

Chugai Pharma UK Limited

Report and Financial Statements

31 December 2011

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COMPANIES HOUSE

Directors
J L S Halls
N Nakamura (Resigned 2 April 2012)
K Nishikawa
Y Saito
K Kono (Appointed 2 April 2012)

Secretary
M Usuda

Auditors
KPMG LLP
15 Canada Square
London E14 5GL

Bankers
Sumitomo Mitsui Banking Corporation Europe Ltd
99 Queen Victoria Street
London EC4V 4EH

Solicitors
Clifford Chance LLP
200 Aldersgate Street
London EC1A 4JJ

Registered Office
Mulliner House
Flanders Road
Turnham Green
London W4 1NN

Directors' report

The directors present their report and financial statements for the year ended 31 December 2011

Results and dividends

The loss for the year, after taxation, amounted to £2,123,465 (2010 – £2,812,826) The directors do not recommend an ordinary dividend (2010 – £nil)

Principal activity and review of the business

The principal activity of the company is to operate in the pharmaceuticals sector

During the year, the company has continued to sustain the sales of its existing portfolio of products and has looked to develop its markets for its new products The company maintains a strong and experienced commercial outlook and is in a good position to take advantage of any opportunities which may arise

Future developments

In October 2009 Chugai jointly launched a new product with Roche UK named RoActemra into the UK market for rheumatoid arthritis This product was developed through the Chugai group research and development pipeline in Japan and represents a major product launch for the company The company received a positive National Institute of Clinical Excellent ('NICE') recommendation for 3rd line biologic use of RoActemra in rheumatoid arthritis in August 2010, this was reviewed in February 2012 to recommend RoActemra as a 1st line combination biologic option In 2011 RoActemra was granted a licence for and recommended by NICE for use in sJIA (systemic Juvenile Idiopathic Arthritis) At The European League against Rheumatism (EULAR) Annual European Congress in June 2012 the ADACTA study head-to-head data showing superiority over our main competitor was published As a result of this in September 2012 the Scottish Medicines Consortium (SMC) granted full guidance to RoActemra for use in monotherapy in Scotland The Company is expecting to continue expanding its licensed indications for use of RoActemra in the coming years The company is continuing with an agreement with Roche UK to co-promote MabThera in the indication of chronic lymphocytic leukemia (CLL) Chugai Pharma UK has sole responsibility for the promotion of this indication and Roche UK pays Chugai UK a fee for its activities The company has also entered into an agreement with Roche UK to co-promote MabThera in the indication of rheumatoid arthritis and Roche UK will pay Chugai UK an additional fee for its activities Chugai UK will continue to promote its G-CSF Granocyte product where competition from biosimilar products has resulted in reduced revenue despite volumes remaining stable

Principal risks and uncertainties

The principal risks and uncertainties facing the company are

Competitive risks

Biosimilar G-CSF products were introduced into the UK market in 2009 and these have an impact on financial performance of our G-CSF product Granocyte both now and in the future

Legislative risks

In the UK, new product launches and some existing products need to obtain approval for use within the National Health Service ('NHS') by the National Institute of Health and Clinical Excellence (NICE) New products have to demonstrate to NICE that they are cost effective and represent a value for money for the NHS The recommendation for a product by NICE strongly impacts the financial performance and position of both product and company

Pricing risks

Product prices are governed by the Department of Health guidelines established through the Price Protection Regulation Scheme ('PPRS') The pricing of the products agreed under the PPRS Scheme may influence the financial performance based on the product price agreed

Directors' report

Going concern

The company's business activities, together with the factors likely to affect its future development and its financial position are described here in the Directors report

The company has access to considerable group financial resources and long term distribution agreements for existing products across the UK and Ireland The company has an established product base and is looking to add new products to its portfolio To support the future development of new products and their entry into the related market, the Directors have increased the Company's share capital by £4,000,000 and have also agreed an intra-group loan facility of £3,000,000 to support the company's anticipated expenditure on related new product launch costs and co-promotional activity

