



THE MARKET

Headquartered in Basel, Switzerland, Roche is a leading global research-intensive healthcare group. Roche's core businesses are in pharmaceuticals and diagnostics. The company employs 65,000 people in 150 countries and provides innovative products and services for the prevention, diagnosis and treatment of diseases. Roche has research and development agreements and strategic alliances with numerous partners, including majority ownership interests in Genetech and Chugai.

Roche is the global leader in the diagnostics market, the leading supplier of medicines for cancer and transplantation and a market leader in virology. In 2003, its pharmaceuticals and diagnostics divisions notched up sales of 19.8 billion Swiss francs (for prescription drugs) and of 7.4 billion Swiss francs respectively – both divisions grew faster than those of any other global healthcare group. The company's multinational presence reinforces its ability to anticipate global needs and offer healthcare solutions worldwide.

ACHIEVEMENTS

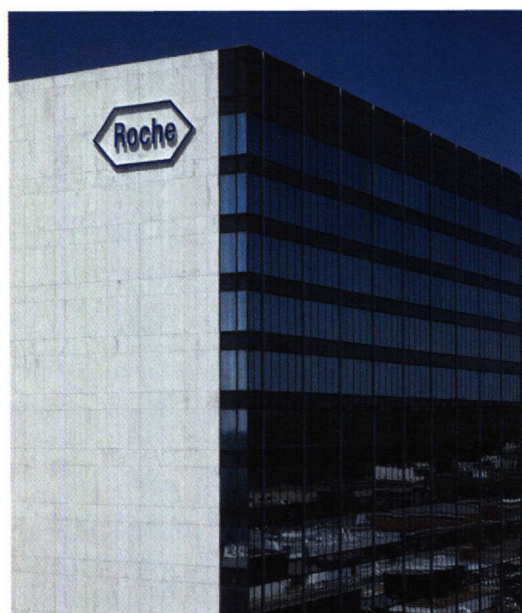
It is said that there is not a medical laboratory in the world without at least one Roche diagnostics product. Roche Diagnostics transformed polymerase chain reaction (PCR), a Nobel prize-winning technology, into commercial products for routine use – an achievement that, among other things, was a pioneer step on the road to individualised medicine.

Throughout its history, Roche has achieved a number of breakthrough products. In 1933, it accomplished the industrial synthesis of Vitamin C. In the early 1960s, Roche entered the psychotropic drug market with its breakthrough discovery of benzodiazepines. By the late 1960s, it ventured into diagnostics and over the next two decades grew from a marginal player to a benchmark leader in the industry.

In 1982, Roche introduced Rocephin, an innovative antibiotic used to treat severe bacterial

infections. Today Rocephin remains a mainstay of antibacterial therapy in hospitals. In 1987, the company launched Roferon-A, the world's first genetically engineered medicine for use in oncology and virology.

In 1990, Roche purchased a majority interest in Genetech, making the group an early leader in biotechnology and genetics/genomics. Having



acquired the patent rights to the PCR in 1991, it launched a whole new business in molecular diagnostics. In 1994, it acquired Syntex Corp, strengthening the group's presence in the US pharmaceuticals market and laying the foundation for its current leadership position in transplantation medicine. The merger of the Roche Biosciences Laboratory and the US National Healthcare Laboratory formed the US Laboratory Institution, the world's largest clinical research facility. Roche completed two acquisitions in 1998: Boehringer Mannheim and DePuy; and the Biotechnology Research and Production Center in Penzberg, Germany. Also in the 1990s, Roche worked with Genetech and other alliance partners to pioneer the development of humanised monoclonal antibodies, including Mabthera for the treatment of cancer. Roche is now the global leader in oncology.

In 2002, Roche expanded its activities in Japan, the world's second-largest pharmaceuticals market, by acquiring a majority interest in Chugai, a leading Japanese drugs company. In 2003,



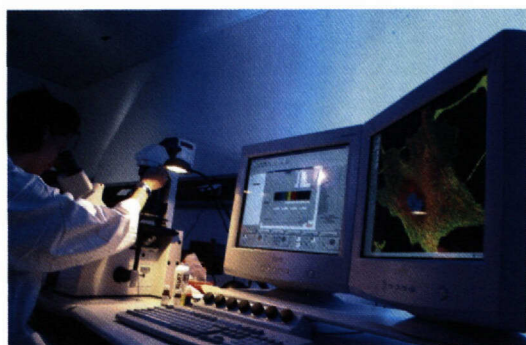
Roche scientists developed a PCR-based SARS test kit in only a matter of weeks. By providing reliable, high-quality and easy-to-understand health information, Roche is spearheading a paradigm shift from acute to preventive medicines.

HISTORY

In 1896, Fritz Hoffman, a 28-year-old Swiss, founded Hoffmann La-Roche Ltd with his father's help. Hoffman was a pioneering entrepreneur who was convinced that the future belonged to branded pharmaceutical products. He was among the first to recognise that the industrial manufacture of standardised medicines would be a major advance in the fight against disease.

From the very beginning, Hoffmann attached great importance to product information as the link between manufacturers and doctors, pharmacists and patients. With his focus on innovation and international presence, affiliates were soon opened in Germany, Italy, France, the US, Great Britain and Russia. Today, the Roche hexagon is a familiar sight on all five continents.

