

Analyst meeting

September 2nd, 2011



Highlights H1 2011

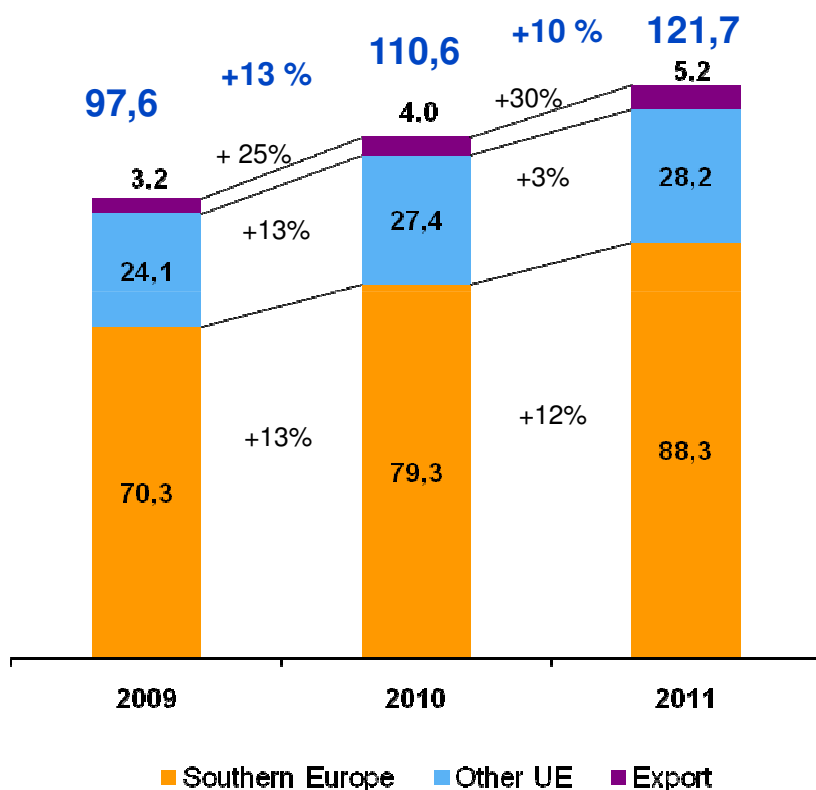
- Sales +10% vs. 2010 in a decreasing market (-3%)
- Net result +18% (= 20% to the sales)
- Oralair® Very good performance in all concerned markets
- Actair® Failure of pediatric study (wrong selection of patients)

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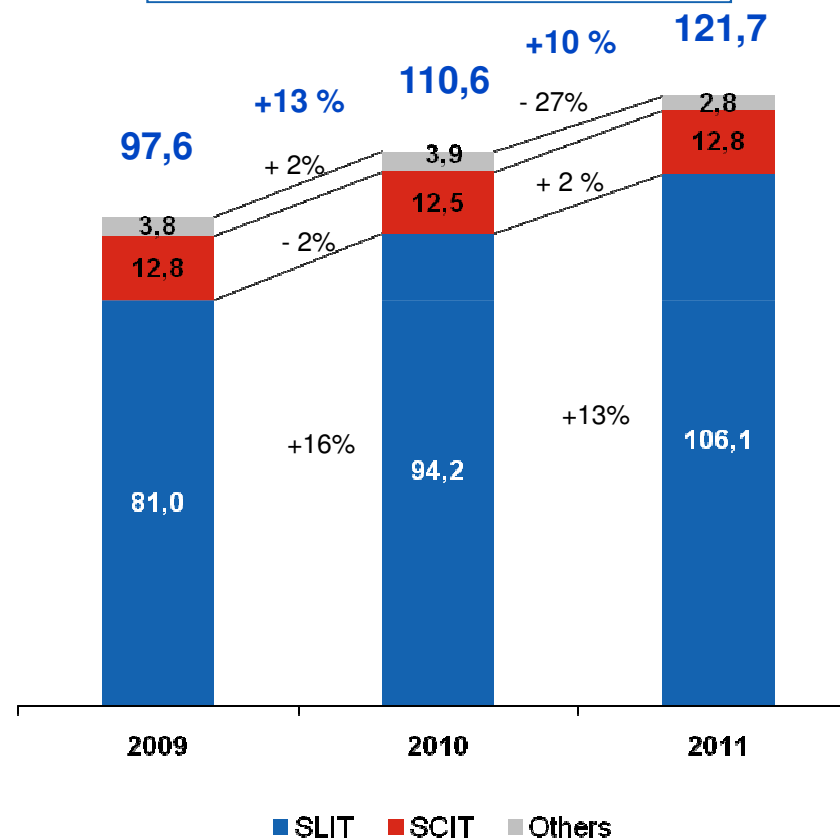
- ✓ **Sales and financial results H1 2011**
- ✓ **Current market dynamics**
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2011 H1 sales : +10% (13% 2010)

