



# Finance Report *2016*

Celltrion, Genentech

## Pharmaceuticals Division operating results

### Pharmaceuticals Division operating results

	2016 (CHF m)	2015 (CHF m)	% change (CHF)	% change (CER)
<b>Revenues</b>				
and other operating income	39,103	37,331	+5	+3
Sales	1,944	2,119	-8	-10
and distribution	(6,391)	(10,249)	+1	-1
and development	(10,156)	(6,154)	+4	+2
Administration	(622)	(8,367)	+21	+20
of sales	13,285	13,003	+2	+1
	34.0	34.6	-0.8	-0.7
<b>Costs</b>				
and other operating income	39,103	37,331	+5	+3
Sales	(8,175)	(7,900)	+3	-10
and distribution	(6,362)	(6,066)	+5	+3
and development	(8,588)	(8,134)	+6	+4
Administration	(1,013)	(1,295)	-22	-23
of sales	16,509	16,055	+5	+4
	48.2	43.0	+0.2	+0.4
<b>Profit</b>				
net operating assets	4,582	4,437	+3	0
and other operating assets	26,174	26,179	0	-2
of sales	30,756	30,616	0	-2
<b>Flow</b>				
free cash flow	13,659	14,462	-4	-6
of sales	35.4	38.6	-3.4	-3.5

3 137-140 for the definition of Core results and Core EPS.

### Overview

#### Pharmaceuticals Division - Sales by therapeutic area

	2016 (CHF m)	2015 (CHF m)	% change (CER)	% of sales (2016)	% of sales (2015)
<b>Revenues</b>					
and other operating income	24,841	23,661	+4	64	63
Sales	6,970	6,228	+10	18	17
and distribution	1,773	2,051	-14	5	5
and development	1,406	1,520	-10	4	4
Administration	657	648	+2	2	2
of sales	3,456	3,223	+3	7	9
<b>Total sales</b>	<b>39,103</b>	<b>37,331</b>	<b>+3</b>	<b>100</b>	<b>100</b>

Pharmaceuticals Division sales increased by 3% at CER to CHF 39.1 billion led by growth in oncology and immunology products. Sales are primarily driven by Perjeta, Herceptin, Actemra/RoActemra, MabThera/Rituxan, Esbriet and Xolair. These products together with Lucentis added CHF 1.4 billion at CER to sales growth in 2016. Sales of Pegagys, Tarceva and Lucentis declined by a total of CHF 0.6 billion due to competitive pressure and sales of Valcyte/Cymevene decreased due to generic competition. The recently launched products Tecentriq and Cotellic added CHF 0.4 billion of sales.

The growth of 8% in the HER2 franchise resulted from increased demand for Perjeta and Herceptin in combination therapy and continued uptake of Kadcyla. Sales increases in immunology mainly came from increasing use of Actemra/RoActemra in Europe and the US, and from Xolair and Esbriet sales in the US. MabThera/Rituxan sales continued to grow, especially in the US, China and Germany. Avastin sales were stable with the lower US sales offset by growth in the International region, particularly in China. Sales in the US, notably of MabThera/Rituxan and Herceptin, were negatively impacted by an increase in reserves for mandatory discounts to hospitals under the 340B Drug Discount Program.

### Product sales

#### Pharmaceuticals Division - Sales

	2016 (CHF m)	2015 (CHF m)	% change (CER)	% of sales (2016)	% of sales (2015)
<b>Oncology</b>					
Avastin	6,783	6,684	0	18	18
Herceptin	6,782	6,538	+4	18	18
MabThera/Rituxan <sup>1)</sup>	5,823	5,640	+2	15	15
Perjeta	1,846	1,445	+26	5	4
Tarceva	1,024	1,181	-15	3	3
Kadcyla	831	769	+7	2	2
Xeloda	506	513	-3	1	1
Gazyva/Gazyvato	196	128	+52	1	0
Others	1,050	763	+33	2	2
<b>Total Oncology</b>	<b>24,841</b>	<b>23,661</b>	<b>+4</b>	<b>64</b>	<b>63</b>
<b>Immunology</b>					
Actemra/RoActemra	1,697	1,432	+16	4	4
Xolair	1,498	1,277	+15	4	3
MabThera/Rituxan <sup>1)</sup>	1,477	1,405	+5	4	4
Esbriet	768	563	+34	2	2
CellCept	741	785	-6	2	2
Pulmozyme	685	652	+4	2	2
Others	104	114	-18	0	0
<b>Total Immunology</b>	<b>6,970</b>	<b>6,228</b>	<b>+10</b>	<b>18</b>	<b>17</b>
<b>Infectious diseases</b>					
Tamiflu	794	705	+10	2	2
Valcyte/Cymevene	306	369	-17	1	1
Rocaphin	288	279	+7	1	1
Pegagys	259	538	-52	1	1
Others	116	160	-27	0	0
<b>Total Infectious diseases</b>	<b>1,773</b>	<b>2,051</b>	<b>-14</b>	<b>5</b>	<b>5</b>
<b>Ophthalmology</b>					
Lucentis	1,406	1,520	-10	4	4
<b>Total Ophthalmology</b>	<b>1,406</b>	<b>1,520</b>	<b>-10</b>	<b>4</b>	<b>4</b>
<b>Neuroscience</b>					
Macopin	290	275	+6	1	1
Others	373	373	-1	1	1
<b>Total Neuroscience</b>	<b>667</b>	<b>648</b>	<b>+2</b>	<b>2</b>	<b>2</b>
<b>Other therapeutic areas</b>					
Actiase/TNKase	1,108	935	+16	2	3
Micera	512	475	+2	1	1
NeoRecom/Epogin	328	366	-9	1	1
Others	1,508	1,447	+2	3	4
<b>Total other therapeutic areas</b>	<b>3,456</b>	<b>3,223</b>	<b>+3</b>	<b>7</b>	<b>9</b>
<b>Total sales</b>	<b>39,103</b>	<b>37,331</b>	<b>+3</b>	<b>100</b>	<b>100</b>

1) Total MabThera/Rituxan sales of CHF 7,300 million (2015: CHF 7,045 million) split between oncology and immunology franchises.