

**Boehringer Ingelheim
Annual Press Conference 2010**

**Tuesday 20 April 2010
Boehringer Ingelheim Center, Ingelheim**

**Speeches by
Andreas Barner
Hubertus von Baumbach
Wolfram Carius**

**Statement of
Engelbert Tjeenk Willink**

(Board of Managing Directors)

(The spoken word prevails)

Slide 1: 2010 Annual Press Conference

Slide 2: Andreas Barner – Business development 2009

Ladies and gentlemen,

A warm welcome to the 2010 annual press conference of Boehringer Ingelheim. Many thanks for your interest in our company. We are concerned to answer your questions and meet your information requirements.

This annual press conference takes place in the year in which Boehringer Ingelheim celebrates its 125th jubilee. And it is thereby also the year when Boehringer Ingelheim begins its sixth quarter-century, its 126th year, and, despite a rather difficult 2010, the company looks to the future with confidence. There will be more later on the grounds for confidence and optimism.

Slide 3: Value through Innovation

Ladies and gentlemen,

“Value through Innovation” – for us this is no mere motto, but a programme for Boehringer Ingelheim. It drives us forward and is the basis of our success as an independent family-owned company.

This self-imposed obligation to innovation is realised at Boehringer Ingelheim in four core areas:

First, and the most important, we create new medicines that truly help people. We research and develop them, manufacture them and market them.

Secondly, we work continually on optimising own processes in our own development, or here also find totally new solutions.

Thirdly, we support our employees and develop their competencies. What last year took us forward once again was the commitment of our employees – they are our most important success factor. We endeavour to make it easier for them to maintain a balance between their contribution to Boehringer Ingelheim and their private life.

Fourthly, we permanently scrutinise whether we use natural and economic resources efficiently and responsibly.

These are the four pillars on which our future rests. They bear our ability to invest for tomorrow and Boehringer Ingelheim's contribution to progress in medicine and to the benefit of patients.

Boehringer Ingelheim is and will remain a family-owned company that strongly believes in continuity and makes early and consistent preparations for challenges ahead. Last year, this concerned preparing for the years 2010 and 2011.

Slide 4: Pharmaceutical business environment

Ladies and gentlemen

2010 and the following years will, when we look at Germany, be affected by new regulatory measures in the healthcare market.

The reforms of the German Health Minister Philipp Rösler, which are thoroughly worthy of support in their long-term perspective, nevertheless contain a short-term package of measures that is especially burdensome specifically for the research companies, such

as Boehringer Ingelheim, that undertake a large proportion of their R&D and production in Germany,

In our view, it is indisputable that a fundamental problem in pricing innovative medicines is the question whether a new medicine brings a real and medically or economically comprehensible advantage (or improvement) for the patient or also for the society. And this is meant as broadly as I have stated it. The economic benefit that new medicines deliver is gladly left totally unconsidered in purely internal healthcare system ways of looking at things. This question of benefit, both economic and for the patient, must be affirmed unambiguously and we thus advocate the early availability of a value dossier and, earlier, if necessary and purposeful, iterative cost-benefit analyses in dialogue with the relevant institutions. Together with contract negotiations and competition, this is in our judgement a better approach than mandatory price reductions and dirigistic interventions.

The pharmaceutical industry must not be seen solely as a cost factor in the German healthcare system. Innovative medications improve therapy options and thereby the course of disease, raising life expectancy and quality.

The pharmaceutical industry, and not least Boehringer Ingelheim, invest in the location Germany and make a significant contribution towards the political long-term goal of increasing the R&D quota to 3% of the gross domestic product.

It would be important to avoid hitting especially hard precisely those companies that invest heavily in Germany and have very many employees in Germany.

Slide 5: Our businesses – Growth path maintained

Ladies and gentlemen

We think long-term. Our strategy has been and will in future remain to secure Boehringer Ingelheim's development through sustained development of returns in the economic sense as well as in the R&D area.

That was also true for 2009 and, looking back, we are pleased to report that 2009 was another successful year for Boehringer Ingelheim. We maintained our growth path in our two businesses, Human Pharmaceuticals and Animal Health.

Slide 6: Global market performance: Growth of the world's 15 biggest pharmaceutical companies

This success is also shown by the market data currently available:

- Thus, in the company's 125th year, we grew faster than the pharmaceutical market for the tenth consecutive time.
- Boehringer Ingelheim was actually the fastest-growing of the 15 biggest pharmaceutical companies worldwide.
- And we were also the fastest-growing of the ten biggest companies in the animal health sector.

**Slide 7: Excellent development of net sales –
Organic growth**

In figures: in 2009, we again posted growth of 6.7% with adjustments for currency effects and 9.7% measured in euros, with sales of EUR 12.7 billion.

