

An innovation driven International Specialty Pharma

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Ms. Claire Giraut – Chief Financial Officer
Mr. David Schilansky – Investor Relations Officer



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Profile and strategy



An innovation driven International Specialty Pharma Group

A strategic focus on specialist care worldwide

- Three targeted areas : Oncology, Endocrinology and Neuromuscular Disorders
- 5 key products accounting for ~ 55% of drug sales
- Growing at a double digit rate

A historic presence in primary care

- A primary care franchise focused on gastroenterology, cognitive disorders and cardiovascular
- A presence focused on selected geographies including France, China and Russia
- A sound business yielding recurring cashflow and contributing to R&D financing

A truly differentiating and international R&D capability

- Focused on hormone-dependent diseases, peptide and protein engineering and innovative delivery systems
- R&D expense in excess of 20% of sales
- 4 centers in Boston, Paris, London and Barcelona

An integrated player

- A fully-fledged peptide manufacturing capability
- Two FDA-approved manufacturing facilities

A recognised strategic partner

- Alliances with international industry leaders in US, Europe and Japan and best-in-class universities around the world
- Ipsen's business partners include Galderma, Genentech, GTx, Medicis, Roche, Teijin and Tercica

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2007 results in line with objectives

	2007 objectives	Actuals	
Sales	6.5 to 7.5% growth	+6.8%	In line
Total revenues	4.0 to 5.0% growth	+5.1%	In line
Reported operating margin	22.0 to 23.0% (in % of sales)	22.7%	In line

Another year of achievement

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A good start to 2008...

<p>Underlying Group sales (at constant currency and excluding Ginkor Fort®)</p> <p>+8.4%</p>	<p>Underlying Volumes sold (excluding Ginkor Fort®)</p> <p>+8.7%</p>
<p>Specialist care product sales</p> <p>+9.7%</p>	<p>Sales outside major Western European countries</p> <p>+18.4%</p>

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FIRST QUARTER 2008/2007 growth rates

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A unique convergence of capabilities

A differentiating R&D focused on...

- 1 **Hormone dependent diseases**
- 2 **Peptide and protein engineering**
- 3 **Innovative delivery systems**

A competitive R&D capability with...

- 1 **4 R&D specialized centres**
(Boston, Paris, Barcelona, London)
- 2 **A staff of 700**
- 3 **20.1% of sales spent on R&D in 2007**
- 4 **A unique convergence of technological platforms**

A recognised strategic partner

Ipsen has built a strong network of centres of research excellence and industry leaders

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A continued rigorous execution of the strategy

Mission Statement

To be a worldwide best-in-class provider of innovative drugs, addressing unmet medical needs in its targeted therapeutic areas

Strategic Priorities

- 1 **GROW** top-line and profits in specialist care by providing innovative drug therapy
- 2 **GLOBALISE** through active geographical expansion policy
- 3 **OPTIMISE** returns of primary care through selected product life cycle management, partnerships and focused investments

Launch of Increlex® in Europe and Somatuline® in the US	Continued investment in R&D In-licensing of a 6 month formulation of Decapeptyl®	Partnership with Galderma extended to Latin America Promising phase II data for OBI-1	Approval and launch of Somatuline® in the US Filing of Dysport® with the FDA	Sale of Ginkor Fort® to an OTC specialist	Launch of Advroence® in France Approval for Adenuric® in Europe
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Why is Ipsen different ?



**A UNIQUE CONVERGENCE
OF
TECHNOLOGIES**

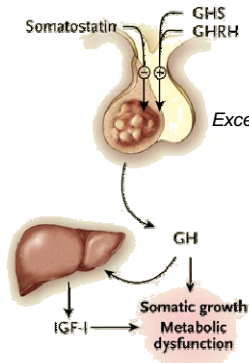
EXAMPLE 1: SOMATULINE

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Pituitary Adenoma -> Excess GH Secretion -> Acromegaly

Non-malignant pituitary tumor



Prepuberty: Gigantism



Postpuberty: soft Tissue Growth



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Acromegaly – medical considerations and prevalence

