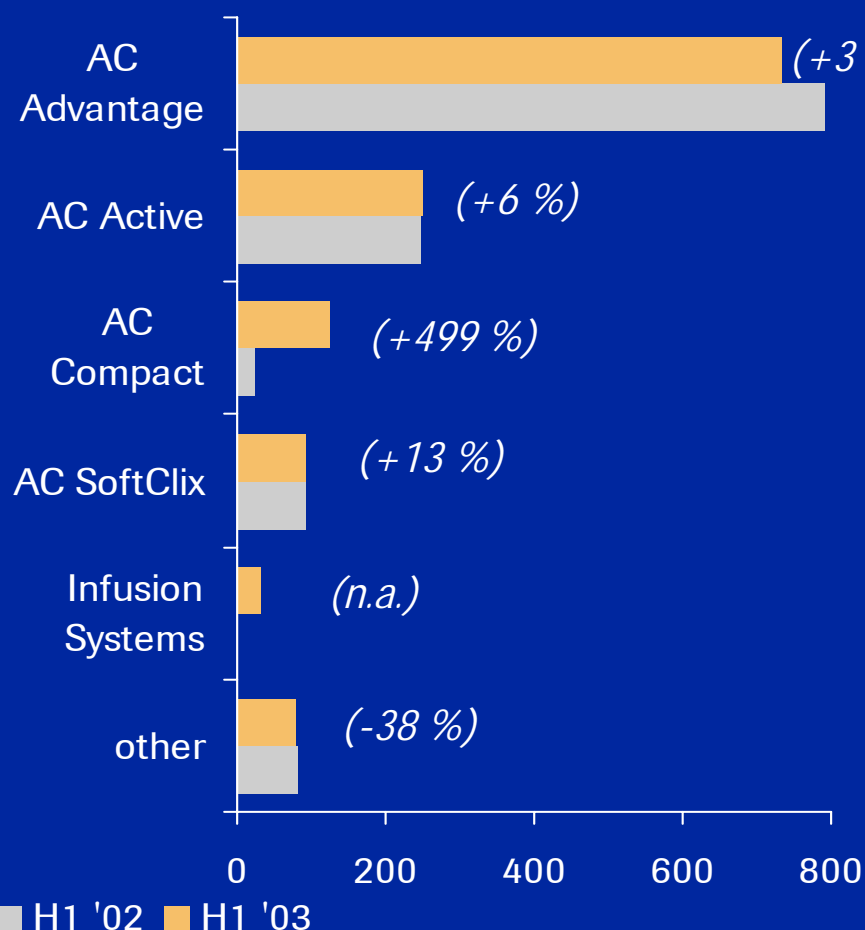
Firmly advancing towards goal of >20 % by 2006



Diabetes Care

Accu-Chek continues to outpace market

H1 '03: CHF 1,280 million
(+14 % local growth)



- Accu-Chek meters continually gaining market share
- Launched improved "SuperFast" strip allowing reduced blood volume and testing time
- Disetronic consolidated as of May

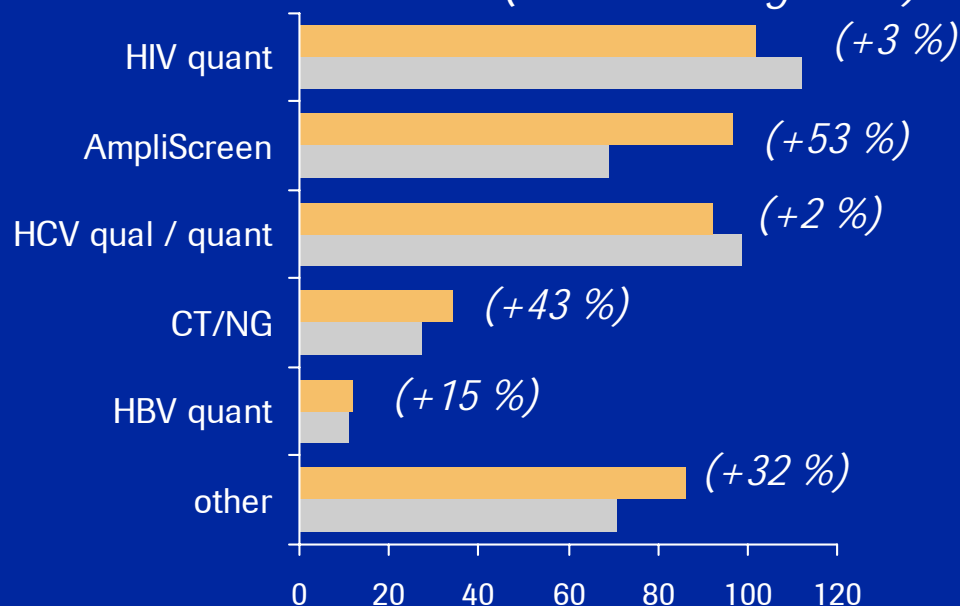
AC = Accu-Chek

Molecular Diagnostics

New products launched into new markets

IVD market: H1 '03: CHF 423 million

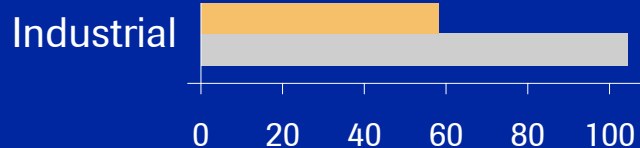
(+20 % local growth)



- Strong growth from blood-screening & CT/NG
- US tests in new areas
 - AmpliChip CYP450 microarray
 - US & Canada clinical trials for TaqScreen West Nile Virus
- Industrial business affected by downturn in biotech research

Life science business: H1 '03: CHF 58 million

(-37 % local growth)



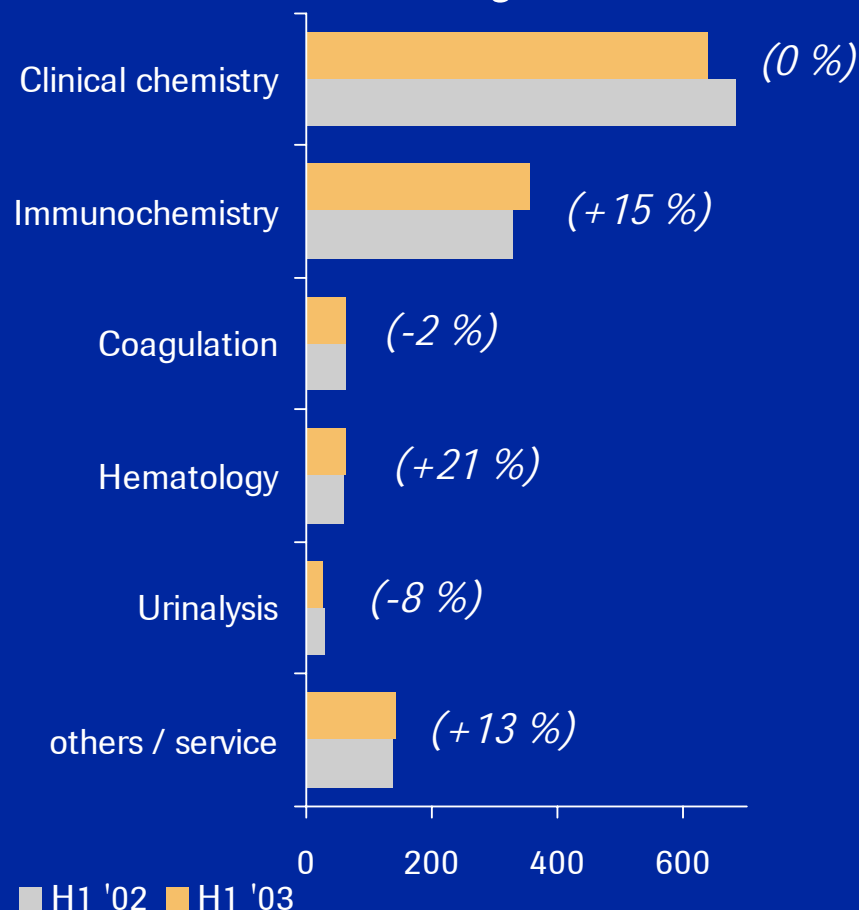
■ H1 '02 ■ H1 '03

Molecular Diagnostics: H1 '03:
CHF 482 million *(+8 % local growth)*

Centralized Diagnostics

Good growth in a mature market

H1 '03: CHF 1,286 million
(+6 % local growth)

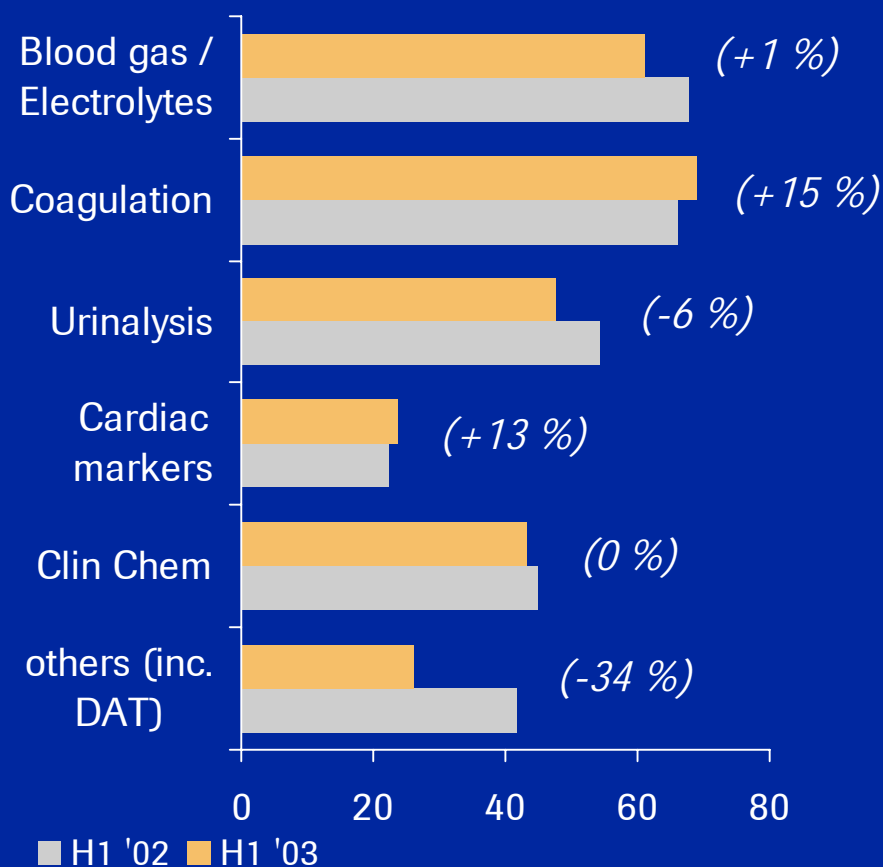


- ProBNP assay increasing market placement of Elecsys systems
- Transfer of US hematology business back to our partner Sysmex
 - focus on core competence and improved profitability
- Instrumentation consolidation on track

Near Patient Testing

Coagulation monitoring remains growth driver

H1 '03: CHF 271 million
(-1 % local growth)



