EXHIBIT 20
(2 OF 2)

Unidentified Audience Member *Analyst*

Yes good morning gentlemen, just a few questions if I may. Can we have some update regarding the CERA litigation with Amgen timing, end of [discovery phase] stuff like that? Also with regards to your diabetes compound in the pipeline RO483. Could we have also an update there on your strategy? And also when we know that you have a call on a countdown from Ipsen until October 2006. What do you expect to choose your strategy there? And finally if I may, when we look at MabThera and Actemra in rheumatoid arthritis could you tell us what will be your strategy so as to differentiate these two products in this indication? Thanks.

William Burns - *Roche Holding - CEO*

Thank you Mr. [inaudible]. Just to go though them as I heard them. For CERA yes Amgen announced that there would be litigation in the United States. Amgen have until March to serve us the notice and we will deal with that as it comes through. I would just remind you that we do have our fully published patents in the United States and we see no impediment to us continuing the programme or to enter into the US market.

The question on our diabetes product RO483 this is the insulin sensitizer. As many of you know, this class of drugs had to have long term carcinogistic studies shared with the FDA before going into clinical phase III studies longer than six months. We have got that data; we are waiting on our meeting with the FDA and after we've had that we'll share with you the results and the impact that that may give us on the phase III program or not.

On the Ipsen product, just for the broader audience listening, we do have an opt in right this year on a GLIP1, the GLP1 product. We're looking at a product that has a differentiated profile to the currently marketed product from Lilly, and it will be the middle of the year before the data is available for us to share and to make our decision. We're in a very good shape with our partners at Ipsen and we'll look forward to sharing with you in due course what the outcome is of that review.

For MabThera and Actemra in rheumatoid arthritis, here I think one has to take a step back and to say I mentioned ACR70. These are the three measurement points that are regularly used as an ACR20, 50 and 70. So the proportion of patients getting either a 20% improvement in symptomatolgy or 50% or 70%. The 20% is used by the regulatory authorities as the regulatory hurdle, but for true meaningful benefit I tend to look at the ACR70. With current interventions with the anti-TNFs, one in five patients get to that ACR70. This means we're still dealing with a rather dissatisfied area of medicine and an increasing number of people that are looking for an alternative. So we believe that it is that clinical dissatisfaction that opens the door, first of all for MabThera and then ultimately for Actemra.

In the background, we don't have it yet, but in the background given our knowledge of pharmaceuticals and diagnostics we are looking at responders to those therapies versus non-responders to see if, over time, we could build up some form of array or screener that would say that's the hypothesis, are there people who would be more likely to respond to one intervention or another. But that is a mid term perspective; right now the start of the journey, the way into this market, is because of the clinical dissatisfaction with today's treatment modalities. I hope that helps.

Unidentified Audience Member *Analyst*

Thank you very much.

Dr. Erich Hunziker - *Roche Holding - CFO*

You're welcome. Can we have the next question please?

Operator

Next question from Mr Marcel Brand, Cheuvreux. Please go ahead sir.

Marcel Brand - *Cheuvreux - Analyst*

Good morning, thanks for taking my question. Could you please let us know what is behind these major legal cases? I think that was in the second half in pharmaceuticals. I didn't get the annual report, sorry about that.

And the second question, can you say what in the EBIT, before exceptionals what kind of one time gains, or one time items are in the second half '05 versus second half '04?

And then the last question, I understand you're not giving anymore guidance on a divisional basis, but can you talk about the margins in diagnostics going forward on the background of your previous guidance that you had for 2006? Thanks.

Dr. Erich Hunziker - *Roche Holding - CFO*

Yes thanks Marcel. So you take the[legal case] Bill?

William Burns - *Roche Holding - CEO*

Well there's really nothing of any drama here. We've had this running in Zurich for quite some number of years now between ourselves and GlaxoSmithKline which was to do with the international licensing agreement in Carvedilol. Under best efforts at the time we bought Boehringer Mannheim; we recovered that asset, because we felt as we went through the integration plans in a number of countries that there had been a failure of best efforts. That was one action there.

The action where it's reached a stage that we know where the three wise men and the arbitration panel are coming from, and their external advisor we felt it prudent to just increase to -- and now it's absolutely fully covered. Really, that's the main case, Marcel. There's nothing [hidden] behind that.