Sales per geographic segment (in €m)




Sales per product line (in €m)




- Mandatory discount in Germany explains small growth in other EU countries
- Product Growth SLIT driven as usual (Oralair 7.4 €m this half, vs 3.9 €m last year)

EBIT H1 2011 +20%, net margin 20% to the sales

 STALLERGENES	End of June, cumulated figures					
	Last year			This year		
	€m	%	R/n-1%	€m	%	R/N-1%
<i>Profit and Loss</i>						
Sales	110.6	100.0	13%	121.7	100.0	10%
Cost of goods sold	(24.1)	-21.8	7%	(27.3)	-22.4	13%
S. G. & A.	(43.9)	-39.7	16%	(46.2)	-38.0	5%
Profit before R&D	42.7	38.6	14%	48.2	39.6	13%
R&D costs	(16.6)	-15.0	-22%	(17.8)	-14.6	7%
R&D revenues	3.5	3.2	-2%	4.8	4.0	36%
EBIT	29.5	26.7	51%	35.3	29.0	20%
Financial costs	(0.2)	-0.2	-60%	0.0	0.0	-114%
Income tax	(9.2)	-8.3	60%	(11.6)	-9.5	26%
<i>Income tax rate</i>	31.3%			32.8%		
Net result	20.2	18.2	51%	23.7	19.5	18%
<i>Diluted EPS</i>	1.50 €		49%	1.75 €		17%

- 13% growth in cost of good sold include 3% due to the costs of the new grass pollen production site of Amilly (previously classified as R&D)
- SG&A growth rate 'like by like' is 7% and not 5%: -2% impact is due to change of accounting of 4.8 profit sharing
- R&D revenues 4.8 €m include 1.5 €m revenues from the Japanese development contract with Shionogi
- Income tax rate increase comes from the new research tax credit rules slightly more restrictive in France


EBITDA 33% to the sales, positive net cash flow

 STALLERGENES	End of June, cumulated figures					
	Last year			This year		
	€m	%	R/n-1%	€m	%	R/N-1%
<i>Cash Flow</i>						
EBIT	29.5	26.7	51%	35.3	29.0	20%
Non cash items	6.1	5.5	35%	5.0	4.1	-18%
EBITDA	35.6	32.2	48%	40.3	33.1	13%
Op. income tax	(9.6)	-8.6	77%	(11.8)	-9.7	23%
Working Capital req. var.	8.5	7.7	62%	(5.8)	-4.7	-168%
Capital expenditure net	(6.9)	-6.3	-26%	(8.7)	-7.2	26%
Shionogi differed revenues var.	-	0.0		(1.5)	-1.2	-
Free cash flow	27.6	24.9	90%	12.5	10.3	-55%
Dividend	(7.3)	-6.6	23%	(10.1)	-8.3	38%
Treasury shares/ Stock-options	(0.1)	-0.1	-103%	0.9	0.8	ns
Financial costs net of tax	(0.1)	-0.1	-61%	0.0	0.0	-113%
Net cash flow	20.1	18.2	85%	3.4	2.8	-83%

➤ Major variance with last year is due to variance in working capital requirement that were abnormally positive last year thanks to a 8 €m increase in accruals for income tax; this effect is partly reversed this year. See financial report note 2.6 for more details.

➤ Shionogi revenues included in EBIT for 1.5 €m have no cash impact and thus are neutralized in cash flow statement.