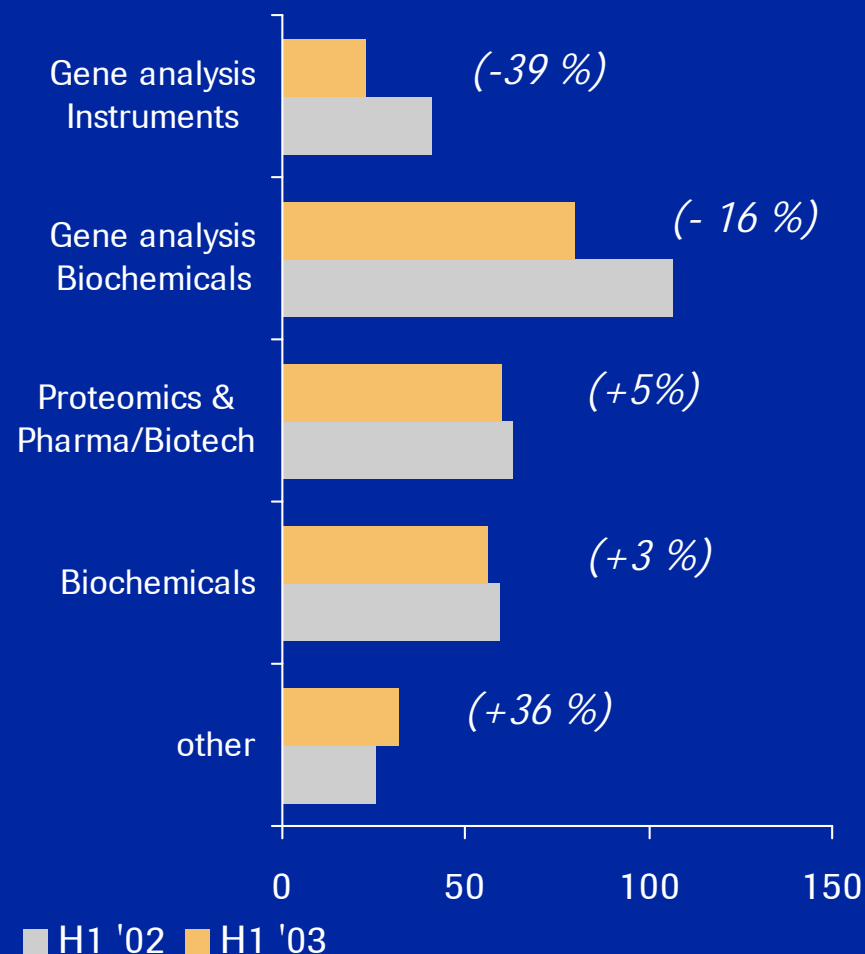
- Launch of OMNI S fueling growth in blood gas market
- OPTI reagents & platform and DAT lines divested
- Adjusted NPT 6 % local growth

Applied Science

Downturn in Life Science research markets

H1 '03: CHF 251 million

(-6 % local growth)



- Sales affected by downturn in Biotech and Pharma research
- Focus on future market in Genomics and Proteomics
- Launch of matriXarray in Q3 '03 as a basic research tool for Life Science market

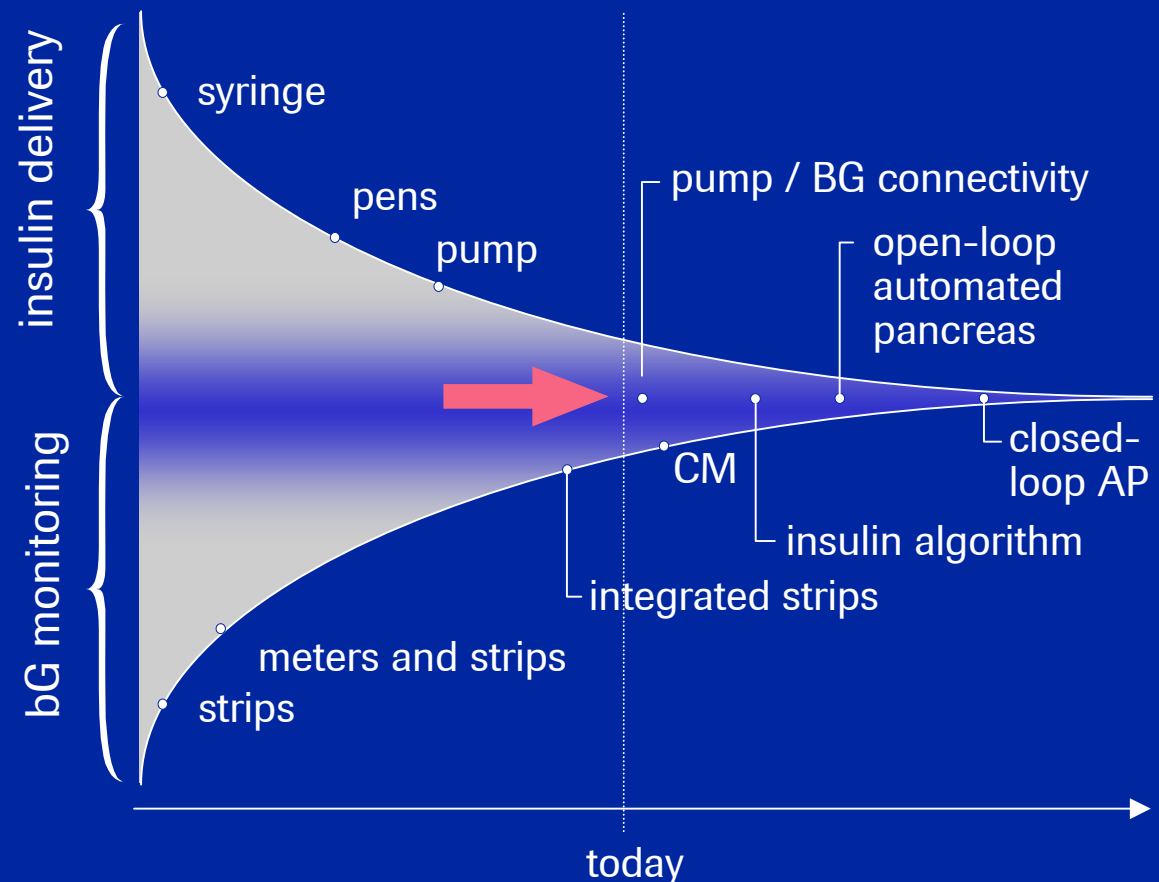
Strong operational performance

Strategic initiatives and upcoming launches

Disetronic integration

Continue leadership in Diabetes Care market

- Leverage the Accu-Chek brand
- New growth by entering insulin pump market
- Greater access to high frequency testers
- Be first to create an automated pancreas, combining monitoring and insulin delivery



Disetronic

Next steps

- Maintain US business by focusing on disposable products
 - glass / plastic cartridges, batteries
 - infusion sets / catheters changed every 3 - 4 days
- Drive European business
 - pump users are high frequency testers
- Quality
 - corrective measures to address FDA issues underway
 - full resolution expected within 12 months
- Launch innovative products
 - new generation pump under the Accu-Chek brand H2 '04
 - integrate pump parameters into Accu-Chek pocket compass software



New products in 2003

Rapid response to urgent market needs

TaqScreen West Nile Virus test* (North Am)

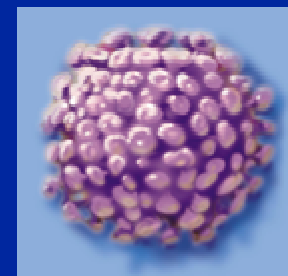
- Rapid time to clinical trials (9 months from first FDA request)
- First in North America to fully automate all steps
- Broadest coverage of Japanese Encephalitis virus group



TaqScreen WNV

SARS research product

- Used on LightCycler instrument (over 3,500 systems ww)
- Results available in one hour
- Product made available mid July 2003



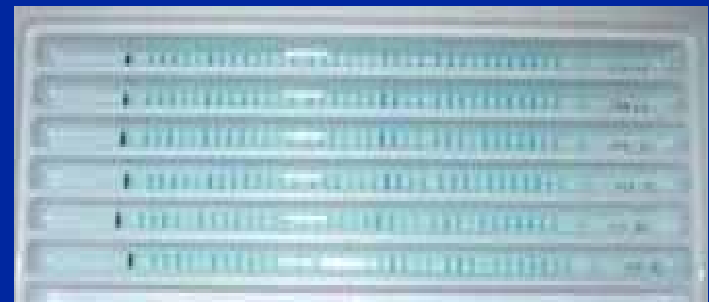
Corona Virus

* WNV test: investigational use only

Upcoming launches 2003

HCV genotyping - linear array format

- Market need for HCV genotyping
 - determine duration and dosing of therapy
 - included in standard of care in US / Europe
- Advantage of Roche test
 - full information regarding single or mixed HCV viral infections
 - ease-of-use compared to current sequencing technology
- Available in US, Q4 '03



Roche AmpliChip Microarrays

Initial menu of high-value assays

Available June 2003

1. AmpliChip CYP450 (drug metabolism)

Products in development (2004)

2. P53 (cancer)
3. Cystic fibrosis (CF) genotyping
4. HPV (human papilloma virus) genotyping
5. HIV genotyping
6. Colorectal cancer (risk prediction)

Products in development (2006)

7. Leukemia (risk prediction)



Diagnostic innovations for the future

Upcoming launches in H2 '03

Diabetes Care

- Q3 '03 Accu-Chek Advantage III Meter
- Q4 '03 Safe T-Pro multi-depth
- Q4 '03 Accu-Chek Go



Safe T-Pro multi-depth

Molecular Diagnostics

- Q3 '03 COBAS TaqMan 48 Generic Master Mix
- Q3 '03 CF Linear Array Europe CE Mark (EU)
- Q3 '03 COBAS TaqMan 48 / 96 – HCV, HBV, HIV
- Q3 '03 LightCycler 3.2 Instrument (CE mark)
- Q4 '03 AMPLICOR HPV (US)
- Q4 '03 COBAS AmpliScreen HBV Test (EU)
- Q4 '03 HCV genotyping test (US)



Cystic Fibrosis



COBAS TaqMan 48

Our growth objectives for 2003 and beyond

Diagnostics



2003 and beyond

- Continue to outperform the IVD market with low double digit growth* - twice the market growth
- Further improvement in operating profit, aiming for slightly above 20 % by 2006
- More than 10 product launches in H2 '03

* local growth



Group financial results

Dr. Erich Hunziker
Chief Financial Officer

Major restructuring underway

Reducing interest expenses and risk profile

- Further restructuring of Group's debt
 - repayment of 'Bullet' and 'LYONs II'
 - first issue of euro-denominated bond (EMTN program)
 - refinancing of instruments covering convertible debt-obligations
- Reduction in the proportion of investments held in equity securities
- Improved financial ratios and cash-flow

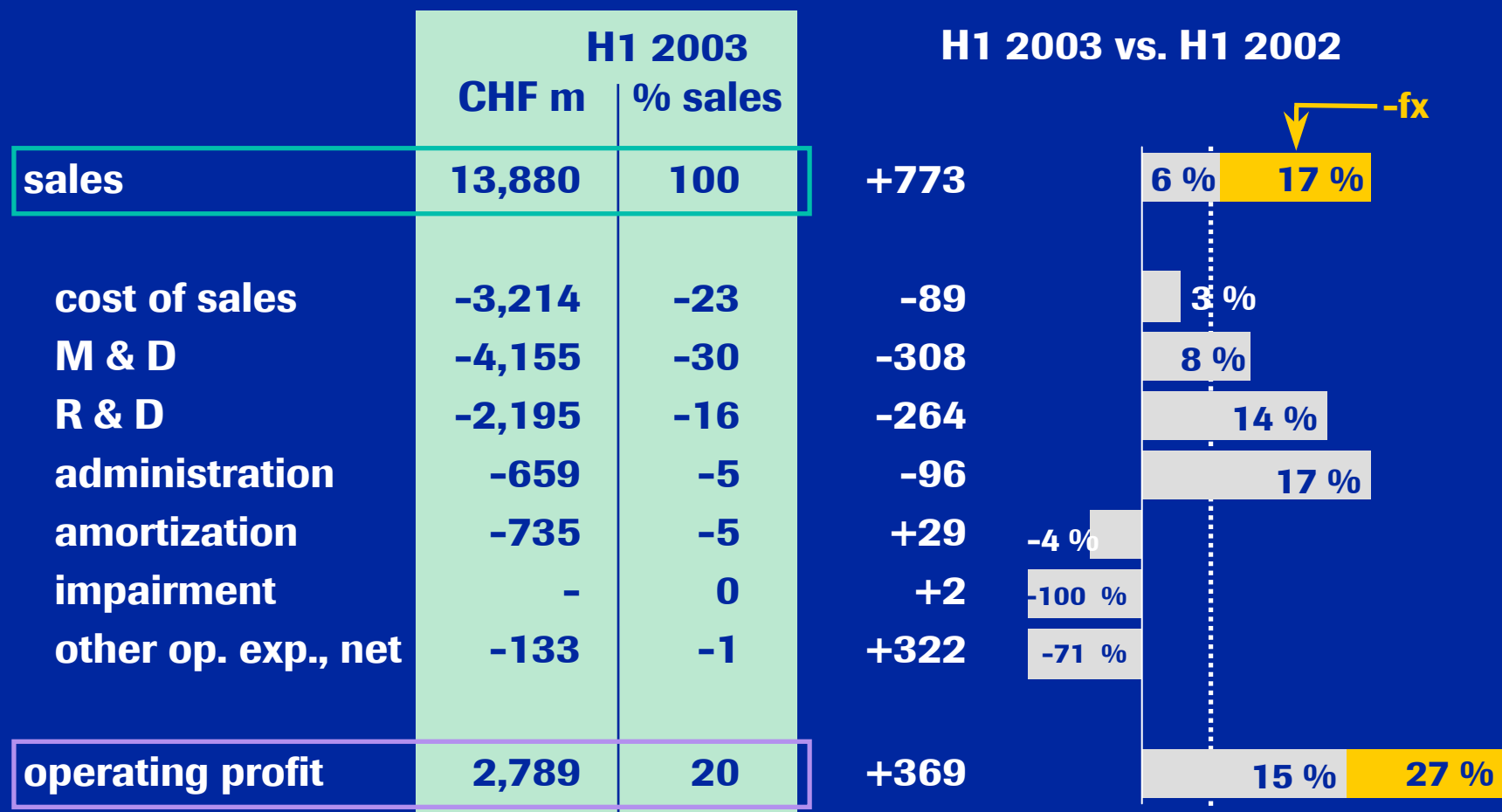
Operating performance (financial statements)