Marcel Brand - *Cheuvreux - Analyst*

Thanks.

Dr. Erich Hunziker - *Roche Holding - CFO*

The diagnostic margin?

Severin Schwan - *Roche Holding - CEO*

As to the diagnostic's margin you have seen that we have ended up the year with 20.5% of sales. We have given the guidance previously for 23%, [or was] for 2006. Now, even though we don't give any exact guidance on the operating margin level in future, I think it's fair to say that with a 5% margin in 2005 it is very unlikely to jump to the previous expectations in one year.

Dr. Erich Hunziker - *Roche Holding - CFO*

Okay, with regard to EBIT you have found out one point, which is also explained in the financial report. But Ian will give you the details and where you can find it.

Marcel Brand - *Cheuvreux - Analyst*

Thanks.

Ian Bishop - *Roche Holding - Head of External Reporting*

Hello Marcel, I appreciate you've not had time to dig through the detail yet. In the third and fourth quarter Chugai had a one time gain on return of one of their pension plans to the Japanese government. That was actually announced by them in their Q3 profit release that you -- and they showed as an extraordinary item in their Japanese financials. So that was about 127 million Swiss francs and that's reported in the corporate result. I'll just pass you to Hubert for some details.

Hubert Buck - *Roche Holding - Head of Group Management Information*

Marcel, and the other item which you are probably referring to is the gains in the product divestments that we had in the first half of 2005, 11 million and the second half 45 million. So it's significantly less with the total of 56 million compared to the 427 million which we had in 2004.

Marcel Brand - *Cheuvreux - Analyst*

Thanks.

Dr. Erich Hunziker - *Roche Holding - CFO*

Okay, I hope it helps. Can we have the next question please?

Operator

The next question from Mr. [Saatchian Jones], Merrill Lynch. Please go ahead.

Saatchian Jones - *Merrill Lynch - Analyst*

Hello, [Saatchian Jones] from Merrill Lynch, just two product questions. Firstly on CERA, you mentioned filing timelines of 2006 only. I just wondered whether you're able to clarify that any further, if there have been any delays and what we're waiting for to get that filing sorted?

And then secondly on Boniva, if you could just comment on recent [inaudible] share trends, it seems to have plateaued out at around 10%. And also separately comment on how you're going with formally positioning, sampling, etc. Thank you.

William Burns - *Roche Holding - CEO*

Thanks very much. So, on CERA there's -- everything's on track for the renal anemia filing. We've been having discussions with the authorities on the oncology filing. And we do have to -- given that the whole use of Erythropoieton has raised a number of more questions in the last couple of years. What we are embarking on is a much larger program than we first thought, or indeed than the last entrant to that market had to generate. This will take us a bit longer. So that will be a longer -- and I think we're signaling 2009 now as the filing date. But for the first entrants in the renal anemia, which is still a huge market, then that is on track for 2006 submission.

For Boniva, I would agree with you. I've also raised questions with our organization that the -- there's been a few weeks now where we're at the 9%ish market share in the US, very considerable noise level in the market. I'm really glad that a few years ago we decided to partner with GSK, because at that time we thought we were up against Aventis Procter & Gamble, and, of course, that is now Sanofi Aventis Procter & Gamble. And we thought that in being up against Merck that Merck would also have had a number of other product launches and were busy with Vioxx and Pargluva, and a number of other things.

And, of course, as time has gone on what we see is that there is rather substantial noise level in the US market. We've been addressing that; between ourselves and GSK there are a number of activities underway. One of the points that, and you touch upon it, the sampling and vouchers, we do have work that, slowly but surely, we're addressing the payments by the medical systems.

If you take that there's a bit of a catch 22, you need to be well adopted and have a good market share to be adopted in as a third member on a Tier 2 payment scheme. To get that market share you then have to do a fair amount of sampling and of vouchers. And, indeed, that's what we have been embarking on to make sure that the patient is not disadvantaged as to whether they have Boniva or the other -- or Actonel or Fosamax.