Favourable exchange rate effects had a EUR +330 million impact on sales, that's to say +3%, and our real growth with adjustments for currency effects totalled EUR +796 million (+6.7%). One positive aspect is that Boehringer Ingelheim achieved the increase in sales with adjustments for exchange rates largely through its own efforts, that's to say, with products from its own R&D, particularly with our innovative prescription medicines. The acquisition of large parts of the Fort Dodge animal health business in the fourth quarter of 2009 had only an insignificant impact on the development of the group's sales.

This confirms our strategy of organic growth. In future, our company will also continue to focus on its own research and development of innovative medicines and treatments. Where we see specific opportunities to make sensible additions to our product portfolio, whether quite early in the research phase, or, as in the Animal Health case, of products already on the market, individual business areas will also in the future be supplemented by targeted acquisitions.

Slide 8: Ongoing heavy investment in Research and Development

We again invested substantially in our future in 2009. As you can see, expenditure rose by more than EUR 100 million to EUR 2.2 billion.

We thus directly reinvested 21% of sales from the prescription-only business in research and development.

For us, it is particularly important – I mentioned our fundamental principles earlier – that clinically relevant progress was made, and that this was achieved in completely different areas.

Ladies and gentlemen,

the strength of a family-owned company is that it does not have to pursue short-term profit maximisation. We are continuing to invest and we have for the years 2010 and 2011 also committed ourselves to sustained expenditure of distinctly more than 20% of our total sales on our own research and development. We are doing this in the knowledge that our operating income will come under pressure in 2010. Our aim is and will remain long-term success.

Slide 9: Our Research and Development - Substances in advanced clinical development

And our persistence is bearing fruit – foremost in our very well-filled research pipeline. In clinical trials, five therapeutically promising, innovative medicines have delivered highly robust data. With these medicines Boehringer Ingelheim not only offers significant therapeutic progress for patients, but also opens up new therapeutic areas. That will make us still stronger. But considerable efforts will be required in the various functions in order to optimally shape the scientific characterisation, registration and international launches of these new medicines.

Slide 10: Positive operating income and return on net sales

Despite planned higher investment in research and development, operating income increased to EUR 2.2 billion. The return on net sales also improved somewhat on the previous year to 17.6% (17.1% in 2008).

The earnings contributions of our individual operations were largely as planned. We can be very pleased with the results for 2009 – particularly given the difficult economic environment. The success of our products on the market and our promising pipeline allow us to look ahead with confidence.

Mr von Baumbach will now explain our financial figures to you in greater detail.

Slide 11: Hubertus von Baumbach – Financial Figures 2009

Slide 12: 2009 - a successful year for Boehringer Ingelheim

Ladies and Gentlemen

2009 was for Boehringer Ingelheim a successful year. I will summarise this in four points:

1. We grew by 9.7% compared with the previous year.
2. Our operating income rose by 13.1% to EUR 2.2 billion
3. The return on net sales also rose to 17.6%.
4. The equity ratio is almost 40%. We have EUR 5.4 billion of liquidity available.

In short, Boehringer Ingelheim has successfully entered its 125th year with robust financing.

Slide 13: Solid growth in major business areas

And now for some details:

As in previous years, growth was borne by the Prescription Medicines business. Net sales rose by +10.4% year-on-year to a total of EUR 10.1 billion. Even after exchange rate adjustment, this value, at +7.1%, is still significantly above the market. We have thereby again achieved our long-term goal.

Our Consumer Health Care (CHC) self-medication business increased by +5.9% to EUR 1.3 billion.

The Animal Health business also developed very pleasingly. It grew by +29.4% after exchange rate adjustment to EUR 610 million. This relates almost exclusively to organic growth of our own products.

Slide 14: Entrepreneurial success: profitable growth – increased research expenditure

Ladies and gentlemen

It is important for me to go into particular positions in the profit and loss statement.

Boehringer Ingelheim achieved profitable growth in 2009. We have been able to increase the operating income by 12.6% to EUR 2.2 billion.

As a research-driven company with the prime goal of creating value through innovation, we again in 2009 provided the necessary funds to achieve this goal. At group level, research and development expenditure was increased by EUR 106 million to a total of EUR 2.2 billion. EUR 70 million of the total investment in R&D was apportioned to Animal Health.

Last year's operating income was impacted by one-off effects exceeding EUR 300 million, including:

- Provisions we made for restructuring the group.
- The special situation in Venezuela also led to the making of a provision for currency and transfer risks.
- The contribution to the Pension Security Association was last year increased substantially due to the economic crisis in Germany.
- Furthermore, provisions for legal disputes, particularly in the USA, were increased.

With EUR -99 million, the financial result in 2009 was EUR 59 million down on the previous year. Here it must be taken into account that the interest rate burden of the pension provisions impacts at this point.

As you know, the interest rate level fell because of the financial crisis. Earnings from our financial investments thereby declined.

Nevertheless, this market position has not led us to change the conservative risk profile of our investments in order to generate potentially higher profits.