Influenced by special items

	H1 2003	H1 2002	change CHF		% loc
			m	%	
sales	15,327	14,737	+590	+4	+15
cost of sales	-4,293	-4,236	-57	+1	
gross profit	11,034	10,501	+533	+5	
M & D	-4,342	-4,058	-284	+7	
R & D	-2,260	-1,990	-270	+14	
administration	-704	-615	-89	+14	
amortization goodwill	-238	-257	+19	-7	
amortization other IA	-497	-517	+20	-4	
impairment	-	-2	+2	-100	
Pharma restructuring	-	-65	+65	-100	
Vitamins & F.C.					
impairment of net assets	-375	-	-375	-	
major legal cases	-	-778	+778	-100	
other op. expenses, net	-144	-502	+358	-71	
operating profit	2,474	1,717	+757	+44	+72
as % of sales	16.1	11.7			

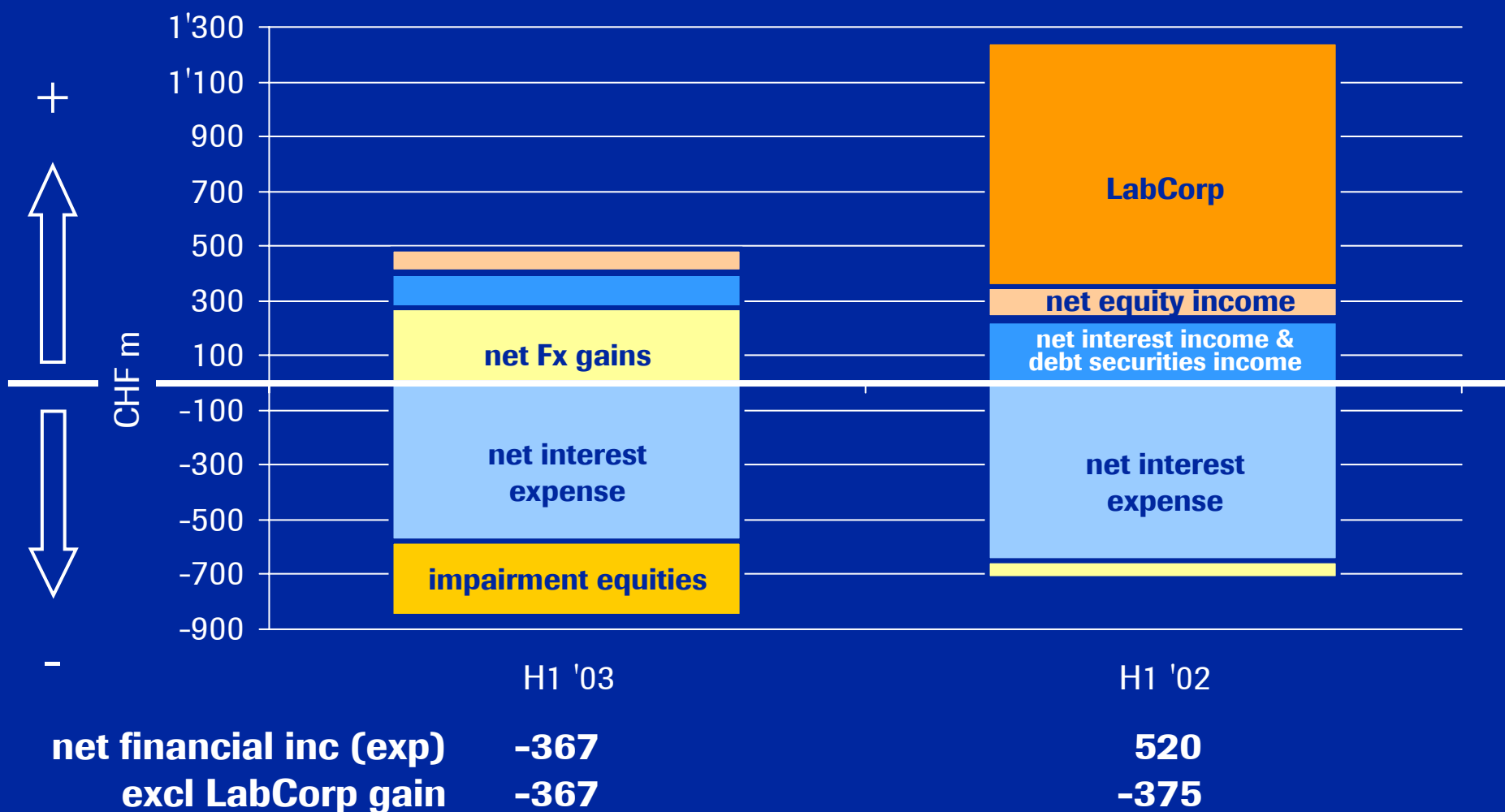
Operating performance core businesses (adjusted)

Significant operating profit growth



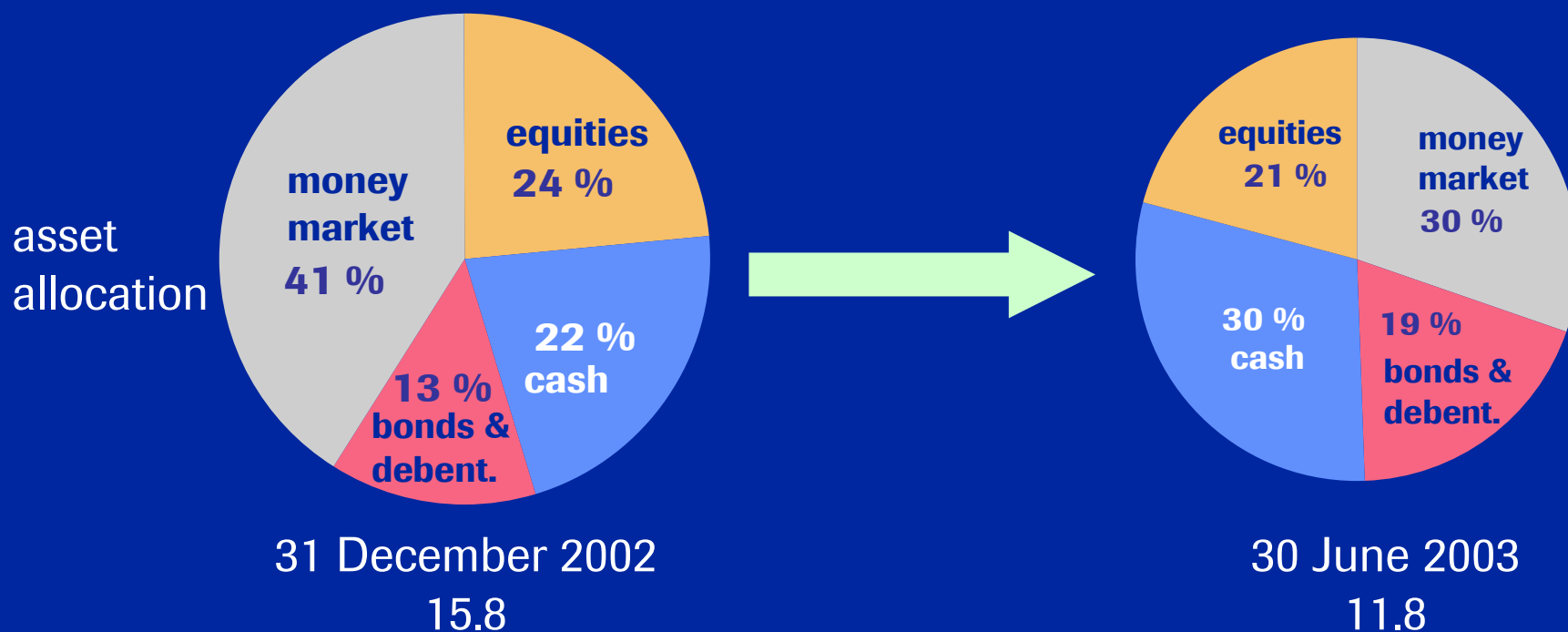
Net financial income (expense)

LabCorp 2002, Fx gains equal impairment 2003



Cash and marketable securities

Further reducing investment in equity securities



Net financial income (expense)

Decline equals LabCorp gains in 2002

CHF m

	H1 2003	H1 2002	change	
			CHF m	%
income from financial assets	-75	1,219	-1,294	-
<i>gains on LabCorp transactions</i>	-	895	-895	-100
<i>other equity security income, net</i>	80	115	-35	-30
<i>interest & debt security income, net</i>	122	224	-102	-46
<i>write-downs and impairments</i>	-277	-15	-262	-
interest expense	-578	-651	+73	-11
net foreign fx gains (losses)	277	-62	+339	-
other	9	14	-5	-36
net financial income (expense)	-367	520	-887	-

Net income H1 2003 (financial statements)

Decline due to absence of 2002 LabCorp gain

CHF m

	H1 2003	H1 2002	change	
			CHF m	%
sales	15,327	14,737	+590	+4
operating profit	2,474	1,717	+757	+44
<i>op. profit margin in %</i>	<i>16.1</i>	<i>11.7</i>		
financial income, net	-367	520	-887	-
profit before taxes	2,107	2,237	-130	-6
income taxes	-675	-573	-102	+18
<i>tax rate in %</i>	<i>32.0</i>	<i>25.6</i>		
minority interests	-125	148	-273	-
associated companies	-18	-11	-7	+64
net income	1,289	1,801	-512	-28
<i>% of sales</i>	<i>8.4</i>	<i>12.2</i>		

Net income H1 2003 core businesses (adjusted)