But it just takes time. We're seeing some breakthroughs; we keep the pressure up, and we believe that with the data we have from these two preference studies, which will allow us to promote that in the United States, and also with the IV launches coming up, that we are still going to give this market a real good shot and aim for significant market share. Okay?

Dr. Erich Hunziker - *Roche Holding - CFO*

Alright, may we have the next question please?

Operator

The next question from Mr. Paul Major, Redburn. Please go ahead sir.

Paul Major - *Redburn - Analyst*

Two financial questions please. Could you just clarify that there won't be substantial legal provisioning in 2006 if most of what was taken in '05 accounted for one case and is now fully provisioned? And then could you give us some guidance on your expectations for capital expenditure over the next year or two? Thanks.

Dr. Erich Hunziker - *Roche Holding - CFO*

Okay, any legal threat which is visible on the radar screen is in the annual report. So, you have a section where you can form your own opinion on the cases pending. And as I've said in my introduction, this is a management team which is not pushing things ahead in a sense hoping that they would go away by themselves, but we are cleaning them out.

To give -- we have taken all the provision which at today's point are needed from the management's best estimate. I can't tell you whether anything is popping up during the year 2006. We are in a high tech healthcare environment where many situations, especially in the biotech field, are not clarified yet by, let's say, 50 years of established procedures around patent offices and, therefore, we will always have to face actually certain situations.

Of course, we are trying to, as we said, to sort them out as quickly as possible. So, it's impossible for me to give you any guidance whether anything will come up here.

The second part was the guidance on CapEx, and here I think we have made it clear that the major focus of this Group is to safeguard actually a network of biotech production planned within the Roche Group. And, therefore, Genentech, Chugai and Roche themselves have invested major, and are in the process of investing major amounts into production sites for our key products, like Avastin, Herceptin, MabThera. Genentech is expanding in Vacaville, and as you may have realized, last year they were able to acquire a ready plant from Biogen Idec in Oceanside in San Diego. And Roche has announced three years ago that we are investing quite considerable amounts into new plants as well in Penzberg as here in Basel.

So, you can assume that we are at the moment at a certain quite high level of CapEx in this area. On the other hand we never -- it's impossible to give you a clear guidance in which direction things will develop. This is also depending on the success of our product.

Can we have the next question?

Operator

The next question is from Mr. Mark Purcell, Deutsche Bank. Please go ahead sir.

Mark Purcell - *Deutsche Bank - Analyst*

Yes, good morning everyone, just a couple of questions. I just wondered on diagnostics, I'm not asking for margin guidance on this business, but whether you could give us some idea of what proportion of the 1.2 percentage point hit in the diagnostics margin year on year is actually a one-off? And therefore, how much it should recover by -- going into 2006 on an underlying basis?

Secondly, in terms of the pipeline, Bill, I just wondered if you could run us through the three phase II products that were dropped? Any reasons why they were, any interest there would be gratefully received.

Then in terms of R1594 for rheumatoid arthritis phase II data, I just wondered if you could give us some perspective as to what we should be expecting there and when?

On CERA I don't know whether you've -- you know yet whether you're going to be -- when you'll be presenting -- at which meeting you'll be presenting the phase III renal data?

And then lastly just on Rituxan the guidance of 5.5 billion Swiss francs or greater, obviously it excludes maintenance because you haven't got approval yet; it excludes RA. Could you just give us some indication of how large those indications you think could be? Thanks.

Severin Schwan - *Roche Holding - CEO*

Okay. Mark to start with the diagnostics margin. In 2005 there has been no negative one-off items. So on the contrary, if you look into 2006, if you look into the royalty income for example, due to the expiry of the foundational patents with [CCR] on that line we have even been higher in 2005 than we will be going into the future. So with this, you can expect no major jumps in all those margins in diagnostics in the coming year.

Mark Purcell - *Deutsche Bank - Analyst*

Okay.

William Burns - *Roche Holding - CEO*

So Mark, pipeline. Phase. The three phase II molecules that were discontinued during the year. We had the MK1 for depression from the Roche side; we stopped the development of Xenical in Japan through Chugai, through other competing priorities, we felt it was just more beneficial; the compound VO653 that was being developed by Chugai for coronary heart disease in Japan and for completeness we also transitioned back compound for cancer, Diflomotecan we transferred back to the originator which is Ipsen. So there were three discontinued and one transfer so, hopefully, that helps there.