We regard both the risk provisioning undertaken and our defensive company investment strategy as commercial duty of care.

Ladies and Gentlemen

As in previous years, I would like to draw attention to the special accounting features for partnerships with respect to tax expenditure:

The personal taxes on group activities levied on the shareholders are not reported in the group profit and loss statement. They are presented as withdrawals from accumulated group equity.

As a result, the actual tax ratio is markedly higher than the figure shown in the profit and loss statement, which, in the case of partnerships, only shows the trade taxes.

Slide 15: Solid financing - Equity ratio above 40% as the basis for independence

We have set ourselves the goal of maintaining our company's equity ratio above 40% in the long term. We also nearly achieved this last year. And why did we fall short of the 40% mark? It is due to a deliberate decision. In the challenging 2009 refinancing environment, we successfully placed a *Schuldscheindarlehen* (German private placement) to the amount of EUR 900 million. We decided in favour of such a refinancing measure for the first time without it being related to any concrete investment project.

In times of great financial market instability and historically low interest rates, this step primarily led to an improvement of our liquidity position. This additional liquidity will secure our objective of long-term organic growth.

Boehringer Ingelheim is highly attractive to investors. This is underlined by:

- the issue was significantly oversubscribed
- the very high proportion of foreign investors - more than 40%
- the long maturity of the funds available to us – 5, 7 and 10 years - combined with advantageous terms.

And this despite the fact that Boehringer Ingelheim has no rating and is 100% owned by a shareholder family. The long maturity of the funds provided to us was particularly important with regard to the product life cycle of our business model.

But let me at this point stress that with respect to the question of non-group refinancing we have restricted ourselves to borrowing capital. There will also be no changes to the group's shareholder structure in future.

Slide 16: Cash flow statement 2009 – operative cash flow increased by EUR 490 million

Boehringer Ingelheim's robust financing is based mainly on its successful and sustainable business model.

This is evident in the EUR + 490 million increase of operating cash flow compared to the previous year. Despite considerable investments, the net cash flow, at EUR 2.5 billion, was even higher than the operating cash flow. As a result, there was a significant increase in the group's liquidity. More information will follow shortly.

In this year again, we fully covered our investments and acquisitions amounting to EUR 920 million with current cash flow from business activities.

At this point, I would like to say a few words about the tender for the outstanding shares in SSP announced by our subsidiary in Japan on 10 February. Boehringer Ingelheim has since 2001 been the majority shareholder in the long-established Japanese CHC company, which we have also fully consolidated in our annual financial statements since then.

The deadline for the tender expired on 13 April. The acquisition tender has been accepted by 92.9% of the shareholders. Following this successful first milestone, we will now initiate the next steps towards completing the acquisition. This is a firm commitment by us to the Japanese market.

Slide 17: Strong financial basis - Entrepreneurial flexibility expanded

Ladies and gentlemen,

Liquidity secures the independence of our group of companies.

And independence is the central corporate goal.

With regard to group liquidity, we differentiate between the following blocks:

In order to provide security against any risk to the goal of independence in the event of unexpected business developments, we regard EUR 2.5 billion of our liquidity as a "liquidity reserve". This should primarily enable flexible and short-term investment, also in research and development, and hence in the future of the company.

Part of the liquidity must also be set aside for operating activities. In accordance with legal requirements, another part must be used to secure employee's claims, or is not freely available as it is tied to subsidiaries. For these purposes, we envisage a total amount of approximately EUR 1 billion.

The residual figure, between EUR 1.5 billion and EUR 2 billion, is available to support Boehringer Ingelheim's organic growth.

Slide 18: Opportunities and risks for the future

Finally, and looking ahead, some more remarks on opportunities and risks:

Boehringer Ingelheim is very well-equipped for the coming years, thanks not least to the good product pipeline. We will offset the sales losses that we expect this year in the USA, due to the expiry of patent protection, by growing the existing portfolio and launching new ones.

The healthcare system changes, in Germany and the USA, for example, will also have an important effect.

During the coming years, the economic development, particularly in the emerging markets, will have a considerable influence on our business. Volatilities on the procurement markets will affect our cost structures.

The first-time reconciliation under BilMoG will have a negative impact on our income in the 2010 annual financial statements. The reason lies mainly in the valuation of the pension provisions and the associated discontinuation of the so-called corridor approach.

Ladies
and gentlemen

I hope that after my comments you will agree with these initial statements that Boehringer Ingelheim has started 2010 - a year of great importance to us, as a successful and solidly financed company.

Thank you for your attention.

Statement Engelbert Tjeenk Willink

Slide 19: Engelbert Tjeenk Willink – Prescription Medicines in 2009

Ladies and gentlemen

We will now look at the individual operations in the Human Pharmaceuticals division of Boehringer Ingelheim.

Slide 20: Prescription Medicines – Strong growth in business

Prescription Medicines remains unchanged as the company's biggest and most important business area, accounting for just under 80% of our total sales.

