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Innovation for patient care




Ipsen builds a fully fledged presence in North America significantly enhancing its geographic footprint, global specialty portfolio and growth profile

5 June 2008

Disclaimer

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Other important information

Important additional information and where to find it

In connection with the merger, Tercica will file a proxy statement with the Securities and Exchange Commission and in due course will mail the proxy statement to Tercica stockholders in connection with a meeting of Tercica stockholders to seek approval for the merger. The exact timing of completion of the merger is dependent on the review and clearance of the proxy statement, and other necessary filings, with the Securities and Exchange Commission. Tercica stockholders are urged to read the proxy statement in full when it becomes available because it will contain important information. Copies of the proxy statement, as well as other filings containing information about Ipsen, its subsidiaries and Tercica, will be made available in due course, without charge, at the internet site of the Securities and Exchange Commission (www.sec.gov). The proxy statement and such other documents may also be obtained for free form the [Investor Relations] section of the Tercica's internet site (www.tercica.com) or by directing a request to Tercica at: 2000 Sierra Point Parkway, Suite 400, Brisbane, CA 94005, Attention: Stephen Rosenfield

Participants in the Solicitation

Tercica, Ipsen and their respective directors, executive officers, affiliates and other person may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Ipsen's directors and executive officers is available in Ipsen's Registration Document filed with the Autorité des Marchés Financiers and available on its website www.ipsen.com. Information regarding Tercica's directors and executive officers is available in Tercica's Form 10-K for the year ended December 31, 2007 which was filed with the Securities and Exchange Commission on February 29, 2008. Information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement, the Schedule 13E-3 transaction statement and other relevant materials to be filed with the Securities and Exchange Commission when they become available. This press release and the related Agreement and Plan of Merger will be filed with the Securities and Exchange Commission pursuant to the requirements of U.S. securities laws.

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 focus 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, and Teijin**

Ipsen builds a fully fledged presence in North America
significantly enhancing its geographic footprint, global specialty portfolio and growth profile

Today: announcement of three landmark transactions

1. **Agreement with Tercica Inc.'s Special Committee and Board of Directors to purchase the remainder of Tercica Inc.'s outstanding common stock**

2. **Agreement with Vernalis plc. to acquire its US operations and rights for Apokyn®**

3. **Agreement with Octagen to acquire all OBI-1 related assets**

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Unfolding our 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

❶ GROW top-line and profits in specialist care by providing innovative drug therapy	❷ GLOBALIZE through active geographical expansion policy	❸ OPTIMIZE returns of primary care through selected product life cycle management, partnerships and focused investments

- 3 botulinum toxin dossiers under review (US and Europe)
- Add a companion product to Dysport® ✓
- Increlex® sales ramp up in Europe
- Enrich R&D pipeline ✓
- Somatuline® US sales ramp-up ✓
- OBI-1 development optimisation ✓
- Choice of a commercialisation option for Dysport® in the US ✓
- Relonin® filing in the US ✓
- Adenuric® (febuxostat) partnership opportunities in Europe
- Disclosure by Roche of GLP-1 (R1583) phase II results and potential phase III initiation

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Strategic rationale for the transactions

Jean-Luc Bélingard, Chairman & CEO

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Growing and globalising our specialist care business

1. Clear execution of our globalisation strategy of our fast growing specialist care portfolio…
   - Somatuline®, Increlex® and upon FDA approval, Dysport® and OBI-1 will become global products directly marketed by Ipsen
2. …leveraging on the existing focus and expertise of the acquired organizations…
   - Vernalis Inc. is an operational business with an existing synergistic product on the market, Apokyn®, targeting an overlapping prescriber base with Dysport® and Tercica already markets Increlex® and Somatuline® in the US
3. …while enriching our pipeline with new significant R&D projects…
   - Full rights to OBI-1, combination of GH and IGF-1, expansion of Somatuline in NET in the US, expansion of Increlex®'s indication
4. … and delivering significant potential future revenue opportunity, expected to exceed $300 million in 2012 and potentially approaching $1 billion by the end of the next decade…
5. …executed in favourable forex market conditions