Capital Employed: +7% av. increase over last two years

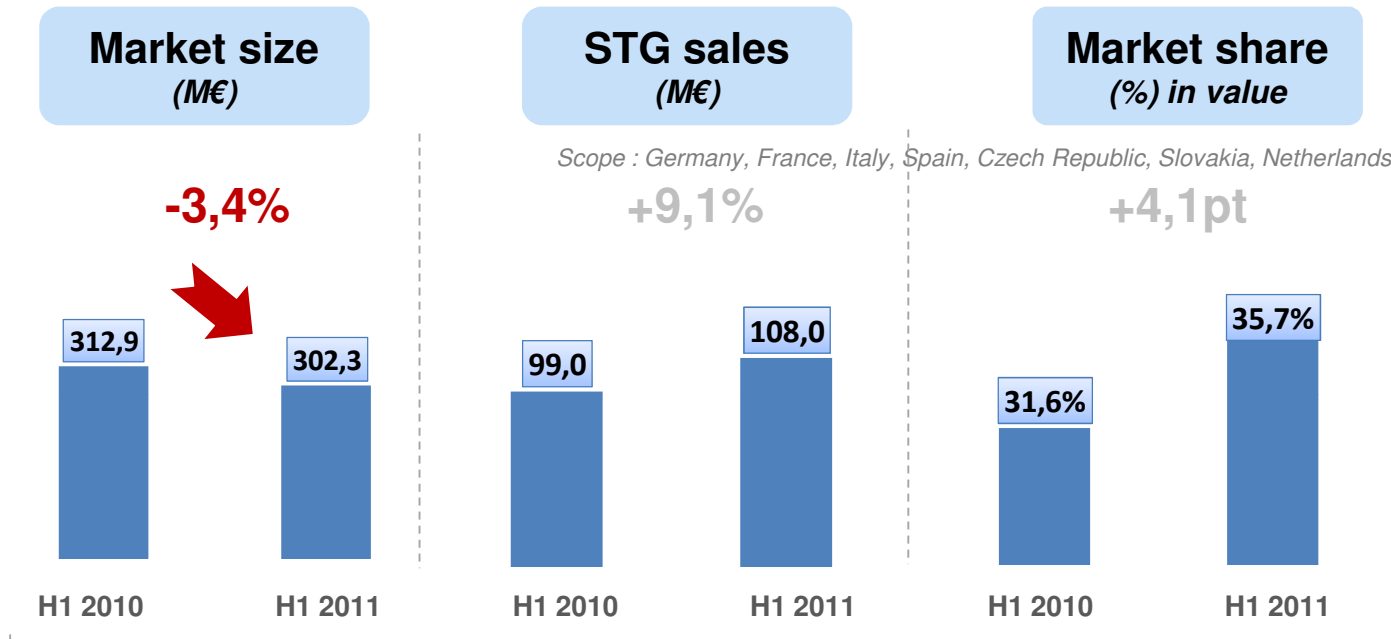
 STALLERGENES	End of June, cumulated figures					
	Last year			This year		
	€m	%	R/n-1%	€m	%	R/N-1%
<i>Balance Sheet summary</i>						
Non current assets nets of prov.	86.2	95.1	5%	96.0	91.8	11%
Op. Working Capital	4.4	4.9	-54%	8.6	8.2	95%
Invested Capital	90.6	100.0	-1%	104.6	100.0	15%
Equity	115.6	127.6	24%	146.6	140.1	27%
Financial debt/ (Net cash position)	(25.0)	-27.6	ns	➤ (62.1)	-59.4	148%
Shionogi advanced payments	-	0.0	-	➤ 20.1	19.2	-
Capital Employed	90.6	100.0	-1% ↘	104.6	100.0	15% ↘

- Strong net cash position up to 62 €m, cash at hand 70 €m.
- Shionogi revenues 20 €m expected to be booked to P/L over the coming two to three years.
- Capital employed average reasonable rate increase of 7% over the last two years.

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European market trends : STG outperformed in H1 2011, capturing Market Share thanks to Oralair® (1)



Source: IMS, Insight Health, Stallergenes

European market trends : STG outperformed in H1 2011, capturing Market Share thanks to Oralair® (1)

The European market has lost 3% in S1 2011

- German rebate
- Regulatory pressure in the Netherlands
- Very low pollen seasons in 2010
- Economical crisis in Southern Europe (Spain, Italy, Greece)

In this context, Stallergenes has increased its market share by 4%

- Lesser presence in Germany and Netherlands
- Oralair® success allows to take market shares
 - Resisting better than competition in Germany
 - Increasing global sales in other countries

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The price and reimbursement (P&R) of Oralair® in Europe: according to plan (1)

Countries
where
Oralair®
is
marketed

Country	Daily cost (ex lab)	Reimbursement rate status	P&R completion date
Germany	2,86 €	100%	June 2008
Slovak Republic	2,62 €	90%	April 2010
Netherlands	3,08 €	100%	June 2010
Romania	2,79 €	NR	July 2010
Austria	2,29 €	100%	September 2010
Czech Republic	2,66 €	90%	October 2010
Italy	3,01 €	Regional	October 2010
Spain	2,28 €	60%	February 2011
Slovenia	2,41 €	100%	February 2011
Switzerland	~ 3,00 €	90%	August 2011

