

...Improving Health Through Technology



Analyst Meeting
November 17, 2008
New York, NY

Today's Agenda

- Update on Form 10 Filing
- Business update
- Understanding the accounting methodology
 - ❑ GAAP
 - ❑ Non-GAAP
- Question and answer session

IMPAX Laboratories, Inc.

“Safe Harbor” statement under the Private Securities Litigation Reform Act of 1995:

To the extent any statements made in this presentation contain information that is not historical, these statements are forward-looking in nature and express the beliefs and expectations of management. Such statements are based on management’s current expectations and are subject to a number of known and unknown risks and uncertainties that could cause Impax’s future results, performance or achievements to differ significantly from the results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, possible adverse effects resulting from the delisting and subsequent revocation of the registration of Impax's stock, the time that will be required to re-register the stock under section 12 of the Securities Exchange Act, Impax's ability to obtain sufficient capital to fund its operations, the difficulty of predicting FDA filings and approvals, consumer acceptance and demand for new pharmaceutical products, the impact of competitive products and pricing, Impax's ability to successfully develop and commercialize pharmaceutical products, Impax's reliance on key strategic alliances, the uncertainty of patent litigation, the availability of raw materials, the regulatory environment, dependence on patent and other protection for innovative products, exposure to product liability claims, fluctuations in operating results and other risks detailed from time to time in Impax's filings with the Securities and Exchange Commission. Forward-looking statements speak only as to the date on which they are made, and Impax undertakes no obligation to update publicly or revise any forward-looking statement, regardless of whether new information becomes available, future developments occur or otherwise.

Note: All product sales data included herein are derived from data published by Wolters Kluwer Health for the 12 months ending September 30, 2008, except for the veterinary product Carprofen, which are derived from data published by Market Dynamics for the 12 months ending December 31, 2004.

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Art Koch, Jr.
Senior Vice President
Chief Financial Officer

Update on Form 10 Filing

- Filed Form 10 Registration Statement Oct. 10, 2008
- 60-day SEC review through Dec. 10
- SEC comments received Nov. 11
 - ❑ 75 comments
- Next step – file amended Form 10A
 - ❑ Responses to SEC comments
 - ❑ Update financial results for nine months ended Sept. 30, 2008
- Trading of IMPAX shares expected to resume as soon as effective
- File paper work for relisting on NASDAQ

IMPAX at a Glance

Technology-Based Specialty Pharmaceutical Company

179 R&D Experts Focused on:

Generic Products

- *Expanding CR and IR pipeline*
- *79 marketed products (SKU's)*
- *24 apps pending at FDA*
- *53 products under development*

Branded Products

- *CNS Products*
- *1 product in Phase III*
- *1 product IND filed*
- *4 products in exploratory stage*

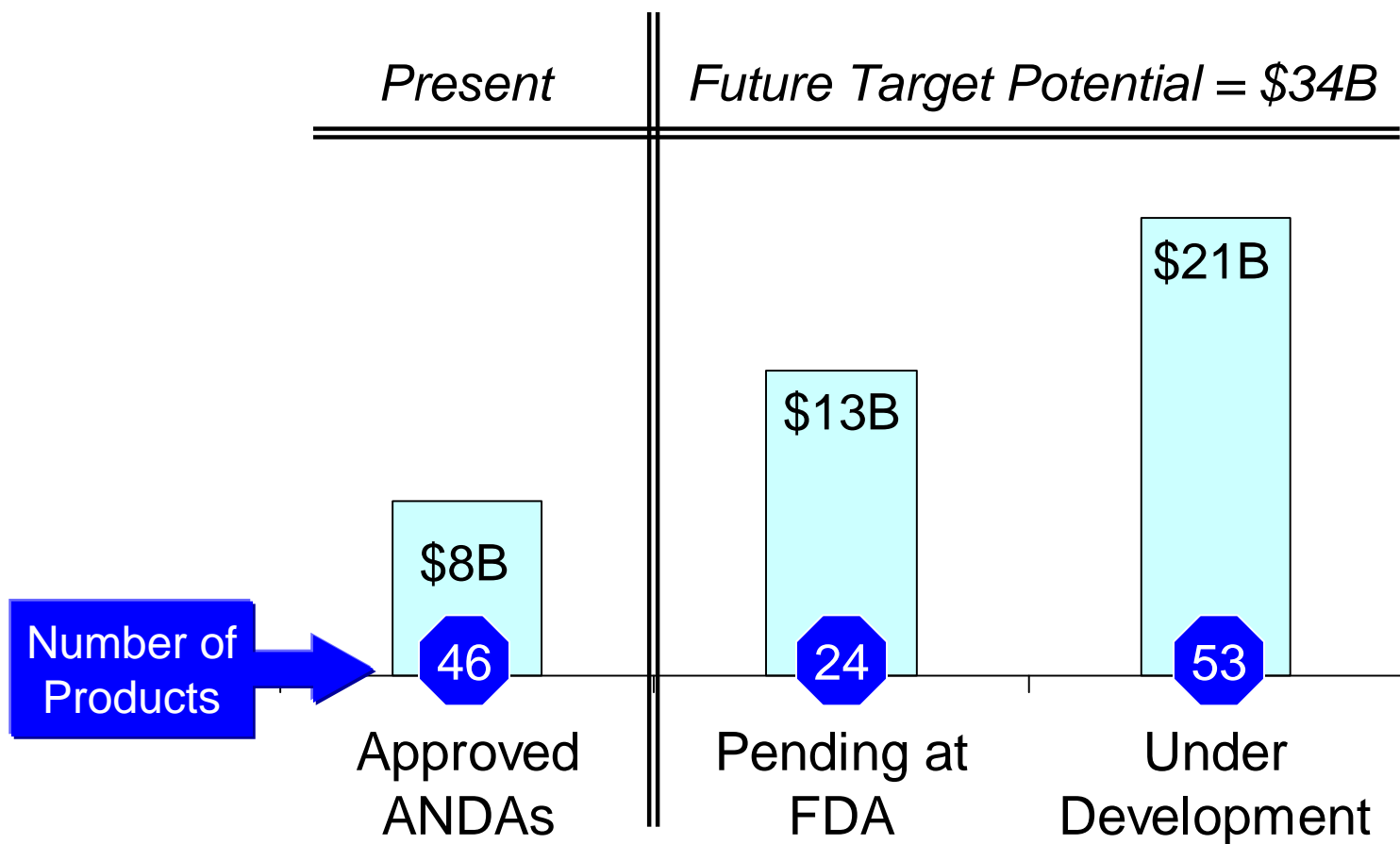
Growing Generics Business

Focusing Our Efforts On...