Roche's history in China dates back to 1926, when the company first entered the market. It returned to China when the country adopted reformist policies. Roche's early operations involved technical cooperation projects with Chinese companies. In 1994, it established Shanghai Roche Pharmaceuticals Ltd, its first company in China. In 2000, Roche Diagnostics (Shanghai) Ltd was founded. The high-quality products manufactured by Shanghai Roche now enjoy an enviable reputation among doctors and patients, and are widely recognised by the general public. At the end of 2004, Roche will inaugurate its Shanghai-based Roche Pharma China R&D Center, which further strengthens the group's presence in China.



THE PRODUCT

By being the world leader in the selected key therapeutic areas, Roche aims at addressing significant unmet medical needs, and thus creates value across the entire healthcare spectrum.

Roche produces five anti-cancer products to help extend the lives of cancer patients: Xeloda, Herceptin, Mabthera and Tarceva, Avastin. Its Herceptin is the first cancer-gene-targeted treatment with proven survival benefit when used alone or in combination with chemotherapy in HER2 over-expression breast cancer patients. High levels of HER2 over-expression present poor response to chemotherapy, earlier relapse or tumour metastasis and shorter overall survival rate. Clinical trials have shown that careful selection of HER2-positive patients results in superior efficacy of Herceptin, a significant improvement in survival and better quality of life.

Roche developed anti-HIV medicines like the protease inhibitors Viracept and Invirae/Fortovase to stop HIV from multiplying by blocking a crucial enzyme in its replication cycle. Fuzeon, a fusion inhibitor developed by Roche in partnership with Trimeris, prevents HIV from fusing with human cells. As a result, the virus is unable to enter the cell and replicate.

Cellcept, a medicine that suppresses the immune reaction, has been shown to achieve a dramatic 80% reduction in the frequency of acute kidney transplant rejection. As a result, transplant and patient survival have been significantly extended.

RECENT DEVELOPMENTS

In recent years, Roche has focused on its pharmaceuticals and diagnostics businesses. In order to pursue this strategy, the group has divested several other businesses, including fragrances and flavours, Vitamins and fine chemicals and over-the-counter drugs. These strategic divestments have allowed the company to dedicate its resources to the R&D of novel healthcare products and services.

Roche's core pharmaceuticals and diagnostics businesses focus on areas with significant unmet medical needs. Wherever possible, the businesses develop diagnostics and treatments designed to work together and thus offer patients additional medical benefits. At Roche, the expression "integrated healthcare solutions" is often used to refer to diagnostic and treatment products designed to fight disease in tandem. Two major areas that the company is working for integrated solutions are cancer care and the management of viral diseases. For example, Roche's Pegasys and Co-peus are the most

effective combination of drugs available today for Hepatitis C. The medicines can be used in conjunction with Roche's Cobas Amplicor and TaqMan analysers and Amplicor test kits for Hepatitis disease management. The company provides molecular diagnostic tests to detect infection with the Hepatitis C virus and to measure the amount of the virus in the blood, thus enabling doctors to monitor responses to therapy and, if necessary, to adjust patients' medication.

Roche's unique "innovation management" approach focuses on creating value by leveraging its strong internal capabilities and its extensive network of partnerships and strategic alliances with leading companies like Genetech and Chugai. Furthermore, the highly complementary nature of Roche's pharmaceuticals and diagnostics businesses, allows it to provide solutions that span the entire healthcare spectrum and pursue a different business model than that of its competitors.

Roche is at the forefront of biotechnology development. The company uses its cutting-edge expertise to develop highly specific, clinically differentiated treatments that contribute to a comprehensive approach to healthcare delivery.

PROMOTION

Roche engages in extensive disease education and medical promotion programmes. It is also fully committed to social responsibility and sustainability, sponsoring disease research projects, humanitarian supports and cultural projects.

Since 1998, Roche has funded the Roche Organ Transplantation Research Foundation investing more than 25 million Swiss Francs. The Phelophepa Train in South Africa is Roche's biggest humanitarian project. Roughly translated, Phelophepa means "good, clean health" and for many it represents the train of hope. This clinic on rails has ensured basic medical care in remote regions of South Africa since 1994.

Since 2000, Roche's Bluesky project has undertaken various initiatives to fight AIDS in the least developed countries. The goal is to help those infected by HIV and those close to them. Bluesky has undertaken such measures as educational campaigns, increased local R&D, the donation of medicines and diagnostic kits and aid for children.

In 2003, Roche developed a specific patents and product pricing policy in the least developed



THINGS YOU DIDN'T KNOW ABOUT ROCHE

- The company name traces back to its founder Fritz Hoffmann and his wife, Adele La-Roche
- Three Roche scientists have been awarded the Nobel Prize
- In March 1999, Chinese President Jiang Zemin visited Roche headquarters in Switzerland. After watching the Roche high-tech show, he enthused: "It really is high-tech!"
- Countless works of art decorate the walls and corridors of Roche buildings around the world. Roche has always been a proud supporter of the arts and the creative process – art and drug development share the same spirit of innovation