PRESS RELEASE

2010 annual results

Continuing growth in sales over the year (+24%) and significant acceleration during the second half of 2010

Greater control of operating expenses

Slowdown in losses and cash burn in the second half of the year

Settlement of the lawsuit with US group Bio Reference Laboratories (BRL)

Marseille, March 21, 2011 - IPSOGEN (Alternext - FR0010626028 - ALIPS), a pioneer and key player in the development and marketing of molecular diagnostic tests for cancer, today announces its consolidated annual results for the financial year ended 31 December 2010. These accounts were examined by the Board during its meeting of 18 March 2011.

Consolidated annual results

Year-on year change: full-year results

In € thousands*	**31 December 2010**	**31 December 2009**
Revenue	**8,371**	**6,732**
Government funding for research expenditure	529	552
Operating income	**8,900**	**7,284**
Gross margin	***77%***	***75%***
Operating expenses**	**(12,563)**	**(9,985)**
Operating loss	**(3,663)**	**(2,701)**
Net loss	**(3,402)**	**(2 566)**

* *Audited data, IFRS*
** *Including cost of sales*

NB – progress in audit procedures: audit procedures for the consolidated financial statements have been carried out. The certification report will be issued after the management report is verified and the procedures required for publication of the annual financial report are finalised.

Half-year P/L analysis

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In € thousands*	H1 2010 (6 months)	H1 2009 (6 months)	% chg	H2 2010 (6 months)	H2 2009 (6 months)	% chg
Revenue	**3,837**	3,271	**+17%**	**4,533**	3,461	**+31%**
Government funding for research expenditure	363	267	N/A	166	285	N/A
Operating income	**4,200**	3,538	**+19%**	**4,699**	3,746	**+25%**
Gross margin	***76%***	*75%*	*N/A*	***78%***	75%	*N/A*
Operating expenses**	**6,813**	4,215	**+62%**	**5,751**	5,770	**0%**
Operating loss	**(2,613)**	*(677)*	*N/A*	**(1,052)**	*(2,025)*	*N/A*
Net loss	**(2,506)**	*(658)*	*N/A*	**(898)**	*(1,908)*	*N/A*

* *Audited data, IFRS*
** *Including cost of sales*

- 2010 full-year revenue: +24%

As already reported, IPSOGEN generated full-year revenue of €8.37 million in 2010, up +24% compared with the previous year. Revenue growth accelerated notably in the second half of the year with a variation of +31% over the same period in 2009 compared to a variation of + 17% for the first 6 months the year. This increase is explained by the development of the Company's sales and marketing efforts, as well as the signatures of 12 new sub-licensing agreements for the JAK2 V617F test in the United States. These new sub-licensing clients include US laboratory BRL, with which the Company had been in a legal dispute since the end of 2009. An agreement has been reached between the two parties and BRL is now a client of IPSOGEN. This agreement reinforces the Company’s intellectual property rights to the JAK2 V617F test in the United States. In total, IPSOGEN signed 16 sub-licence agreements in 2010.

For the first time, the Company recorded revenues from breast cancer activities in the second half of 2010. Although still marginal, these revenues which relate to the implementation of a genomic platform at Institut Jules Bordet mark IPSOGEN's arrival in this major indication.

Research expenditure remained at a high level and the Company continues to benefit from a significant amount of research tax credit. Including government funding for research expenditure, IPSOGEN's operating income totalled €8.90 million over the full year in 2010.

- Significant reduction in net loss to -€3.40 million over the full year and -€0.9 million in the second half of the year

As a result of IPSOGEN's growth strategy, operating expenses increased by +25.8% over the year. Most of the increase is related to the first half of the year. Operating expenses remained stable between the second half of 2009 and the second half of 2010 as a direct consequence of the new organisational structure implemented in summer 2010. The effectiveness of the new organisational structure allowed for both a slowdown in expenditure and stronger sales growth. The net loss to 31 December 2010 came to -€3.40 million, reflecting a sharp slowdown in losses between the two 2010 semesters, with a net loss limited to -€0.9 million in the second half of the year following -€2.5 million in the first half.

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Operating expenses can be broken down as follows:

- Research and development costs: €3.9 million (+48%)

  The increase in research and development costs reflects:

  In Blood cancer

  - The strengthening of intellectual property rights to products developed by the Group in MyeloProliferative Neoplasms, in particular for the JAK2 biomarker, IPSOGEN's flagship product;
  - The launch of a collaborative study with a number of leading centers, in partnership with the European LeukemiaNet (ELN) network, to confirm the performance of the JAK2 test, with a view to monitoring the disease being treated. The conclusions of the study are expected in 2011.