- Products with limited competition
- Concentration on:
 - First-to-File (FTF)
 - First-to-Market (FTM) opportunities
- Controlled-release projects
 - Substantial experience formulating around existing patents
- Specialty formulation projects where we focus on
 - Difficult to formulate products
 - Difficult to manufacture products

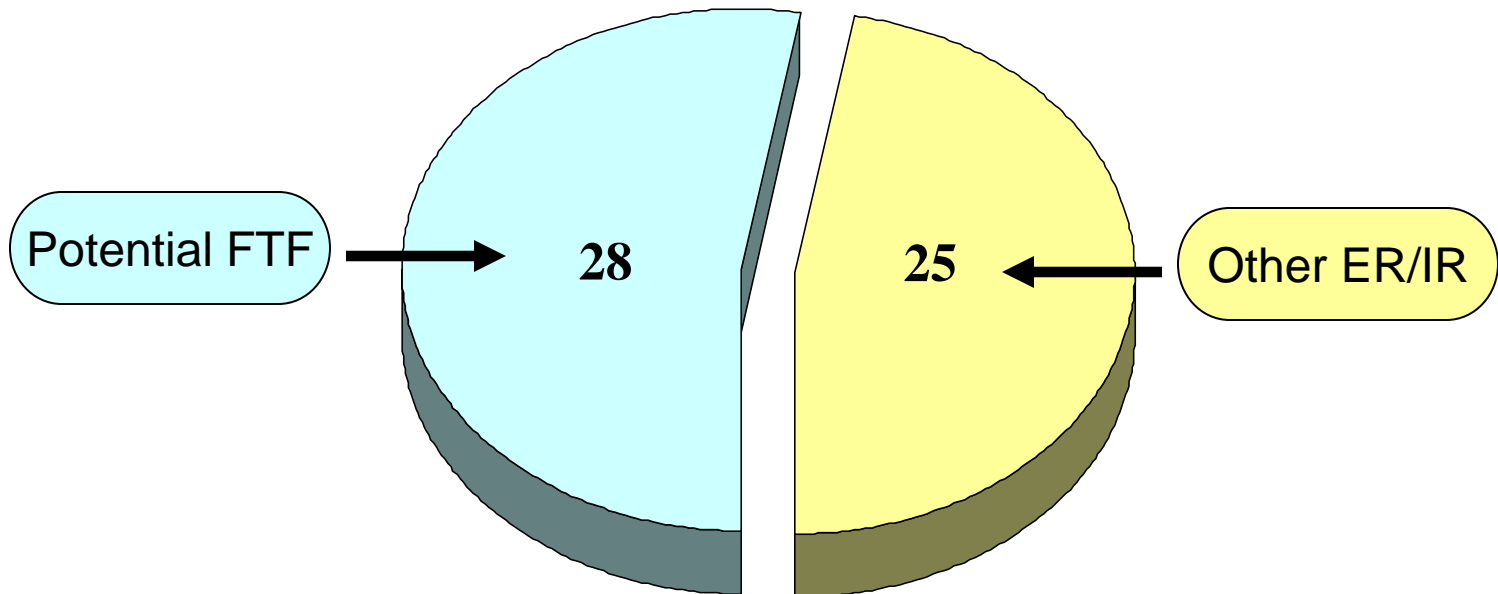
Substantial Development and Drug Delivery Capabilities

123 Generic Products Approved, Pending or Under Development
-Targeting over \$42 Billion in U.S. Market Sales-



Generic Development Project Pipeline

More than 50% of Under Development ANDAs are Potential First-to-File Opportunity



Under Development = \$21 Billion U.S. Market Sales

Looking Deeper Into Under Development

Potential First-to-File Opportunities Focused On:
Difficult to Formulate - Difficult to Manufacture - Less Competition

	# of Products	Brand Sales
Potential First-to-File	13	\$3.5B
Potential First-to-File	15	N/A**
Other Extended/Immediate Release	25	\$17.6B
Total Under Development	53	\$21B

** Not yet launched or sales data not yet available

ANDA Submission Goals

2007

7 ANDA's Submitted

- 7 ANDA's submitted
- FTF on Opana ER®
 - ❑ 5, 10, 20, 30, 40 mg
 - ❑ \$100M U.S. Brand Sales

YTD Nov. 2008

6 ANDA's Submitted

- 2008 Filing Goal:
 - ❑ 8 to 10 with focus on controlled-release products
 - ❑ At least 25% First-to-File

Paragraph IV and Other Disclosed Products

Product/Brand Name*	Brand Sales	Filing Order**	Estimated Launch Date/Status
Omeprazole/Prilosec®	\$214MM	5 of 10	Jan. 2009
Fexofenadine & PSE ER/Allegra-D®	\$319MM	2 of 6	TBD-Blocked by Barr
Methylphenidate ER/Concerta®	\$1.0B	1 of 2	TBD
Amphetamine ER/Adderall XR®	\$1.3B	2 of 6	Oct. 2009
Venlafaxine ER/Effexor XR®	\$3.0B	2 of 10	June 2011 ^(a)
Divalproex ER/Depakote ER®	\$893MM	8 of 10	Target 500mg - July 2009
Oxymorphone SR/Opana ER®	\$126MM	1 of 4 ^(b)	30-month June 2010
Tolterodine Tartrate ER/Detrol LA®	\$880M	2 of 2	Target - Dec. 2010
Tamsulosin ER/Flomax®	\$1.5B	2 of 2	TBD
Tramadol ER/Ultram ER®	\$130MM	2 of 2	Target - April 2011
Minocycline ERT/Solodyn®	\$295MM	N/A	TBD
Total Brand Sales	\$9.6B		

First-to-File

- Trademarks referenced are the property of their respective owners.
- ** Estimation based on publicly available data.
- (a) Subject to earlier launch in limited circumstances, but in no event earlier than Jan. 1, 2011.
- (b) First-to-file on 5, 10, 20, 30 and 40mg strengths. 2 of 2 on 7.5 and 15mg strengths.