➔ **Oralair® is available on most of the European markets with the exception of France**

Source: Stallergenes
NR : no reimbursement

The P&R of Oralair®: according to plan (2)

	Country	Daily cost	Reimbursement rate status	P&R completion date
Pending P&R	Ireland	TBD	TBD	Ongoing, expected date : Q4 2011
	France	TBD	TBD	Ongoing, expected date : Q1 2012
	Russia*	TBD	NR	Ongoing, expected date : Q1 2012
	Belgium*	2,60 €	TBD	Ongoing, expected date : Q1 2013
	Australia*	2,77 €	TBD	Ongoing, expected date : Q2 2013
	Bulgaria	TBD	NR	Ongoing price validation
	Poland	TBD	TBD	Ongoing

- ➔ Australian and Russian markets are expected to be open in 2012 (Reimbursement to be negotiated after launch)
- ➔ The FDA path remains the major challenge to convert the US growth opportunity

Source: Stallergenes

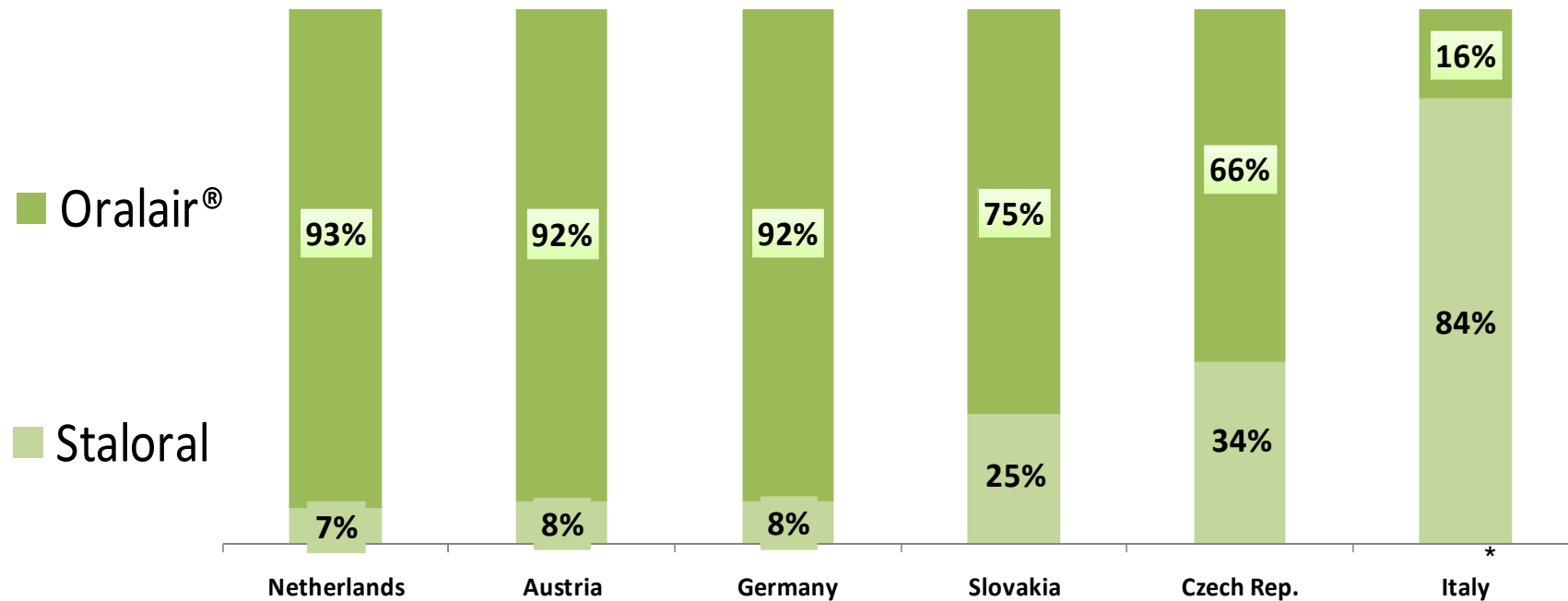
NR : no reimbursement

* Launch without reimbursement

Oralair® performance in Europe : a very quick uptake

STG SLIT Grasses New Patients (YTD June 2011)

Grasses NP growth [x 4] [x 5] [=] [x 2] [x 4] [=]