Cost-effectively enhancing our growth prospects, enriching our pipeline while minimising execution risks of entering the US market

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Leading field-proven products in Europe…

Somatuline®	Dysport®
Somatostatin analogue	Botulinum Toxin of Type A
Highly differentiated product	Efficient and field proven product
Main indications: acromegaly/NET	Main indication: dystonia, spasticity *
Marketed in Europe since 1995	Marketed in Europe since 1991
Approved in the US in August 07	**Under review by FDA since Jan.08**

n°1 or n°2 in most markets where Ipsen operates

US entry through…

Proposed acquisition of Tercica Inc.

Proposed acquisition of Vernalis Inc.

….now entering North America, the largest pharmaceutical market in the world

*cervical dystonia, cerebral palsy in children, muscle spasticity, blepharospasm/hemifacial spasm

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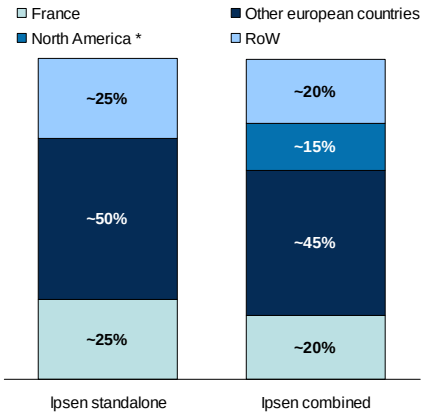
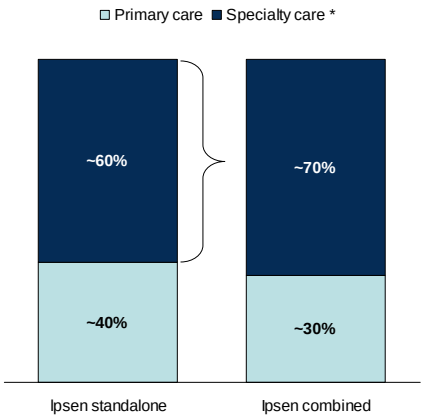
An improved geographic mix and acceleration of specialty care

Improved geographic mix
(2012E indicative sales trend)



Acceleration of specialty care
(2012E indicative sales trend)



* using a 1.55 €/$ exchange rate

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Establishing Ipsen a leading global player in endocrinology

Jean-Luc Bélingard, Chairman & CEO

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Growing and globalising our endocrinology business

1. Creation of a global endocrinology business with Somatuline® and Increlex®, two global products…
2. …leveraging the focused market reach and R&D pipeline of Tercica…
3. … with a significant revenue opportunity…
   - Cumulated revenue opportunity estimated to exceed $250 million in 2012
4. …representing another step forward to transform Ipsen into a global specialist care company, with a strong international footprint and an enriched R&D pipeline

Establishing Ipsen as the leading player in endocrinology, with strong growth prospects

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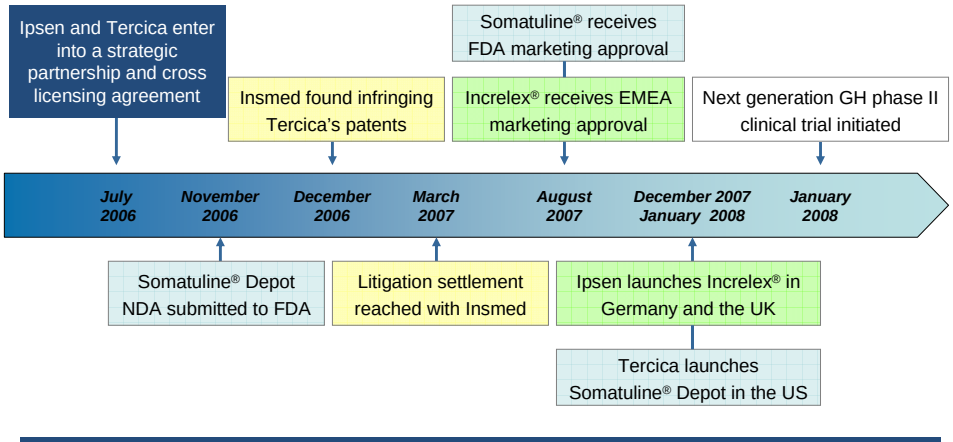
A progressive step-up in Tercica minimizing execution risks