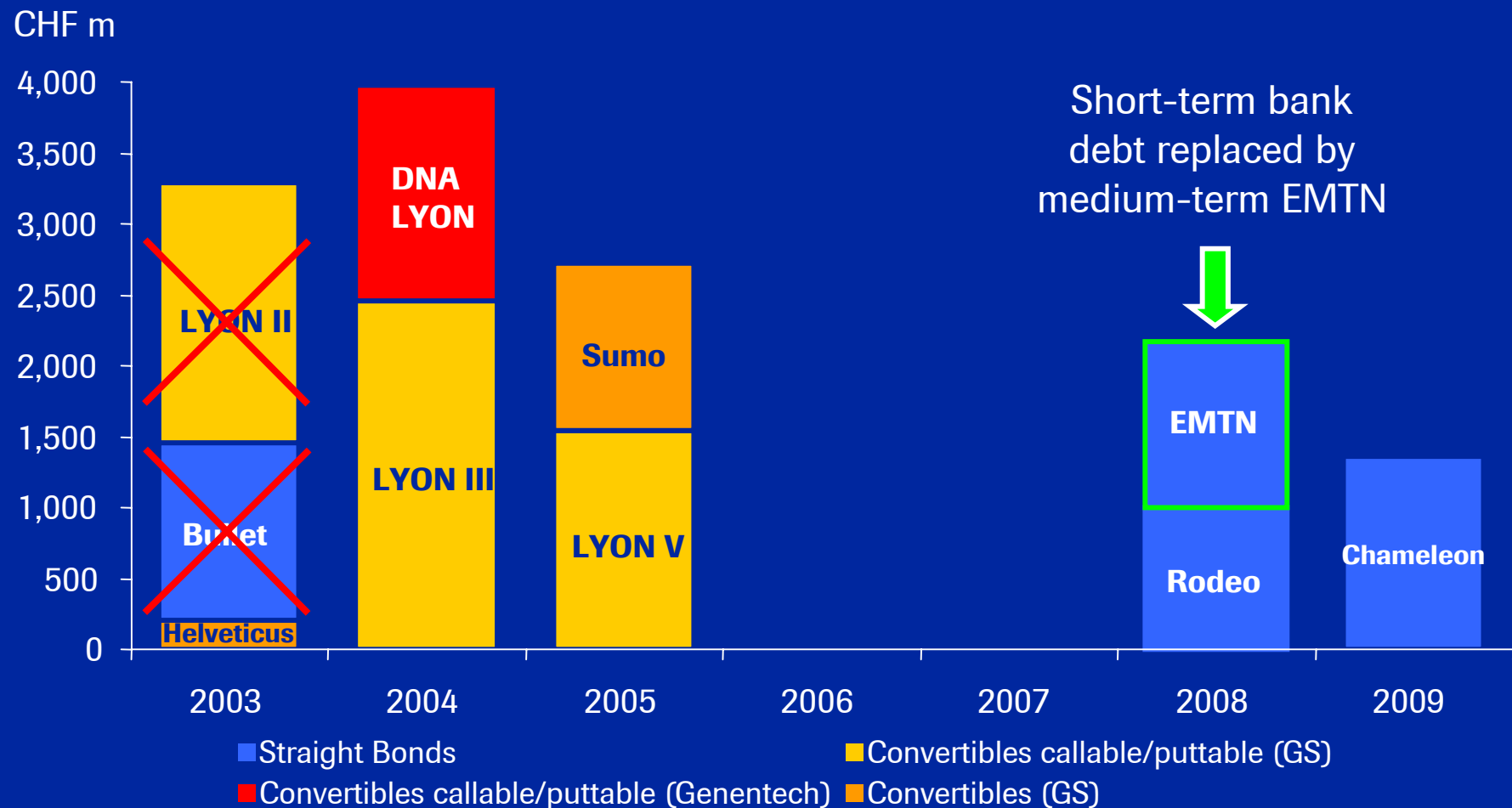
Decline due to absence of 2002 LabCorp gain

CHF m

	H1 2003	H1 2002	change		%LC
			CHF m	%	
sales	13,880	13,107	+773	+6	+17
operating profit	2,789	2,420	+369	+15	+27
<i>op. profit margin in %</i>	<i>20.1</i>	<i>18.5</i>			
financial income, net	-349	612	-961	-	
profit before taxes	2,440	3,032	-592	-20	
income taxes	-711	-890	+179	-20	
<i>tax rate in %</i>	<i>29.1</i>	<i>29.4</i>			
minority interests	-126	-47	-79	+168	
associated companies	-18	-11	-7	+64	
net income	1,585	2,084	-499	-24	
<i>% of sales</i>	<i>11.4</i>	<i>15.9</i>			

Capital market instruments

Maturity profile¹ considerably improved




¹ principal amounts at maturity



Convertible debt / own equity instruments

New rules already implemented in 2002

	30 Jun '02	What has changed?	31 Dec '02
convertible debt	LYONs II - V Sumo Helveticus		LYONs II - V Sumo Helveticus
own equity instruments (GS)	GS 24 m forwards 17 m		GS 23 m forwards 17 m
balance sheet (CHF)	equity -3.4 bn	clarifications in IFRS: forward purchases of own equity instruments shown as debt	equity -5.9 bn debt 2.4 bn collateral 673 m
income stmt (CHF)	-		145 m annual interest charge

Convertible debt / own equity instruments

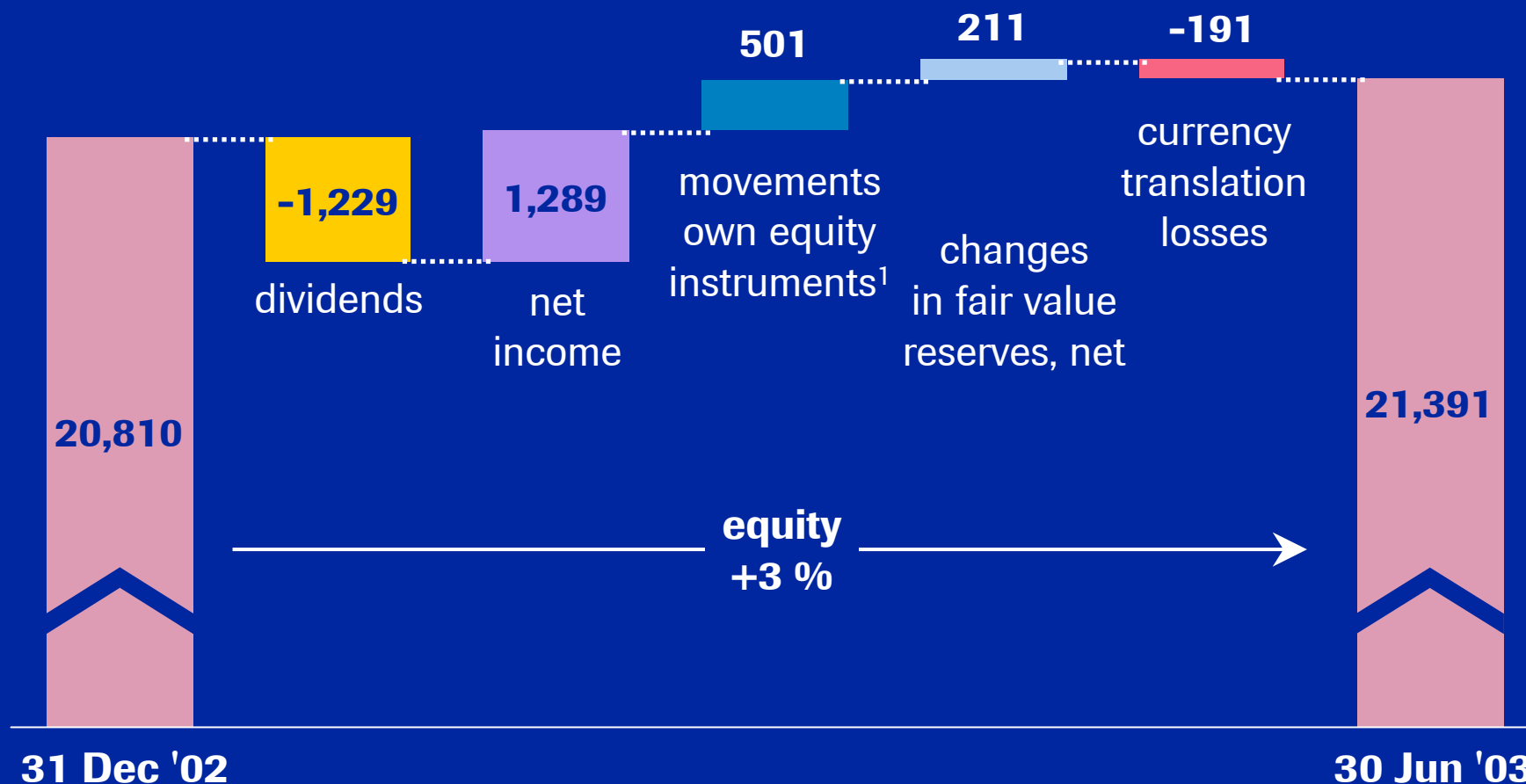
Developments H1 2003

	31 Dec '02	What has changed?	30 Jun '03
convertible debt	LYONs II LYONs III-V Sumo Helveticus	1. Paid back without converting 2. "freed-up" GS used for Disetronic and sold into the market 3. Proceeds used to dissolve some forwards 4. LEPOs bought to ensure hedge of convertibles and to keep GS underlying the forwards from market	- LYONs III-V Sumo Helveticus
own equity instruments (GS)	GS 23 m forwards 17 m total 40 m		GS 14 m forwards 5 m LEPOs 11 m total 30 m
balance sheet (CHF)	equity -5.9 bn debt 2.4 bn collateral 673 m	Balance sheet & P/L impact considerably improved	equity -5.4 bn debt 1.1 bn collateral 157 m
income stmt (CHF)	145 m annual interest charge		62 m annualized interest charge

Equity increased

Driven by net income

CHF m

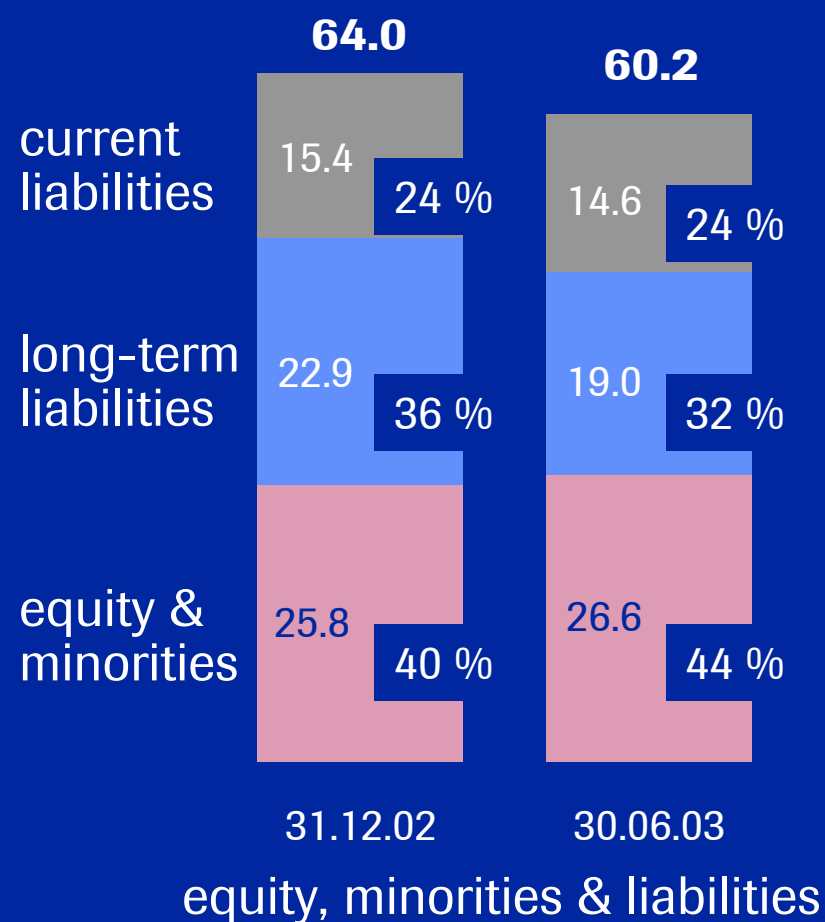
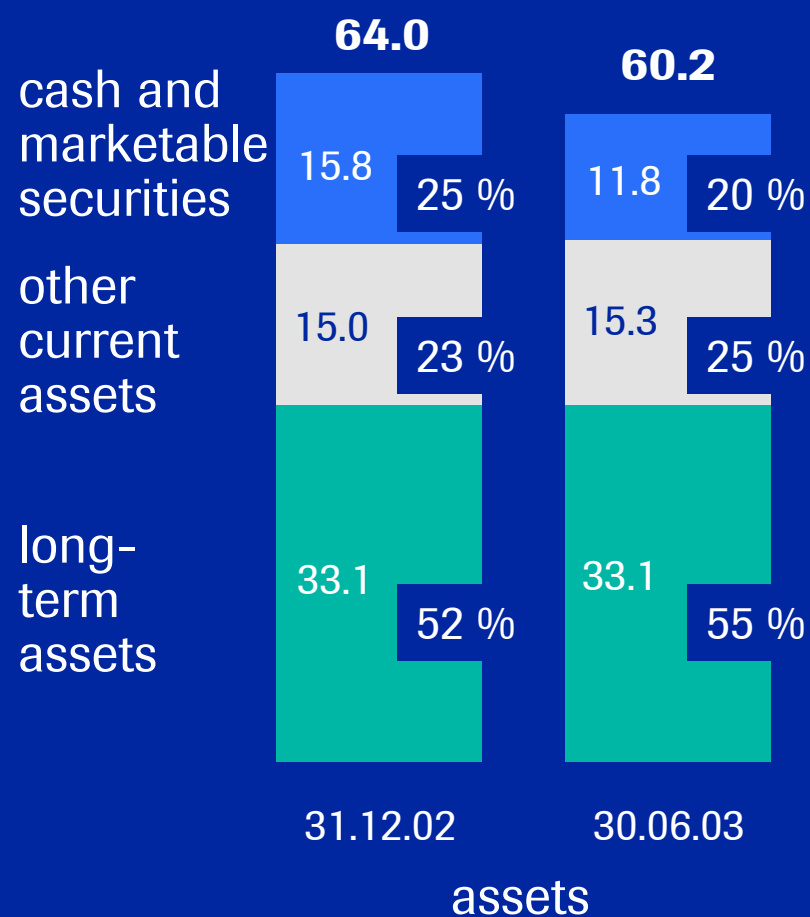


