Press release

2009 annual results

Revenue growth of 63% associated with a substantial development of sales of the JAK2 test, notably in the United States

Increase in operating expenses, essentially associated with the announced strengthening of sales teams, in line with forecasts

Cash, cash equivalents and financial instruments available for sale (AFS) at end-2009: €12.9 million

An ambitious strategy for 2010

Marseille, March 15 2010 - IPSOGEN (the "Company"; Alternext - FR0010626028 - ALIPS), a pioneer and key player in the development, manufacturing and marketing of molecular diagnostic tests for leukemia and breast cancer, today announces its consolidated annual results for the financial year to December 31 2009. These accounts were examined by the Board during its meeting of March 12 2010.

- **Consolidated annual results**

(in millions of euros)*	December 31, 2009	December 31, 2008 restated**	Δ %
Revenue	**6.73**	**4.12**	**+63%**
Products	*6.51*	*3.91*	*+66%*
Services	*0.22*	*0.21*	*+4%*
Government funding for research expenditure	0.55	0.22	+155%
Operating income	**7.28**	**4.34**	**+68%**
Gross margin	***75.1%***	***71.7%***	***N/A***
Operating expenses* **	**(9.98)**	**(5.61)**	**+78%**
Operating loss	**(2.70)**	**(1.27)**	**N/A**
Net loss	**(2.57)**	**(1.11)**	**N/A**

**audited data, IFRS*
***restated for the impact of the IAS 38 revision on the accounting of research supplies unused at yearend*
****including cost of sales*

Audit status:
Audit procedures have been carried out. The certification report shall be issued after verification of the management report and final implementation of the required procedures and diligences for the annual financial report publication.

Annual revenue: +63%

As previously announced, 2009 annual revenue amounted to €6.73 million, versus €4.12 million in 2008, showing a growth of +63%, and +60% at constant foreign exchange rates.
Increasing by +98% to 3.2 million euros, North American sales contributed in 47% of total activity, making this region Ipsogen's leading market. In Europe and Asia, product sales have continued to record significant growth for the seventh year in a row, increasing +44% on the previous financial year.

With a +119% increase in sales between 2008 and 2009, JAK2 remains the Company's flagship test. In 2009, sales of JAK2 tests represented 55% of the Company's total sales, versus 41% in 2008. These sales were boosted by the launch of 6 new references enabling Ipsogen's clients' requirements to be better met.

These excellent sales performances confirm the Company's strategy, and notably its choice of rapid growth in the North American market.

Improvement in the gross margin

The overall gross margin (products and services) improved, increasing from 71.7% in 2008 to 75.1% in 2009. The gross margin for diagnosis products was 77.4% in 2009 versus 74.5% in 2008. A new production unit meeting ISO 13485 standards was brought into service in Marseille in the middle of the year. This commissioning did not impact negatively on the gross margin evolution.

Increase in operating expenses in line with expectations

As expected, operating expenses for the year to December 31 2009 were up +78% to 9.98 million euros, reflecting the Company's ambition to develop new products and accelerate its sales penetration. These expenses were divided as follows:

- Research & Development expenses: +93% to 2.6 million euros
    - Creation of a medical affairs department in order to increase the Company's ability to develop high value-added products.
    - Intensification of our collaboration with the ELN European excellence network to improve the consistency of JAK2 and BCR-ABL measures carried out by laboratories, the aim being to position Ipsogen's products as benchmarks.
    - Launch of a project that aims to develop a version of the breast cancer Genomic Grade test adapted to the American market.
- Marketing and Sales expenses: +125% to 3.3 million euros
    - This increase in Marketing and Sales spending is in phase with the Group's strategy of being in direct contact with its clients. Indeed, the sales teams have been strengthened, increasing from 8 staff at end-2008 to 21 staff at December 31 2009. 11 of these sales staff are based in the Europe & Rest of the World zone, and 10 in the North America zone.