Last year, we achieved sales in Prescription Medicines of more than EUR 10 billion. This means growth of 10.4% compared with the previous year.

This increase is based on the strengths of our strategic core products, in particular SPIRIVA®, ALNA®/FLOMAX®, MICARDIS® and SIFROL®/MIRAPEX®. These medicines alone achieved sales of EUR 6 billion. This corresponds to plus 17.5% within a year. These medicines thereby account for half of the company's total net sales.

Slide 21: Prescription Medicines – Further growth by top products

We will now look a little closer at our top Prescription Medicines products.

They all again achieved significant sales growth and improved their market position.

Slide 22: Prescription Medicines - SPIRIVA®

SPIRIVA® is the world's most frequently prescribed drug for the treatment of chronic obstructive pulmonary disease, COPD.

With SPIRIVA® we recorded sales of EUR 2.4 billion last year. Adjustments for currency effects, SPIRIVA® grew by almost 15%. On a euro basis, growth was actually over 16%. In the USA, its largest single sales market, SPIRIVA® generated sales of more than EUR 1 billion for the first time. This means that it is once again *the* strongest product of Boehringer Ingelheim and an exceptionally important one for COPD patients.

International guidelines recommend long-acting anticholinergic substances, like SPIRIVA®, as the first-choice maintenance therapy

for COPD patients. In patients with moderate severity of the disease SPIRIVA® leads to a significant and lasting improvement in lung function for up to four years. This the impressive result of the landmark UPLIFT® trial, that appeared in August 2009 in the respected journal *Lancet*. With support from these results of the UPLIFT® trial, and SPIRIVA®'s convincing efficacy and tolerability profile, we again significantly expanded our market position compared with the previous year.

SPIRIVA® is in the meantime available to patients in more than 80 countries, and many millions of people have already been successfully treated with SPIRIVA®.

Slide 23: Prescription Medicines - ALNA®/FLOMAX®

ALNA®/FLOMAX® was our second strongest product in 2009. It is used for treating symptoms of benign prostatic hyperplasia. Sales of this product grew by more than 30% and around 26% after with currency adjustments, which largely results from increased demand in the USA. Since spring 2010, however, we face generic competition in the US market.

Slide 24: Prescription Medicines - MICARDIS® and TWYNSTA®

MICARDIS®, our drug for high blood pressure in the angiotensin receptor blocker class, achieved EUR 1.4 billion sales - growth of almost 9% after currency adjustments (or 14.3% in euro terms).

Following the completed ONTARGET® trial, the registration for MICARDIS® was widened. MICARDIS® is now also available for

use for the reduction of the risk of heart attack, stroke or death due to cardiovascular diseases in high-risk patients. The product has definite growth potential.

TWYNSTA®, the combination of the **MICARDIS®** active agent telmisartan with amlodipine, constitutes a useful and important new treatment option for patients and doctors, as the action mechanisms of both substances ideally complement each other. **TWYNSTA®** was approved in 2009 in the USA as a monotherapy for reducing blood pressure or as a combination treatment with other blood pressure-reducing active agents.

Slide 25: Prescription Medicines - SIFROL®/MIRAPEX®

SIFROL®/MIRAPEX®, our drug for the treatment of Parkinson's disease, generated sales of EUR 800 million with growth of almost 7% compared with the previous year. This growth is all the more remarkable as it has had generic competition in the USA since the second half of 2009.

This medication is in the meantime the most-prescribed dopamine agonist worldwide as due to its outstanding effectiveness and good tolerability in the treatment of Parkinson's disease and in the treatment of restless legs syndrome (RLS).

In Europe and the USA, a new formulation has been approved for **SIFROL®/MIRAPEX®** as an extended-release tablet. This releases the active ingredient evenly over 24 hours and thereby prevents fluctuations in plasma concentration, as can occur with thrice-daily administration of tablets. This is a milestone in the use of this highly

successful medication with which therapy and adherence to therapy are distinctly improved.

Slide 26: Prescription Medicines – New oral coagulation inhibitor PRADAXA®

As mentioned earlier, Boehringer Ingelheim will this year be confronted by the challenge of generic competition for several drugs. At the same time, however, we will also launch new products from our own research and development that will ensure the long-term growth of the company.

In the foreground here stands PRADAXA®, our new oral coagulation inhibitor. In 2008, PRADAXA® was introduced to the market in a first indication, namely for the prevention of deep-vein thrombosis in patients undergoing hip or knee joint surgery.

PRADAXA® is approved in more than 50 countries for this indication.

PRADAXA® is taken as a tablet once daily. Its antithrombotic effect prevents the formation of blood clots by means of direct and selective inhibition of thrombin, the key enzyme in thrombus formation.

The groundbreaking results from the landmark study RE-LY® have furthermore shown that PRADAXA® brings clear advantages, compared with warfarin, in the prevention of strokes in patients with atrial fibrillation. RE-LY® forms the scientific basis for the application for international approval in this important indication.