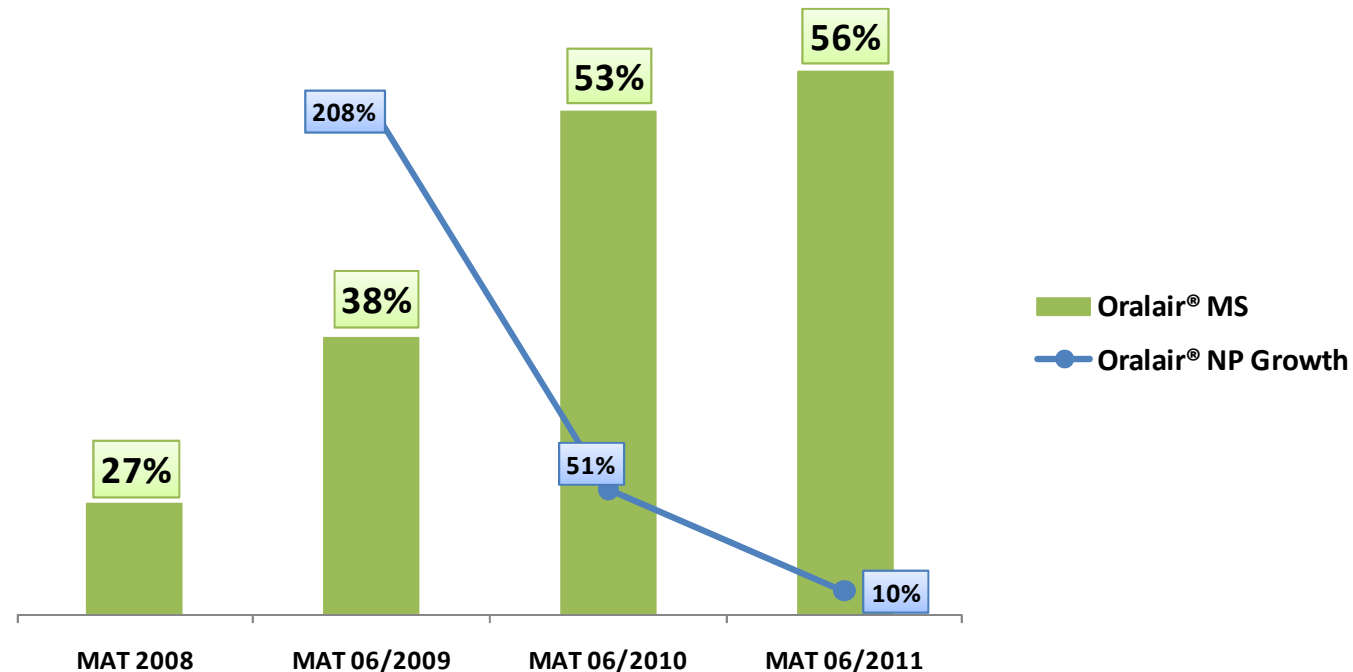
➔ **Oralair® shows to be a strong door opener and an efficient market share harvester**

Source: Stallergenes

* Italy : Oralair® is only reimbursed in Lombardy

Oralair® performance in Germany : Oralair® is the leading tablet in NP

Grass Pollen Tablets German Market (Oralair® Market Share in New Patients vs Grazax®)



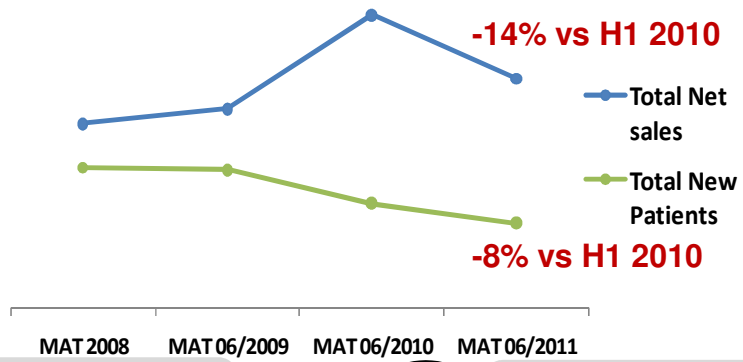
➔ Despite a weak 2010 pollen season, Oralair® is still in the phase of patient stock building (7% of Grass Pollen patients), necessary for generating future sales growth