Ipsen believes that it is now time to be fully responsible for the execution of the commercialisation of Somatuline® Depot in North America and for the development of promising R&D projects

Selected transaction terms

- Ipsen has agreed, subject to stockholder approval, to acquire all outstanding shares of Tercica Inc. that the Ipsen Group does not currently own (approximately 44.9 million shares on a fully diluted basis)
- $9.0 per share (100% cash consideration)
- Tercica Inc.'s Special Committee of Independent Directors has unanimously approved the transaction and recommended it to Tercica's stockholders
- A special stockholder meeting will be called by Tercica Inc. to vote on the proposed merger
- Subject to stockholder approval and customary regulatory approvals and other conditions

Increlex® and Somatuline®: significant market opportunities

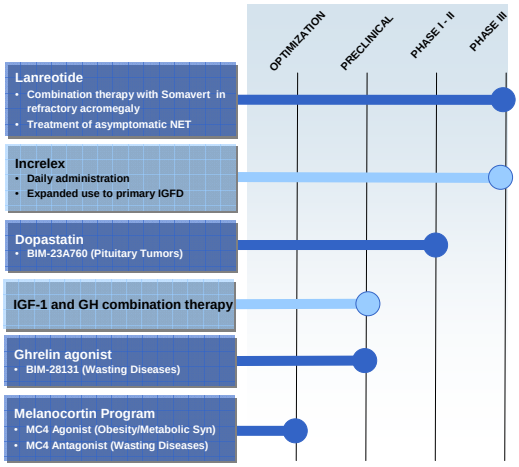
Increlex® in severe primary IGFD	Somatuline® in acromegaly
Severe cases of short stature children not responding to hGH replacement therapy	Significant morbidity and mortality [1,2]
North America: ~ 6,000 patients	North America: ~ 15,000 patients
Orphan Drug status	Orphan drug status
North America revenues of $9.6 million in 2007	Launched in January 2008 by Tercica
Expansion in Primary IGFD	Expansion in NET

Cumulated revenue opportunity in excess of $250 million in 2012

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

A commercial platform from which to launch future compounds

A rich Endocrinology pipeline



A strong and unique portfolio

- ✓ A “global care solution” in growth disorders worldwide
- ✓ The strength of a single global voice in the market

Creating a successful commercial infrastructure in neurology in the US

Stéphane Thiroloix, Executive Vice President, Corporate Development

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Growing and globalising our neurology business

1. Creation of a global neurology business with a direct presence in the US…
2. …leveraging the existing focus and expertise of the Vernalis US organization…
3. … with a significant revenue opportunity, expected to reach $100 million at peak…
   - A total revenue opportunity estimated to exceed $50 million in 2012
4. …representing another step forward to transform Ipsen into a global specialist care company, with a strong international footprint

Another step forward in paving the way for growth

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Vernalis Inc.'s profile

The operations

- Established December 2005
- Headquartered in Morristown, N.J.
- 54 staff positions

Vernalis Inc.'s 2007 financials

- Indicative sales of $8 million
- Indicative operating loss of $(20) million

The product: Apokyn®

- FDA approval in April 2004 with an Orphan Drug status
- Launched in July 2004, with market exclusivity until 2011
- Fulfilling a high unmet medical need: only product indicated for and effective in the acute treatment of "off" episodes in patients with advanced Parkinson's disease