Brand Product Strategy

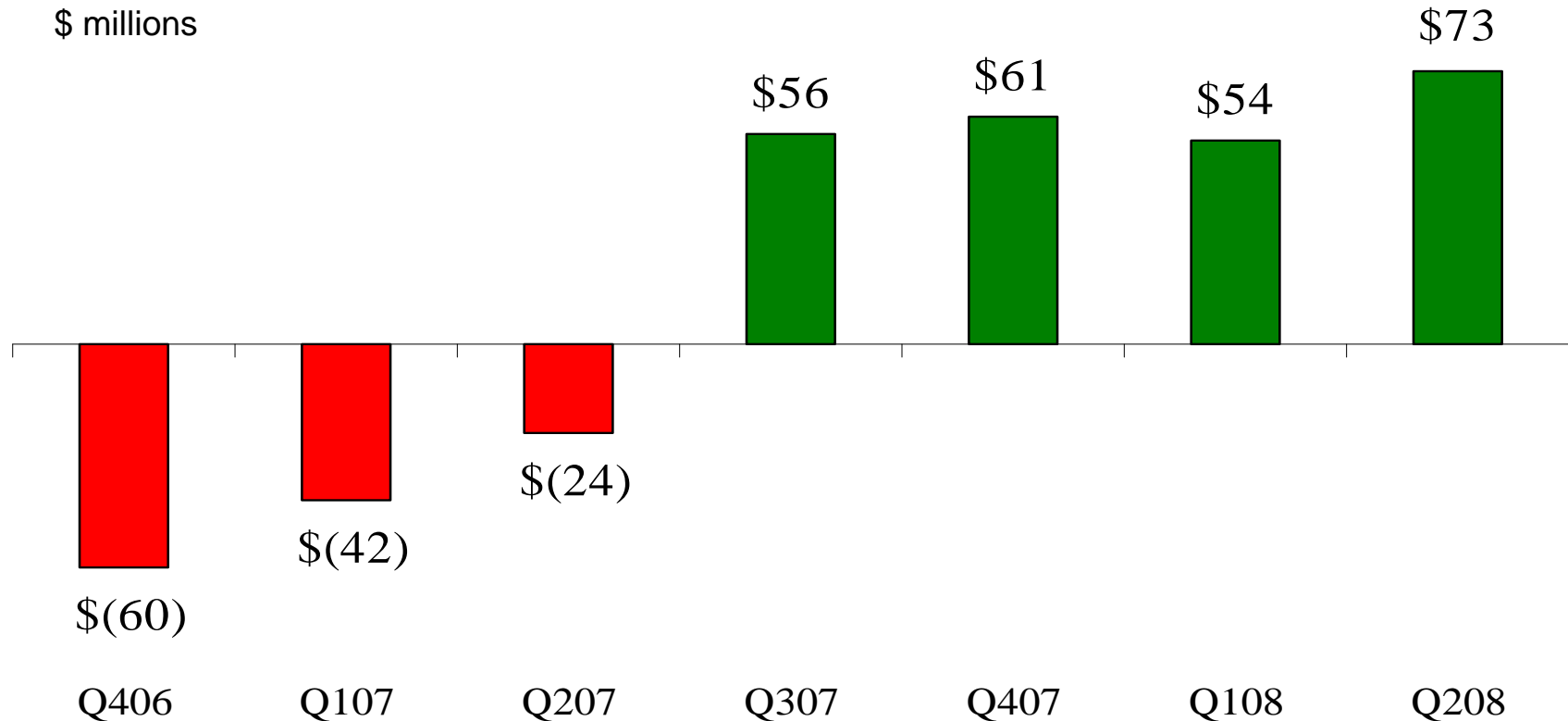
- Current therapeutic focus: Central Nervous System
- 505(b)(2) Drug Applications
- Reformulating/Repurposing marketed products
- Develop IP positions around selected products



Healthy Cash Position – Modest Debt Level

Cash - Net of Long-term Debt

\$ millions



Note 1: Significant estimated tax payment made 4Q 2007 totaling approximately \$14.3MM as NOLs are fully utilized.

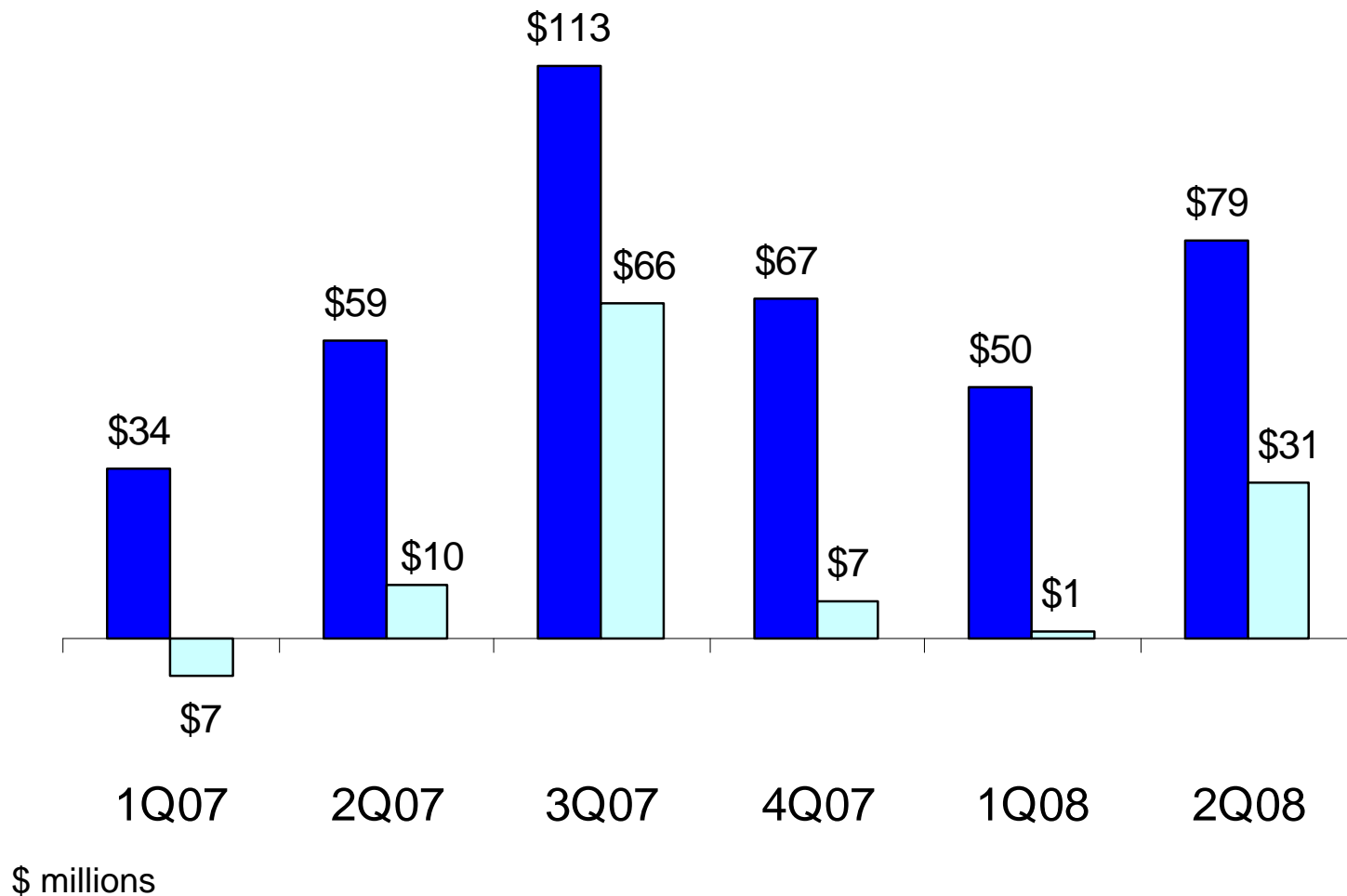
Note 2: Of the 2007 increase in cash before Cap Ex and tax of over \$145 MM~ \$85MM is attributable to OxyContin.

Note 3: 2Q08 results reflect \$34MM attributable to OxyContin.