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts

Research and development

The company is actively seeking in-license opportunities and possible co-promotion agreements with other pharmaceutical companies

Directors

The directors who served the company during the year and appointed subsequently were as follows

J L S Halls
N Nakamura (Resigned 2 April 2012)
K Nishikawa
Y Saito
K Kono (Appointed 2 April 2012)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they are obliged to take as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditors

Ernst & Young LLP have resigned as auditors for the company and KMPG LLP were subsequently appointed as auditor for the company to fill the casual vacancy In accordance with s 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of KPMG LLP as auditor of the Company

On behalf of the Board



J L S Halls
Director
27 September 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities

Independent auditors' report

to the members of Chugai Pharma UK Limited

We have audited the financial statements of Chugai Pharma U K Limited for the year ended 31 December 2011 set out on pages 7 to 19 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's web-site at www frc org uk/apb/scope/private cfm

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2011 and of its loss for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Independent auditors' report (continued)

to the members of Chugai Pharma UK Limited

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

M H Thompson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

27 September 2012

Profit and loss account

for the year ended 31 December 2011

	Notes	2011 £	2010 £
Turnover	2	9,329,426	10,387,570
Cost of sales		(3,582,955)	(5,014,598)
Gross profit		5,746,471	5,372,972
Administrative expenses		(7,893,439)	(8,122,795)
Other operating income		11,970	8,833
Operating loss	3	(2,134,998)	(2,740,990)
Interest receivable	6	13,237	13,391
Interest payable	7	(1,704)	-
Loss on ordinary activities before taxation		(2,123,465)	(2,727,599)
Tax on loss on ordinary activities	8	-	(85,227)
Loss for the financial year attributable to members of parent company		(2,123,465)	(2,812,826)

Statement of total recognised gains and losses

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of £2,123,465 (2010 £2,812,826) in the year ended 31 December 2011

Balance sheet

at 31 December 2011

	Notes	2011 £	2010 £
Fixed assets			
Intangibles	9	46,307	215,692
Tangible assets	10	65,973	51,945
		112,280	267,637
Current assets			
Stocks	11	1,083,781	736,927
Debtors	12	3,269,192	3,436,675
Cash at bank		2,929,122	1,226,087
		7,282,095	5,399,689
Creditors: amounts falling due within one year	13	(2,170,163)	(2,319,649)
Net current assets		5,111,932	3,080,040
Total assets less current liabilities		5,224,212	3,347,677
Capital and reserves			
Called up share capital	15	9,000,000	5,000,000
Profit and loss account	16	(3,775,788)	(1,652,323)
Shareholders' funds	16	5,224,212	3,347,677

The accompanying notes on pages 10 to 19 form part of the financial statements
The financial statements were approved by the Board of Directors on 27 September and signed on its behalf by



J L S Halls
Director
27 September 2012

Statement of cash flows

for the year ended 31 December 2011

	Notes	2011 £	2010 £
Net cash outflow from operating activities	17(a)	(2,610,144)	(4,596,182)
Returns on investments and servicing of finance	17(b)	11,532	13,391
Taxation	17(c)	342,777	345
Capital expenditure	17(d)	(41,131)	(17,023)
Equity funding	17(e)	4,000,000	–
Management of liquid resources	17(f)	(1,671,417)	4,003,205
Increase/(decrease) in cash		31,617	(596,264)

Reconciliation of net cash flow to movement in net funds

	Notes	2011 £	2010 £
Increase/(decrease) in cash		31,617	(596,264)
Cash inflow/(outflow) from movement in liquid resources	17(f)	1,671,418	(4,003,205)
Change in net funds		1,703,035	(4,599,469)
Net funds at 1 January	17(g)	1,226,087	5,825,556
Net funds at 31 December	17(g)	2,929,122	1,226,087