Mark Purcell - *Deutsche Bank - Analyst*

Thank you.

William Burns - *Roche Holding - CEO*

For R1594, this is [inaudible] or 2H7. I haven't got a particular date in mind, I don't know if one of my colleagues can help me on. So about the mid year internally we'll be looking for some data point. I'm not sure that we'll have enough yet for an external announcement, but we will be looking internally for some data about the middle of the year.

CERA, phase III. Just remind me what the question was again Mark?

Mark Purcell - *Deutsche Bank - Analyst*

Yes. Sorry Bill I just wondered if you had a date in the diary yet for presentation of the data entry?

William Burns - *Roche Holding - CEO*

Ah right. No, we haven't. And here, forgive us. This is a real tough battle and we know that we will get one real strong crack to make the most punch into the market. So we'll not be looking for a meeting that, if you like, satisfies ourselves around this conference call. It'll be a meeting that really makes the most impact on to our customers at the right time in the countdown to launch. But we will let you -- of course, we'll keep you guys in the loop, but we have to make sure it is the strongest punch into the market. And for Rituxan; no we haven't yet given guidance on rheumatoid arthritis. If you look at any of the compounds out there Mark, you're talking over a billion for each of the interventions in TNF right now. That's as close as I can get for you.

Mark Purcell - *Deutsche Bank - Analyst*

Okay. And can I just ask, just on the legal, sorry the corporate expense, if you back out the Chugai gain, is -- 250 to 300 million Swiss francs, is that a reasonable underlying corporate expense number going forward please?

Dr. Erich Hunziker - *Roche Holding - CFO*

Yes. I think you're on the right track and you also have some special items illustrated in the -- in the financial report to give you a more clear picture. Yes?

Mark Purcell - *Deutsche Bank - Analyst*

Okay. Thanks very much guys.

Dr. Erich Hunziker - *Roche Holding - CFO*

You are welcome. Next question please?

Operator

Next question from Miss Alexandra Hauber, Bear Stearns. Please go ahead madam.

Alexandra Hauber - *Bear Stearns - Analyst*

Good morning. I have three questions. Firstly, I didn't -- I was wondering what are your further plans Xeloda in pancreatic cancer? I didn't see any filing plans for that. Is it that we wait for another trial or is that data not fileable that you have seen in October last year?

Then two questions on diagnostics. You mention the Accu-Chek Aviva was late. I was just wonder is that late relative to Roche's internal plans or just late relative to competition?

And then, also, sorry, asking again about the diagnostics margin. You said, basically, we are not going to come close this year to the former '06 margin and there were no one-offs, so I was wondering what has really changed in the business? You said there is high depreciation charge which at some point will be offset by more reagent sales. Is that some point really far out in the future? You also mentioned price pressure is at here to stay? I think at some point there must have been a change in what you used to expect in a long term plan. I'm trying to find out what that data is.

William Burns - *Roche Holding - CEO*

Okay Alexandra, I'll start off with Xeloda. This was a trial conducted by a collaborative group actually in the United Kingdom, and what we're doing right now is working with that -- it was not originally as part of the development program targeted for submission. In view of the data and the clear output of the study, we are working with the collaborative group right now to see if the data is strong enough for a submission or just strong enough for a publication. So that's where we are and that is why we haven't yet come to a conclusion. Once we know, we can certainly update you on, are we on track for the label, or does this just enrich the knowledge and the database on the increasing use of the product.

Alexandra Hauber - *Bear Stearns - Analyst*

Thank you.

William Burns - *Roche Holding - CEO*

Maybe over to Severin.

Severin Schwan - *Roche Holding - CEO*

Right. Now, regarding your question for the Accu-Chek portfolio Aviva. Now the Aviva launch, as such, is fully on track and actually has been one of the fastest developments ever in the diagnostics division, also in terms of ramp up in the market. Where we were surprised is how quickly the decline of the Accu-Chek Advantage took place. So it is not a delay of the Accu-Chek Aviva. What we see is faster than expected erosion in the Accu-Chek Advantage and it is also reflected in the fourth quarter growth rate. A word of caution here. We also expect this wash out to continue into the first quarter of 2006. So only towards middle of the year, towards the second half of this year we will see the new portfolio driven by the Accu-Chek Aviva fully compensating for the wash out of the Accu-Chek Advantage.