Note 4: 3Q08 repurchased at a discount \$62.3MM face value of convertible debt for \$60.0MM plus accrued interest

GAAP Results

■ Net revenue □ Operating Income



\$ millions

Conclusion: Strong Platform for Growth

- Core Competency – controlled-release/formulation expertise with significant experience
- Strong product portfolio
 - ❑ “Renewable”
- Strong management team
- Brand products offer long-term growth driver

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Understanding the Accounting Methodology

The Problem

- The TEVA Agreement and multiple elements
- June 2001
 - The Cost of Goods Sold
 - The profit share
 - The exclusive license
- EITF 00-21
 - FAIR VALUE for each element
 - “Objective and reliable evidence”
 - Discounted cash flow, appraisals, management estimates

Modified Proportional Performance Method

- GAAP revenue recognition
- Revenue deferred and amortized over life of contract
 - ❑ Liability captioned “Deferred revenue”
- Manufacturing costs deferred and amortized over life of contract
 - ❑ Asset captioned “Deferred product manufacturing costs”

Transaction Summary

➤ Product summary

- ❑ TEVA – Cash
- ❑ TEVA customers – Profit – Cash

➤ Revenue

- ❑ GAAP = deferred over the life of the agreement (NOT CASH)
- ❑ Non-GAAP = CASH – adjusting out the deferrals

➤ Financial model

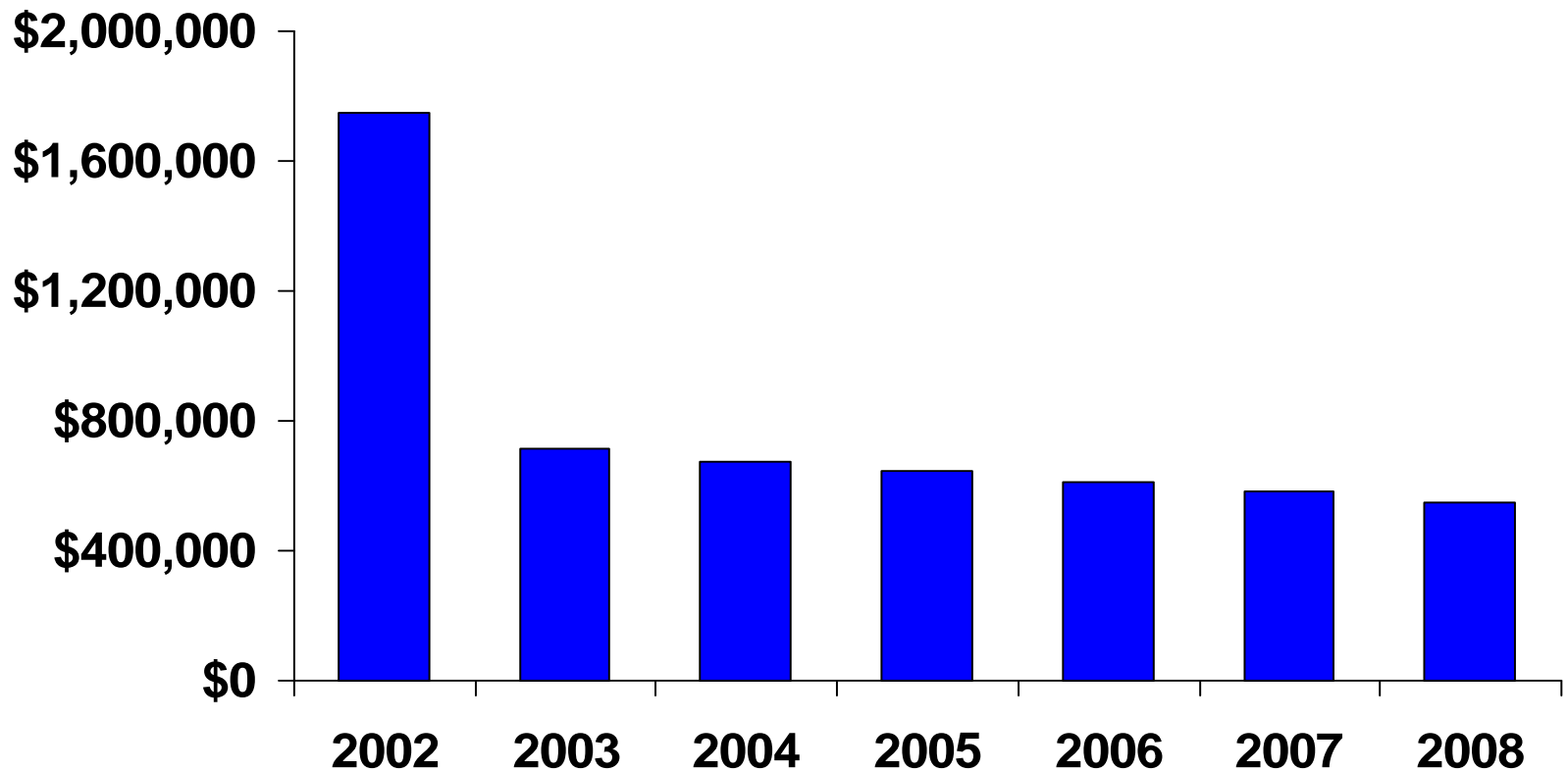
- ❑ GAAP – not indicative of results of operations (NOT CASH)
- ❑ Accomplished through percent of balance sheet deferrals
- ❑ % of balance sheet deferrals plus % of anticipated deferrals

Example - The Impact

	Revenue	Gross Profit
New product launch	1,000,000	500,000
1st Year's sales	750,000	375,000
2nd Year's sales	712,500	356,250
3rd Year sales	676,875	338,438
4th Year's sales	643,031	321,516
5th Year's sales	610,880	305,440
6th Year's sales	580,336	290,168
7th Year's sales	551,319	275,660