For patients and physicians PRADAXA® is a decisive therapeutic innovation. Experts assume that this medication can prevent up to 1 million stroke cases annually.

Slide 27: Prescription Medicines – Development of the regions

Our prescription medicines achieved growth in all three world regions – as in the years before.

The Americas and Asia regions showed the strongest growth. The Americas region remains the largest and most important market for Boehringer Ingelheim. Here, sales of more than EUR 5 billion generated and growth, after currency adjustments, 12% (16.5% in euro terms). This equates to 52% of our total Prescription Medicines business.

In Europe, sales totalled EUR 2.7 billion with growth of more than 4%, after currency adjustments (or 2.3% in euro terms). The European market thereby has almost a one third share of the Prescription Medicines business.

The performance of the AAA region (Asia, Australasia and Africa) was also pleasing, with sales of just under EUR 1.6 billion, an increase of almost 6%, after currency adjustments (15.2% in euro terms). The region thereby accounts for 18% of Prescription Medicines business.

In particular, emerging markets, such as Brazil, Russia, India and China offer us growth options that we will utilise. We will further extend our involvement in these highly interesting markets.

Slide 28: Engelbert Tjeenk Willink – Consumer Health Care in 2009

Now I will highlight our Consumer Health care business.

Slide 29: Consumer Health Care– Pleasing growth in business

The market for over-the-counter medicines was hit by the financial crisis in 2009. However, our Consumer Health Care business bucked the trend last year, posting further growth and generating total sales of EUR 1.3 billion. This represents growth of (nearly 3%, after currency adjustments) or almost 6% in euro terms.

Slide 30: Consumer Health Care – Growth of top brands

The most important brands, with sales of over EUR 100 million each, were again the laxative DULCOLAX®, the cough medicine MUCOSOLVAN®, the vitamin and mineral preparation PHARMATON® and BUSCOPAN®, the treatment for stomach and abdominal cramps. The established spasmolytic clearly exceeded the EUR 100 million sales level in 2009.

Slide 31: Consumer Health Care – Development of the regions

Against the market trend, our Consumer Health Care business performed well in all regions well. In Germany, we achieved growth of 3.4%, which pleasing, bearing in mind the economic environment. In contrast, sales were down in Eastern Europe and Spain.

Consumer Health Care sales of almost EUR 500 million generated in Europe represent an overall stagnation in business performance in this region. A recovery of the global economy will give fresh impetus to these markets.

The Asia, Australasia and Africa region (AAA) grew by 6.6%, after currency adjustments (or by almost 20% in euro terms) to nearly EUR 350 million.

We generated around 70% of sales on the Japanese market. Further impetus came from the expansion of our business in China, Turkey and countries in the Middle East. We will step up this commitment in future.

In the Americas region too, sales remained stable at the previous year's level, at almost EUR 350 million. However, the development on the Mexican market (a minus of almost 15%) hit sales particularly hard here.

Accordingly, the Europe region still accounts for the largest share of the business, with 38%, ever more closely followed by AAA, with 34%, and Americas, with 28%.

From an entrepreneurial viewpoint, the Consumer Health Care business will be of ever-growing strategic importance to Boehringer Ingelheim, as cost controls in the healthcare systems lead increasingly to switches from prescription-only medicines to over-the-counter business. A current example from Great Britain is the switch of our preparation FLOMAX® to the CHC business.

Slide 32: Hubertus von Baumbach – Animal Health 2009

Slide 33: 2009 – was a very successful year for Boehringer Ingelheim

Ladies and Gentlemen

Boehringer Ingelheim generated sales of EUR 610 million in its Animal Health business with growth of 30.6% that is significantly higher than the market. We have thereby increased our market share to 4.5%.

It is important for me to emphasise that last year's growth was not determined by our successful acquisition. Rather, the drivers of this growth were primarily our swine vaccines, including the core product INGELVAC CIRCOFLEX®. This underlines the strength of our portfolio on the market.

Our understanding of our customers' needs and high levels of investment in research are the basis of the sustainability of this innovation-driven business. Last year, we invested 11.5% of our sales in R&D. We also plan to maintain this quota as sales increase.

Slide 34: Animal Health – growth of the products

Our five top products last year generated 56% of total sales.

With EUR 157 million, INGELVAC CIRCOFLEX® is by far our largest and the largest single vaccine worldwide. INGELVAC CIRCOFLEX®, INGELVAC PRRS®, INGELVAC MHYO® and ENTERISOL® ILEITIS are the mainstays of our entire strong portfolio with a market share of 39% for swine vaccines.

Both METACAM® and VETMEDIN® are pharmaceuticals which we have taken over from Human Pharmaceuticals development and which we market primarily in the small animal segment.

The product-specific growth figures presented here show that the growth of our business was borne by the whole portfolio.