Apokyn®: a convenient and efficient product

- A rapid and reliable onset of action: Apokyn® provides an improvement in motor symptoms equal to that of levodopa within 20 minutes of an injection as shown in the US clinical studies:
  - 95% of "off" episodes were reversed with Apokyn® when used as needed
  - Efficacy was maintained in patients with average therapy duration of 14.5 months
  - Most patients responded to doses of 0.3 –0.6 mL, average dosing frequency was 2.5 times per day
- A convenient administration: subcutaneous injection dosed with an adjustable, reusable pen (29 gauge needle)
- Used on an "as needed" basis: the patient decides when to use it allowing more control over the treatment, reinforced by the ability to inject at home

Apokyn® is promoted in moderate to severe PAD to complement other therapies or when other therapies are not effective

Key transaction terms

Consideration structure

- Upfront payment of $6.5 million (€4.2 m)
- Additional payments of up to $6.0 million * (€3.9 m) depending upon certain commercial and operational milestones
- Ipsen to underwrite, at signing, certain commercial and operating expenses of Vernalis Inc. of up to $2.2 million (€1.4 m)

Consolidation

- Expected to be fully consolidated in Ipsen's accounts in H2 2008

Share subscription

- Ipsen to subscribe for $5.0 m (€3.2 m) newly issued shares in Vernalis plc.,
  - ie. ~9.7% of Vernalis plc.'s share capital
- Subscription at £7.260 pence per share, representing a 20% premium on 3 day average before announcement

* Including $1.0 million if a R&D JV between Ipsen and Vernalis plc on selected Ipsen neurology pipeline items does not proceed

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Dysport®: a strong brand, with well established positions

Used globally for therapeutic indications: cervical dystonia, cerebral palsy in children, muscle spasticity, blepharospasm, hemifacial spasm

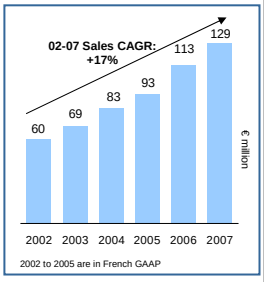
Launched in the UK in 1991

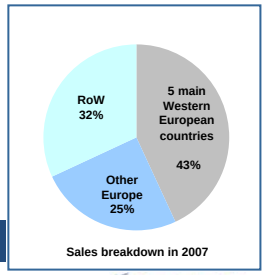
Marketing authorisations in over 70 countries (in Europe (including Russia), Asia and Latin America)

Equivalent market share in therapeutic use to that of its main competitor in the 5 main European countries

Dysport® was filed for review by the FDA at the end of January 2008 for cervical dystonia.

Apokyn® and Dysport® to be promoted by the same sales force





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Why Vernalis Inc. fits with Ipsen

A CNS focused company rightly sized to maximize the launch of Dysport®

A team with operational and therapeutic expertise and strong track-record

Strong managed healthcare experience, especially for injectable drugs

A relevant and targeted market reach,
with largely similar prescriber base between Dysport® and Apokyn®
Vernalis Inc. today covers ~75% of US movement disorder specialists and neurologists

A sound commercial strategy
based on strong customer relationship and true value-added services provided to physicians

A lean organization, with no overlap with Ipsen's existing structures

A well positioned product on the market
Apokyn®, the only product indicated in the treatment of "off" episodes of Parkinson's disease

Ipsen will benefit from the acceleration of its growth perspectives
while bearing at the same time the pre-launch costs of Dysport®

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Gaining full control of OBI-1's development

Claire Giraut, Chief Financial Officer

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Gaining full control over a promising compound