Example – Non-GAAP Revenue Recognition

Individual Product Example



Example - GAAP Revenue Recognition

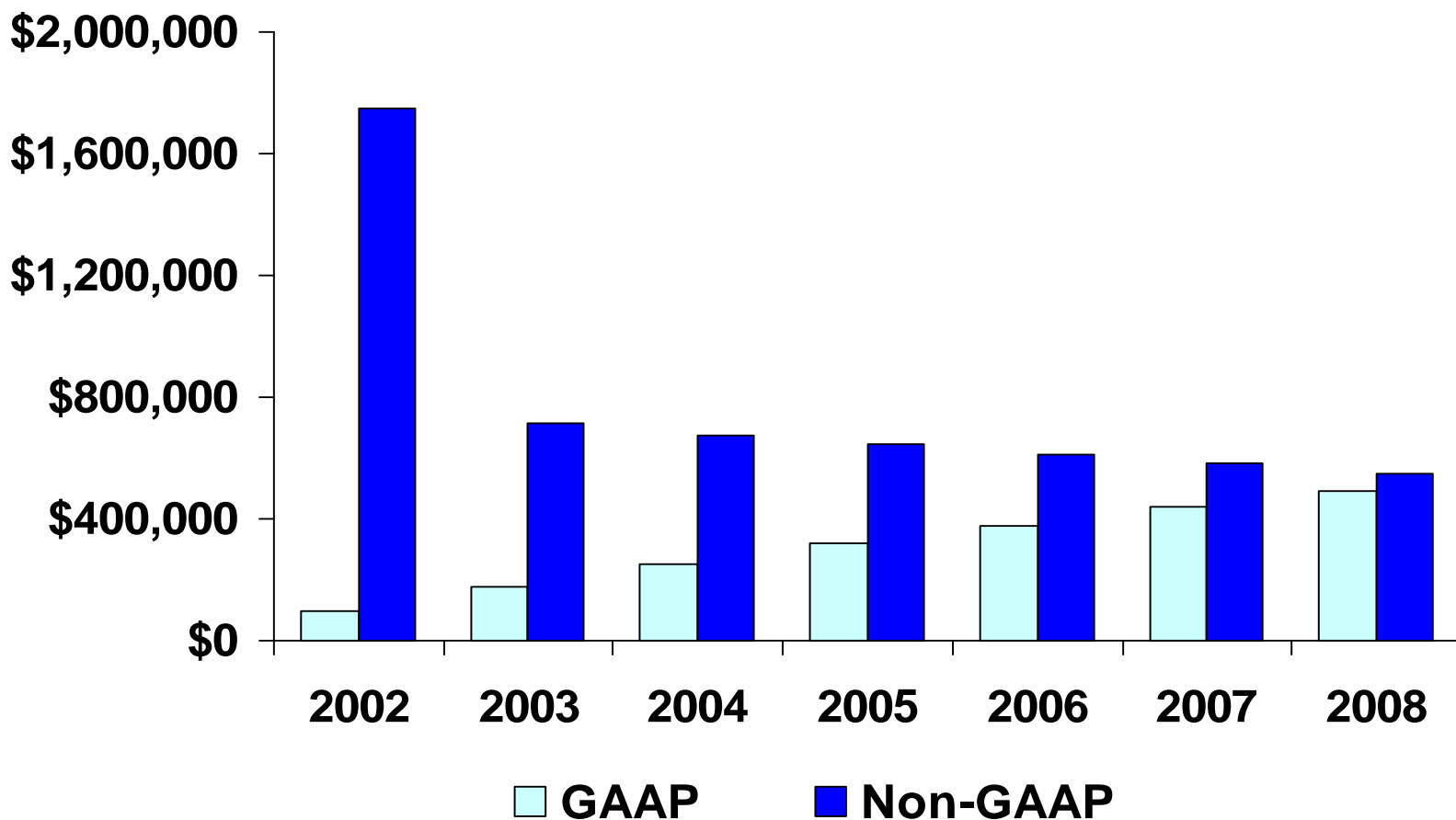
TEVA Sales Agreement 18 Years = 216 Months

Product	GAAP Revenue Recognition			
	Month 1	Month 2	Month 3	Month 4
Launched Year 1				
Sales month 1	1/216	1/216	1/216	1/216
Sales month 2		2/216	1/216	1/216
Sales month 3			3/216	1/216
Sales month 4				4/216

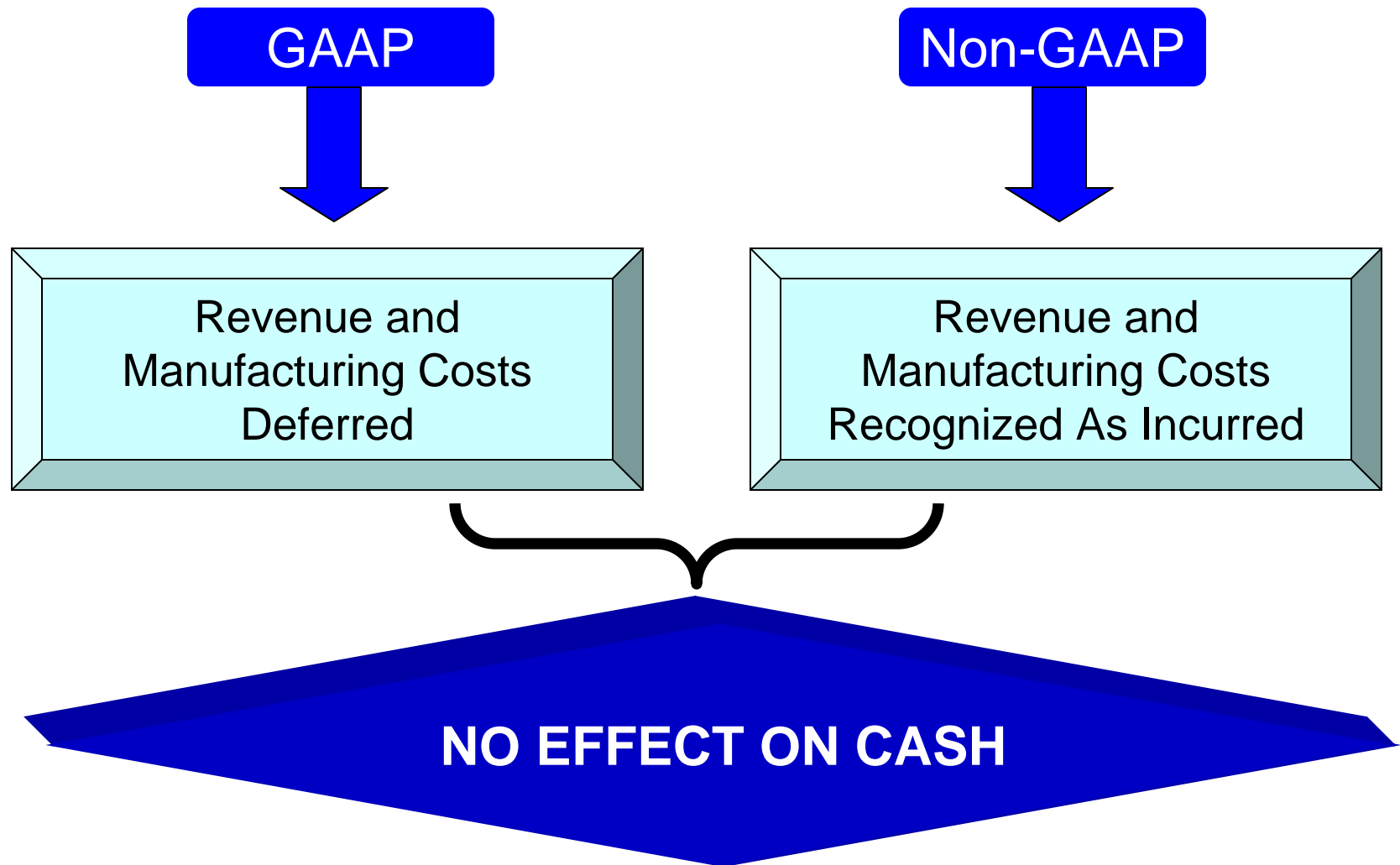
Product	GAAP Revenue Recognition			
	Month 1	Month 2	Month 3	Month 4
Launched Year 4				
Sales month 1	48/216	1/216	1/216	1/216
Sales month 2		49/216	1/216	1/216
Sales month 3			50/216	1/216
Sales month 4				51/216