Notes to the financial statements

at 31 December 2011

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards

Going concern

The company's business activities, together with the factors likely to affect its future development and its financial position are described here in the Directors report

The company has access to considerable group financial resources and long term distribution agreements for existing products across the UK and Ireland The company has an established product base and is looking to add new products to its portfolio To support the future development of new products and their entry into the related market, the Directors have increased the Company's share capital by £4,000,000 and have also agreed an intra-group loan facility of £3,000,000 to support the company's anticipated expenditure on related new product launch costs and co-promotional activity

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future Accordingly they continue to adopt the going concern basis in preparing the annual report and accounts

Marketing rights

The marketing rights represent the compensation paid for the surrender of an exclusive licence and sub-licence agreement The payment has been capitalised and is being amortised in equal annual instalments over its estimated useful life of 10 years

The carrying value of intangible assets is reviewed for impairment at the end of the first full year following acquisition and in other periods if events or changes in circumstances indicate the carrying value may not be recoverable

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows

Fixtures and fittings	–	4 years
Computer equipment	–	4 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable

Research and development expenditure

Research and development expenditure is written off as incurred

Research expenditure is charged to the profit and loss account as it becomes payable in accordance with the financial arrangements entered into with the project Expenditure for which the company has a liability at the year end is included within creditors

Stocks

Stocks are stated at the lower of cost and net realisable value and are valued on a first in, first out basis Costs include all costs incurred in bringing each product to its present location and condition

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal

Notes to the financial statements

at 31 December 2011

1. Accounting policies (continued)

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty The following criteria must also be met before revenue is recognised

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods from the distributor

Interest income

Revenue is recognised as interest accrues issuing the effective interest method

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date

All differences are taken to the profit and loss account

Operating leases

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term

Pensions

The company operates a defined contribution pension scheme Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme

Notes to the financial statements

at 31 December 2011

2. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity, as stated in the directors' report

An analysis of turnover by geographical market is given below

	2011	*2010*
	£	£
United Kingdom	9,088,145	10,064,653
Republic of Ireland	241,281	322,917
	9,329,426	10,387,570

3. Operating loss

This is stated after charging

		2011	*2010*
		£	£
Auditors' remuneration	– audit of the financial statements	20,760	29,750
	– taxation services	6,818	8,640
	– half year review	2,460	3,075
		30,038	41,465
Depreciation of owned fixed assets		27,053	22,953
Amortisation of marketing rights		24,888	24,888
Impairment of marketing rights		144,497	-
Loss on disposal of fixed assets		50	1,021
Operating lease rentals	– plant and machinery	101,462	104,731

4. Directors' remuneration

	2011	*2010*
	£	£
Aggregate remuneration in respect of qualifying services	190,607	181,299
Company contributions paid to defined contribution pension schemes	29,351	28,496
	No	*No*
Members of defined contribution pension schemes	1	1

Notes to the financial statements

at 31 December 2011

5. Staff costs

	2011	*2010*
	£	£
Wages and salaries	2,306,273	1,922,149
Social security costs	291,443	220,156
Other pension costs	163,911	147,178
	2,761,627	2,289,483

The average monthly number of employees during the year was made up as follows

	2011	*2010*
	No	*No*
Administration	3	3
Sales and marketing	31	27
Clinical	2	2
Total	36	32

6. Interest receivable

	2011	*2010*
	£	£
Other interest receivable	5,332	-
Bank interest receivable	7,905	13,391
Total	13,237	13,391

7. Interest payable

	2011	*2010*
	£	£
Intercompany interest payable	1,683	–
Other interest payable	21	–
Total	1,704	–

8. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows	*2011*	*2010*
	£	£
Current tax		
UK corporation tax on the loss for the year	–	(13,370)
Tax under provided from previous years	–	96,693
Total current tax (note 8(b))	–	83,323

Notes to the financial statements

at 31 December 2011

8. Tax (continued)

Deferred tax

Origination of timing differences	–	1,904
Tax on loss on ordinary activities	–	85,227