Source: Insight Health

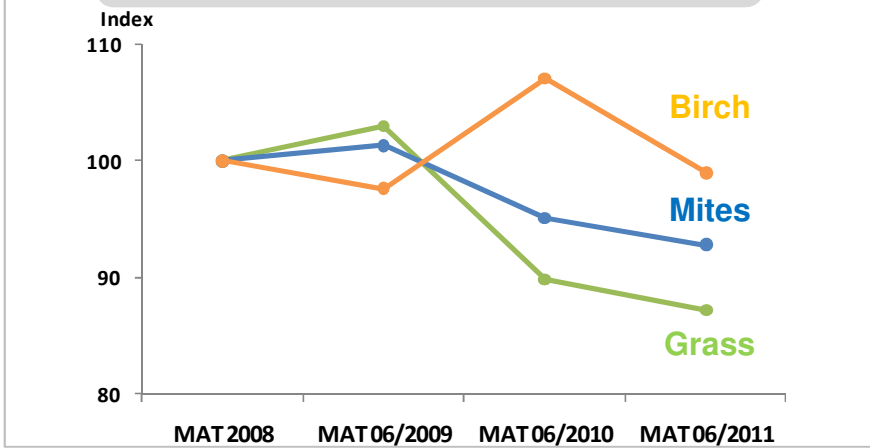
Oralair® performance in Germany

In an overall declining market, Tablets represent a major competitive advantage in Grasses segment

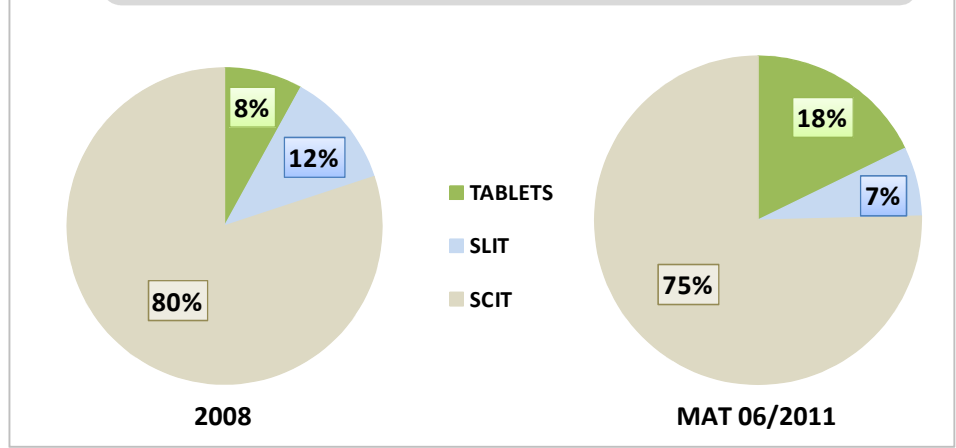
1 In H1 2011, German AIT market experienced a drop in sales (Price rebates) and new patients (low pollen season)



2 New Patients distribution per allergen has remained stable over years



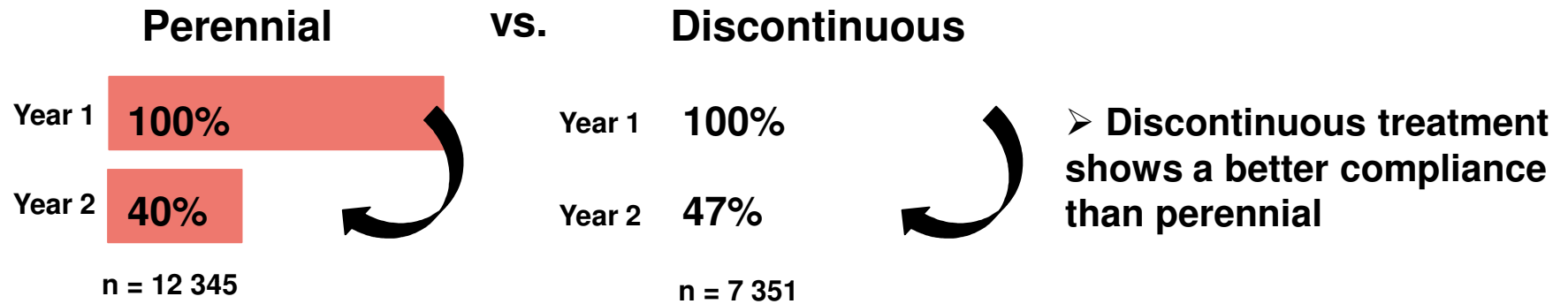
3 In Grasses NP, Tablets keep on growing vs other market segments



