

Press release

Ipsen grants Galderma exclusive rights to develop, promote and distribute its botulinum toxin type A product for aesthetic indications in Europe and certain other territories

Paris (France) and Lausanne (Switzerland), 26 February 2007 - Ipsen (Euronext: FR0010259150; IPN), an innovation driven international specialty pharmaceutical group, and Galderma, a leading global pharmaceutical company focused on dermatology, today announced that they have entered into a partnership for the development, promotion and distribution of Ipsen's botulinum toxin type A for use in aesthetic medicine indications in Europe and certain other territories.

"We are very pleased to partner with Galderma, a worldwide leader in dermatology with an unrivalled range of products and sales force in Europe, for the commercialisation of our botulinum toxin in aesthetic medicine use. Galderma fulfils all of our objectives: a strong commitment to the success of our botulinum toxin type A product in Europe and the maximisation of its market penetration and potential going forward" said Jean-Luc Bélingard, Chairman and Chief Executive Officer of Ipsen. "We believe this agreement is beneficial to both companies and that it will create significant value for both company's shareholders".

"This agreement represents an important milestone for Galderma, physicians and their patients across Europe. It is aligned with our strategy to offer a wide range of corrective and aesthetic treatments to complement our family of therapeutic solutions" commented Humberto C. Antunes, Chief Executive Officer of Galderma International. "Ipsen's botulinum toxin product has the scientific and clinical performance that meets Galderma's high standard for best-in-class patient care. As a leading global dermatology company, we look forward to working with our partner Ipsen, the healthcare community and regulatory authorities to deliver this advancement to the market."

Under the terms of this agreement, Ipsen granted Galderma exclusive rights to develop, promote and distribute a specific formulation for the aesthetic medicine indications of its botulinum toxin type A product in the European Union, Russia and certain territories of the Middle East and Eastern Europe. In addition, Ipsen also granted Galderma first rights of negotiation for aesthetic medicine indications in the rest of the world, excluding the United States, Canada and Japan, as well as rights for future formulations. Galderma will pay Ipsen an upfront payment of €10 million and up to €20 million in additional payments upon the achievement of certain milestones, including market approvals and product launches in certain territories and an additional payment, to be negotiated, with respect to Russia. Ipsen will manufacture and supply Galderma's finished product at a fixed supply price. In addition, Galderma will pay royalties to Ipsen. The total of transfer price and royalties received by Ipsen will be approximately 40% of Galderma's net sales. The agreement is for an initial term expiring in September 2019 and will be extended for a total of 30 years upon the achievement of a milestone.

Ipsen and Galderma will now work together on the development and regulatory strategy of the product in aesthetic medicine indications in the European Union and the other territories. The

specific formulation for the aesthetic medicine indication is currently under regulatory review in France, for approval and subsequent registration in the European Union. Galderma will carry out and fund any future development activity for new aesthetic indications. Ipsen will own all regulatory approvals and all data arising from development activities while Galderma will own the trademark and/or trademark rights in aesthetic medicine indications.

It is estimated that the botulinum toxin market for the aesthetic indication in Europe will continue to demonstrate double digit growth. Ipsen's botulinum type A has shown a strong safety and efficacy profile in a number of indications since it was first approved in 1991. Furthermore, studies have demonstrated its high clinical effectiveness in aesthetic medicine indications.

About Ipsen's botulinum toxin type A

The product is currently referred to as Reloxin[®] in the U.S. aesthetic market and Dysport[®] for medical and aesthetic markets outside the U.S. In March 2006, Ipsen granted Medicis the rights to develop, distribute and commercialize Ipsen's botulinum toxin product in the United States, Canada and Japan for aesthetic use.

Since February 12, 2007, Ipsen's botulinum toxin type A has been approved for aesthetic indications in 20 countries: Argentina, Australia, Belarus, Brazil, Columbia, Egypt, Germany, Honduras, Israel, Kazakhstan, Mexico, Moldova, New Zealand, Philippines, Slovak Republic, Ukraine, Uruguay, Venezuela, Vietnam, and Russia (in Russia, it is the first botulinum toxin type A approved in this field). Ipsen is also pursuing regulatory approval for medical indications for the product in certain additional key international markets.

Dysport[®], Ipsen's botulinum toxin type A, acts to block acetylcholine release at motor nerve ends and reduces muscular spasm. It was initially developed for the treatment of movement disorders such as cervical dystonia (a chronic condition in which the neck is twisted or deviated), blepharospasm (involuntary eye closure), hemifacial spasm and various forms of muscle spasticity, including post-stroke arm spasticity, spasticity of the lower limbs (calf) in adults and children with cerebral palsy. Dysport[®] was originally launched in the United Kingdom in 1991 and has marketing authorisations in over 70 countries.

About Ipsen

Ipsen is a European pharmaceutical group with over 20 products on the market and a total worldwide staff of nearly 4,000. The company's development strategy is based on a combination of products in targeted therapeutic areas (oncology, endocrinology and neuromuscular disorders), which are growth drivers, and primary care products which contribute significantly to its research financing. This strategy is also supported by an active policy of partnerships. The location of its four R&D centres (Paris, Boston, Barcelona and London) gives the Group a competitive edge in gaining access to leading university research teams and highly qualified personnel. In 2005, R&D expenditure reached €169 million, i.e. 20.9% of consolidated sales, which amounted to €807 million in the Group's pro forma accounts set-up according to the IFRS. Nearly 700 people in R&D are dedicated to the discovery and development of innovative drugs for patient care. Ipsen's shares are traded on Segment A of Eurolist by Euronext (stock code: IPN, ISIN code: FR0010259150). Ipsen's internet website is www.ipsen.com

About Galderma

Galderma is a global pharmaceutical company specializing in the research, development and marketing of therapeutic, corrective and aesthetic solutions for dermatology patients and a leading player in the worldwide dermatology market. Its expertise covers a broad spectrum of skin, hair and nail diseases.

Created in 1981, Galderma is a joint venture between Nestlé and L'Oréal and employs more than 2,400 people. The company has wholly-owned affiliates in thirty-two countries and a worldwide network of exclusive sales agents. In 2006, the company had global revenues of €687 million.

To drive sustained growth, Galderma relies on a significant level of investment in research and development. The new 19.300-sq. meter state-of-the art R&D center in Sophia Antipolis, dedicated exclusively to innovation in dermatology was completed in late 2006. This center positions Galderma as the world's leading investor in dermatology R&D and underpins its commitment to the future of dermatology.

Galderma's strategy for continued growth is to invest in its key brands and market them globally (in more than sixty-five countries). Differin®, the company's first home-grown product indicated for topical treatment of acne, and other major products for treating rosacea, psoriasis and onychomycosis (fungal nail infections) are the drivers of the portfolio.

Committed to the future of dermatology, Galderma's ambition is to be recognized as the most competent and successful innovation-based company focused exclusively on meeting the needs of dermatology patients and physicians. Galderma's website is www.galderma.com

Forward-looking statements

The forward-looking statements and targets contained herein are based on Ipsen's management's current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein.

Ipsen expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. Ipsen's business is subject to the risk factors outlined in its information documents filed with the French 'Autorité des marchés financiers'.

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