

Press release

**Increase focus, invest to grow, leverage footprint**

- **Focus and invest in four market-oriented franchises**
- **Focus and invest on differentiated and innovative peptide and toxin patient-driven technological platforms**
  - **Accelerate development in the US and in emerging countries**
  - **Explore all the potential opportunities of a broad partnership in French Primary Care**
- **Non-recurring charges of €80 to 100 million before tax over 2011 and 2012 in connection with the implementation of the strategy**

**Paris (France), 9 June 2011** - Ipsen (Euronext: IPN - ADR: IPSEY) will hold today its Strategy Day. The Group's management will provide a comprehensive review of its new strategy.

**Marc de Garidel, Chairman and Chief Executive Officer of Ipsen**, said *"It is with great pleasure that we will share today the result of the detailed strategic review that we have undertaken since my appointment as Chairman and CEO late last year. Our ambition is to become a world leader in the treatment of targeted debilitating diseases. Our strategy is threefold: first, increase focus through the creation of a new franchise-based organization and increase R&D specialization on two innovative and differentiated technological platforms, peptides and toxins. Second, within areas of focus, increase significantly investments to enhance our research and commercial competitiveness. Last, leverage our international footprint, particularly in the USA and in the pharmerging markets, to gain global market share. We thus aspire at more than doubling our 2010 revenues<sup>1</sup> and tripling our 2010 EBIT<sup>2</sup> by 2020."*

The Group is now planning to implement<sup>3</sup> the following key decisions to achieve its 2020 ambition:

**1. Increase focus**

- **Focus R&D on peptide and toxin technological platforms**
  - Research and Development departments to merge
  - R&D to focus on the Group's differentiated core platforms, peptides and toxins
  - R&D excellence around a "proof-of-concept machine" to better ensure alignment of research priorities, market expectations and patient needs
  - Barcelona R&D center to close and transfer of certain of its departments to other sites.

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<sup>1</sup> 2020 figures include contribution of Inspiration Biopharmaceuticals portfolio and are set at constant foreign exchange rate

<sup>2</sup> Prior to purchase price accounting and non recurring elements

<sup>3</sup> the implementation of this project has to be submitted to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation

- **A 4 franchise-focused organization**

- The Group's organization remains based on the geographic segmentation of its commercial activities, with countries being fundamentally responsible for their contribution to the Group's consolidated P&L. In this context, franchises will define their portfolio development strategy and will monitor its implementation. The Group creates four franchises: Endocrinology / Somatuline<sup>®</sup>, Neurology / Dysport<sup>®</sup>, Uro-oncology / Decapeptyl<sup>®</sup> and Hemophilia around the Group's partnership with Inspiration Biopharmaceuticals.
- Short Stature will be managed in a commercial optimization strategy. Ipsen will explore all options to maximize value while meeting its obligations to patients and partners. It will be managed directly by regions and countries.
- Strategy for Primary care
  - Grow international primary care activities, managed directly by regions and countries
  - Actively search for a partner for the primary care commercial operations in France
  - Actively search for an acquirer to maintain and develop activities of Ipsen's industrial site in Dreux (France), specialized in the packaging of oral formulations in dry forms and solutions

## **2. Invest to grow**

- Increase leadership of Ipsen's innovative technological platforms (both in R&D and manufacturing)
- Support the development of Ipsen's franchises as growth levers, by reallocating significant resources to the company's key assets, Dysport<sup>®</sup> and Somatuline<sup>®</sup> to grow their market share

## **3. Leverage Ipsen's footprint :**

Ipsen has an extensive commercial reach with drugs marketed in 115 countries, either directly or through partners.

- In the USA:
  - Focus investment and resources to drive Dysport<sup>®</sup> and Somatuline<sup>®</sup> Depot growth in current and future indications
  - Align US business with the global organization and move US commercial operations to the East coast
- In the Pharmerging countries:
  - Invest to accelerate Pharmerging market penetration with both specialty and primary care portfolio

The above elements will be addressed today during the press and investor meetings. All the presentations will be available on Ipsen's website: [www.ipsen.com](http://www.ipsen.com).