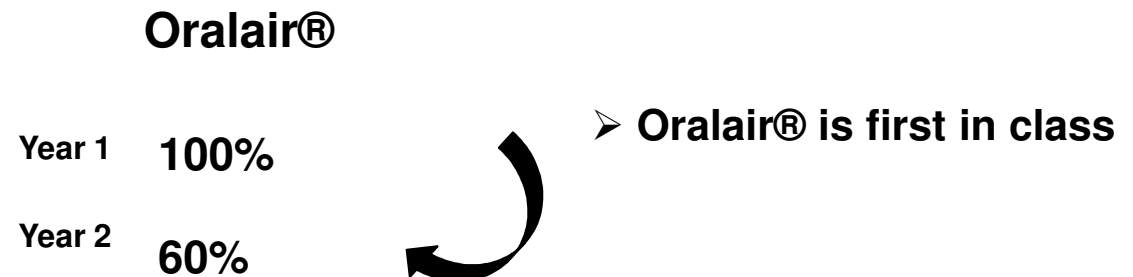
➔ In a declining market, innovation through tablets is the only growth leverage

Oralair® performance in Germany : High compliance sustains sales development

1) Compliance of SLIT



2) Compliance of Oralair®



Source : Insight Health, Stallergenes

Methodology : we considered products according to their recommended protocol.

Discontinuous protocol : Oralair®, Staloral Grasses, Staloral Trees.

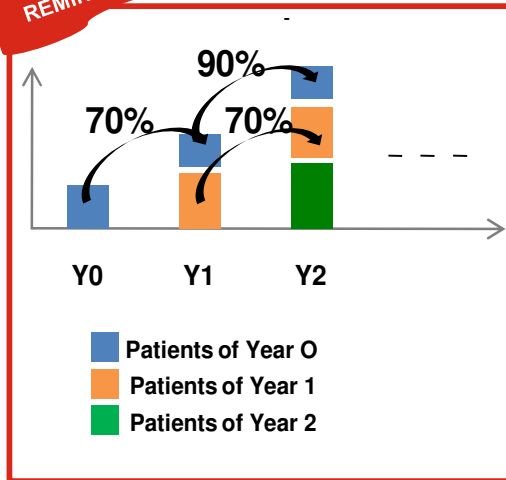
Perennial protocol : all other SLIT products

Oralair® performance in Germany

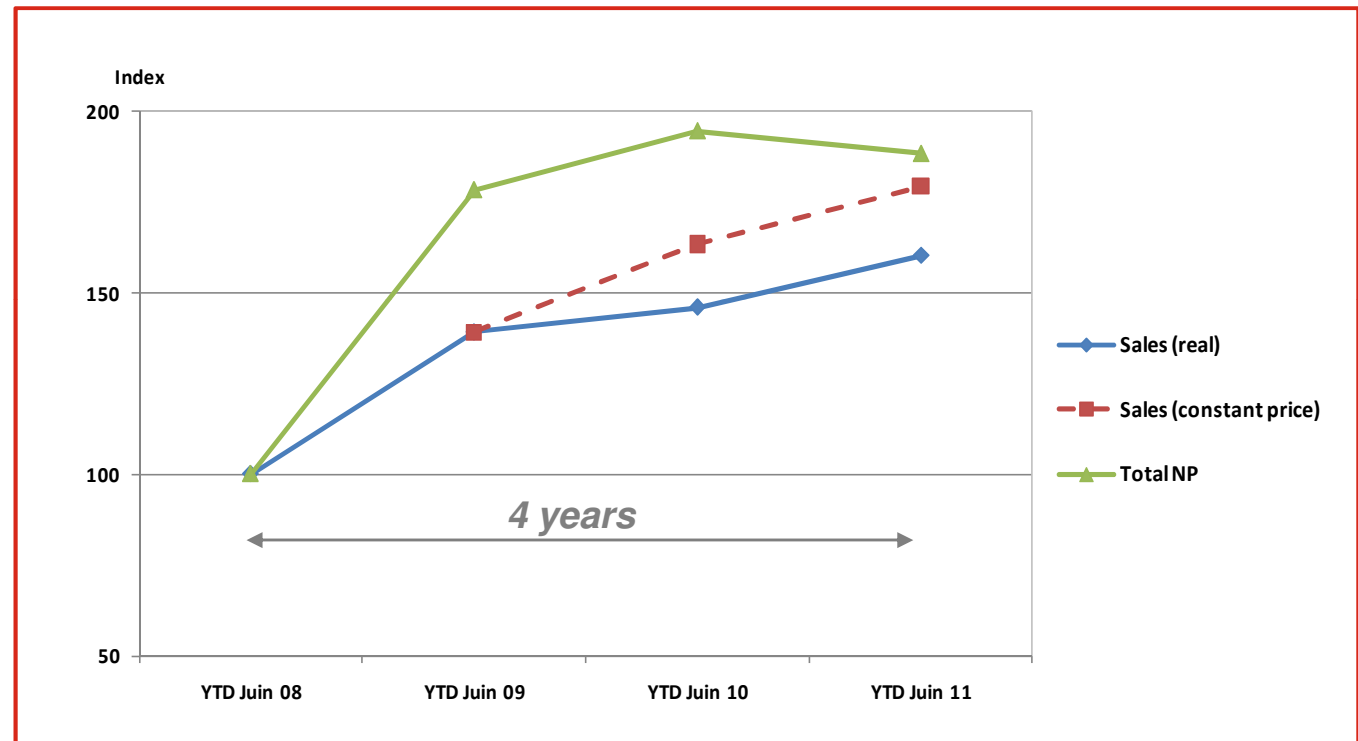
Sales dynamics : growth in TO delayed by 4 years vs New Patients

