

LATUDA Commercial Update

LATUDA Meeting (Tokyo)

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Sunovion Pharmaceuticals Inc.

Sunovion Is Uniquely Positioned to Deliver Strong Performance for LATUDA

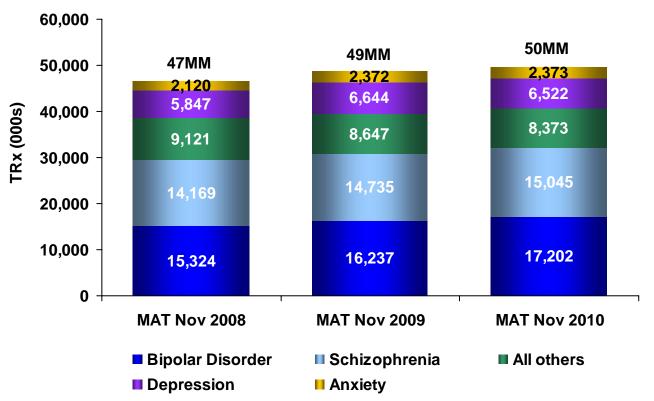
- Overall market growth is stable and unmet needs remain
 - Efficacy is key reason to prescribe
 - High switch and discontinuation rates
- Strong clinical profile and competitive LATUDA label
 - Inclusion of olanzapine arm in efficacy and weight data sections (as an active control to assess assay sensitivity)
 - 4 positive efficacy studies
 - Two dose options, once-daily
 - 2,000+ safety database
 - No QTc warning
- ◆ 336 dedicated and experienced Sales Force
 - Majority have previously sold at least 1 other atypical antipsychotic
- Customer-centric commercial organization
 - Focus on engaging psychiatrists through multimodal approach
 - Competitive pricing and reimbursement strategies



Atypical Antipsychotic Market Growing at 3%

\$15.8BN Market

Growth in the Atypical Antipsychotic Category Is Being Driven by Use in Bipolar Disorder and Depression

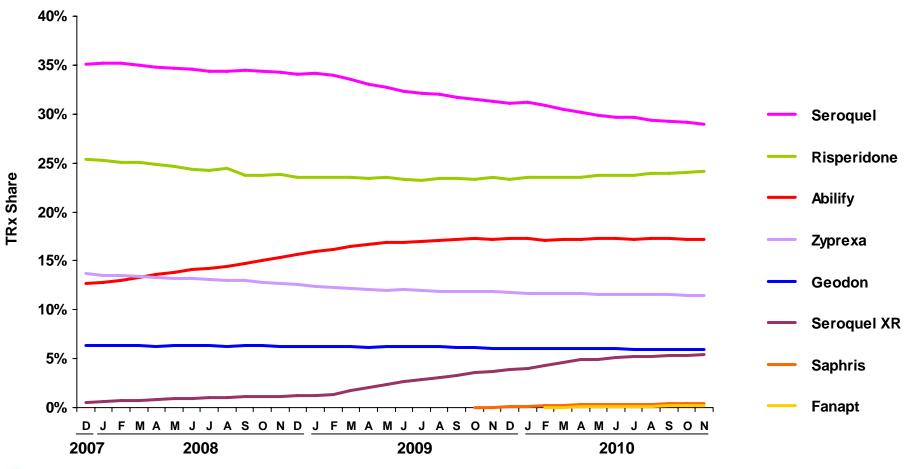


CAGR
6%
6%
-4%
3%
6%
3%



Monthly Antipsychotic Market TRx Share Trend

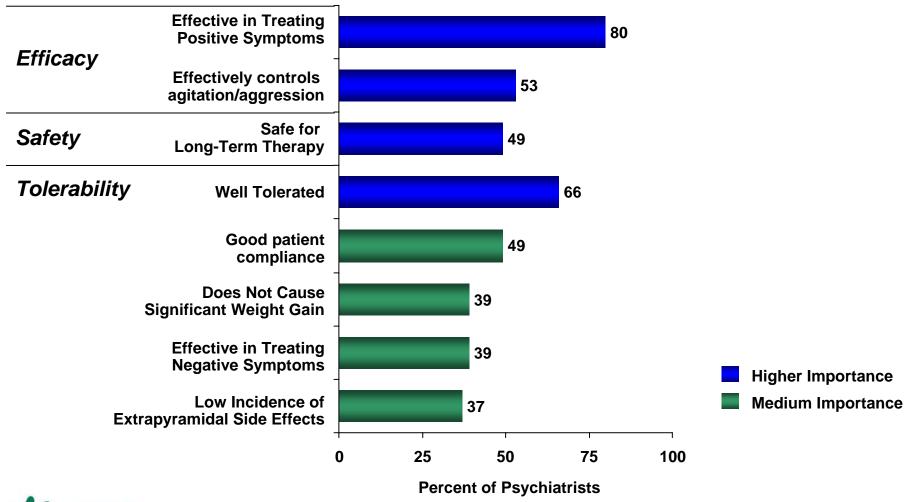
Established Market





SUMITOMO Source: IMS NPA. The Atypical antipsychotic market is defined as ANTIPSYCHOTICS, OTHERS (USC 64190), excluding Haldol, Loxapin, Moban, Navane, Orap, and Thiothixene, etc.