Medical Considerations

Significant morbidity and mortality^{1,2}
 2.5 to 5x excess mortality¹
 5-10 years less life expectancy²
 GH/IGF-1 normalizes mortality^{3,4}

Prevalence

Prevalence: 60 per 1 million
 50% receive drug therapy
 North America: ~ 15,000
 Europe: ~ 15,000

Treatment alternatives

Sandostatin® and Sandostatin® LAR®: WW Sales \$1027 m in 2007

(of which \$409 m in the US)

Somatuline® Autogel and Somatuline® Depot: WW Sales of €130 m in 2007

Somavert

1. Orme SM et al. JCEM 83: 2730-4, 1998
 2. Clayton RN et al. J Endocrinol (Suppl 1): S23-9, 1997

3. Abosch A et al. JCEM 83: 3411-8, 1998
 4. Swearingen B et al. JCEM 83: 3419-26, 1998

* source: Tercica

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Somatuline® Autogel® : an improved pharmacokinetic profile



	Sandostatin LAR®	Somatuline® Autogel®
Indications	Acromegaly NET	Acromegaly NET (EU only)
Administration route	Intramuscular	Subcutaneous
Volume injected	2.0 ml	0.4 ml
Needle length	40mm	20mm
Formulation	Powder for reconstitution	Ready to use



Comparison Of pre-filled (RHS)
Versus competitor Intramuscular
Injection device (LHS)

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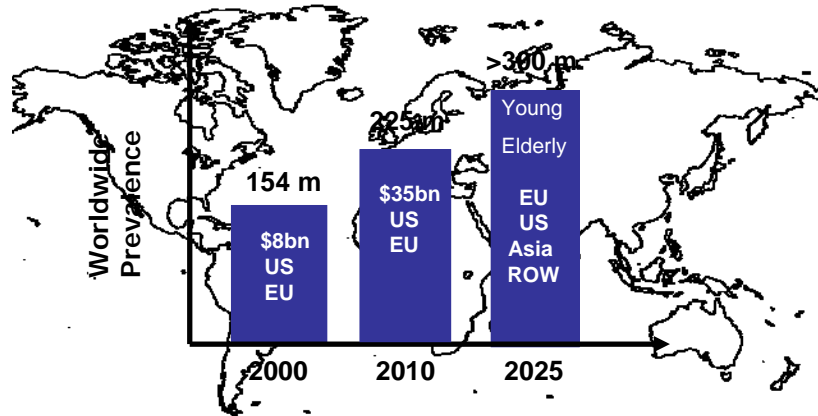
A UNIQUE CONVERGENCE OF TECHNOLOGIES

EXAMPLE 2: GLP-1

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Diabetes market is expanding



Source: IMS Health Medical Dynamics data, 2002

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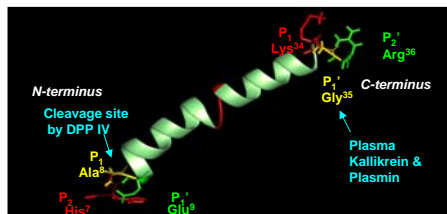
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Ipsen's GLP-1: leveraging our technological platforms

- ✓ Equal / greater potency compared to native compound
- ✓ Extended metabolic half-life: 22x more stable in plasma
- ✓ Complete retention of incretin properties
- ✓ Strong patent positions

✓ **Once-a-week or twice-a-month injection**

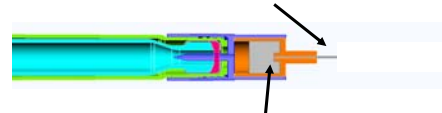
Designing the peptide itself...