(b) Factors affecting current tax (credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 26 5% (2010 28%) The differences are explained below

	2011 £	*2010* £
Loss on ordinary activities before taxation	(2,123,465)	(2,727,599)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 26 5% (2010 – 28%)	(562,718)	(763,228)
Effects of		
Expenses not deductible for tax purposes	22,056	21,134
Adjustments in respect of previous periods	–	96,693
Decelerated/(accelerated) capital allowances	1,504	2,081
Unrelieved tax losses carried forward	539,158	727,143
Current tax for the year (note 8(a))	–	83,323

(c) Deferred tax

A deferred tax asset on the carried forward losses of £539,158 and decelerated capital allowance on £1,504 has not been recognised as at 31 December 2011 as there is currently insufficient certainty regarding their recoverability in the foreseeable future

(d) Factors that may affect future tax charges

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and a further reduction to 24% (effective from 1 April 2012) was substantively enacted on 26 March 2012 This will reduce the company's future current tax charge accordingly It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax assets accordingly

Notes to the financial statements

at 31 December 2011

9. Intangible fixed assets

	Marketing rights £
Cost or valuation	
At 1 January 2011 and 31 December 2011	248,876
Amortisation	
At 1 January 2011	33,184
Provided during the year	24,888
Impairment	144,497
At 31 December 2011	202,569
Net book value	
At 31 December 2011	46,307
At 1 January 2011	215,692

Included within costs are the following

£248,876 representing compensation paid for the exclusive marketing rights in Ireland

Impairment testing

During the year management conducted an impairment review of marketing rights The review indicated that the marketing rights' carrying amount exceeded its recoverable amount by £144,497 and consequently has been written down by this amount The impairment loss has been recognised within the profit and loss account The recoverable amount of the marketing rights is based on its value in use over the period in which cash flow is generated through the use of the marketing rights

10. Tangible fixed assets

	Fixtures and fittings £	*Computer equipment* £	*Total* £
Cost			
At 1 January 2011	18,911	115,334	134,245
Additions	785	40,346	41,131
Disposals	(554)	(854)	(1,408)
At 31 December 2011	19,142	154,826	173,968
Depreciation			
At 1 January 2011	15,001	67,299	82,300
Provided during the year	1,587	25,466	27,053
Disposals	(554)	(804)	(1,358)
At 31 December 2011	16,034	91,961	107,995

Notes to the financial statements

at 31 December 2011

10. Tangible fixed assets (continued)

Net book value			
At 31 December 2011	3,108	62,865	65,973
At 1 January 2011	3,910	48,035	51,945

11. Stocks

	2011	*2010*
	£	£
Finished goods	1,083,781	736,927

12. Debtors

	2011	*2010*
	£	£
Trade debtors	1,776,195	2,232,874
Amounts owed by group undertakings	1,281,942	390,059
Prepayments and accrued income	211,055	470,965
Corporation tax debtor	–	342,777
	3,269,192	3,436,675

13. Creditors: amounts falling due within one year

	2011	*2010*
	£	£
Trade creditors	163,287	488,196
Amounts owed to group undertakings	902,469	908,994
Other taxes and social security costs	313,502	433,653
Accruals and deferred income	790,905	488,806
	2,170,163	2,319,649

14. Commitments under operating leases

At 31 December 2011 the company had annual commitments under non-cancellable operating leases as set out below

	Plant and machinery	
	2011	*2010*
	£	£
Operating leases which expire		
Within one year	41,806	42,715
In two to five years	40,768	44,039
	82,574	86,754

Notes to the financial statements

at 31 December 2011

15. Issued share capital

Allotted, called up and fully paid	*No*	*2010* £	*No*	*2009* £
Ordinary shares of £1 each	9,000,000	9,000,000	5,000,000	5,000,000

In December 2011 the company allotted 4,000,000 ordinary shares to Chugai Pharma Marketing limited and received £4,000,000 as full payment