Example - GAAP versus Non-GAAP Revenue Recognition

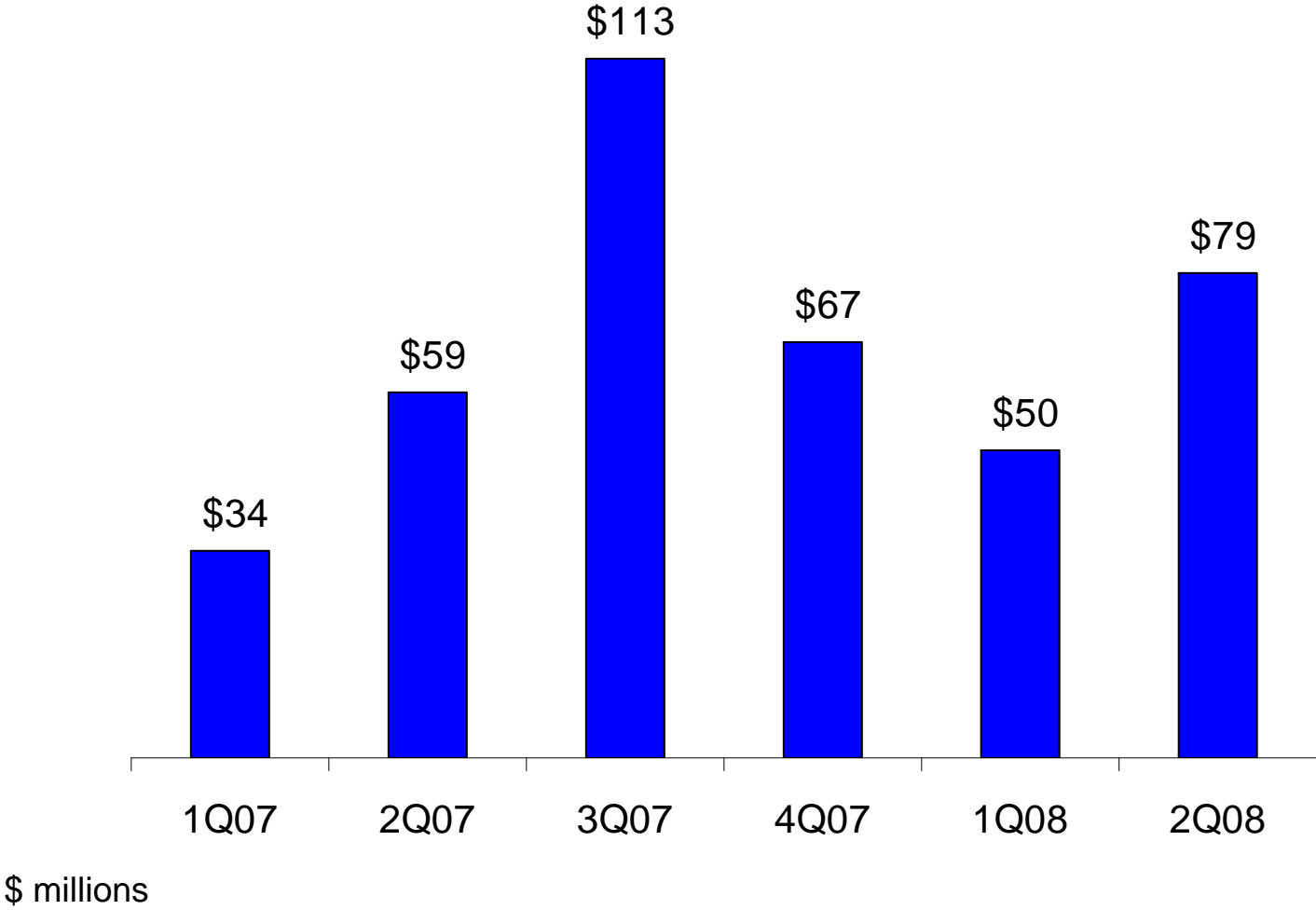
Individual Product Example



GAAP/Non-GAAP = No Effect on Cash

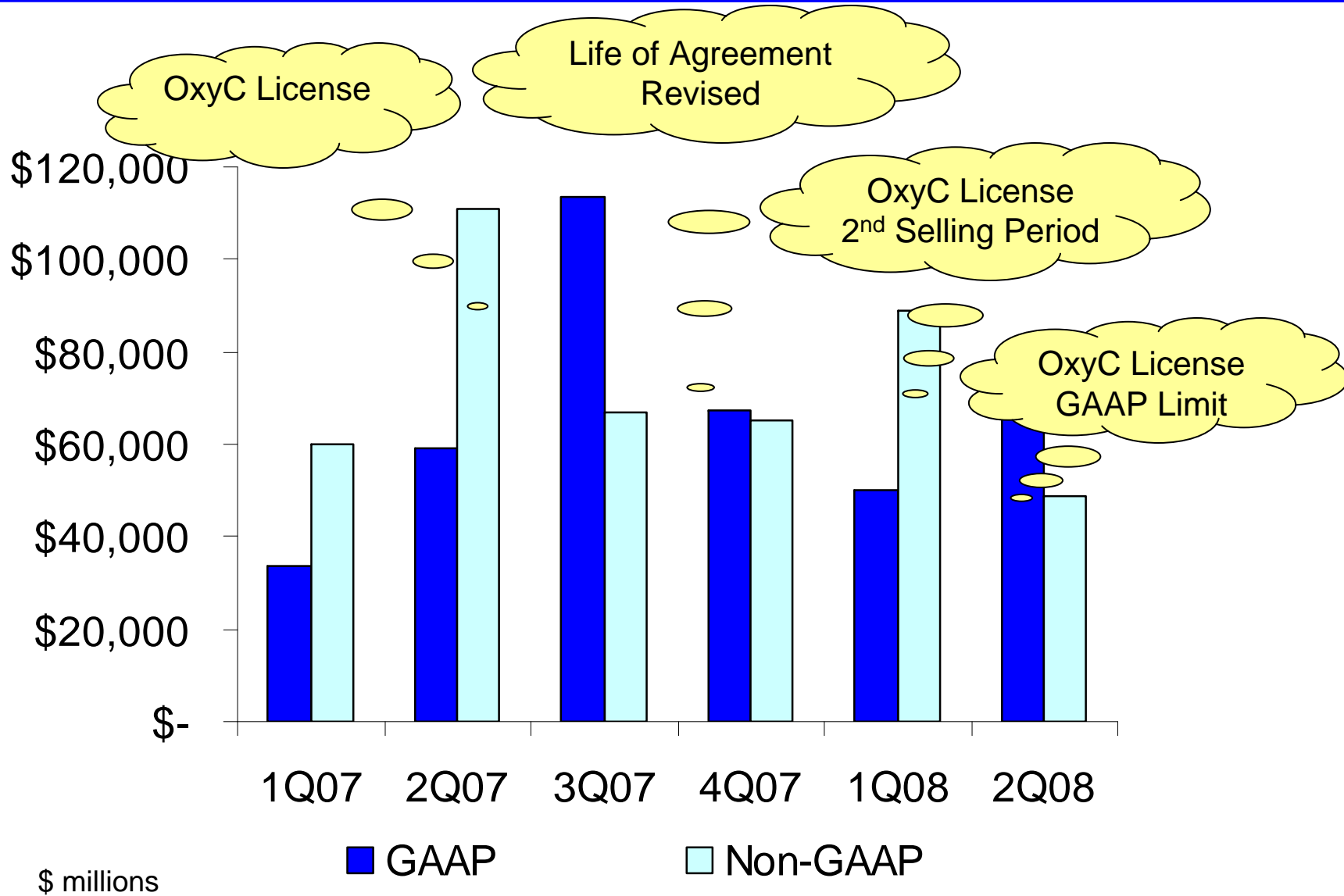


GAAP Net Revenues

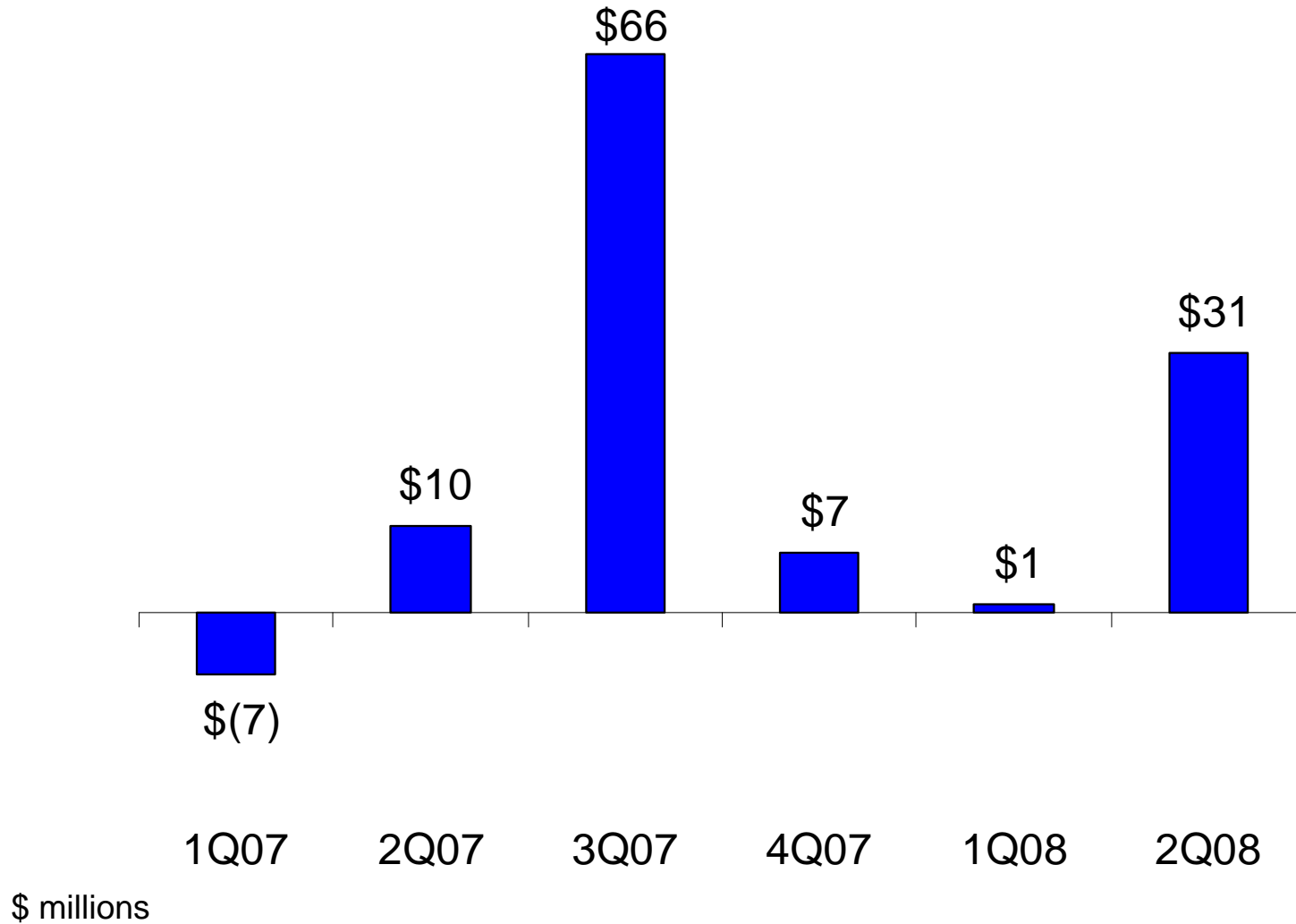


\$ millions

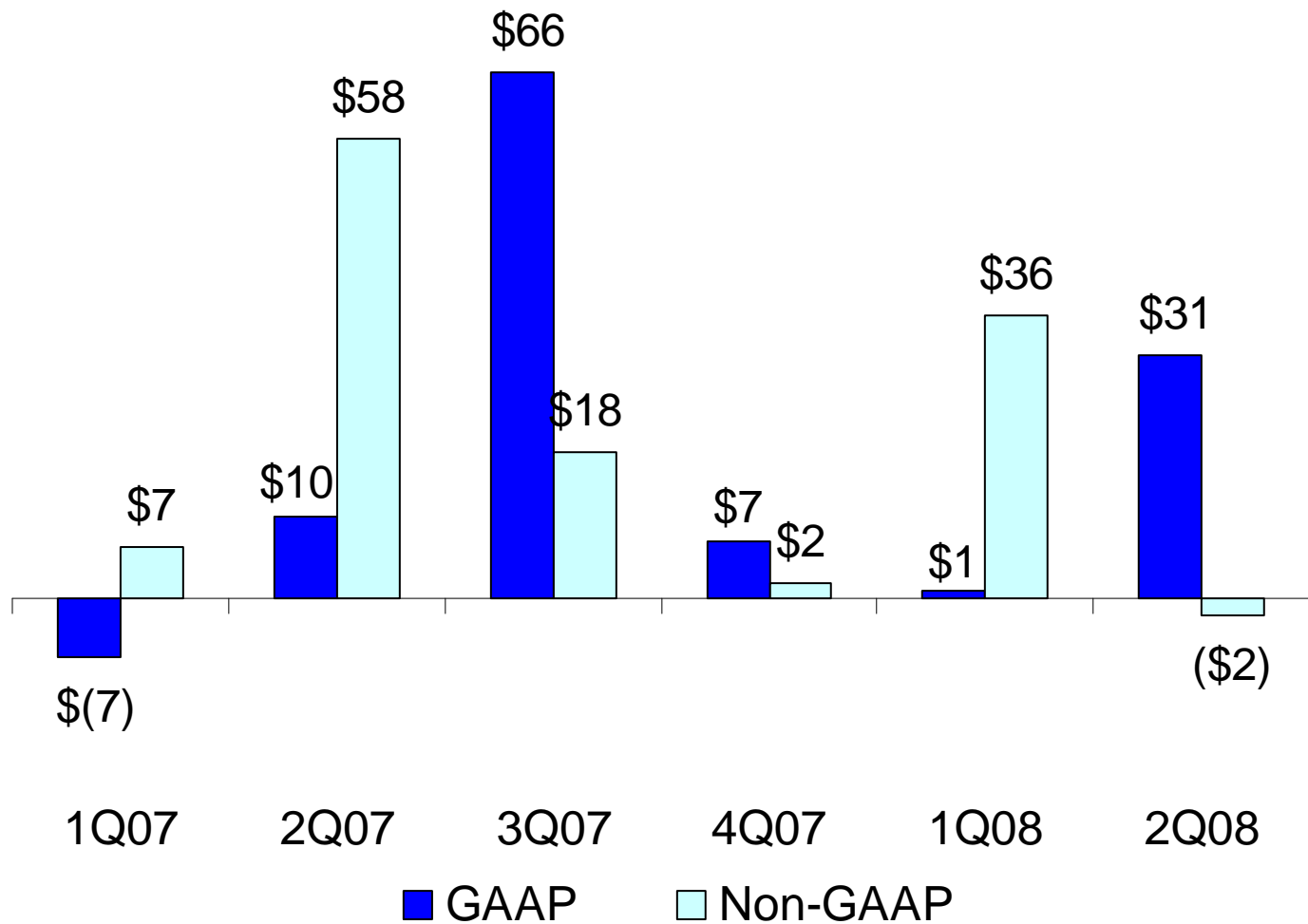
GAAP vs. Non-GAAP Revenue



GAAP Operating Income

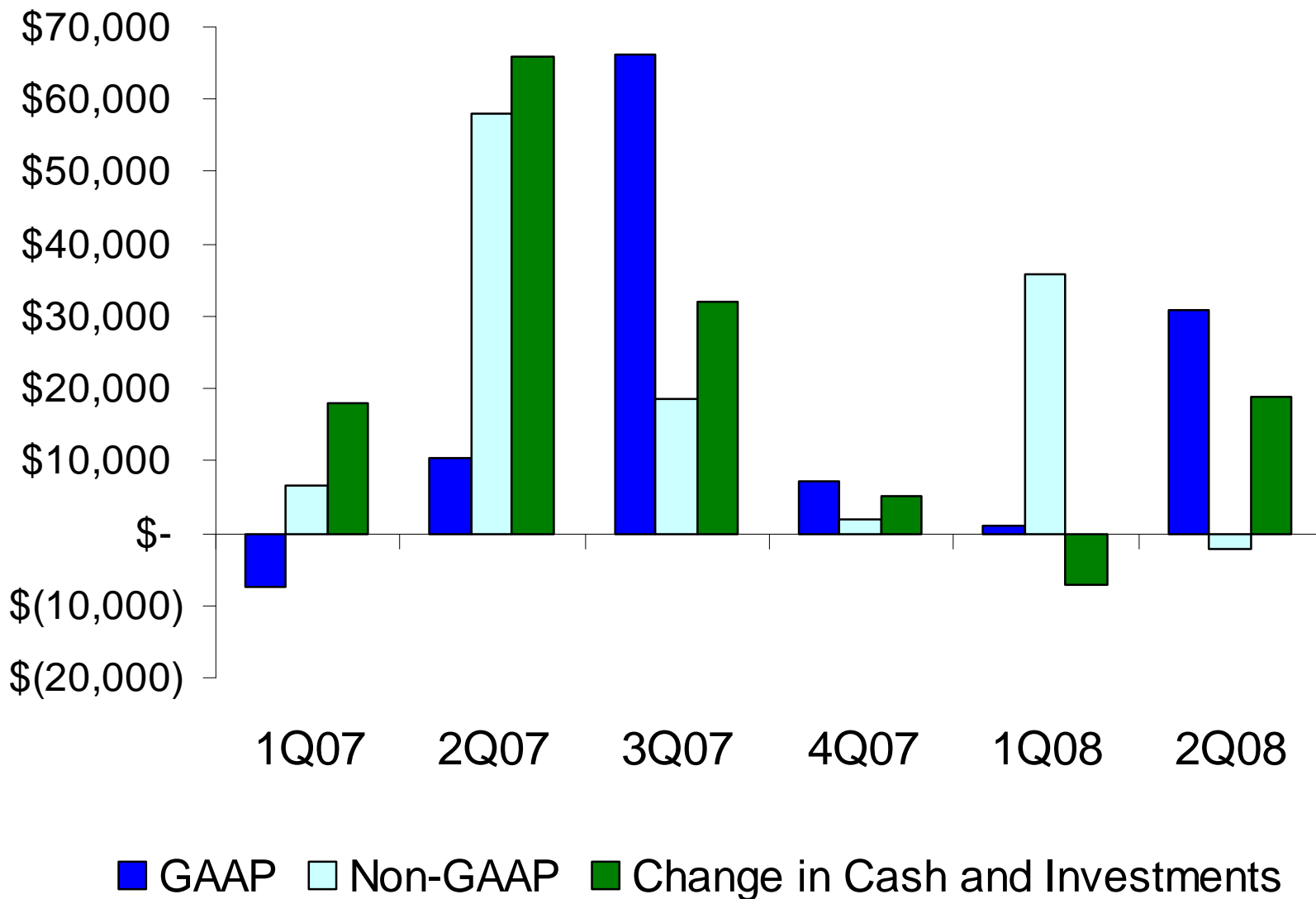


GAAP vs. Non-GAAP Operating Income



\$ millions

GAAP vs. Non-GAAP Operating Income



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Question & Answer Session

Presentation of Non-GAAP Financial Information

Because application of EITF 00-21 to our strategic alliance agreements results in the deferral of a substantial amount of revenue, we believe it is useful to present supplemental information showing what our results of operations would have been had we not deferred such revenue. We present such supplemental information in our SEC filings. The non-GAAP data shows what our results would have been if revenue and related costs were recognized at the time our strategic marketing partners reported the revenue to us, as compared to our reported results. We utilize this information in the management of our business, including in defining performance goals for our executives, and believe that it may be useful to investors, drug wholesalers and others in evaluating customer acceptance of our products in comparison with our competitors that do not defer significant portions of their revenue. However, our non-GAAP financial data should not be considered by investors as an alternative to operating income or net income as an indicator of our performance. Our non-GAAP financial data presentation is also not necessarily comparable to non-GAAP financial data presentations by other companies.