  In Breast cancer

  - The final phase of a collaborative study with Institut Curie, a leading centre for cancer treatment. This collaboration resulted in the production of significant clinical information for the medical value of the Genomic Grade test. The results of the study were presented to the San Antonio Breast Cancer Symposium in Texas, (United States) in December 2010.

Note that a significant portion of development projects are capitalised on the Company's balance sheet and therefore do not appear as research expenses in the income statement. In 2010, the main development projects included in intangible assets on IPSOGEN's balance sheet were:

- For blood cancer: the development of a new generation BCR-ABL test which has been launched end of year 2010;
- For breast cancer: the development of the Genomic Grade test in a form suited to both the North American market and the European market, and in particular the development of a new generation test in a format that can be used in CLIA laboratories in the United States.

IPSOGEN also acquired a global licence for mutations in the LNK gene from Stanford University in the United States. LNK mutations add to the Company's portfolio of biomarkers in myeloproliferative disorders, including the JAK2 V617F mutation.

- Sales and marketing expenses: €3.8 million (+14%)

  The increase in sales and marketing costs reflects the full effect of the strengthening of the Company's sales teams initiated in 2009. Sales outside Europe and North America are managed through distribution agreements with partners selected for their strong local network. The Company keeps on developing this distribution strategy, notably in Asia and South America.
  Meanwhile, under the leadership of Corinne Danan, promoted Head of the Group's worldwide sales and marketing operations in summer 2010, IPSOGEN sales and marketing activities have been reorganized in order to better meet the specific requirements of the European and North American markets, and to ensure effective coordination of forthcoming product launches in leukemia and breast cancer.

  The relevance of this strategy is reflected by the acceleration in revenues in the second half of the year and the number of new sub-licensing agreements signed, as well as by the continuing rise in the proportion of total revenues generated in the United States. North America, which accounted for a total of 50% of the Company's revenues in 2010, remains the most important market for the Company.

IPSOGEN had around 400 clients worldwide at the end of 2010 and today sells 80 products covering 15 biomarkers.

- General and administrative expenses: €2.9 million (+26.4%)

  The increase in general and administrative expenses relates primarily to non-recurring costs incurred in connection with the legal dispute with BRL. In a press release published on 1 February 2011, the two companies announced the end of this legal dispute, with BRL paying IPSOGEN an undisclosed sum as settlement, thereby recognising the validity of IPSOGEN's intellectual property rights to JAK2 V617F. BRL is from now a client of IPSOGEN. If the effect of these litigation costs is neutralised, growth in general and administrative expenses would be limited to 13.7%.

- Gross margin: 77%

Gross margin improved further in the second half of the year to reach 77% over the full year, which represents a high level for the sector and shows the Company's ability to control and optimise its manufacturing costs.

Cash position

Cash, cash equivalents and financial instruments available for sale amounted to €9.6 million at the end of 2010, compared with €12.9 million at the end of 2009.

The capital increase carried out in the context of the French TEPA law in June 2010 allowed for the raising of €1.9 million.
Excluding financing and investing activities, €3.4 million were used by operating activities over the full year in 2010. In the first half of the year, cash used to finance operations came to €2.7 million. The Company's cash burn therefore slowed down significantly in the second half of the year in spite of costs relating to its reorganisation and the end of the legal dispute with BRL.

Outlook

2011 will be a key year for IPSOGEN. The Group is expected to see further sales growth in leukemia activities with the ramp-up of the new sub-licensing agreements signed in the second half of 2010, as well as with the marketing of the new range of BCR-ABL tests in the United States and Europe.

Talks with the FDA (Food and Drug Administration) are expected to be held in the third quarter of the year concerning the start of a clinical trial with the aim of registering the JAK2 test in the United States.

In regards to breast cancer indication and the development of the Genomic Grade test, the Company is strictly adhering to its plan and confirms its timetable, with a planned launch of the test in kit form via its direct sales team in Europe and via a partnership agreement in the United States. This agreement should be signed by the end of the year.

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Vincent Fert, Chief Executive Officer of IPSOGEN, concludes: "*2010 was an interesting year for IPSOGEN, with a sharp increase in sales in the second half of the year and tighter control of our operating expenses. The new organisational structure implemented in summer 2010 has proven itself to be effective and suited to a model of profitable growth. 2011 will be a key year for the Group, in which we should begin to see revenues from the major investments made in breast cancer. We reiterate our confidence in the current year*".

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 leukaemia, 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. The company headquartered in Marseille, France has a subsidiary in the USA. For further information, visit www.ipsogen.com

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General Shareholders Assembly:
13 May 2011
Half-year results will be published on:
11 October 2011