Slide 35: Animal Health - Business strengthened by acquisition

The acquisition of significant parts of the Fort Dodge business was a major success for us. In the current year, we expect these products to make a sales contribution of approximately EUR 190 million, thereby attaining a share in the order of 25% of total Animal Health sales.

Due to our particular strength in vaccine production, we were an ideal contractual partner for the sellers Pfizer/Wyeth.

The successful acquisition means a geographical reinforcement for our business, most of all in the US, Canadian and Australian markets.

Overall, we particularly strengthened our cattle and small animal business areas relative to the swine area. This was especially important for us due to the different economic cycles.

Separate analysis of the market segments according to the two technologies relevant to us, pharmaceuticals and vaccines, shows that we have gained strength in our strategically important vaccine area. This is where we expect the greatest growth momentum in the next few years. This acquisition has led to a better balance in both the product portfolio and the business portfolio.

Even though, Animal Health, with 5% of total sales, appears to be of a rather secondary magnitude, for Boehringer Ingelheim the business with veterinary products is attractive in every respect. It is a profitable business with long-term growth based on innovation.

**Slide 36: Animal Health - core markets USA, Europe, Japan –
Increasing importance of the emerging markets**

In 2009, our most important markets were the USA with 34.5%, Germany with 13.2% and Japan 5.5%.

In 2010, North America's share of sales is set to increase with the products which we have acquired from Fort Dodge. However, we believe that the strongly developing markets in China, Eastern Europe and Latin America are gaining importance. This will thus also shift the regional balance.

Ladies and Gentlemen,

2009 was in every respect an exceptionally successful year for Boehringer Ingelheim's Animal Health business. We also expect to see distinct growth exceeding the market in 2010 and an accompanying further strengthening of our market position.

Thank you for your attention.

Following on, Wolfram Carius will report to you on the Corporate Board Division Human Resources and Operations.

**Slide 37: Wolfram Carius –
Biopharmaceuticals, Operations and Human Resources**

Ladies and gentlemen,

Our employees are the company's greatest asset. This sentence would be a platitude, if it were not to have outstanding importance in the future. I would therefore also like to use this occasion that is really dominated by figures, to explain to you the culture and means we are working with to make our employees and Boehringer Ingelheim secure in future.

But I will not totally ignore the figures. Allow me therefore first of all to begin by telling you something about the Production area and, in particular, Biopharmaceuticals and Production.

Slide 38: Biopharmaceuticals

Technology leader in development and manufacturing

Boehringer Ingelheim has more than 20 years experience in developing and manufacturing biopharmaceuticals. We are thereby one of leading companies in this field.

At our development and production sites in Germany and Austria, we are currently working on about 50 projects and produce 15 products for the world market. Of these, ACTILYSE®, METALYSE®, IMUKIN® and BEROMUN® come from our own research and are also marketed by us. We develop or manufacture all additional products under contract for other companies.

We are very happy about this important pillar, as the innovative potential of biotechnological products is undoubtedly a significant driver of medicinal progress and will most certainly remain so for the foreseeable future.

Slide 39: Biopharmaceuticals – Expansion of services

Despite very positive growth at the Vienna site, revenue growth stagnated at EUR 553 million in 2009 as a result of a market-related decline in sales volumes and, most of all, due to delays in clinical development at our customers.

For new few years we expect distinct growth. We will therefore further expand our services in development and production for our customers in the pharmaceutical and biotechnology industries worldwide, especially our offering for smaller biotechnology companies and in the emerging markets, such as China.

Our goal is to expand our globally strong position in the services field for the development, registration, market launch and manufacturing of new biological products.

Slide 40: Investments – Chemical active ingredient synthesis and pharmaceutical production

In the area of chemically synthesised products our main attention was devoted to the market supply of our new oral thrombin inhibitor PRADAXA® and to expanding the required plants.

At our chemicals site in Fornovo, Italy, we have markedly increased our capacity with an investment volume of EUR 60 million.

Since mid-2009, the active ingredient of PRADAXA®, dabigatran etexilate, has been produced there in the newly created synthesis plant, before being processed further to the finished medicine in Ingelheim.

Production in the EUR 64 million plant, built in Ingelheim in 2009, is something very special.

There, rounded tartaric acid crystals are given a very thin isolation coating. PRADAXA® pellets, produced by spraying on the active ingredient, are then dosed into capsules.

As a result of positive trial results for PRADAXA® in further indication areas, we have parallel to completing this plant already begun to triple capsule production capacity. The first capsules should be produced in the two new modules as early as in the first half of

2011. The investment of a further EUR 119 million is also a large sum for our circumstances.

With total investments of EUR 630 million covering all corporate functions, we have made the majority of our investments, around h EUR 400 million, at the German sites in Ingelheim, Biberach and Dortmund. 450 highly qualified jobs were thereby created in Germany, the USA, Italy and China; 203 of them in Germany alone.