- Administrative expenses: +48% to 2.4 million euros
    - The increase in administrative costs, although growing at a slower rate than sales, reflects the reorganization of activities in view of the acceleration in growth. Having substantial international experience, Pascale Boissel was thus appointed as CFO and a member of Ipsogen's Executive Committee. In acknowledgment of the importance of Ipsogen's largest and fastest growing market, the US, Susan Hertzberg, former President of Ipsogen Inc and Vice-President responsible for Ipsogen's Corporate Business Development, has been appointed as CEO of Ipsogen's American subsidiary.

Cash position

At end-2009, cash, cash equivalents and financial instruments available for sale represented 12.9 million euros, compared to 13.5 million euros observed at the end of2008.

In 2009, the Company carried out a 2.5 million euro "TEPA Act" capital increase and also obtained 1.2 million euros of financing in the form of loans and reimbursable OSEO subsidies.

Excluding these financing operations, the Company used 4.2 million euros of cash during 2009. Of this total, 2.2 million helped finance operations and 2 million was invested in the new production unit in Marseille and in the development of new products.

- **2009 key events and recent events**

- Scientific developments
    - Blood cancers (leukemia):
        - Publication of results of an international study on the standardization of WT1, a test that provides a better prediction of the risk of relapse in acute myeloid leukemia. This study, in which the Company actively contributed, enabled the medical value of this test to be demonstrated, as well as the benefits of its standardization. On the basis of these results, the Company was able to obtain CE certification for its product.
        - Finalizing of 6 new JAK2 references enabling laboratories' requirements to be better met.
        - Finalizing of 3 new NPM1 references, the latter now being an important test for the treatment of some acute forms of leukemia.
        - Acquisition of an option on a license for TET2 gene abnormalities; this biomarker could help solve diagnosis needs that are not covered for some forms of myeloid leukemia.

    - Breast cancer:
        - Inclusion of the Genomic Grade in the St Gallen Consensus panel, a group of internationally renowned experts in breast cancer care.
        - Finalizing of the HR (Hormone Response) test in breast cancer, which completes the Company's offer that already incorporates the Genomic Grade and HER2 tests.
        - Publication of a study, at the San Antonio congress in the US, in collaboration with the Institut Paoli-Calmettes (Marseille, France) that highlights the tumoral grade's critical role as a decisional aid in prescribing chemotherapy.

- Sales developments:
    - Blood cancers (leukemia): Ipsogen has significantly strengthened its offer through the commercialization of 14 new references; Ipsogen thus now commercializes 80 references covering 15 biomarkers. This offer is commercialized either directly in major European countries or via distributors elsewhere in the world. In the United States, sales of the JAK2 test are either direct, with products, or via licensing agreements. On this territory, the signing of 3 more sublicense contracts in the first half allowed Ipsogen to double its number of commercial partners. North America has thus become Ipsogen's leading market.

    - Breast cancer: the HR (Hormone Response) test complements the Genomic Grade and Genomic HER2 tests, carried out in service form by DNA Vision, Ipsogen's laboratory partner.

    - Strengthening of our sales teams, with the number of staff up to 21 at end-2009 from 8 at end-2008. The two teams, one based in the US and the other based in Europe, are now operational in order to optimally develop our activity in blood cancer. It should also be noted that the Company announced, in early February 2010, the recruitment of Corinne Danan as Vice-President of Commercial Operations in order to further develop Ipsogen's presence.

- Strengthening of the financial structure:
    - As mentioned above, in June 2009 Ipsogen carried out a 2.5 million euros reserved capital increase within the framework of the TEPA act.

- Organization resized for growth:
    - As mentioned above, the management team was strengthened.

2010 strategy and outlook

In 2010, the Company is planning major achievements that should enable it to eventually play a key role in personalized breast cancer care. A strategic partnership is being considered, which could enable the Company to accelerate its projects in this domain. In the United States, the Company feels that there is a unique opportunity to launch its breast cancer test within the framework of a service laboratory (CLIA laboratory), a model that is particularly well-adapted to the US market environment. In Europe and the rest of the world, the Company will invest in the development of products adapted to the requirements of laboratories that specialize in the diagnosis of cancer.