¹ including CHF 240 million for Disetronic and CHF 273 million refinancing of instruments covering convertible debt obligations

Balance sheets

Solid financing, higher equity ratio

CHF billion



Outlook



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
- At least 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



Appendix

Pharmaceuticals sales (adjusted)

Sales outperform world market

	H1 '03 CHF m	growth vs. H1 '02 in CHF	growth vs. H1 '02 in local currencies
Roche Prescription¹	6,409	-4 %	5 %
Genentech Prescription	1,623	3 %	24 %
Chugai Prescription	1,411	206 %	239 %
Roche world wide Prescription group¹	9,443	9 %	21 %
OTC	868	10 %	18 %
Pharmaceuticals¹	10,311	9 %	21 %

¹ sales are adjusted to include the reclassification of sales to the Vitamins & Fine Chemicals Division



Roche Prescription sales (adjusted)

Supported by all businesses

	Q3 '02		Q4 '02		Q1 '03		Q2 '03	
	CHF m	%*	CHF m	%*	CHF m	%*	CHF m	%*
Roche Prescription^{1,2}	3,053	3 %	3,171	-1 %	3,136	3 %	3,273	8 %
Genentech Prescription	797	21 %	871	23 %	793	25 %	830	24 %
Chugai Prescription³	209	9 %	915	211 %	656	236 %	755	242 %
<hr/>								
Roche world wide Prescription group¹	4,059	7 %	4,957	18 %	4,585	18 %	4,858	24 %

¹ sales are adjusted to include the reclassification of sales to the Vitamins & Fine Chemicals Division as divisional sales to third parties

² excludes Nippon Roche Rx

³ consists of Nippon Roche Rx in Q3 '02 and Chugai Rx from Q4 '02

* growth in local currencies from the same period in 2001 or 2002 resp.

Top 20 Prescription products

Sales first half 2003 (vs. H1 '02)

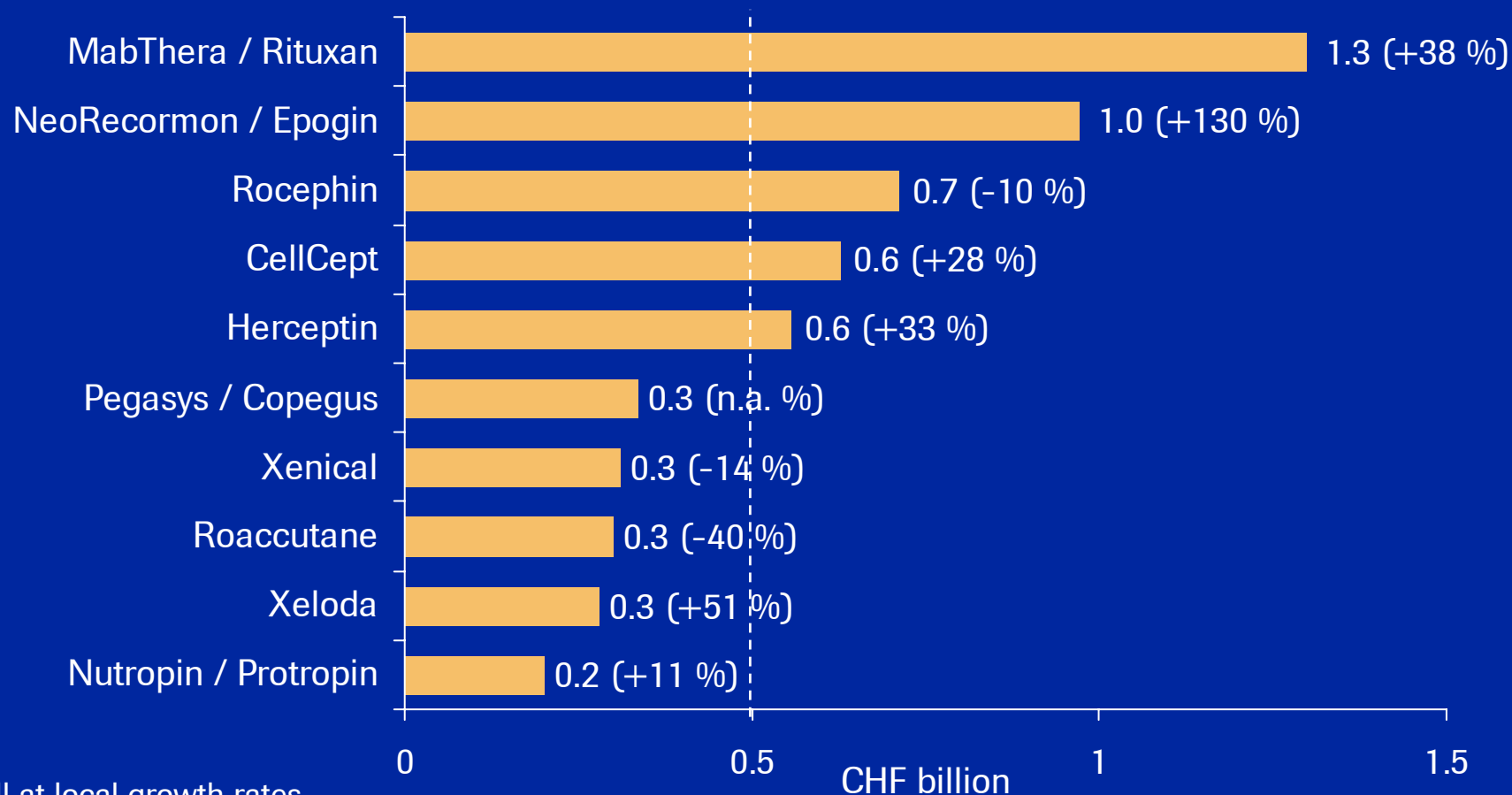
	total		US		J		ROW	
	CHF m	% local	CHF m	% local	CHF m	% local	CHF m	% local
MabThera/Rituxan	1,299	38	922	33	35	25	342	59
NeoRecormon/Epogin	970	130	-	-	365	-	605	39
Rocephin	712	-10	415	-9	26	14	271	-14
CellCept	629	28	316	26	9	20	304	31
Herceptin	557	33	266	21	42	61	249	47
Pegasys/Copegus	335	1650	204	-	-	-	131	537
Xenical	317	-14	79	-12	-	-	238	-15
Roaccutane	297	-40	170	-46	-	-	127	-28
Xeloda	280	51	163	55	1	-	116	43
Nutropin/Protoprin	220	11	214	10	-	-	6	14
Kytril	200	5	84	-1	58	12	58	9
Dilatrend	187	19	-	-	-	-	187	19
Pulmozyme	159	13	94	15	-	-	65	10
Neutrogin	151	-	-	-	151	-	-	-
Activase/TNKase	141	10	127	10	-	-	14	10
Viracept	141	-5	-	-	1	-7	140	-5
Cymevene/Valcyte	138	-5	83	-14	-	-	55	17
Madopar	117	3	-	-	9	0	108	4
Tamiflu	114	120	18	14	82	137	14	-
Lexotan	107	-11	-	-	6	5	101	-12

Big brands driving growth (first half 2003)

Peak sales update

MabThera / Rituxan: + CHF 1.0 billion (to CHF 4.5 billion)

NeoRecormon: + CHF 0.5 billion (to CHF 2.5 billion)

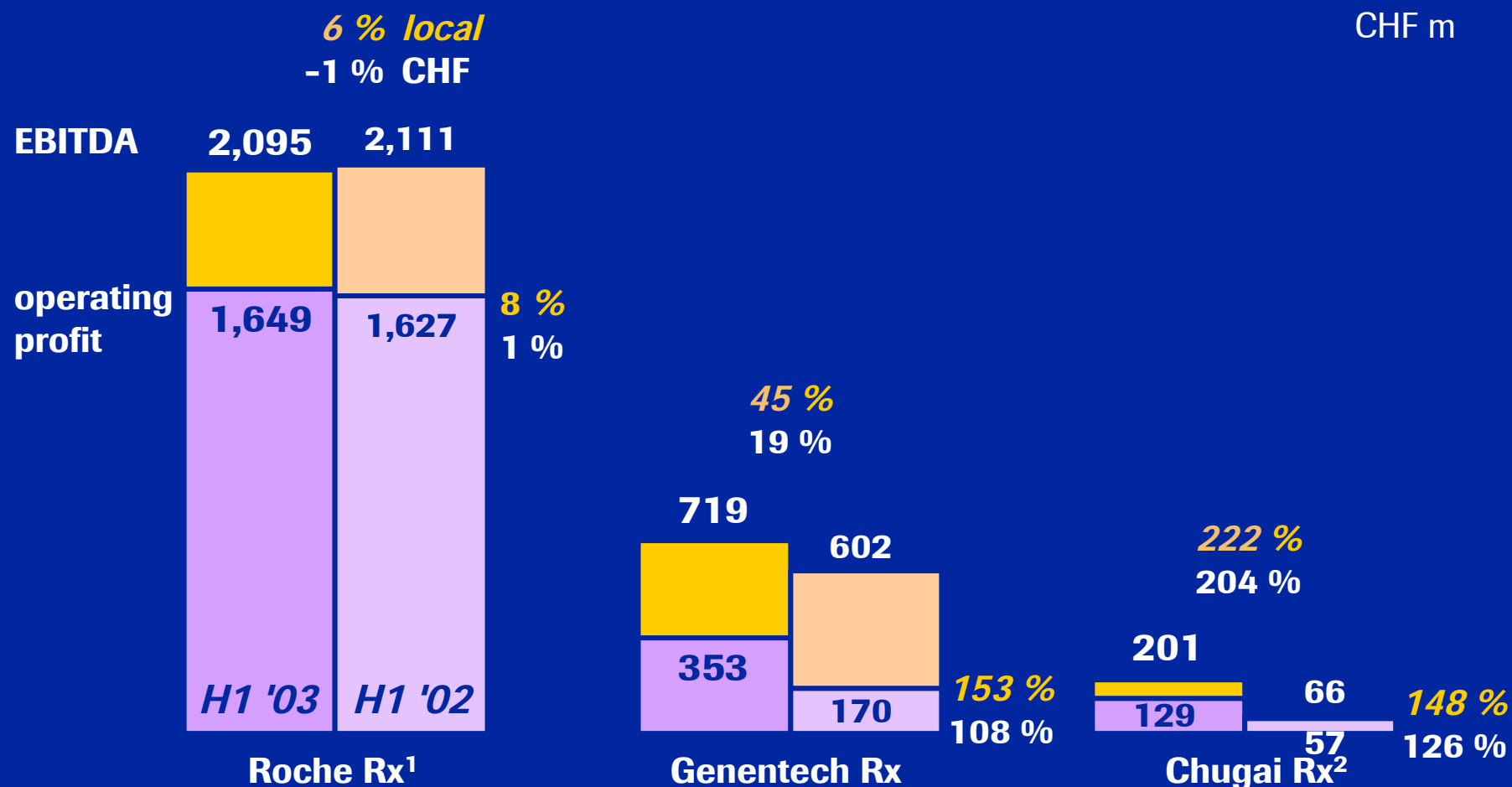




Operating profit (adjusted)

