Annual Press Conference 2015

2014 Financial Year
2014 Financial Year

Andreas Barner
Chairman of the Board of Managing Directors
Corporate Board Divisions Human Resources and Research, Development and Medicine
Success in clinical development
Numerous product launches

JARDIANCE®
Type 2 diabetes mellitus

OFEV®
Idiopathic pulmonary fibrosis (IPF)

STRIVERDI® RESPIMAT®
Chronic obstructive pulmonary disease (COPD)

VARGATEF®
advanced lung cancer following chemotherapy
Many challenges overcome

- FDA Warning Letter lifted for Ingelheim site
- Settlement concluded in litigation over PRADAXA® in USA
- Sale of Ben Venue Laboratories in USA
Stable operating income in more difficult conditions

- Net sales decline, as expected
- Operating income stable
- Return on net sales of 16.1%
- High investments in R&D

→ Well on the way with efficiency-raising initiative
Businesses and Financial Figures 2014

Hubertus von Baumbach
Corporate Board Division Finance
Development of net sales in 2014

Net Sales

- Change -3.2% (currency-adjusted)
- In euro terms -5.3%

Net sales by region

- Americas region continues to be the most important sales market

Net sales by country

Top 3: ~55% of total net sales

In EUR billion
R&D share still at high level
Operating income sound and stable

In EUR billion

**Development R&D expenditure**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.743</td>
<td>2.654</td>
</tr>
<tr>
<td>Percent</td>
<td>19.5%</td>
<td>19.9%</td>
</tr>
</tbody>
</table>

- R&D expenditure in 2014 represents 19.9% of total net sales

**Operating income and return on net sales**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>2.114</td>
<td>2.140</td>
</tr>
<tr>
<td>Percent</td>
<td>15.0%</td>
<td>16.1%</td>
</tr>
</tbody>
</table>

- Operating income at previous year level
High liquidity safeguards independence

- Financial funds of EUR 8.5 billion safeguard independence and financial flexibility for future growth.
- Cash flow from operating activities markedly higher than investment needs.

Financial funds in EUR billion

<table>
<thead>
<tr>
<th>Year</th>
<th>Financial funds</th>
<th>Cash flow from operating activities</th>
<th>Cash flow from investing activities</th>
<th>Cash flow from financing activities</th>
<th>Financial funds*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>7.5</td>
<td>+2.0</td>
<td>-0.4</td>
<td>-0.6</td>
<td>8.5</td>
</tr>
<tr>
<td>2014</td>
<td>8.5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Not including changes in financial funds due to exchange rate effects.
<table>
<thead>
<tr>
<th>Investments in our future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capacity expansion in Dortmund and Ingelheim (Germany) for RESPIMAT®: EUR 35 million (in 2014)</td>
</tr>
<tr>
<td>New staff canteen in Ingelheim (Germany): Total investment of EUR 27 million planned</td>
</tr>
<tr>
<td>Expansion of production sites in China, including chemical R&amp;D laboratory in Shanghai: EUR 34 million (in 2014)</td>
</tr>
<tr>
<td>New plant for development and production of poultry and swine vaccines in Taizhou (China): EUR 85 million (by 2018)</td>
</tr>
</tbody>
</table>
Equity structure remains sound

Sound equity structure:

- Equity of EUR 8.1 billion equivalent to equity ratio of 40% (previous year 39%)
- Tangible assets covered more than twice with equity

Total assets: EUR 20.1 billion
Prescription Medicines most important business mainstay

**Prescription Medicines**
Net sales 2014 in EUR million

- 76% of group net sales
- Currency-adjusted -5.2% compared with previous year (in euro terms -7.3%)
- Largest market is USA, which accounts for 38.6% of total net sales
- Growth of new products: e.g. diabetes drives portfolio renewal

