

14 Boehringer-Ingelheim

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HEADCOUNT	38,428
YEAR ESTABLISHED	1817
PHARMA REVENUES	\$10,440 +16%
TOTAL REVENUES	\$13,283 +12%
NET INCOME	\$2,172 +15%
R&D BUDGET	\$1,977 +17%

DRUGS APPROVED/LAUNCHED

Drug	Indication
sifrol/mirapex	restless legs syndrome

DRUGS PENDING APPROVAL

Drug	Indication
dabigatran	anti-thrombotic EU

DRUGS IN PHASE IIB AND BEYOND

Drug	Indication
micardis	cardiovascular disease
dabigatran etexilate	thrombo-embolic diseases

EARLY RESEARCH PROJECTS

Drug	Indication
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According to a company statement, "Our product pipeline has further improved and is being progressively filled with substances from our research. We focus on respiratory and cardiovascular diseases, virology, central nervous system, immunology, metabolic diseases and oncology. In this last therapeutic area, three anti-cancer drug candidates are now in clinical phase II development.

ALESSANDRO BANCHI, CHIEF EXECUTIVE OFFICER of Boehringer-Ingelheim, had this to say about Pfizer's business model, "The model of growing through M&A is a failure and one day, behemoths such as Pfizer and Glaxo could unravel and be split into smaller companies." Maintaining that being independent has its virtues, he added, "We don't buy sales, we buy R&D." Perhaps he's right — although it does call into question BI's acquisition of U.S. Zantac rights from J&J and Pfizer for \$509.5 million — BI continued its steady growth for the seventh consecutive year. While generic competition for Mobic flattened its growth curve in 2006, sales across all business areas grew 11%.

Prescription medicines made the greatest contribution to the company's growth, driven by Spiriva sales, up 45% to \$1.8 billion, and BI's other two blockbusters, Micardis and Flomax, up 34% to \$1.3 billion and up 28% to \$1.2 billion, respectively. The capsule formulation of Flomax lost patent protection in several countries in March 2006 but remains under patent in the U.S. until October 2009. In an attempt to thwart losses, BI and partner Astellas developed a new tablet formulation of the drug using OCAS technology.

The biopharmaceuticals segment, consisting of contract manufacture and development, didn't fare as well, down 8% to \$664 million. According to the company, this was expected due to special projects that enhanced 2005 sales. In April 2007, BI

Our projects are complemented by strategic alliances and the in-licensing of new compounds and technologies."

DRUGS COMING OFF PATENT

Drug	Indication
flomax/alna	benign prostatic hyperplasia (U.S. - 2009), (several countries - 2006)

TOP SELLING DRUGS

Drug	Indication	\$	(+/- %)
spiriva	COPD	\$1,735	46%
micardis	hypertension	\$1,215	35%
flomax	prostate	\$1,158	29%
combivent	respiratory	\$843	21%
mobic	rheumatic disease	\$727	-31%
sifrol/mirapex	Parkinson's disease, restless legs	\$673	25%
viramune	HIV/AIDS	\$347	-3%
atrovent	respiratory	\$330	7%

Account for 67% of total pharma sales, up from 66% in 2005.

stepped up its contract manufacturing in Mexico, offering manufacturing and packaging services for pharmaceuticals from its existing plant, which had until recently only produced in-house drugs.

BI's pipeline progress in 2006 was highlighted by the approval of Mirapex for restless legs syndrome (RLS), both in the EU and the U.S., and the submission of its lead anti-thrombotic drug, dabigatran, in the EU early in 2007. Also, BI has been focusing on biopharmaceuticals and small-molecule drugs for new cancer therapies. Three candidates have moved into Phase II trials: BIBF 1120, an angiokinase inhibitor that works on three tumor growth factors; BIBW 2992, which irreversibly blocks the activity of two growth factor receptors (EGFR and HER 2), and BI 2536 an inhibitor of the cell cycle of a cancer cell.

BI has also launched four major clinical trials for flibanserin, a female arousal drug, involving 5,000 women in 220 locations, with the goal of applying for FDA approval in 2009. BI discovered the drug while trying to develop a new antidepressant and found that instead of hindering libido — a common side effect of antidepressants — it increased in women. There is much controversy as to whether the female version of Viagra is feasible, but if you're wondering if the company is taking the drug seriously, clearly the answer is yes. ■—KB