Psychiatrists Need New Treatments that Provide a Combination of Strong Efficacy and Tolerability

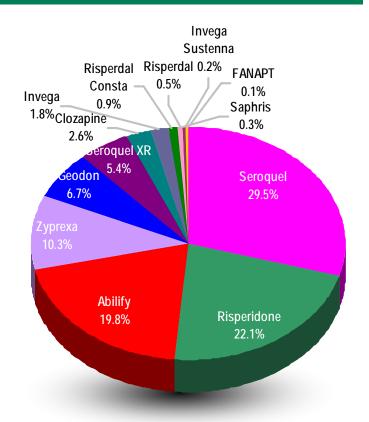


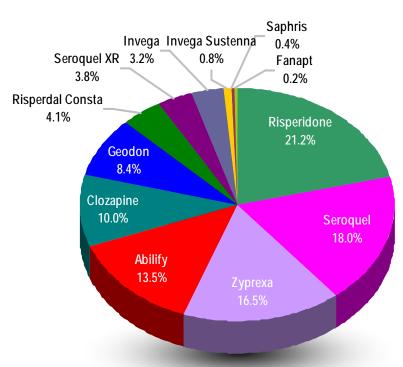


No Single Preferred Agent for Treatment of Schizophrenia

All Uses MAT Sept 2010

Schizophrenia Uses MAT Sept 2010







Source: Wolters Kluwer Source Lx Based on Market Research

High Discontinuation Rates Create Opportunity for LATUDA

- CATIE Reinforced Need for New Treatment Options
 - 74% of patients discontinued the study medication before 18 months
- Patients dissatisfied with current options
 - Continue to experience breakthrough symptoms
 - Discontinue due to adverse events, lack of efficacy
 - Likely to have tried multiple medications





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Effectiveness of Antipsychotic Drugs in Patients with Chronic Schizophrenia

Jeffrey A. Lieberman, M.D., T. Scott Stroup, M.D., M.P.H., Joseph P. McEvoy, M.D., Marvin S. Swartz, M.D., Robert A. Rosenheck, M.D., Diana O. Perkins, M.D., M.P.H., Richard S.E. Keefe, Ph.D., Sonia M. Davis, Dr.P.H., Clarence E. Davis, Ph.D., Barry D. Lebowitz, Ph.D., Joanne Severe, M.S., and John K. Hsiao, M.D., for the Clinical Antipsychotic Thials of Intervention Effectiveness (CATLE) Investigators⁶

ABSTRACT

BACKGROUND

The relative effectiveness of second-generation (atypical) antipsychotic drugs as compared with that of older agents has been incompletely addressed, though newer agents are currently used far more commonly. We compared a first-generation antipsychotic, perphenazine, with several newer drugs in a double-blind study.

From the Department of Psychiatry, College of Physicians and Surgeone, Columbia Uniwer sity, New York State Psychiatric Institute. New York (J.A.L.); the Department of Psychiatry School of Medicine (T.S., D.O.P.) and the Department of Footsticker, School part the Department of Footsticker, School

"Two drugs, olanzapine and clozapine, appear to be more effective than other agents. However, both drugs induce a significantly greater number of serious side effects. Even the most feared side effect... tardive dyskinesia, seems less troubling than potentially fatal metabolic problems."

- Robert Freedman, MD, NEJM



Leverage Strong Clinical Profile and Positive Label

- Opportunity to improve value proposition vs. current atypical antipsychotics
 - Once-daily with food
 - The recommended starting dose is the therapeutic dose – 40 mg
 - LATUDA offers proven efficacy with positive cardiometabolic profile
 - No QTc warning
- Differentiate from current atypical antipsychotics that offer partial efficacy/response
 - 4 positive efficacy studies included in label
 - Efficacy confirmed for both doses in 2 studies each

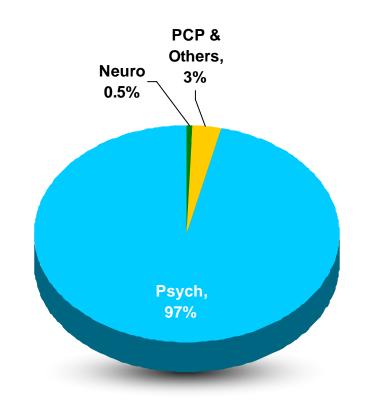




Psychiatrists Are Key Driver for Launch

- A large and stable market with
 ~2 million patients with
 Schizophrenia in the US
- Our current target audience~22,000 psychiatrists
- 336 Sales Force will cover target audience and will be able to attain competitive share of voice by focusing on these specialists

Schizophrenia Treatment by Specialty

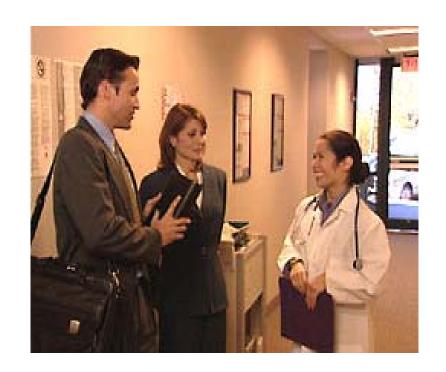




Source: SDI PDDA

Leverage Dedicated and Experienced Sales Force Ready to Deliver on the Potential of LATUDA

- Sales force: 336
- ♦ Hospital sales force: 70
- Extensive experience selling in the atypical antipsychotic arena
- Dedicated and qualified Area Medical Specialists team
- Managed care and Government Affairs team with strong category knowledge





Sunovion Is Uniquely Positioned to Deliver Strong Performance for LATUDA

- Unsatisfied physician and patient population as evidenced by high switch rates creates opportunity for LATUDA
- LATUDA has a strong clinical profile and competitive label
- Dedicated and experienced Sales Force ready to compete
- Focused on key access issues to ensure success.





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Actual financial results may differ materially from those presented in this document, being dependent on a number of factors.

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