**Top products 2014, growth currency-adjusted**

<table>
<thead>
<tr>
<th>Product</th>
<th>Growth 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPIRIVA®</td>
<td>-8.1%</td>
</tr>
<tr>
<td>PRADAXA®</td>
<td>+1.6%</td>
</tr>
<tr>
<td>MICARDIS®</td>
<td>-17.2%</td>
</tr>
<tr>
<td>TRAJENTA®/JENTADUETO®</td>
<td>+36.9%</td>
</tr>
<tr>
<td>COMBIVENT®</td>
<td>-20.2%</td>
</tr>
</tbody>
</table>

- 3,237
- 1,198
- 1,088
- 636
- 563

Net sales 2014 in EUR million:

- 10,101
Positive development in CHC business

Consumer Health Care
Net sales 2014 in EUR million

- 11% of group net sales
- Currency-adjusted +2.0% compared with previous year (in euro terms -2.5%)
Animal Health

Net sales 2014 in EUR million

- 8% of group net sales
- Currency-adjusted +6.8% compared with previous year (in euro terms +5.6%)
- BOVELA® market authorisation in 2014
Biopharmaceuticals

Focus on contract manufacturing

Net sales 2014 in EUR million

- 4% of group net sales
- Currency-adjusted +11.4% compared with previous year (in euro terms +11.5%)
- Main activities:
  - Contract manufacturing
  - Development of new biological entities (NBEs)
Germany in the Boehringer Ingelheim group

- EUR 0.9 billion net sales in Germany
- Around 14,800 employees in Germany
- About EUR 950 million R&D expenditure in Germany
- Some EUR 250 million investments in Germany
Strategy and Outlook

Andreas Barner
Chairman of the Board of Managing Directors
Corporate Board Divisions Human Resources and Research, Development and Medicine
Positive safety and efficacy profile of PRADAXA reaffirmed

Data for more than 134,000 patients prove safety and efficacy profile in everyday clinical practice

Fewer ischaemic strokes than with warfarin, fewer intracranial bleedings and thereby fewer deaths

Approval meanwhile in seven medical uses, including secondary prevention of deep vein thrombosis and pulmonary embolism

The only pharmaceutical company to have self-developed a specific reversal agent (idarucizumab)

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1 In the United States, the licensed doses for dabigatran etexilate are 150mg twice daily and 75mg twice daily for the prevention of stroke and systemic embolism in adult patients with non-valvular atrial fibrillation. This dose of 75mg twice daily is not authorised in Europe for this indication.
## Well-filled research pipeline

### Around 100 research projects, including:

<table>
<thead>
<tr>
<th>Category</th>
<th>Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Immunology</strong></td>
<td>Combination of existing treatment options for lung cancer (e.g. Giotrif®) with highly innovative tumour vaccine in cooperation with CureVac</td>
</tr>
<tr>
<td><strong>Psychiatric diseases</strong></td>
<td>Better understanding of psychiatric diseases aided by optogenetics, joint research with Circuit Therapeutics</td>
</tr>
<tr>
<td><strong>Immunology</strong></td>
<td>New therapeutic approaches for diseases like psoriasis, spondylarthrosis and Crohn’s disease</td>
</tr>
<tr>
<td><strong>IPF</strong></td>
<td>Research jointly with leading academic institutions into treatment options for IPF beyond nintedanib (Ofev®)</td>
</tr>
</tbody>
</table>
Our new research strategy
Focus on four areas of research

- Immunology and respiratory diseases
- Oncology
- Cardiometabolic diseases
- Diseases of the central nervous system

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High number of clinical trials
Significant progress in transparency

- More than 100 clinical studies currently running with total of over 100,000 patients
- Initiative for more transparency: researchers given access to data from Boehringer Ingelheim’s clinical studies
- Data from more than 240 studies made available on web portal (www.clinicalstudydatarequest.com)
- Additional registration of all studies started since 1998 on website of the US National Institutes of Health (www.clinicaltrials.gov)
Successes 2014 / Outlook 2015

Successes 2014

- Numerous new medicines brought to the market
- Large number of registration submissions
- Problem areas successfully resolved
- Invested once again in the future

Outlook 2015

- Successful launches and profitability in foreground
- Moderate year-on-year increase in net sales
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