Growth fueled by all businesses

CHF m

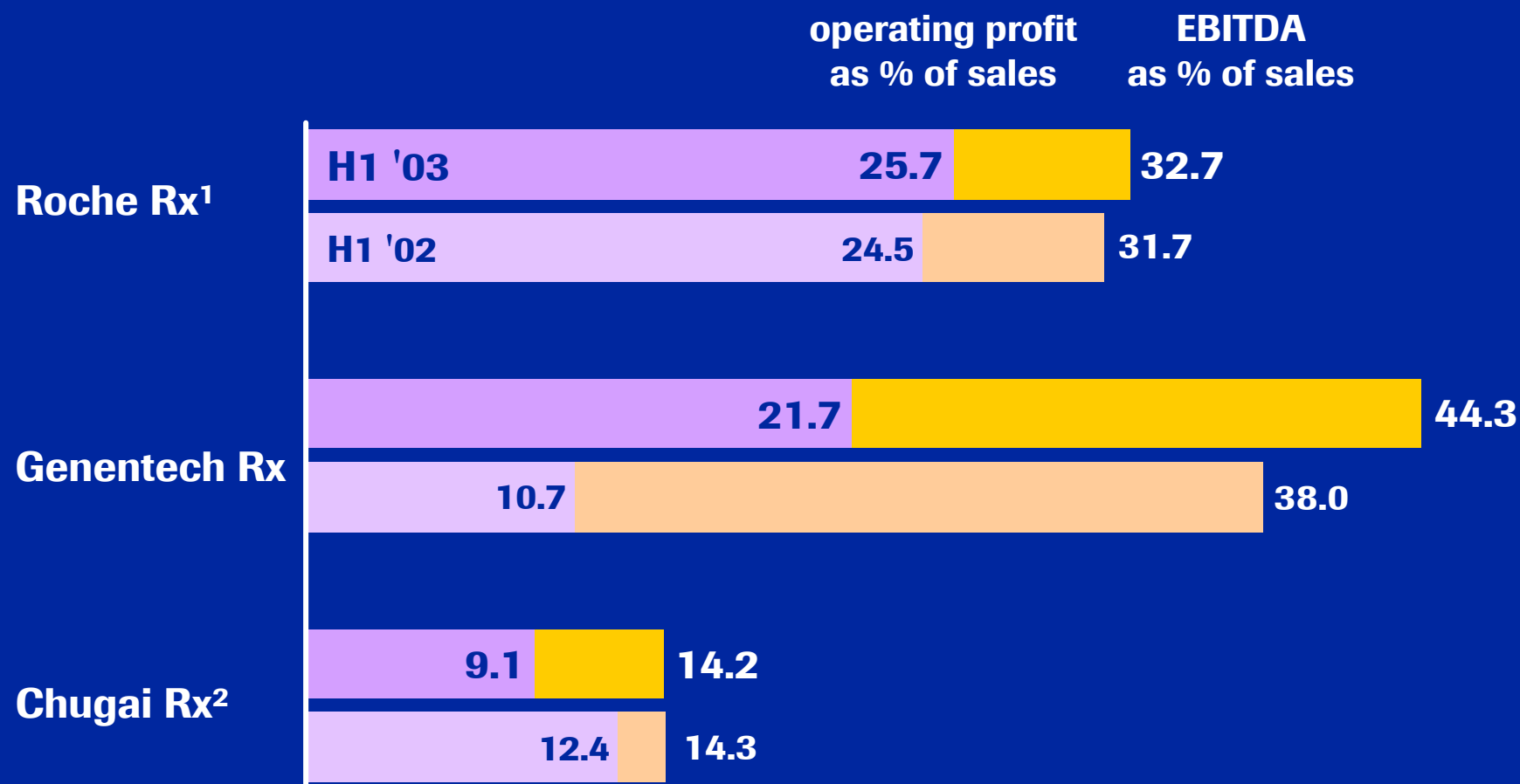


¹ excludes Nippon Roche Rx

² consists of Nippon Roche Rx in H1 '02 and Chugai Rx in H1 '03

Prescription profitability (adjusted)

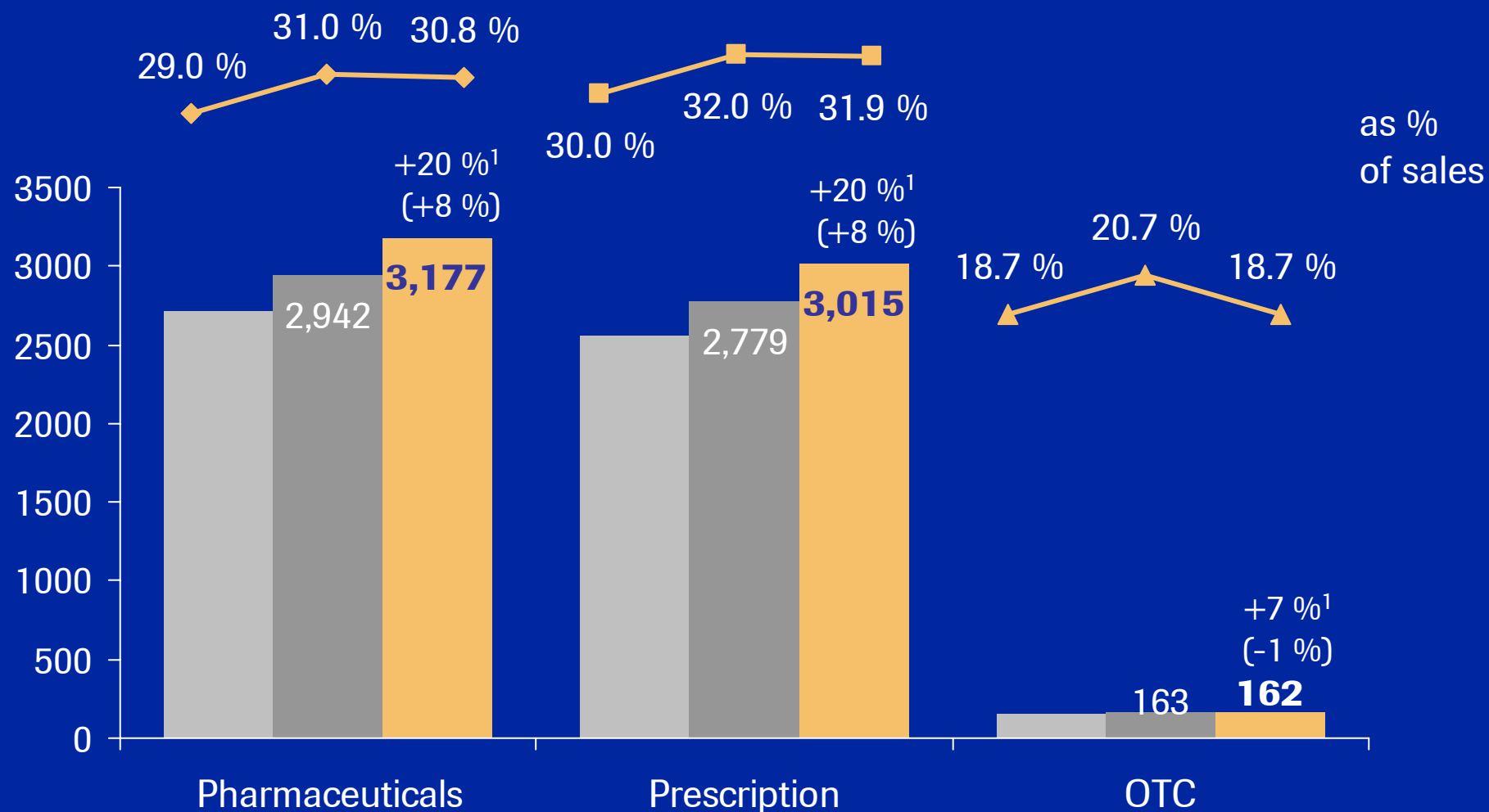
Growth in Roche and Genentech



¹ excludes Nippon Roche Rx

² consists of Nippon Roche Rx in H1 '02 and Chugai Rx in H1 '03

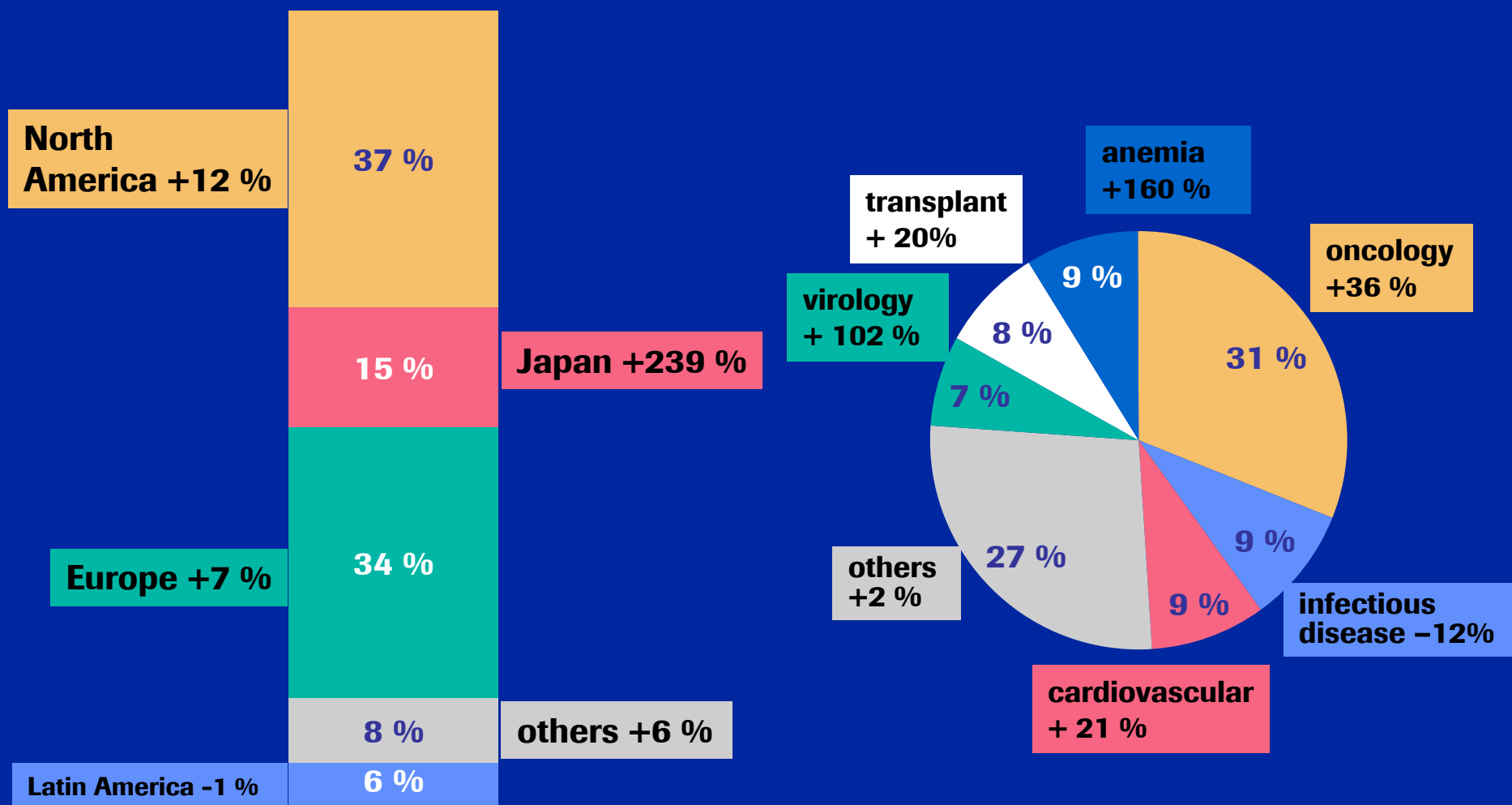
EBITDA - strong underlying cash-flow



¹ local growth, (growth in CHF)