1. Leveraging our know-how in hematology by gaining full rights to the product's development and commercialisation…
   - Ipsen produced and commercialized the only plasma-derived porcine Factor VIII until 2004, Hyate C
2. …in order to fulfill a high unmet medical need…
   - Acquired hemophilia is an orphan disease (prevalence of 1.5 per million): 6% to 22% of patients die from bleeding
3. … and optimise its development and time to market…
   - The development of OBI-1 will benefit from Ipsen's integrated approach and specific knowledge base in hemophilia A with inhibitor and plasma-derived porcine Factor VIII
4. …for a highly specialized hospital product, generating high revenue per patient
   - Potential peak sales worldwide in excess of $200 million

An incremental investment to capture a significant revenue opportunity

Transaction details

- ✓ In 1998, Emory University licensed to Octagen its patents on OBI-1, who in turn granted a worldwide, exclusive sublicense to Ipsen.
  - ✓ Octagen was responsible for the pre-clinical and clinical development of OBI-1 and sublicensed certain rights to Ipsen in connection with the manufacturing, regulatory activities and commercialization of OBI-1.
  - ✓ Ipsen agreed to make milestone payments to Octagen and to pay royalties based on OBI-1 future net sales.
  - ✓ Ipsen purchased c.21.5% of Octagen's share capital.
- ✓ Ipsen to acquire all Octagen's assets related to OBI-1
  - ✓ Upfront payment of $10.5 million (€6.8 million) to Octagen,
  - ✓ Potential additional payments contingent on entry of the product into P.III and on marketing approvals
  - ✓ Mid single digit royalty on net sales (including that to Emory)
  - ✓ Redemption of its stake in Octagen

A unique agent for the emergency care of acquired hemophilia

- ✓ Incidence of this autoimmune disease on the increase with the ageing population
- ✓ Silent disease often revealed under elective or emergency surgery
  - Uncontrollable bleed due to antibodies against patient's factor VIII
- ✓ OBI-1 provides fast controllable dose-responsive formation of blood clots through the intrinsic pathway of coagulation
  - Upon stabilization of hemostasis, patients are treated to full recovery (using Rituxan)
- ✓ OBI-1 will benefit from a strong support from the hematology community built by Ipsen
  - Ipsen produced and commercialized the only plasma-derived porcine Factor VIII until 2004
- ✓ Ipsen will control all pre-clinical and clinical development activities
  - OBI-1 development will benefit from this integrated approach and Ipsen's specific knowledge in hemophilia A with inhibitor and plasma-derived porcine Factor VIII
  - Ipsen will now seek to confirm next steps towards registration, in liaison with regulatory agencies, with first feedback expected in 2008

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Revised financial outlook

Claire Giraut, Chief Financial Officer

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Revised financial outlook

2008	Ipsen confirms its standalone objectives for 2008, and will revise its full-year financial objectives once the closing dates of all transactions announced today are known
2009	Sales growth: 12.0 to 14.0%(1) compared to Ipsen's standalone objectives for 2008
	Operating margin: around 15%(2) (in % of total sales)

A continued commitment to innovation, with a R&D expense of 19.0 to 21.0% of total sales

Group operating margin expected to return to its 2007 level in 2011 (3)

Creating a North American platform expected to generate sales in excess of $300 million in 2012(1) and potentially close to $1 billion by the end of the next decade

NOTE 1: At constant exchange rate
NOTE 2: Before taking into account transaction-related recordings or purchase accounting impacts
NOTE 3: Excluding any assumption on GLP-1 potential future royalty stream

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Conclusion

Jean-Luc Bélingard, Chairman & CEO

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Delivering on our strategic objectives

CONFIRMING OUR GLOBAL specialty care AMBITIONS

CREATING a MARKET VEHICLE for DYSPORT®

CREATING a "global care solution" in endocrinology worldwide with the strength of A SINGLE GLOBAL VOICE in the market

