----------------------------------------------------------------------------------------------------------- Roche 2013

Dear Shareholders

In my last letter to you as Chairman, it gives me great pleasure to report an excellent performance for the Roche Group in 2013. In a challenging, increasingly cost-sensitive environment, our focus on targeted medicines and diagnostic tests has allowed us to expand our strong market position and to significantly improve net income. In light of our strong performance, the Board of Directors is proposing – for the 27th consecutive year – an increase in dividend.

Roche posted strong results for 2013. Group sales increased 6% at constant exchange rates to 46.8 billion Swiss francs (+3% in Swiss francs) and overall net income grew sharply, up 22% to 11.4 billion Swiss francs (+18% in Swiss francs).

There is increasing demand for our medicines and diagnostic tests, especially the five new cancer treatments we launched over the last two years; and our pipelines are amongst the strongest in the industry. The 2013 results reaffirm the Roche strategy of focusing on innovation in medicines and diagnostics — and the resulting competitive advantage from developing medically differentiated products. Our strengths will become even more important in the future, as targeted, cost-effective treatments have a key role to play in overcoming today’s healthcare challenges. Roche is developing medicines which not only improve and prolong the lives of patients, but can also save significant resources in other parts of the healthcare sector. To this end, diagnostic testing is increasingly playing a critical role in the detection of disease, the monitoring of treatment modalities and in the development of targeted treatments, all of which reduce overall costs to the healthcare system.

One of Roche’s strengths is our significant biotech know-how. Our expertise in this area opens up a world of new possibilities to treat disease, bringing real medical breakthroughs to patients. Our leadership in biotech is also the result of targeted acquisitions. The Genentech merger in 2009 was the transaction that has had the biggest impact on our pharmaceuticals business and in diagnostics, we became the market leader when we acquired Boehringer Mannheim in 1997. Over the past 15 years, with our systematic focus on innovation and selective transactions, Roche has become the world’s leading company in oncology and the global number one in in vitro diagnostics. This focus on pharmaceuticals and diagnostics will enable us to succeed in an increasingly competitive marketplace.

There is no doubt in my mind that Roche is a unique company and this is as true today as it was two decades ago when I joined. It is unique because of its culture and unique because of the majority ownership by the original founding family, which allows us to take a long-term view and to pursue our long-term strategy to develop innovative products. The Hoffmann and Oeri families have my sincere gratitude for all the support they have given me throughout my career at Roche.

Our selection once again by the Dow Jones Sustainability Indices as the world’s most sustainable healthcare company, is just another indication that Roche is on the right track. Roche was singled out for this distinction for the fifth year in a row in 2013. This rating recognises our commitment to behaving ethically and responsibly and creating long-term value for all our stakeholders.

The foundations of Roche are rock-solid. But as my predecessor used to say: ‘the house of Roche is never finished’. No company has an automatic right to prosperity. It needs to be earned again and again. I am very confident that the new generation of leaders in our Executive Committee under Severin Schwan’s leadership, and on the Board of Directors, will continue to build a successful business and enrich the Roche culture.

I have chosen the Annual General Meeting (AGM) on 4 March 2014 as the moment to step down as Chairman of the Roche Group. I have worked in the pharmaceutical industry for 40 years, half of which have been with Roche, as head of the Pharmaceuticals Division, as CEO and as Chairman of the Board.

At the forthcoming AGM, the Roche Board of Directors will propose that Christoph Franz, who has served as a non-executive Director on Roche’s board since 2011, be elected Chairman of the Board. With Christoph Franz, Roche will have a Chairman with outstanding personal qualities and an impressive record as head of a major global company. I am sure that his extensive experience and exceptional worldwide network will be great assets.

In March 2013, a majority of Swiss citizens voted in a referendum in favour of a set of changes to the Swiss Constitution regarding governance regulations for listed companies. Roche has decided to comply with the new regulations earlier than required and will propose changes to the company’s Articles of Incorporation at this year’s AGM. The most important ones include: from 2014, the Chairman of the Board, all members of the Board of Directors and the members of the Remuneration Committee will be elected annually by the shareholders; and furthermore, we propose to implement the binding votes on remuneration in 2014, ahead of the mandatory date of 2015.

In light of our strong performance in 2013, the Board of Directors is proposing an 6% dividend increase to 7.80 Swiss francs per share and non-voting equity security (2012: 7.35 Swiss francs), making this the 27th dividend increase in as many years. If approved, more than half of our net income will be distributed to shareholders as dividends.

I would like to thank you, Roche shareholders, for your trust in me over these past years. I have immensely enjoyed my work with the Board, the management and the employees of Roche and am very proud of what we have accomplished together. Roche is a truly great company.

----------------------------------------------------------------------------------------------------------- Roche 2014

Dear Shareholders

After my first year as Chairman of the Board of Directors, I am very pleased to present you with solid results. In 2014, despite challenging conditions in some of our markets, particularly Europe, we delivered strong sales growth across both divisions and reported a strong net income of 9.5 billion Swiss francs.

We also had some notable successes in research and development. Thanks to some of our medicines, we helped to improve the treatment of leukemia, pulmonary diseases and skin disorders. We also introduced a test for the detection of the virus causing cervical cancer. Once again, millions of people were treated with our medicines in 2014, and thanks to our diagnostic tests, even more received a reliable diagnosis for the basis of targeted, successful treatment.

“Our main objective remains to offer patients a better quality of life and, where possible, to cure them or help them live longer.”