Now, your second question was regarding the diagnostics margin. Now, we will see a certain improvement on the cost of sales and one of the reasons is that you rightly point out that we should see reagents coming in the immunodiagnostic segments from the placements which we did. However, I do not expect that the market will dramatically rebound on the clinical chemistry. On the contrary, if we look back, it has steadily decreased and price pressure has increased, and that obviously is, you know, as far as history can be an indication for what has happening in 2006, and I would not expect a major rebound here. And as I mentioned beforehand as well, as far as the royalty income is concerned, we will see for the foreseeable future, rather less royalty income due to the expiry of the foundational patents in [CCR] in Europe this year.

Alexandra Hauber - *Bear Stearns - Analyst*

Okay. Just a quick follow up on the quick decline of the Advantage, Accu-Chek Advantage, was that because competition was even quicker with launching the Aviva or what caused that sort of surprise?

Severin Schwan - *Roche Holding - CEO*

No, there were no major moves by the competition. We just hoped that the Accu-Chek Advantage would have a longer life cycle. And, in this respect, we have to acknowledge that it is coming to an end quicker than we originally thought. So with this in mind we are more than happy that we have accelerated actually the launch of the Accu-Chek Aviva because now we are well equipped with excellent product which has very competitive features and can make up for it. But you don't have to forget, Accu-Chek Advantage is a product with over 1 billion Swiss francs in sales. You lose a bit on that and you have an enormous impact on the overall growth rate of the diagnostics business and you can't make this up very quickly. But, again, with the Accu-Chek Aviva we have an extremely competitive product, it has extremely competitive features and it sees an extremely good response and ramp up by the customers, so I am confident that we will overcome this wash out effect towards the middle of the year.

Alexandra Hauber - *Bear Stearns - Analyst*

Thank you very much.

Dr. Erich Hunziker - *Roche Holding - CFO*

You're welcome Alexandra. Can we have the next question please?

Operator

The next question from Miss Louisa [Betts], Lehman Brothers. Please go ahead madam.

Louisa Betts - *Lehman Brothers - Analyst*

Thank you. I have a question on Avastin in Europe. Can you tell us when we might see the data from the European lung study, [Avail]? And is there any update on the label within Europe, so expanding to include Eloxatin or are you finding this isn't proving to be a problem with reimbursement?

William Burns - *Roche Holding - CEO*

Thanks Louisa. So, the [Avail] study. I am just trying to -- sorry. Interim results could be expected mid '06, if it's all on track, Louisa. For Oxaliplaten there is work underway, I think one of my colleagues, filing during the course of this year, Louisa, to try and include Oxaliplaten on the label. If you're correct just to remind other colleagues, as far as Avastin is concerned at the moment, we have a coverage of about 40 to 50% of the patient population through 5FU Irinotecan Avastin in combinations. We are not covering the other part yet on Oxaliplaten.

Now for some governments this actually plays out positively and negatively. They see a chance of restricting the use of the product to only a sub-set of the population, and so that that can also play for reimbursement. For other countries they want absolutely to see that on there. So we know we want the data, we want to get it as quickly as we can, but I wouldn't say that that's a show stopper at the moment on the pricing and reimbursement side. Okay?

Louisa Betts - *Lehman Brothers - Analyst*

Thank you.

Dr. Erich Hunziker - *Roche Holding - CFO*

You're welcome. Can we have the next question please?

Operator

The next question is from [inaudible]. Please go ahead madam.

Unidentified Audience Member *Analyst*

Good morning. Two quick questions please. On CellCept, can you split up the sales between transplant and autoimmune diseases? And then the second question for molecular diagnostics; the growth rates seen this year, is that something to stay or do you see again an acceleration there?

William Burns - *Roche Holding - CEO*

Okay I'll take CellCept first, [inaudible]. I'm sorry we don't actually have good tracking data to know what proportion is being used in autoimmune diseases. It is more by doctors' attitudes than by reactions, but we know that there is an increasing interest in the product. But we can't really separate out the predictions in transplantation versus the uptake in autoimmune diseases.