DIVERSIFYING our geographic FOOTPRINT

ENHANCING the contribution of our SPECIALIST CARE portfolio

ENHANCING our GROWTH profile

ENRICHING our R&D PIPELINE with new R&D projects

MINIMISING execution RISKS

Update to investors

Ipsen will hold a

Strategic and R&D day

on Tuesday November 18, 2008

in Paris (France)

to provide further updates

APPENDICES

Parkinson's disease – medical considerations

- Parkinson's disease (PAD) is a progressive neuro-degenerative disease affecting one's ability to control movement.
- In PAD, cells that produce the neurotransmitter dopamine, primarily in the substantia nigra, die prematurely. The resulting decrease in dopamine levels interferes with the ability to control movement and other motor functions.
- At the time of diagnosis, most PAD patients have already lost over 80% of their dopamine producing cells.
- Approximately one million people suffer from PAD in the US
  - 50,000 diagnosed annually
  - 1% Americans age >60 have PAD
  - 4-10% cases are young onset (diagnosed prior to age 40)
  - Number of PAD patients is expected to increase as the US population ages

Parkinson's disease – Therapeutic options

- There is no known cure for PAD, disease modification or neuroprotection remains the ultimate goal of treatment strategies and product development
- Current therapy is targeted entirely to symptom management, balancing efficacy with tolerability
  - "ON"– periods of relatively good mobility and well controlled motor function.
  - "OFF"– periods of poor or no mobility that are characterized by slow movements and rigidity.
  - "Dyskinesia"– periods of uncontrolled, seemingly random movements that occur during "ON" episodes
- The goal of PAD therapy is to maximize the amount of time a patient spends in the "ON" state without troubling dyskinesias
  - The progressive nature of PAD results in virtually all patients receiving multiple therapies
  - All existing therapies have side effects that can limit dosing and/or length of therapy
  - Treatments are usually broken into two groups; those used in early disease and those for advanced disease
    - Early disease treatments are predominately medical
    - Advanced disease treatments include both medical and surgical options.

Tercica: key facts

Company description

- Nasdaq listed, California-based biopharmaceutical company developing and marketing endocrine products
- Market capitalisation of ~$230 million

Summary Financials

($m)	2006	2007	Q1 08
Total Revenues	2	31	5
EBIT	(86)	(40)	(19)
Net Income	(83)	(40)	(18)

Product portfolio

- **Increlex®** approved for marketing in the United States and the European Union;
- **Somatuline® Depot®** approved for marketing in the United States and Canada; and
- **Combination** of Genentech's recombinant human growth hormone (rhGH) and recombinant human insulin-like growth factor-1 (rhIGF-1)

A strong market reach

- Sales & marketing efforts target approximately 500 pediatric endocrinologists practicing in the US

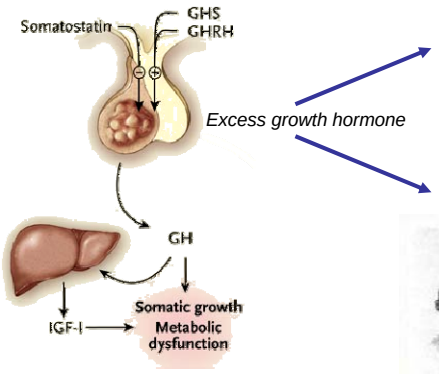
Why is Ipsen different ?

