
Press Release

Boehringer Ingelheim maintains its growth path in 2008, again growing faster than the pharmaceutical market – major investments once again in Research and Development - good outlook for further growth in 2009

Ingelheim, Germany, 21 April 2009 – Boehringer Ingelheim maintained its growth path in 2008 too, thereby meeting the goals it had set itself.

As the company announced at its Annual Press Conference in Ingelheim, the corporation's net sales rose to €1.6 billion (2007 €10.9 billion). This corresponds to a currency-adjusted increase of +9.5% and +5.9% on a euro-basis. Boehringer Ingelheim thus showed stronger growth than the world pharmaceutical market for the ninth year in a row.

Prof. Dr Andreas Barner, Chairman of the Board of Managing Directors and responsible for the Corporate Board Division Pharma Research, Development and Medicine, expressed his satisfaction with the 2008 business year: "We have achieved our goals through growth in all our business areas, primarily, of course, through the success of our innovative prescription medicines. Our most important product, SPIRIVA®, for the first time posted turnover of more than €2 billion - more importantly, over 10 million patients with chronic obstructive pulmonary disease were successfully treated". Prescription Medicines contributed considerably to the gratifying overall result, accounting for 79% of net sales.

Operating income, comparable to EBIT, was, despite the worsened exchange rate situation and the desired higher investment in research and development, again at the planned level, and, at almost €2 billion, produced financially sound profitability comparable to the previous year. Operating income as a percentage of sales was 17.1% in 2008. At €1.4 billion, income after taxes stood at a similarly high level to that of the previous year, excluding one-off effects in 2007.

It was gratifying, according to Andreas Barner, that Boehringer Ingelheim in 2008 once again created 1,500 jobs. The number of employees thereby rose worldwide by +4% to an average of 41,300.

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In 2008, Boehringer Ingelheim once again increased its investments in the future. Our expenditure for Research and Development rose by €200 million, or +11%, against the previous year. In total, we spent €1.1 billion, substantially in the area of Prescription Medicines. This corresponds to an R&D quota of 22% of net sales in Prescription Medicines. “High R&D costs with disproportionately large increases are a good sign at Boehringer Ingelheim: our pipeline is well-filled, in particular with substances in late-stage clinical development,” said Andreas Barner.

Financial position – business success and solid funding

Borne by a good result, shareholders’ capital rose to a total of €4.7 billion, thereby markedly increasing the equity ratio on shareholders’ equity to 40%.

The corporation’s liquidity, at almost €3 billion, is a good provision for protecting the company against an acute negative development, for instance, the loss of a major contributor to turnover. Secondly, the long-term goal of organic growth, as well as minor acquisitions that support this aim, can also in future be financed from our own resources. The development and structure of the liquidity show that this is solidly calculated and has thereby withstood the turbulence of the past year crisis-proof.

The high operating cash flow of €1.9 billion enables Boehringer Ingelheim to finance investments in fixed assets wholly from its own funds. With a total of €665 million, Boehringer Ingelheim invested primarily in production capacity for new products and buildings and plant at our Research and Development sites.

Hubertus von Baumbach, the member of the Board of Managing Directors responsible for the Corporate Board Division Finance and Animal Health: “Boehringer Ingelheim has now been an independent company for now 124 years. The declared goal is to preserve this independence in the future too. Solid funding, sustainable entrepreneurial success and valid business potential form the basis for a long, successful continuation.”

Innovative products drive growth

In its largest and most important business segment, Prescription Medicines, Boehringer Ingelheim in 2008 achieved some 79% of its total net sales. Net sales amounted to €9.1 billion, corresponding to currency-adjusted growth of +9.3% and +5.2% on a euro-basis against the previous year.

Engelbert Tjeenk Willink, responsible for the Corporate Board Division Pharma Marketing and Sales on the Board of Managing Directors: “We

thereby linked in to the pleasing growth of previous years. Our growth in 2008 again gratifyingly exceeded the world pharmaceutical market in all three regions. Our innovative products have good potential for the future.”

All core products once again achieved considerable growth in net sales and improved their market position.

Foremost, SPIRIVA®, the most prescribed COPD medicine worldwide, increased its net sales by currency-adjusted +21% to €2.1 billion and achieved net sales in excess of €2 billion for the first time. It was thereby once again Boehringer Ingelheim’s best-selling product.

MICARDIS®, the hypertension medicine, achieved net sales of €1.2 billion and currency-adjusted growth of +17%.

FLOMAX®/ALNA®, for the treatment of the symptoms of benign prostate hyperplasia, generated net sales amounting to €1.1 billion and achieved currency-adjusted growth of +12%.

MIRAPEX®/SIFROL® became the most prescribed dopamine agonist worldwide due to its outstanding efficacy and good tolerability in the symptomatic treatment of Parkinson’s disease and the treatment of restless legs syndrome (RLS). MIRAPEX®/SIFROL® achieved net sales of €752 million and currency-adjusted growth of +21% against the previous year.