STG Grass Pollen Portfolio (SCIT, SLIT, Tablets)

REMINDER



AIT incremental sales build-up model



➔ For the 4 past years Oralair® allowed STG to double its Grasses NP, driving current sales growth

Source: Stallergenes

Oralair[®] in France

Q3 2010

- Grazax } « SMR faible », i.e. 15% reimbursement rate
- Oralair[®] } « ASMR modéré »

- ⇒ Launch of Grazax
- ⇒ Withdrawal of Oralair[®] file at the Commission de Transparence (CT)

Q3 2011

- Filing of Oralair[®] « Note d'Intérêt Thérapeutique » at the CT



Q1/Q2 2012 - End of P&R process

- No or weak impact of Grazax on Staloral[®] grass pollen market uptake in 2011.
- 2012 expected to be the launch year of Oralair[®]

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Clinical development Wrap-up

- ✓ Q3-Q4 2011 - Year 5 – VO53 Long Term Oralair®
- Japan Actair® Phase I
- ✓ Q1-Q2 2012 - VO67 – Exposition Chamber Actair®
- ✓ Q3-Q4 2012 - VO63 – Staloral® Birch
- ✓ Actair® Asthma and Adult Rhinitis : ongoing planning

Oralair® European Development

- Variation for VO53 Long term 4 years: outcome Q3/2012
- Variation for VO53 Long term 5 years: outcome 02/2013
 - submission date : 07/2012
 - variation final decision : 02/2013
 - added-value of the product usable on the market in 23 European countries : from 03/2013 (→ pollen season 2014)
- MRP 2nd wave: outcome 12/2013

Actair®

- **Pediatric Study VO64** : failed because of weak disease activity in both groups:
 - ✓ Patient selection (?)
 - ✓ Placebo Effect and « Mother » effect

- **Exposition Chamber** : On track – 336 patients
 - ⇒ Confirmation of the 300IR dosing
 - ⇒ Onset of action
 - ⇒ Booster effect (year 2)
 - ⇒ Responder / Non Responder analysis

- ⇒ Outcome May 2012 & May 2013

Next steps ⇒ Conduct a confirmatory Adult/Rhinitis Phase III
⇒ Initiate an Actair Asthma plan
⇒ Coordinate Europe/US/Japan development plan
⇒ Reassess PEI approach

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USA: Stallergenes Inc.

1st objective: secure Oralair[®] license

- Set up : May 2011

- Leading the interface with FDA
 - with American Medical Community
 - with Critical other stakeholders (APMA; KOL, ...)

- Short term :
 - ⇒ Oralair[®] clinical file receivability (Q4 2011)
 - ⇒ Oralair[®] road to BLA (H2 2012)
 - ⇒ Actair[®] road to pre IND (Q1 2012)
 - ⇒ Launch of the Ragweed Stalair[®] program

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International development

1. New subsidiaries

- UK (Q4 2010) preparation of Oralair® launch (2013)
- Turkey (Q3 2011) Oralair® licence expected Q4 2011
- Australia (Q2 2011) Oralair® launch expected in Q2 2012
- Poland (Q1 2012)
- Russia (Q1 2012) Oralair® licence expected in Q1 2012
Staloral® mites and birch licensed

2. New developments: priorities

- South America (Oralair® licence in Argentina)
- China (Staloral® mites filed in Q4 2011)

3. Market consolidation

Stallergenes is opened to participate to the necessary market consolidation

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Guidance / conclusion

- **Guidance**
 - Sales +7-9%
 - EBIT margin (without Shionogi) \geq 20% of sales
- **Stallergenes takes market share in a difficult market and increases its profitability**
- **The tablets will definitely change the market.**



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