Human GLP-1(7-36)NH₂ is cleaved in plasma at both N- & C termini: modification of positions 8 & 35

...so that it fits Ipsen's innovative delivery systems technologies

Insulin type needle for subcutaneous injection



50 to 300µl of highly concentrated aqueous solution devoid of excipient

Example of a pre-filled delivery device presentation (eg. Preloaded pen injector)

Roche opt-in in July 2006

- ✓ ~ €60 m paid upfront
- ✓ ~ €170 m potential additional milestones
- ✓ Mid-teens royalties on WW net sales

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FIELD PROVEN PRODUCTS SOLD WORLDWIDE, WITH A STRONG EXPOSURE TO EMERGING COUNTRIES

ENTERING THE WORLD'S LARGEST MARKET

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A market leader in our Targeted Therapeutic Areas

Decapeptyl®

- GnRH analogue - 3 months formulation – longer Sustained Release Formulations (“SRF”) under development
- **n°1 or n°2 in most Ipsen markets**
- Long lasting relationships with target audiences and EU urology organisations
- Main competitors: Enantone (Takeda), Zoladex (Astra-Zeneca)

Somatuline®

- Somatostatin analogue
- Specific know-how of Ipsen in innovative SRF with the Autogel presentation: 28-days and over SRFs
- **n°1 or n°2 in most Ipsen markets**
- Main competitors: Sandostatin (Novartis)

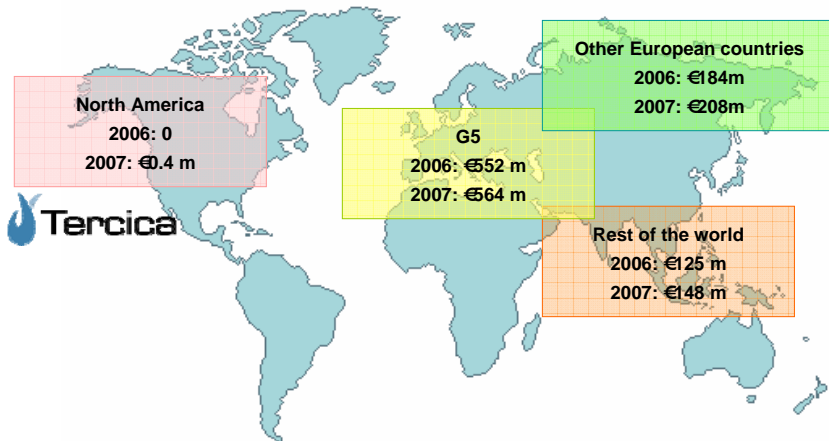
Dysport®

- Botulinum Toxin of Type A
- Efficient and field proven product (launched in 1991), an attractive alternative to the market leader
- **n°1 or n°2 in most Ipsen markets**
- Challenger of Botox® (Allergan)

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Ipsen is present in 127 countries representing c. 36% ⁽¹⁾ of the world's pharmaceutical market...



...and entered in late 2006 the largest market, North America, accounting for 52% ⁽¹⁾ of total

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NOTE 1: source: IMS health report 2002



Ipsen offers a high exposure to fast growing emerging markets

2006 and 2007 sales by region

➤ 2007 sales outside the G5: €356

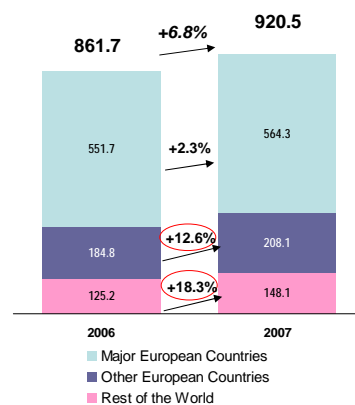
✓ 14.9% growth year-on-year

➤ A market leader in China with Decapeptyl® and Smecta®

➤ Extensive coverage of fast growing:

- ✓ Russia
- ✓ ex-CIS countries
- ✓ Brazil, Argentina
- ✓ North Africa
- ✓ Middle East