A UNIQUE CONVERGENCE
OF
TECHNOLOGIES

EXAMPLE 1: SOMATULINE

Pituitary Adenoma -> Excess GH Secretion –> Acromegaly

Non-malignant pituitary tumor



Prepuberty: Gigantism

Postpuberty: soft Tissue Growth

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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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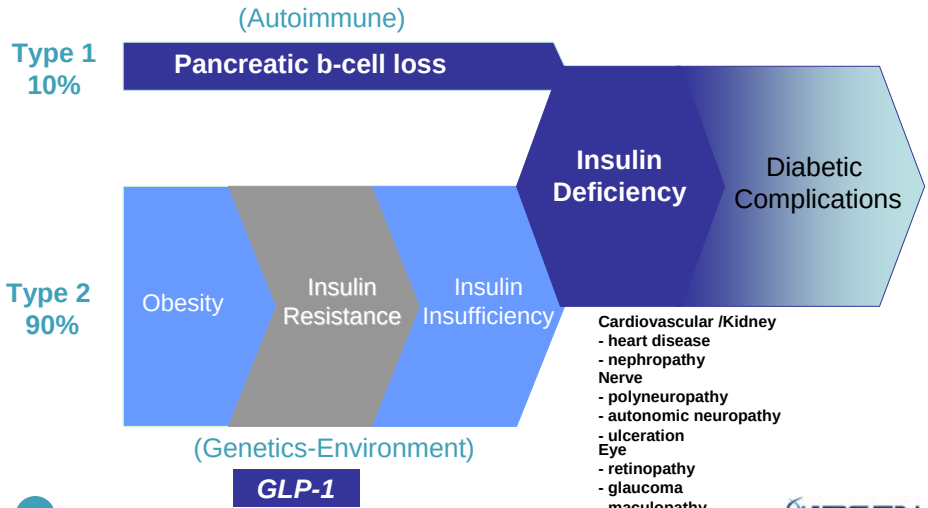
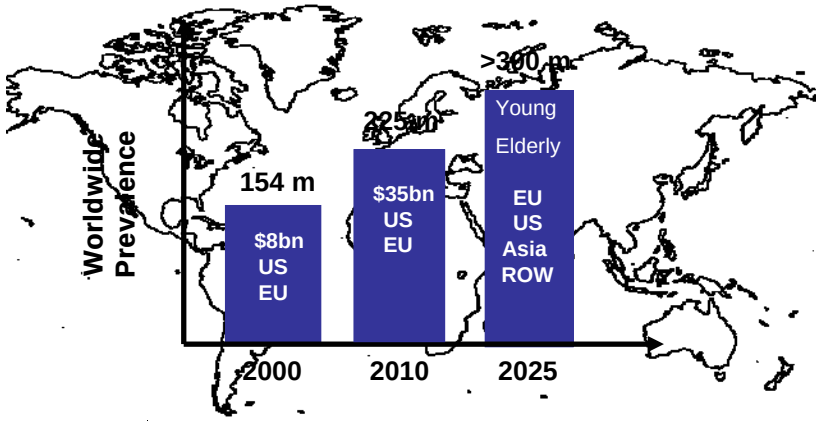
A UNIQUE CONVERGENCE OF TECHNOLOGIES

EXAMPLE 2: GLP-1

Diabetes overview



Diabetes market is expanding



Source: IMS Health Medical Dynamics data, 2002

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

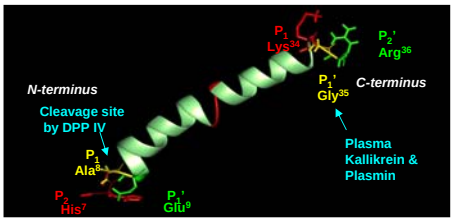
Once-a-day injectable peptide itself

Designing the peptide itself...

Roche opt-in in July 2006

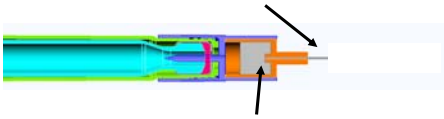
- ✓ ~ €60 m paid upfront
- ✓ ~ €170 m potential additional milestones
- ✓ Mid-teens royalties on WW net sales

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



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

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)

A strong pipeline to fuel future growth

NEW CHEMICAL ENTITIES

BN 83495 (STX 64)	Post-menopausal breast cancer	Phase I
BN 2629 (SJG-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	Approved in the EU
BIM 51077	Type 2 diabetes	Phase II Partnered with Roche
OBI-1	**Haemostasis**	**Phase II**
febuxostat	Symptomatic hyperuricaemia	Approved in the EU

LIFE CYCLE MANAGEMENT PROGRAMMES

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

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

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