To implement the new strategy, the executive committee has been renewed with 7 Executive Vice Presidents reporting to Marc de Garidel, Chairman & CEO:

- Claude Bertrand (Research and Development)
- Etienne de Blois (Human Resources)
- Pierre Boulud is appointed Executive Vice President, Strategy, Business Development and Market Access. Pierre Boulud joined Ipsen in 2002 and has held several senior positions within the company (Corporate Strategic Planning Manager, General Manager of the Spanish affiliate and VP Corporate Strategic Marketing). Previously, Pierre Boulud held several Senior Consultant and project leader positions both in Bossard consultants and then at Boston Consulting Group. He is graduated from Essec.
- Eric Drapé (Technical Operations)
- Claire Giraut (Finance)
- Christophe Jean (Operations)
- Corporate Counsel and Company Secretary (to be appointed)

In 2020, the new strategy's horizon, the Group's ambition is to more than double its 2010 revenues<sup>1</sup> to €2.0 to €2.5bn and to more than triple its 2010 EBIT<sup>2</sup> to €500 to €600m. The execution of the new strategy will require an investment period over 2011-2015 followed by a period of expected solid growth over 2016 – 2020.

### **The Group confirms its 2011 drug sales objectives:**

On the basis of currently available information, the Group confirms its 2011 objectives:

- **Specialty Care** drug sales growth close to 8.0% year-on-year
- **Primary Care** drug sales decrease of 8.0% to 10.0% year-on-year, notably pending the evolution in France.

The above objectives are set excluding any foreign exchange impacts.

### **Non-recurring one-off costs related to the implementation of the new strategy**

On the basis of currently available information, the Group expects to record one-off costs of 80 to 100 million euros before tax over 2011 and 2012 mainly related to the transfer of the US commercial operations to the East Coast, the closure of the Barcelona R&D site and other one-off costs related to the implementation of the strategy and of the new organization.

### **Press conference (in French)**

Ipsen will host a press conference on Thursday 9 June 2011 at 11.30 a.m. (Paris time, GMT + 1) at the Hotel Pullman - 8/12 rue Louis Armand - 75015 Paris (France).

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<sup>1</sup> 2020 figures include contribution of Inspiration portfolio and are set at constant foreign exchange

<sup>2</sup> Prior to purchase price accounting and non recurring elements

## **Meeting, webcast and Conference Call (in English) for the financial community**

Ipsen will host an analyst meeting on Thursday 9 June 2011 at 1:30 p.m. (Paris time, GMT+1) at the Hotel Pullman - 8/12 rue Louis Armand - 75015 Paris (France). A web conference (audio and video webcast) and conference call will take place simultaneously. The first one will be available at [www.ipсен.com](http://www.ipсен.com) for 3 months. Participants in the conference call should dial in approximately 5 to 10 minutes prior to its start. No reservation is required to participate. The conference ID is 895118. Phone numbers to call in order to connect to the conference are: from France and continental Europe +33 (0)1 70 99 32 12, from UK +44 (0) 207 162 0177 and from the United States +1 334 323 6203. No access code is required. A recording will be available shortly after the call. Phone numbers to access the replay of the conference are: from France and continental Europe +33 (0)1 70 99 35 29, from UK +44 (0) 207 031 4064 and from the United States +1 954 334 0342 and access code is 895118. This replay will be available for one week following the meeting.

### **About Ipsen**

Ipsen is a global biopharmaceutical specialty care group with total sales exceeding €1.1 billion in 2010. Ipsen's ambition is to become a global leader in the treatment of targeted debilitating diseases. Its development strategy is supported by four franchises: neurology / Dysport<sup>®</sup>, endocrinology / Somatuline<sup>®</sup>, uro-oncology / Decapeptyl<sup>®</sup> and hemophilia. Moreover, the Group has an active policy of partnerships. R&D is focused on innovative and differentiated technological patient-driven platforms, peptides and toxins. In 2010, R&D expenditure totaled more than €220 million, above 20% of Group sales. The Group has total worldwide staff of close to 4,500 employees. Ipsen's shares are traded on segment A of Euronext Paris (stock code: IPN, ISIN code: FR0010259150) and eligible to the "Service de Règlement Différé" ("SRD"). The Group is part of the SBF 120 index. Ipsen has implemented a Sponsored Level I American Depositary Receipt (ADR) program, which trade on the over-the-counter market in the United States under the symbol IPSEY. For more information on Ipsen, visit [www.ipсен.com](http://www.ipсен.com).

### **Forward Looking Statement**

The forward-looking statements, objectives and targets contained herein are based on the Group's management strategy, 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. Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by the Group. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Notably, future currency fluctuations may negatively impact the profitability of the Group and its ability to reach its objectives. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties. The Group does not commit nor gives any guarantee that it will meet the targets mentioned above. Furthermore, the Research and Development process involves several stages each of which involve the substantial risk that the Group may fail to achieve its objectives and be forced to abandon its efforts with regards to a product in which it has invested significant sums. Therefore, the Group cannot be certain that favorable results obtained during pre-clinical trials will be confirmed subsequently during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safe and effective nature of the product concerned. The Group also depends on third parties to develop and market some of its products which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to the Group's activities and financial results. The Group 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. The Group's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers.

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