AGGRENOX®, the medicine for secondary prevention of stroke, again developed very gratifyingly too, with net sales of €533 million and currency-adjusted growth of +19%.

The business segment Consumer Health Care (CHC) grew again last year and achieved total net sales of €1.2 billion. This corresponds to currency-adjusted growth of +5.4% and +4.3% on a euro-basis. According to Mr Tjeenk Willink, the Consumer Health Care business has a strategic significance for Boehringer Ingelheim, as the healthcare systems globally, with a view to cost control, will increasingly turn to over-the-counter medicines.

Biopharmaceuticals – technological frontrunner in development and production

The Industrial Customer business also achieved gratifying currency-adjusted growth of +12.3% and +10.8% on a euro-basis, with net sales of €819 million, thereby contributing 7% to the corporation's total net sales. Biopharmaceuticals accounted for the largest share, with a +22.8% increase on a euro-basis in net sales to €69 million. Boehringer Ingelheim is a leading company in the development and production of Biopharmaceuticals.

Prof. Dr Wolfram Carius, responsible for the Corporate Board Division Human Resources and Operations on the Board of Managing Directors, highlighted: "Boehringer Ingelheim is the technological frontrunner in Biopharmaceuticals and has more than 20 years of experience in the development and production of biopharmaceutical products. To further secure our market leadership in Biopharmaceuticals, we invested an additional €1 million in 2008."

Animal Health – swine vaccines drive growth

The important business Animal Health clearly exceeded its strong growth once more in 2008. With currency-adjusted increase in net sales of +19.5% and +14.4% on a euro-basis to €467 million, Boehringer Ingelheim is the fastest growing company of the 10 largest companies in the field of veterinary medicine. It thus further strengthened its market position. The growth driver was the swine vaccine INGELVAC CIRCOFLEX®, with a further increase in net sales by more than 140% to some €90 million. Hubertus von Baumbach: "Boehringer Ingelheim is running a successfully expanding and competitive business in the field of Animal Health. Through high investment in productive research we also see here further potential for success in the future".

Employees – guarantors of capability and most important asset

Wolfram Carius stressed the particular value that the company attributes to its employees: "Guarantors of our capability and the company's most important asset are our 41,300 employees. They are the core of our unique corporate culture as a family-owned company."

In order to preserve this corporate culture, the company must also in the future retain its innovative capability and constantly develop it further. Special attention is here given to developing employees with potential for strategic positions. Talented people are identified and fostered in all areas of the company. Wolfram Carius: "Our goal is to ensure that Boehringer Ingelheim remains an employer of the world's best talent in future too."

Research and Development – guarantor of the future

For the future, Andreas Barner emphasised the company's own Research and Development as the basis of sustained success and guarantor of Boehringer Ingelheim's independence. As a particular success from its own Research and Development, he highlighted the oral anticoagulant dabigatran etexilate (PRADAXA®), which acts through a direct thrombin inhibition. It obtained its first registration in 2008 for the prevention of thrombo-embolic events after elective hip or knee replacement operations. Further studies with the active ingredient are running successfully and offer additional registration options that attribute the product with blockbuster potential.

Thus, in 2008, good progress was not only made with active ingredients in late-phase development in the therapeutic area anticoagulation, but also in the treatment of hypoactive sexual desire disorder of women, in oncology and in diabetes mellitus.

Overall, the results so far from the before mentioned active ingredients in development allow Boehringer Ingelheim to look ahead with confidence, combined with the expectation of soon bringing new products to market from its own Research and Development.

"Thereby we want also fill the manageable gaps that will be created by the anticipated patent expiries of products in 2010 and secure the company's long-term growth," Andreas Barner said.

Outlook 2009 –Further growth in all businesses

Following the distinct deterioration in the cyclical environment since the second half of 2008, and the development of a worldwide economic crisis, a safe forecast for business development in 2009 and beyond is difficult. So in the medium term significant changes and increased volatility in the general business environment cannot be ruled out.

For Boehringer Ingelheim's Board of Managing Directors, this means planning carefully, continuously scrutinising the possible impact these changes will have on Boehringer Ingelheim, and actively counteracting them.

Thus, it can be regarded as particularly important for Boehringer Ingelheim that the successful product portfolio still has growth potential and the financial position of the corporation is stable.

Andreas Barner: "The solidity of this family-owned company was, and today is, of special value to all of us, that's to say, all of Boehringer

Ingelheim's employees. At the same time, it's also a commitment to securing long-term this independence as a family-owned company.”

We are confident that we can again in 2009 continue growth in all businesses and that our Prescription Medicines business will once more achieve stronger growth than the pharmaceutical market and that we will make a convincing contribution to the research and development of new therapies of importance to patients.

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