2006 and 2007 sales by region



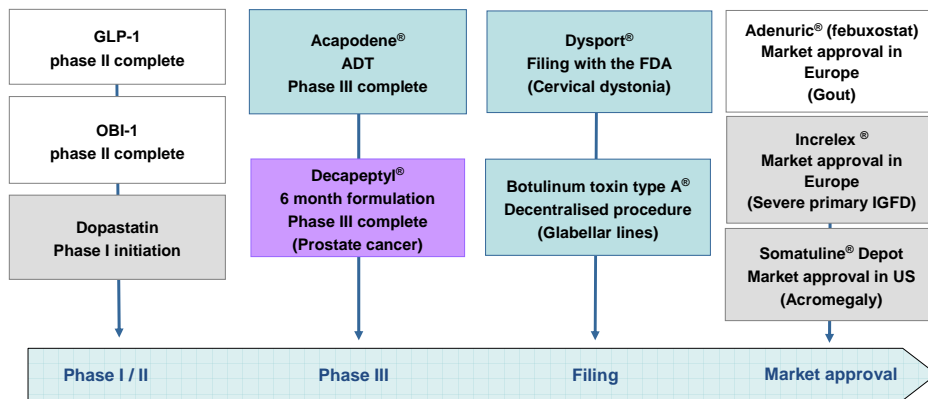
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A rich pipeline and a busy newsflow



Year-to-date development highlights



2 filings and 3 approvals

A strong pipeline to fuel future growth

NEW CHEMICAL ENTITIES

BN 83495 (STX 64)	Post-menopausal breast cancer	Phase I
BN 2629 (S.JG-136)	Advanced metastatic cancers	Phase I
Diflomotecan (BN 80915)	Advanced metastatic cancers	Phase II
Elomotecan (BN 80927)	Advanced metastatic cancers	Phase I
Acapodene®	Treatment of Androgen Deprivation Therapy induced iatrogenic effects	Phase III
Increlex®	Severe primary IGF-1 deficiency	<u>Approved in the EU</u>
BIM 51077	Type 2 diabetes	Phase II Partnered with Roche
OBI-1	Haemostasis	Phase II
febuxostat	Symptomatic hyperuricaemia	<u>Approved in the EU</u>

LIFE CYCLE MANAGEMENT PROGRAMMES

Decapeptyl®	Pre-menopausal breast cancer 6 month SRF (prostate)	Phase III Phase III
Somatuline Autogel®	Non functioning neuro endocrine tumors	Phase III
Somatuline® Depot	Acromegaly	<u>Approved in the US</u>
Somatuline Autogel®	Co-administration with Pegvisomant	Phase III
Dysport®	Cervical Dystonia	<u>Under regulatory review in the US</u>
Reloxin®	Aesthetic medicine	<u>Under regulatory review in the EU</u>
Reloxin®	Aesthetic medicine	US: Partnered with Medicis
Tanakan®	Mild cognitive impairment related to age	Phase III

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Purple: Oncology / Green: Endocrinology / Blue: Neuromuscular disorders
In Bold: US projects
This table excludes pre-clinical projects



Outlook



A rich newsflow in 2008...

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2 dossiers (botulinum toxin) under review in the US and Europe	STX-64 phase I data	Somatuline® US sales ramp-up	Choice of a commercialisation option for Dysport® in the US	Adenuric® (febuxostat) partnership opportunities in Europe	Disclosure by Roche of GLP-1 (R1583) phase II results and potential phase III initiation
Increlex® sales ramp up in Europe	Dopastatin phase I data	OBI-1 end of phase II meeting with the FDA	Reloxin® in the US		
	Acapodene® submission in Europe				

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Outlook for 2008

	2008 objectives	2007 base
Sales	Underlying: 6.5 to 7.5% growth⁽¹⁾ Reported: 3.2 to 4.2% growth	€883.6 millions €20.5 millions
Other revenues	13.0 to 16.0% growth	€3.3 millions
Reported operating margin	22.0 to 23.0% (in % of sales)	22.7%

The above objectives are set at **constant currency**

NOTE 1 : Excluding the sales of Ginkor Fort® in 2007 and 2008

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Conclusion

All financial objectives have been met in 2007

Continued strong growth in specialist care and international markets

Somatuline[®] Depot approved and launched in the US

Increlex approved and launched in Europe

Adenuric[®] (febuxostat) positive opinion in Europe

A reinforced balance sheet

Paving the way for growth