

Price Waterhouse



Report of Independent Accountants

March 27, 1992

Mr. Martin F. Stadler
Senior Vice President
Finance, Human Resources
and Administration
Hoffmann-La Roche Inc.
340 Kingsland Street
Nutley, New Jersey 07110-1199

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Dear Mr. Stadler:

We have audited, in accordance with generally accepted auditing standards, the consolidated balance sheet of Hoffmann-La Roche Inc. and its subsidiaries (the Company) as of December 31, 1991 and the related consolidated statements of income, retained earnings and cash flows for the year then ended, and have issued our report thereon dated February 14, 1992.

At your request, we have carried out certain procedures, as described below, to assist the Company in complying with a request from the United States Nuclear Regulatory Commission (the Commission) for information regarding the Company's use of the financial test, as set forth in paragraph A.2 of Section II of Appendix A to 10 CFR Part 30, as referenced by 10 CFR Parts 50 and 70, to demonstrate the Company's financial assurance as specified in 10 CFR Parts 50 and 70, as outlined in Mr. Martin Stadler's March 27, 1992 letter and the attachment thereto to the Commission. With respect to the schedule attached to this letter reconciling amounts reported in Appendix 1 to Mr. Stadler's March 27, 1992 letter with amounts reported in the 1991 audited consolidated financial statements of the Company as of and for the year ended December 31, 1991, we have performed the following procedures:

- We agreed the amounts reported on the attached schedule in the column "Per Consolidated Financial Statements" to the corresponding amounts reported in the Company's audited consolidated financial statements as of and for the year ended December 31, 1991 and found such amounts to be in agreement.
- We agreed the amounts reported on the attached schedule in the column "Per CFO's Letter" to Appendix 1 included with Mr. Stadler's March 27, 1992 letter and found such amounts to be in agreement.
- We determined that there are no reconciling items on the attached schedule.

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- We recomputed the subtotals and totals contained in Appendix 1 to Mr. Stadler's March 27, 1992 letter and the attached schedule and found such subtotals and totals to be arithmetically correct.

Because the above procedures do not constitute an audit made in accordance with generally accepted auditing standards, we do not express an opinion on any of the amounts included in the attached schedule or Appendix 1 to Mr. Stadler's March 27, 1992 letter. This report relates only to the items referred to above and does not extend to any financial statements of the Company taken as a whole. It is understood that this report is solely for your information and the information of the Commission and is not to be referred to or distributed for any purposes to any other person or entity.

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Schedule Reconciling Amounts Contained in Mr. Martin Stadler's March 27, 1992 Letter (including Appendix 1) With Amounts in the Company's Audited 1991 Consolidated Financial Statements (\$ thousands)

<u>Line Number in CFO's Letter</u>		<u>Per Consolidated Financial Statements</u>	<u>Reconciling Items</u>	<u>Per CFO's Letter</u>
	Total current liabilities	\$ 380,584		N/A
	Long-term debt	1,012,792		N/A
	Deferred income taxes	79,475		N/A
	Other liabilities	<u>51,472</u>		N/A
	Total liabilities	1,524,593		N/A
	Accrued decommissioning costs included in long-term liabilities	<u>19,628</u>		N/A
2	Total liabilities (excluding accrued decommissioning costs)	<u>\$1,504,965</u>		<u>\$1,504,965</u>
	Total stockholder's equity	532,028		N/A
	Less goodwill, net	37,234		N/A
	Less other intangibles, net	<u>2,565</u>		N/A
	Tangible net worth	492,229		N/A
	Accrued decommissioning costs included in long-term liabilities	<u>19,628</u>		N/A
3	Tangible net worth (plus accrued decommissioning costs)	<u>\$ 297,771</u>		<u>\$ 297,771</u>
4	Net worth (plus accrued decommissioning costs)	<u>\$ 551,656</u>		<u>\$ 551,656</u>
5	Current assets	<u>\$ 747,482</u>		<u>\$ 747,482</u>
6	Current liabilities	<u>\$ 380,584</u>		<u>\$ 380,584</u>
7	Net working capital (line 5 minus line 6)	<u>\$ 366,898</u>		<u>\$ 366,898</u>
	Net income	227,754		N/A
	Depreciation and amortization	<u>100,162</u>		N/A
8	Net income plus depreciation and amortization	<u>\$ 327,916</u>		<u>\$ 327,916</u>