■ H1 '01 ■ H1 '02 ■ H1 '03

Growth in main regions and therapeutic areas



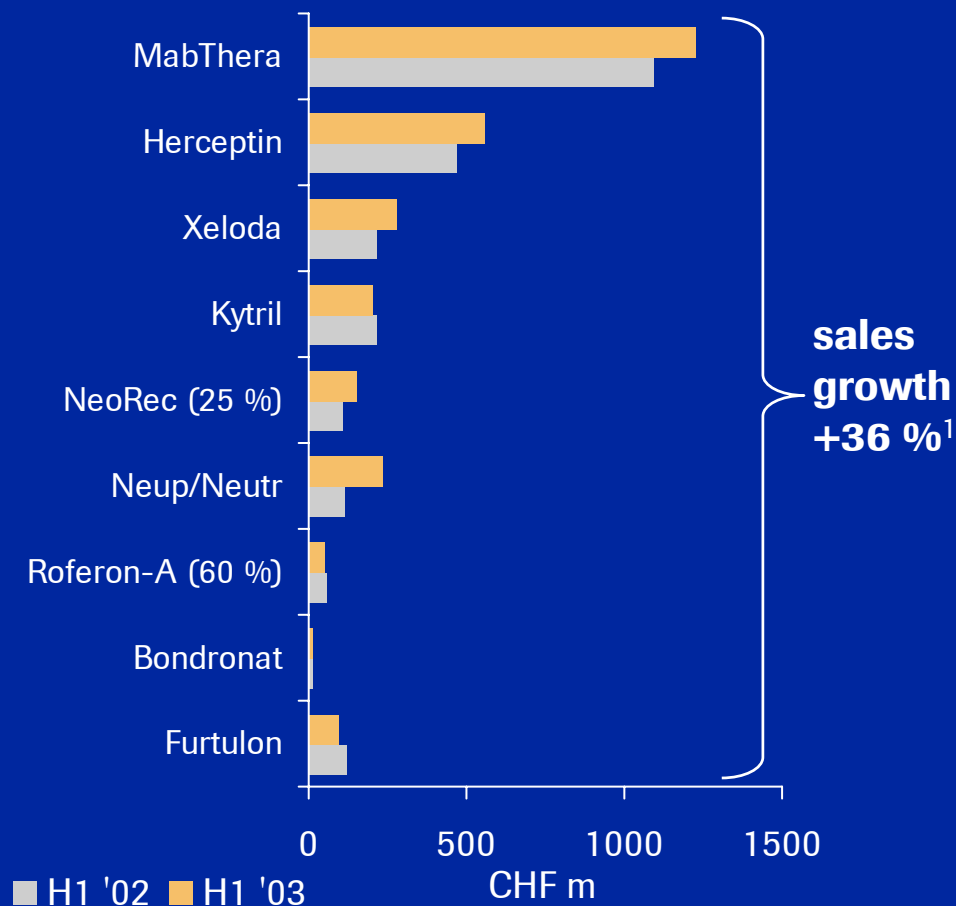
all growth figures are in local currencies

OTC in first half 2003

- Sales increase: +18 % in local currency (+10 % in CHF) primarily as a result of the integration of Chugai
- Lower profit due to
 - lower profitability of Chugai OTC
 - development costs for future growth drivers

Oncology - Roche the no. 1 company

Outperforming the market

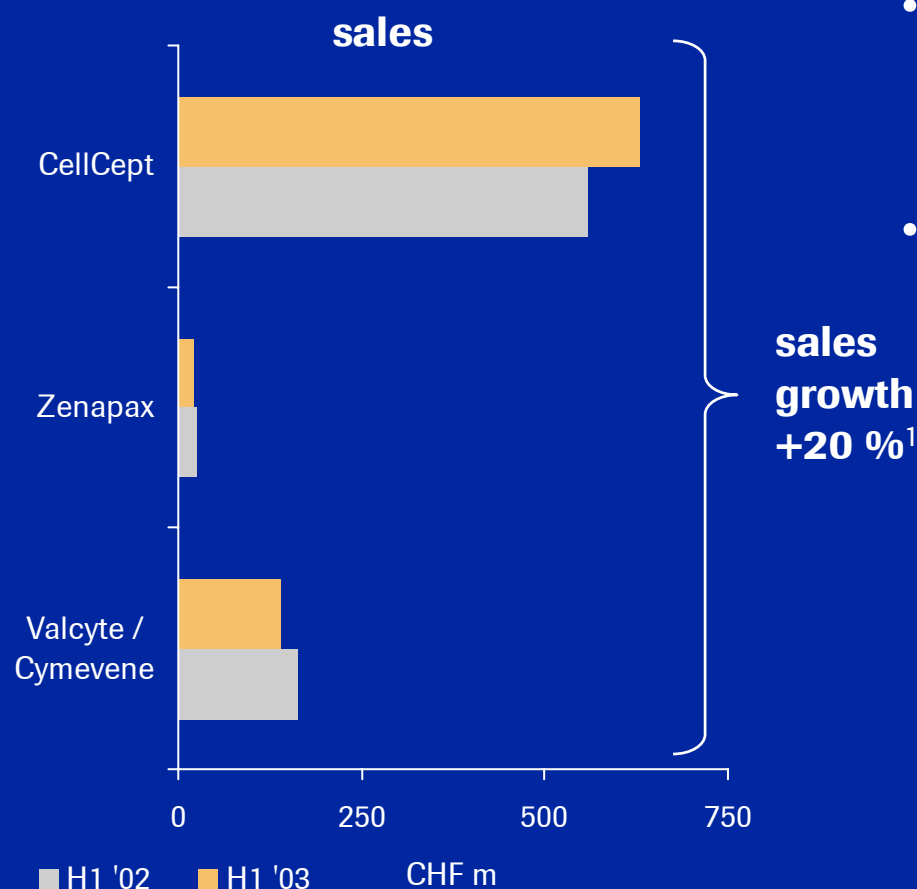


- Long patent protection
- Additional opportunities with Tarceva, Avastin, Bondronat, Pemtumomab
- Rich pipeline targeting major tumor types
- Expected to further increase, from CHF > 5 billion (2002) to CHF 7 - 10 billion (2005)

¹ local growth

Transplantation

Established market leadership in US

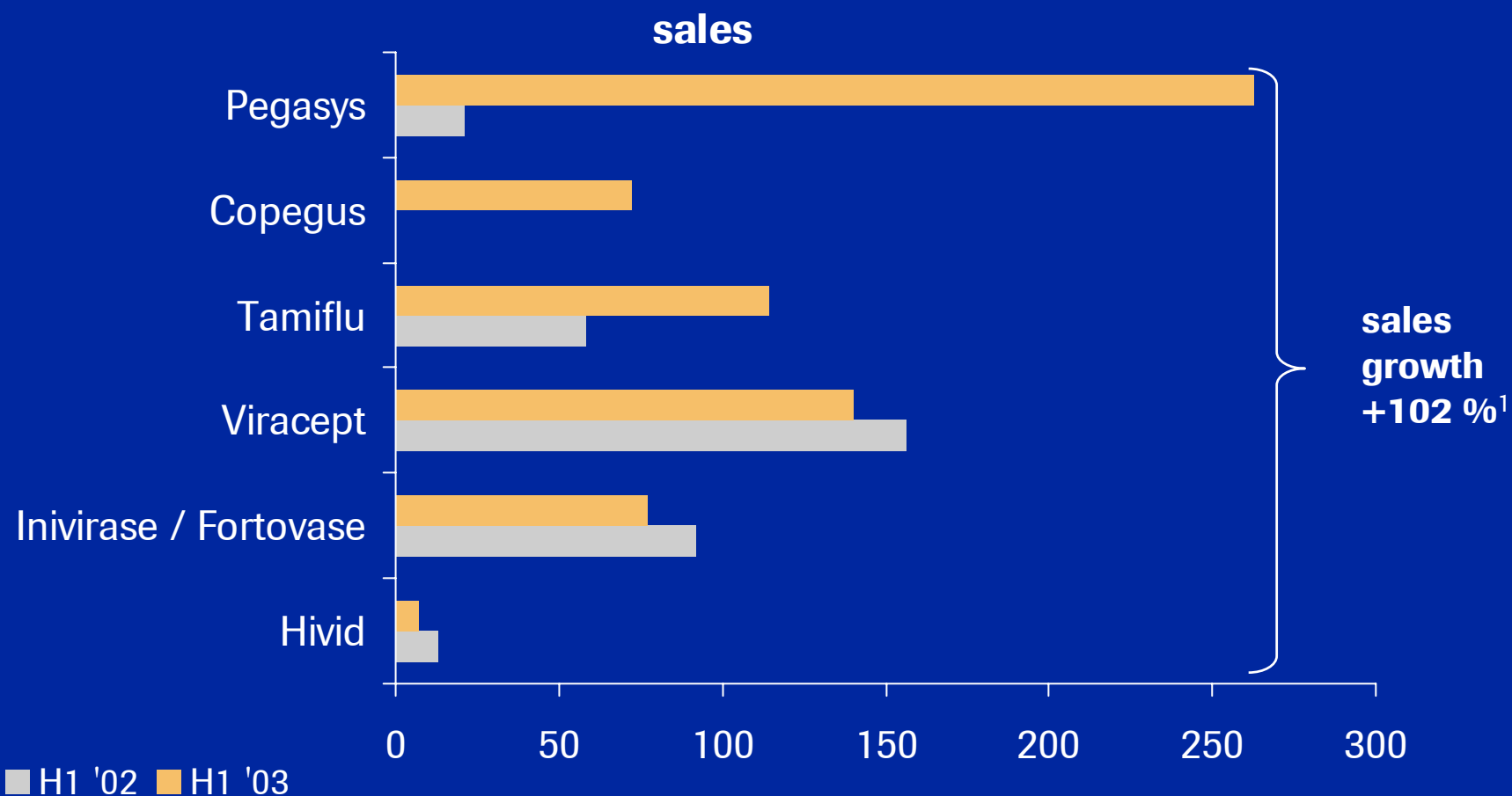


- Median survival of transplanted patients is increasing: >15 years for renal patients
- Long-term toxicities limit therapy of older drugs