At last year’s Annual General Meeting, I made a commitment to continue the course Roche has set to ensure that the Group remains a driver of innovation in the healthcare sector. I am particularly impressed by the large number of projects in our pharmaceutical and diagnostic pipelines. We are tackling serious diseases with high unmet need, such as bladder cancer, a devastating disease with limited treatment options. Our main goal will always be to use cutting-edge science to offer patients a better quality of life and, where possible, to cure them or help them live longer.

In 2014, Roche invested close to 9 billion Swiss francs in research and development. We are convinced of the enormous potential of modern biosciences and will continue to rigorously pursue our efforts and investments in this area. As the world’s largest biotech company, we are in the best possible position to use our knowledge of disease biology to develop new treatments and tests that are better tailored for specific patient groups, making them safer and more effective. But, of course, it’s always better to prevent than to treat — and as a global leader in healthcare diagnostics —Roche is playing a crucial role here. From early screening to personalised medicines, our products can help to overcome some of the major challenges healthcare systems are facing today.

Innovation is at the heart of what we do. For us, this means being open to good ideas, including ones generated outside of Roche. In fact, about one third of our pharmaceutical products were born out of a partnership, usually with a smaller biotech firm or university. We maintain an impressive global partnership network spanning over 240 alliances, underpinned by the targeted acquisition of technologies, active ingredients and expertise. In 2014, we entered into a number of important strategic partnerships. The acquisition of the biotech company InterMune, for example, significantly strengthened our portfolio in the area of respiratory disorders with Esbriet, a treatment for a fatal lung disease.

“Sustainable success demands long-term thinking.”

Another important achievement for the Group in 2014 was certainly the selection by the Dow Jones Sustainability Indices as the world’s most sustainable company in the life sciences sector for the sixth year running. For me, it’s just another indicator that we’re on the right track. Sustainable success — and this is not only true for Roche — requires long-term thinking and commitment. When it comes to the implementation and development of our long-term strategy, Roche benefits from a tremendous advantage thanks to the guidance, support and trust provided by the Hoffmann and Oeri families. To me, this is one of the Group’s biggest strengths.

“Roche’s decentralised management style is a strength that we want to continue to foster.”

In 2014, I visited many of our 150 sites around the world to meet our employees and also get to know the company’s key stakeholder groups. What really stood out for me were the vast differences from one national healthcare system to the next, along with the unique challenges each system is facing. Our success hinges on giving our employees sufficient responsibility and latitude to adapt to their local situation. In this context, our decentralised management style is a core strength that we want to continue to foster.

Nonetheless, providing access to our innovative tests and medicines in economically weaker countries is a major challenge, particularly in oncology, where treatments are complex and the demands made on facilities, expertise and resources are high. We need to work with local partners, who best understand local barriers, to find ways to help patients and also improve preventive screening.

Whilst our primary focus is always on developing innovative treatments and tests, 2014 was also a year of site expansions. This is largely to provide more space for our growing workforce, additional research infrastructure, and increased production capacities. The biggest investment we announced was in our Basel headquarters, where we aim to invest 3 billion Swiss francs over the next decade, primarily in a new, modern research centre and in a second, state-of-the-art office building. In addition, we will spend 450 million Swiss francs on increasing our production capacity in China over a three-year period in order to meet the growing demand for our diagnostic tests. We are also investing in an IT hub at another site in Switzerland, in modern research laboratories in South San Francisco, and in expanding our research and production capacities in Germany.

“In light of our good performance, we propose a 3% dividend increase to 8.00 Swiss francs per share and non-voting equity security.”

Roche is a very successful company with excellent prospects. However, I know from personal experience that it requires just as much effort to keep a company at the top as it does to get it there. Roche is unique in that it is focused on science-driven innovation, cooperative despite a decentralised structure, rooted in Switzerland, but open to the world. We are deeply committed to sustaining this distinctive culture in the future.

Whilst I look forward to addressing you in person at the 97th Annual General Meeting (AGM) of Roche Holding Ltd on 3 March 2015, I would like to highlight two important items on the agenda.

“We are proposing two prominent figures, with a wealth of experience in the pharmaceutical sector, as new Board members.”

In light of our strong performance and solid outlook, the Board of Directors is proposing a 3% dividend increase to 8.00 Swiss francs per share and non-voting equity security. Subject to your approval, this will be the 28th consecutive dividend increase.

In addition to the re-election of existing members, the AGM will see some changes on the Board of Directors. Art Levinson decided to step down from the Roche Board of Directors to avoid potential conflicts of interest following his appointment as CEO of a research institution. Art has been a major contributor to Genentech’s success over the years. Under his leadership, Genentech has become one of the most important biotech companies in the world. He joined the Board of Directors of Roche in 2010, following the integration of Genentech. On behalf of the Board, I would like to thank him sincerely for his invaluable contribution to the company’s overall success.

I am delighted to propose Bernard Poussot and Professor Richard Lifton as new members of the Board of Directors. These two prominent figures would bring a wealth of experience in the pharmaceutical sector and basic biomedical research respectively. Bernard comes from Wyeth where he spent 23 years leading the company in positions including President, CEO, and Chairman. Director of the Yale Center for Genome Analysis, Richard is an award-winning scientist who provided valuable insights as a member of advisory boards of various leading pharmaceutical companies.

With its clear strategic focus on innovative medicines and diagnostics, Roche is well positioned to continue growing. The Board of Directors and Management are committed to ensuring that Roche remains one of the world’s most successful research-based healthcare companies.

I would like to take this opportunity to extend sincere thanks — as does the entire Board of Directors — to our 88,509 employees, as well as to the Corporate Executive Committee, for their achievements.

I also wish to thank you, valued shareholders, for your confidence in our company.