Unidentified Audience Member *Analyst*

But could you say that growth is currently higher in autoimmune diseases is that than in transplant, or is that something you don't have [inaudible]

William Burns - *Roche Holding - CEO*

Well I think the first principle here is, of course you have to be right in that this is the minority use of the product and that it is growing. We do have calculations that we make with our partner, [Aspriva], as we work on the deal, but we are still quite a long way off the registration of the drug in those indications.

Unidentified Audience Member *Analyst*

Okay.

Severin Schwan - *Roche Holding - CEO*

Okay. As to molecular diagnostics we are not giving more concrete guidance beyond the overall guidance that we believe grow beyond the market in 2006.

Unidentified Audience Member *Analyst*

Thank you.

Dr. Erich Hunziker - *Roche Holding - CFO*

You're welcome Birgit. Can we have the next question please?

Operator

The next question is from Mr. [Neil Shah, Shumway Capital]. Please go ahead sir.

Neil Shah - *Shumway Capital - Analyst*

Hi, good morning, I had a question for you regarding your plans in rheumatoid arthritis specifically, MabThera and Actemra, and upon the approval of Actemra in the US [and the EU], how do you plan to manage that portfolio I guess between MabThera and Actemra? Can you talk about -- are they targeted at different patients, or do you expect Actemra to cannibalize the MabThera sales in [inaudible]? Can you talk a little about that?

William Burns - *Roche Holding - CEO*

Okay Neil, just to cover that. So we've got first of all MabThera/Rituxan coming in for TNF patients that are not responding to TNF, so there is a clear positioning there. And as you know probably better than I, this will be handled in the United States by Genentech. It'll be handled internationally by Roche.

Then most likely the next step in the journey will be Actemra coming in and we have some data on monotherapy, and we'll have data on the use of Methotrexate. That may give us some positioning as we see the results of those studies as to how it's handled, but again it will be launched in the United States by Roche so there is not a positioning issue at all. And in Europe if we need a separate sales force to deal with this we would do so.

But again, given the fact that there is such a clinical need in this area I think the doctors themselves will find that there are different horses for different courses and will understand that better both from the benefits and the side effects profile that we get, this will naturally include or exclude certain patients. Maybe just to give examples of that, we're not seeing any particular issues on infections versus the anti-TNFs; we do not have tuberculosis as something on our radar screen. So people that have a weaker chest that this may well indicate that they come to MabThera or they come to Actemra.

We have with Actemra, we're keeping a close eye on lipids which start low in rheumatoid arthritis patients. What we've seen within the phase 3 studies in Japan is that there can be a correction of the lipids to the top end of normal, but there may be some patients who, there is a worry on their underlying lipid status and that may or may not say that these patients should be included or excluded. So you start to see there are some clinical filters that will be used for the right patient for the right drug.

But again I come back to the point we're largely looking at one patient in five that gets an ACR70 response to any given intervention. So there is churn here, there is a need for new approaches, and ultimately the dream scenario would be some form of [aphimetrix] chip or whatever that we could say people with a pattern 1 need one drug and people with pattern 2 need another. But we are -- this is still a dream and a hypothesis, we still need to work on it for the mid term.

Neil Shah - *Shumway Capital - Analyst*

And one more question with regard to CERA, I think you said your filing date in oncology is '09, and I didn't hear you make a comment on the pre-dialysis market. Can you talk about your plans for filing and timing for filing that?

William Burns - *Roche Holding - CEO*

Yes, for general anemia, that's on track if you like for the '06. Pre-dialysis and dialysis would be one filing and then the utility and oncology would be a separate filing.

Neil Shah - *Shumway Capital - Analyst*

And that would be an '09 filing?

William Burns - *Roche Holding - CEO*

'09 for oncology, '06 for renal anemia and the pre-dialysis and dialysis, okay?

Dr. Erich Hunziker - *Roche Holding - CFO*

Okay, ladies and gentlemen this brings our conference call to an end. Thank you very much for all your questions and the continued interest in Roche and we are looking forward to meet in person some of you this afternoon in London or on Friday lunchtime in New York. Thank you very much and goodbye.