¹ local growth

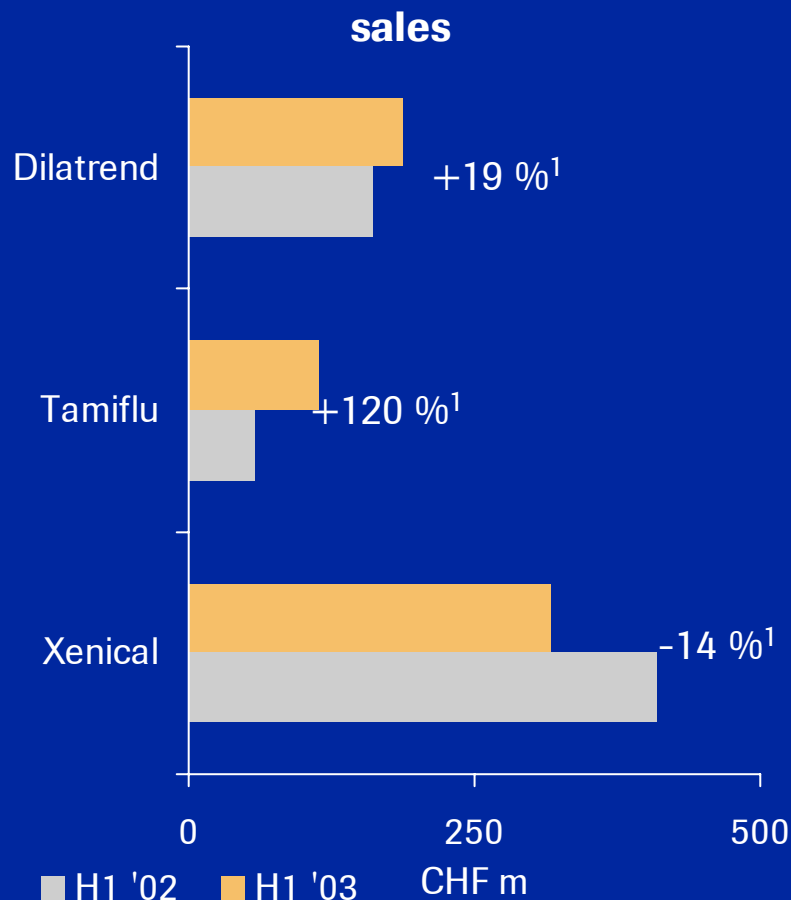
Virology

Strong commitment retained



¹ local growth

Our main primary care products

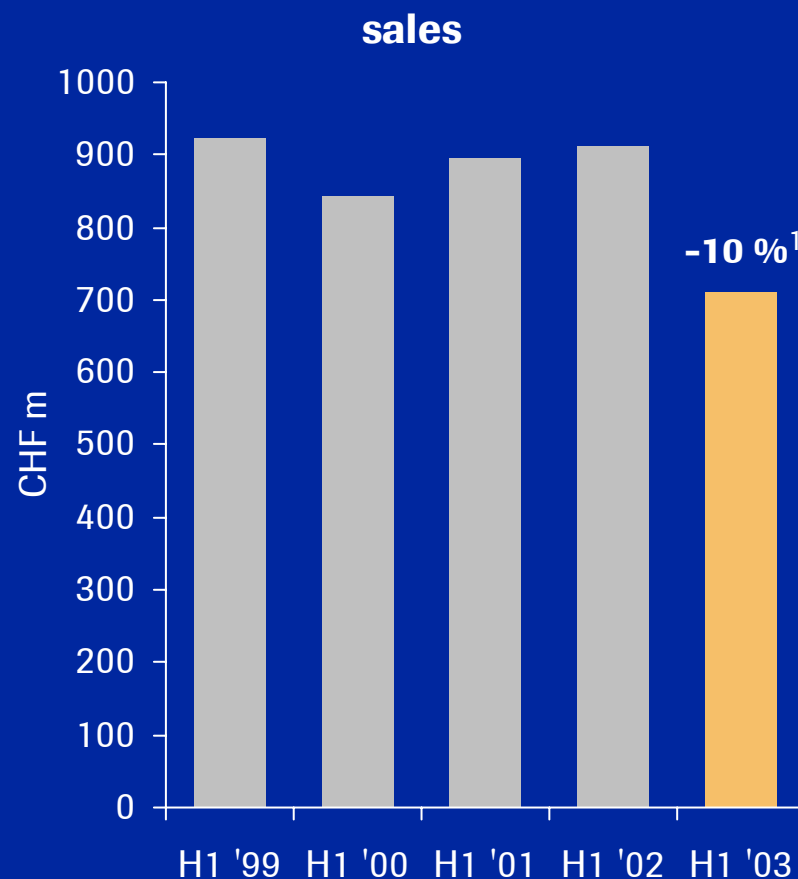


- Dilatrend
 - COMET data to drive future growth
- Tamiflu
 - strong performance in Japan
- Xenical
 - entire obesity market declining by ~17 %
 - market share maintained

¹ local growth

Rocephin

*Maintain leadership position in US**



- Maintain market share in injectable antibiotic market in US²
- Main impact in the US through merger of two wholesalers consolidating their respective inventories and distribution centers in Q4 '02

* injectable cephalosporin market

² source: IMS DDD YTD April 2003

¹ local growth

Tarceva

Three phase III trials - powered for survival

First-line metastatic non-small cell lung cancer (NSCLC)

- Tribute trial (US)
 - over 1,000 chemotherapy-naïve patients
 - combination Carboplatin / Taxol +/- Tarceva
 - data expected Aug / Sept
- Talent trial (ex-US)
 - approx. 1,200 chemotherapy-naïve patients
 - combination Cisplatin / Gemcitabine +/- Tarceva
 - data expected Sept / Oct

Relapsed / refractory NSCLC (BR21 trial)

- phase III monotherapy trial - patients receive best supportive care (BSC) +/- Tarceva
- data expected H1 2004

Expectations for 2003

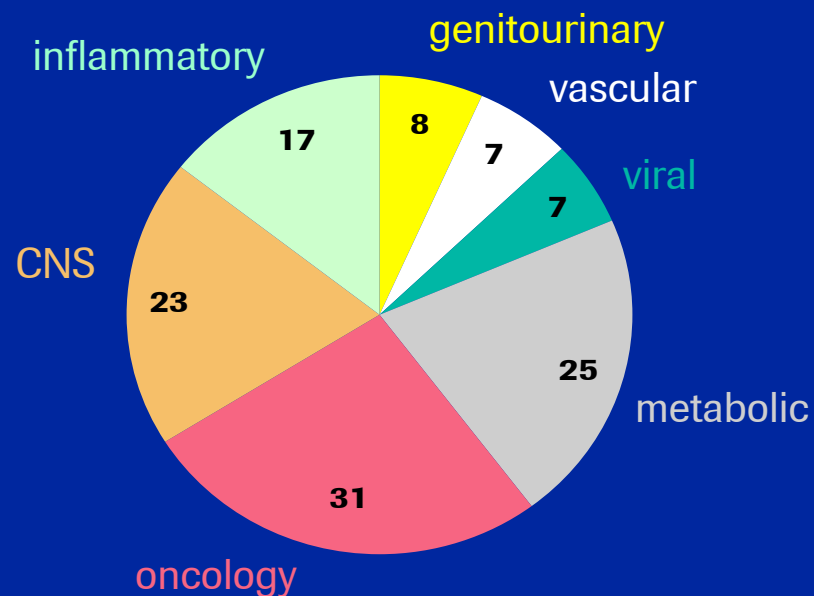
Clinical newsflow

- Herceptin
 - filing for 1st line monotherapy in mBC in a 3-weekly regimen, Q4 '03
 - results from Herceptin + Taxotere study at ECCO, Q3 '03
- Xeloda
 - phase III data of
 - 1st line CRC: Xeloda + Eloxatin (XELOX) vs. 5-FU/LV/Eloxatin (FOLFOX)
 - 2nd line CRC: XELOX vs. FOLFOX
 - adjuvant therapy of early stage colon cancer: XELOX vs. 5-FU/LV
- NeoRecormon: early anemia correction trial
- Dilatrend: COMET trial data be presented at ESC, Vienna Sept '03
- Boniva: expected approval for EU H2 '03
- Avastin: expected filing in EU end of 2003 / beginning of 2004

Roche managed R&D pipeline – overview¹

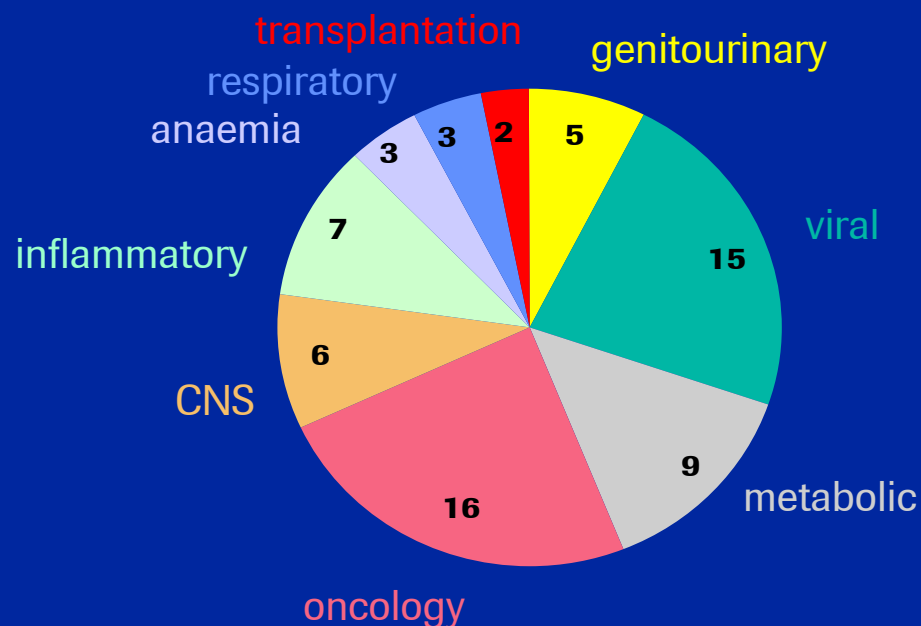
By therapy area

research



118 projects

development



66 projects (44 NMEs* and 22 line extensions)

* new molecular entities prior to regulatory approval

¹ as of June 30th, 2003



Roche managed R&D pipeline

Projects terminated in the past 12 months



8 projects **terminated** or planned for **outlicense** in past 12 months

Roche R&D managed pipeline (NME's)

Changes over 12 months (June 2002 - 2003)



Diagnostic innovations for the future

Upcoming launches in H2 '03

Centralized Diagnostics

- Q3-Q4 '03 Elecsys marker (SHBG, S100)
- Q4 '03 STA CephaScreen (PTT liquid)
- Q4 '03 TDM package II



URISYS 1100

Near Patient Testing

- Q3 '03 PT's CoaguChek / CoaguChekS
- Q3 '03 DataCarePOC version 2.2
- Q4 '03 ISE 9200
- Q4 '03 URISYS 1100



matriXarray Reader & Chip

Applied Science

- Q3 '03 Prionics-Chek LIA (OEM)
- Q3 '03 LightCycler 2.0 Instrument (Research)
- Q3 '03 matriXarray
- Q4 '03 MagNA Pure Compact

Bridge from financial to adjusted statements

H1 2002

CHF m	sales to 3 rd parties	EBITDA	operating profit	net income
<i>as reported in financial statements</i>	14,737	3,203	1,717	1,801
• discontinuing operations:				
- <i>Vitamins and Fine Chemicals</i>	-1,747	-256	-140	-39
- <i>reclassification inter-company sales to Vitamins & F.C. as sales to 3rd parties</i>	117	-	-	-
• major restructuring:				
- <i>Pharma 'Re-Shaping for Future Growth'</i>	-	65	65	65
• major legal cases				
- <i>Genentech litigation charges</i>		778	778	778
• income tax effects	-	-	-	-330
• minority interest effects	-	-	-	-191
<i>on an adjusted basis (core businesses)</i>	13,107	3,790	2,420	2,084

Bridge from financial to adjusted statements

H1 2003

CHF m	sales to 3 rd parties	EBITDA	operating profit	net income
<i>as reported in financial statements</i>	<i>15,327</i>	<i>4,236</i>	<i>2,474</i>	<i>1,289</i>
• discontinuing operations:				
- <i>Vitamins and Fine Chemicals</i>	-1,520	-157	-109	-63
- <i>impairment of net assets of Vit. & F.C.</i>	-	-	375	375
- <i>reclassification inter-company sales to Vitamins & F.C. as sales to 3rd parties</i>	73	-	-	-
• gains / (losses) on subsidiaries				
- <i>write-off of fva on Chugai inventories</i>	-	49	49	49
• income tax effects	-	-	-	-65
<i>on an adjusted basis (core businesses)</i>	<i>13,880</i>	<i>4,128</i>	<i>2,789</i>	<i>1,585</i>

Overview divisional results (adjusted)

H1 2003 and H1 2002

	Divisional sales to third parties	EBITDA	EBITDA as % of sales	operating profit	operating profit as % of sales
H1 2003					
Pharmaceuticals	10,311	3,177	30.8	2,272	22.0
<i>of which</i>					
total prescription	9,443	3,015	31.9	2,131	22.6
- Roche prescription	6,409	2,095	32.7	1,649	25.7
- Genentech prescription	1,623	719	44.3	353	21.7
- Chugai prescription	1,411	201	14.2	129	9.1
OTC	868	162	18.7	141	16.2
Diagnostics	3,569	1,082	30.3	650	18.2
other	-	-131	-	-133	-
Group total	13,880	4,128	29.7	2,789	20.1
H1 2002					
Pharmaceuticals	9,486	2,942	31.0	1,994	21.0
<i>of which</i>					
total prescription	8,697	2,779	32.0	1,854	21.3
- Roche prescription	6,653	2,111	31.7	1,627	24.5
- Genentech prescription	1,583	602	38.0	170	10.7
- Chugai prescription	461	66	14.3	57	12.4
OTC	789	163	20.7	140	17.7
Diagnostics	3,621	982	27.1	561	15.5
other	-	-134	-	-135	-
Group total	13,107	3,790	28.9	2,420	18.5

Overview divisional results (adjusted)

Percentage growth H1 2003 vs. H1 2002

	Divisional sales		EBITDA		operating profit	
	CHF %	local %	CHF %	local %	CHF %	local %
Pharmaceuticals	9 %	21 %	8 %	20 %	14 %	24 %
<i>of which</i>						
total prescription	9 %	21 %	8 %	20 %	15 %	26 %
- Roche prescription	-4 %	5 %	-1 %	6 %	1 %	8 %
- Genentech prescription	3 %	24 %	19 %	45 %	108 %	153 %
- Chugai prescription	206 %	239 %	204 %	222 %	126 %	148 %
OTC	10 %	18 %	-1 %	7 %	1 %	7 %
Diagnostics	-1 %	7 %	10 %	20 %	16 %	29 %
other	-	-	-2 %	-2 %	-1 %	-1 %
Group total	6 %	17 %	9 %	21 %	15 %	27 %