Slide 41: Global productions network

With our 21-site production network we realise our innovations, precisely in new technologies and high-worth steps to add value in development and production in Germany, the USA and Japan.

With our plants in Indonesia, Greece, Brazil and Mexico we also are well-equipped to meet the challenges of the emerging markets in Asia, Eastern Europe and Latin America.

In future, the location China will play an increasingly significant role in both active ingredient and finished medicines.

We have further continued the realignment of our network that was started in 2006.

Our former production plants in France, Italy and South Korea, which we sold on strategic grounds, today employ more people than before, play a leading role for their new owners and have been given the perspective of a long-term future.

Slide 42: Employee and environmental safety

Besides these and many other social matters, we regard it as our obligation to constantly address ecological concerns. This makes great demands on our daily activities.

Example occupational safety:

We have succeeded in reducing the accident rate worldwide to the lowest level ever for Boehringer Ingelheim - 3.1 accidents per million hours worked.

For us this is still exactly 3.1 accidents per million hours worked too many. This is why we have launched the Zero by Choice occupational accident initiative.

Some of our plants, for example in France, Indonesia and Brazil, have already started and had no accidents at all in 2009.

Let us now take environmental protection:

Sustainable use of energy is a global issue. We have switched the energy supply in Ingelheim to waste wood. The new administrative buildings at the site are heated with geothermal energy.

Air heat pumps effectively reduce energy requirements at our plants.

We have Germany's largest cold water storage facility, thereby reducing CO₂ emissions at Biberach by 2,100 tonnes each year.

Here too we are innovative!

Slide 43: Talent Management – The right employees at the right place

Ladies and gentlemen

Our claim is “Value through Innovation”. More than 41,500 Boehringer Ingelheim employees are working towards this worldwide with qualifications, motivation and commitment. In future, we will only be able to stand by this claim if we further develop, foster and challenge the capabilities of our staff. We want to recognise talent early and awake the enthusiasm of the talented, attract them to us and keep them with us for the long term.

Our own talent management is at the heart of this task. Management will be supported worldwide in recognising required qualifications and requirements at an early stage, in securing future employability and in attracting the best employees for strategically important posts.

In doing so, we attach equal importance to the management tasks and the expert career path and not only in areas closely related to research. With great commitment and the highest priority we are constructing a talent pipeline in all areas of the company.

Put simply, we are looking for best employees for one of the best and most innovative pharmaceutical companies.

Slide 44: Average number of employees

Boehringer Ingelheim employed an average of over 41,500 employees during the 2009 financial year. This means that the number of employees has risen slightly year-on-year (2008: 41,300),

mainly in the emerging markets, such as China or Russia, where the number of employees rose by almost 1,000.

In Germany, we created 3,255 new jobs between 2000 and 2009, with the number of employees rising by 45% to 10,886. Of these employees, 5,557 are in production, 2,526 in R&D, 1,489 in administration and, contrary to claims made in the public health debate, only 1,097 in marketing.

Slide 45: Support and training for new talent

Supporting new talent remains traditionally one of our particular concerns

It is gratifying that we were again able increase the number of apprentices to 694 compared with the previous year. The trainee quota thereby amounted to 6.3 % and gratifyingly stood above the chemical industry's branch average of 5.2%.

We enable people with disabilities to integrate into professional life, thanks to the versatility of our training. In all professional fields the comprehensive qualification of our future employees is important for us. This means that, besides acquiring professional capabilities and know-how, the promotion of social skills and development of the personality are important components in training.

Slide 46: Support for employees in various life situations

We support our employees in various life situations to better balance their work and their private life. We offer practical support, such as with nursery places at the Ingelheim and Biberach locations, child

minders in exceptional cases, support for children during holidays as well as help in caring for family members or contact during parental leave that makes the subsequent return to work considerably easier.

We also enable our employees to work flexibly with part-time arrangements, teleworking and flexitime, which need to be more widely accepted by senior management.

We intend to have more women involved in selection procedures for staff appointments in order to promote equal opportunities.

The successful re-certification of the nationwide "berufundfamilie" (*work and family*) audit initiated by the Hertie Foundation supports us in continuing to promote family-friendly working conditions in future, specifically in Germany, in order to be equipped for the expected shortage of qualified employees.

Slide 47: Attractive employer

The attractiveness of Boehringer Ingelheim as an employer was confirmed by excellent results in various independent surveys, as in previous years. For the 8th consecutive year, Boehringer Ingelheim came first place in Germany in the Verband der angestellten Akademiker (Association of Employed Academics and Executives in the Chemical Industry) survey and has repeatedly received awards as one of the best employers in the USA, Japan, Brazil, the UK, Mexico and the Netherlands. The fact that we came second in the annual survey of researchers regarding the best employer, conducted by the magazine *Science*, provided special recognition of our excellent working environment in research.