16. Reconciliation of shareholders' funds and movements on reserves

	Share capital £	*Profit and loss account* £	*Total share-holders' funds* £
At 1 January 2010	5,000,000	1,160,503	6,160,503
Loss for the year	–	(2,812,826)	(2,812,826)
At 31 December 2010	5,000,000	(1,652,323)	3,347,677
Share Capital Issued	4,000,000	–	4,000,000
Loss for the year	–	(2,123,465)	(2,123,465)
At 31 December 2011	9,000,000	(3,775,788)	5,224,212

17. Notes to the statement of cash flows

(a) Reconciliation of operating loss to net cash outflow from operating activities

	2011 £	*2010* £
Operating loss	(2,134,998)	(2,740,990)
Depreciation	27,053	22,953
Amortisation of marketing rights	24,888	24,888
Impairment of marketing rights	144,497	–
Loss on disposal of fixed assets	50	1,021
(Increase)/decrease in stock	(346,854)	387,791
Increase in debtors	(175,294)	(761,516)
Decrease in creditors	(149,486)	(1,530,329)
Net cash outflow from operating activities	(2,610,144)	(4,596,182)

Notes to the financial statements

at 31 December 2011

17. Notes to the statement of cash flows (continued)

(b) Returns on investments and servicing of finance

	2011	*2010*
	£	£
Interest receivable	13,237	13,391
Interest payable	(1,704)	–
	11,532	13,391

(c) Taxation

	2011	*2010*
	£	£
Corporation tax repayment	342,777	345

(d) Capital expenditure

	2011	*2010*
	£	£
Payments to acquire tangible fixed assets	(41,131)	(17,023)
	(41,131)	(17,023)

(e) Share capital

	2011	*2010*
	£	£
Share capital issued	4,000,000	–

(f) Management of liquid resources

	2011	*2010*
	£	£
Payments into short-term deposits	(45,440,867)	(93,793,405)
Withdrawals from short-term deposits	43,769,449	97,796,610
	(1,671,418)	4,003,205

Notes to the financial statements

at 31 December 2011

17. Notes to the statement of cash flows (continued)

(g) Analysis of changes in net funds

	At 1 January 2011 £	*Cash flows* £	*At 31 December 2011* £
Cash at bank and in hand	69,778	31,617	101,395
Liquid resources	1,156,309	1,671,418	2,827,727
	1,226,087	1,703,035	2,929,122

Cash and liquid resources are included in cash at bank and in hand on the balance sheet

18. Pension commitments

The company operates a defined contribution pension scheme for its employees The assets of the scheme are held separately from those of the company in an independently administered fund There were no unpaid contributions at the year end

19. Related party transactions

The company has taken advantage of the exemptions available in Financial Reporting Standard No 8 and has not disclosed transactions with entities which are part of the Chugai Pharmaceutical Co Ltd and Chugai Pharma Marketing Limited group in these financial statements

During the year, the company entered into transactions, in the ordinary course of business with another group company in the Roche Holdings AG group, namely with Roche Products Ltd Transactions entered into, and trading balances as at 31 December are as follows

	2011 £	*2010* £
Sales to Roche Products Ltd	452,964	423,653
Purchases from Roche Products Ltd	–	–
Amounts Owed from Roche Products Ltd	138,226	118,258
Amounts Owed to Roche Products Ltd	–	–

20. Ultimate parent company and controlling party

In the opinion of the directors, the ultimate parent undertaking is Roche Holdings AG, which is incorporated in Switzerland The parent undertaking of the smallest group which includes the company and for which group financial statements are prepared is Chugai Pharma Marketing Ltd , a company incorporated in the United Kingdom

The parent undertaking of the largest group which includes the company and for which group financial statements are prepared is Roche Holdings AG Financial statements of the ultimate parent undertaking can be obtained from Grenzacherstrasse 124, CH-4070 Basel, Switzerland