Vincent Fert, CEO of Ipsogen, concludes: "*We are very pleased with the performances achieved during 2009. The teams put in place have shown their ability to provide growth and innovation, all this within the framework of limited cash consumption.*" He adds: "*We are confident that we will continue to record buoyant growth in 2010, a year during which we will of course continue to broaden our product portfolio. The growth in activity, in line with our expectations in 2009, will enable us to calmly and confidently implement our strategy for the coming years. Our ambition is, following our achievements in leukemia, to play a key role in the personalized treatment of breast cancer.*"

About IPSOGEN

IPSOGEN, Cancer Profiler, develops and markets molecular diagnostic tests that help map diseases in order to guide patients and oncologists' decisions along their therapeutic path. With more than 80 tests already used routinely worldwide for the diagnosis, prognosis and follow-up of thousands of patients with leukemia, Ipsogen is now targeting breast cancer with the aim of providing as yet inaccessible diagnostic information.
Strengthened by its scientific, clinical and technological partnerships, and by its multidisciplinary team in France and the USA, IPSOGEN intends to become a world leader in the molecular profiling of cancers, and to pursue the development and promotion of diagnostic standards that have a significant impact on patients, medical professionals and society.
At December 31 2009, IPSOGEN employed 65 people. Its headquarters are located in Marseille, France.
The company has also a subsidiary, Ipsogen Inc., in Stamford, CT, USA.
For further information, visit www.ipsogen.com

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Appendix 1
Income statement, simplified*

In million euros (IFRS)	**2009**	**2008 restated**	**Change**
Product sales	**6.51**	3.91	**+66%**
Services sales	**0.22**	0.21	**+4%**
Sales	**6.73**	4.12	**+63%**
Government funding for research expenditure	**0.55**	0.22	**+155%**
Operating revenue	**7.28**	4.34	**+68%**
Gross margin - Products	**77.4%**	74.5%	**N/A**
Gross margin – Total sales	**75.1%**	71.7%	**N/A**
R&D expenses	**2.62**	1.36	**+93%**
M&S expenses	**3.30**	1.47	**+125%**
G&A expenses	**2.39**	1.61	**+48%**
Operating income (loss)	**(2.70)**	(1.27)	**N/A**
Net profit (loss)	**(2.57)**	(1.11)	**N/A**

** restated for the impact of:*
- the IAS 38 revision on the accounting of research supplies unused at yearend;
- reclassifications resulting from the detailed analysis of Ipsogen Inc.'s expenses per department.

Appendix 2
Balance sheet, simplified*

In million euros (IFRS)	**30/12/09**	**31/12/08 restated**
Assets		
Cash, cash equivalents and financial instruments	**12.93**	**13.51**
Trade receivables	1.32	0.97
Inventories	0.51	0.39
Research tax credit	0.78	0.60
Intangible assets	2.54	1.59
Tangible assets	1.33	0.48
Other assets	1.15	0.57
Total Assets	**20.56**	**18.11**

In million euros (IFRS)	**31/12/09**	**31/12/08 restated**
Liabilities and shareholders' equity		
Trade payables	**1.96**	**1.02**
Tax and social payables	1.16	0.67
Conditional subsidies and finanliabilities	1.44	0.45
Other liabilities	0.24	0.53
Provisions	0.37	0.30
Shareholders' equity	15.39	15.14
Total liabilities and shareholders's equity	**20.56**	**18.11**

** restated for the impact of the IAS 38 revision on the accounting of research supplies unused at yearend*

Appendix 3
Cash flow statement, simplified*

In million euros (IFRS)	**12-month period ending 31/12/2009**	**12-month period ending 31/12/2008 - restated**
Net income (loss) for the period	**(2.57)**	**(1.11)**
Cash flow from operating activities	**(2.25)**	**0.46**
Cash flow from investing activities	**(1.98)**	**(1.53)**
Cash flow from financing activities	**3.65**	**11.36**
Net increase (decrease) in cash, cash equivalent and financial instruments	**(0.58)**	**10.29**
Cash, cash equivalent and financial instruments at the end of the period	**12.93**	**13.51**

** restated for the impact of the IAS 38 revision on the accounting of research supplies unused at yearend*