Slide 48: Corporate culture as bridge to the future

We attribute a special value to our corporate culture, especially in times of great external and internal challenges. Which path we take to achieve our goals is just as important to us as the necessity of achieving our goals. Leadership and results are for us success factors of equal worth. Special attention has to be paid to values and culture, particularly with regard to the company's realignment for the future. We do not shy away from distinct changes, but, as in the past, will overcome these, together with our employees. We are therefore convinced that together with all our employees we can tackle the future of Boehringer Ingelheim in good spirits and in 2009 laid a sound foundation for this.

With that, I would like to hand you over to Andreas Barner who will tell you about our outlook to the year 2010.

Thank you.

Slide 49: Andreas Barner – Research and Development 2009 – Outlook for 2010

Ladies and gentlemen

Just now we spoke about the strategic and long-term significance of our innovation efforts. I would like to follow by going into detail.

Slide 50: Our Research and Development - Substances in advanced clinical development

In 2009, our active ingredients, particularly in the treatment area of anticoagulation, for treatment of reduced sexual desire accompanied by substantial distress in women, in type-2 diabetes and in oncology, again delivered highly robust data with encouraging prospects for treatment in clinical trials. They are all in late-stage development.

Allow me first of all to tell you about our oral direct thrombin inhibitor PRADAXA® (dabigatran etexilate). The RE-LY® trial delivered excellent results in the indication of stroke prevention in patients with atrial fibrillation.

There were significantly fewer strokes and systemic embolisms in the patients with atrial fibrillation treated twice a day with PRADAXA® 150 mg, with no increase in the risk of serious bleeding. The reference group - well-controlled – was treated with warfarin.

Life-threatening bleeding, and in particular intra-cerebral bleeding, was observed markedly less frequently with both dosage forms of PRADAXA® than was the case for warfarin.

In the patients with atrial fibrillation treated with PRADAXA® 110 mg twice daily similar decreases in the occurrence of strokes and systemic embolisms were observed, as was the case with well-controlled warfarin, as well as an impressive 20% decrease in serious bleeding compared with warfarin.

The data confirm that PRADAXA® can overcome the limitations of current treatment with vitamin K antagonists such as warfarin or

phenprocoumon, and therefore may possibly revolutionise treatment for patients with atrial fibrillation.

Submitting this additional indication for international registration is the next goal for PRADAXA®. Other indications will follow.

Now I come to GIROSA®, the drug for the treatment of reduced sexual desire accompanied by substantial distress in women. The substance flibanserin has completed phase III of clinical development with good results. Thus extensive trials in North America and Europe, have proven consistent, statistically significant efficacy compared with placebo, accompanied by good tolerability.

We also made progress in the treatment area of oncology in 2009. The substance BIBF 1120 (planned trade name VARGATEF®) is a new type of triple angiokinase inhibitor. The substance BIBW 2992 is one of a new generation of tyrosine kinase inhibitors. Both substances have made good progress in phase III clinical development, including in lung cancer, breast cancer, ovarian cancer and colon cancer.

In the field of metabolic diseases our research teams are concentrating on developing oral diabetes drugs. The substance linagliptin (planned trade name ONDERO®), with the new action mechanism of dipeptidyl-peptidase-4 inhibition, has ended its phase III clinical trials. We will publish the results at scientific conferences in 2010. Today, it can be said that the results are such that we also have a basis in this new medicine for pursuing international registration.

And, ladies and gentlemen, I consider it important to stress once again that these new medicines in for us new indications will provide significant therapeutic improvements for patients, and will also be

important to the future of Boehringer Ingelheim. Given the current healthcare policy debate in Germany, this is of immense importance – especially for Boehringer Ingelheim too.

Slide 51: Outlook 2010: Total net sales expected at same level as the previous year

The world pharmaceutical market – albeit with heightened volatility – proved stable, even in times of crisis. According to the market research institutions, it achieved growth of around 6.5%.

As has already been said, Boehringer Ingelheim will in 2010 only be able to show limited growth, because of generic competition for important products on the US pharmaceutical market, such as FLOMAX®, SIFROL®/MIRAPEX® and CATAPRESAN® TTS. That means we expect total net sales for 2010 to remain at around the same level as the previous year.

At the same time, we will incur increased costs for the scientific characterisation and launch of important medicines from our product pipeline.

And – to say it once again - the company's deliberate decision to invest distinctly more than 20% of our total net sales – that is to say relatively more than in 2009, in our own research and development will burden our operating income. Yet, even more important, it will make this long-term thinking and acting company secure for the future.

In the past few years, we have laid a stable foundation for our future. For 2010 we expect a return to new product launches, after

only a one-year interlude, and thereby the start of a further growth phase.

The success story of Boehringer Ingelheim and its employees will continue in its sixth quarter of the century: with new medicines that offer patients convincing therapeutic advantage in the treatment of diseases.

Thank you.