

# Paving The Way For Growth

JP MORGAN CONFERENCE  
San Francisco, January 12-15, 2009

*Mr Jean-Luc Bélingard – Chief Executive Officer*  
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*Mr David Schilansky – Investor Relations Officer*



## DISCLAIMER

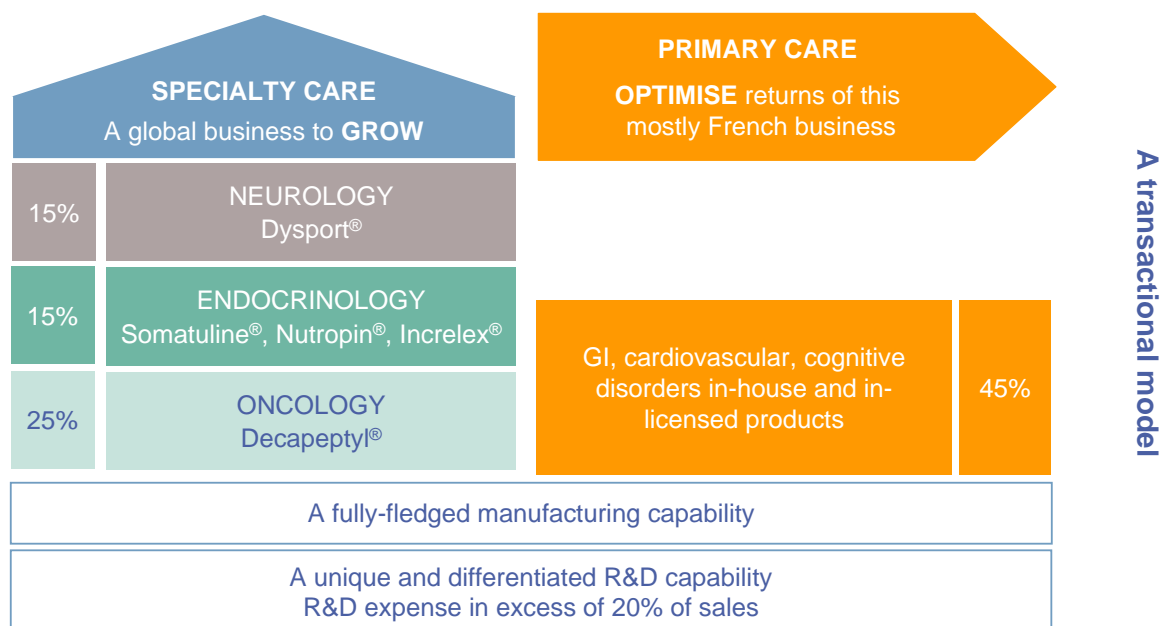
This presentation includes only summary information and does not purport to be comprehensive. Forward-looking statements, targets and estimates contained herein are for illustrative purposes only and are based on management's current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated in the summary information. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably given that a new product can appear to be promising at a preparatory stage of development or after clinical trials but never be launched on the market or be launched on the market but fail to sell notably for regulatory or competitive reasons. The Group must deal with or may have to deal with competition from generic that may result in market share losses, which could affect its current level of growth in sales or profitability. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, targets or estimates contained in this presentation to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based unless so required by applicable law.

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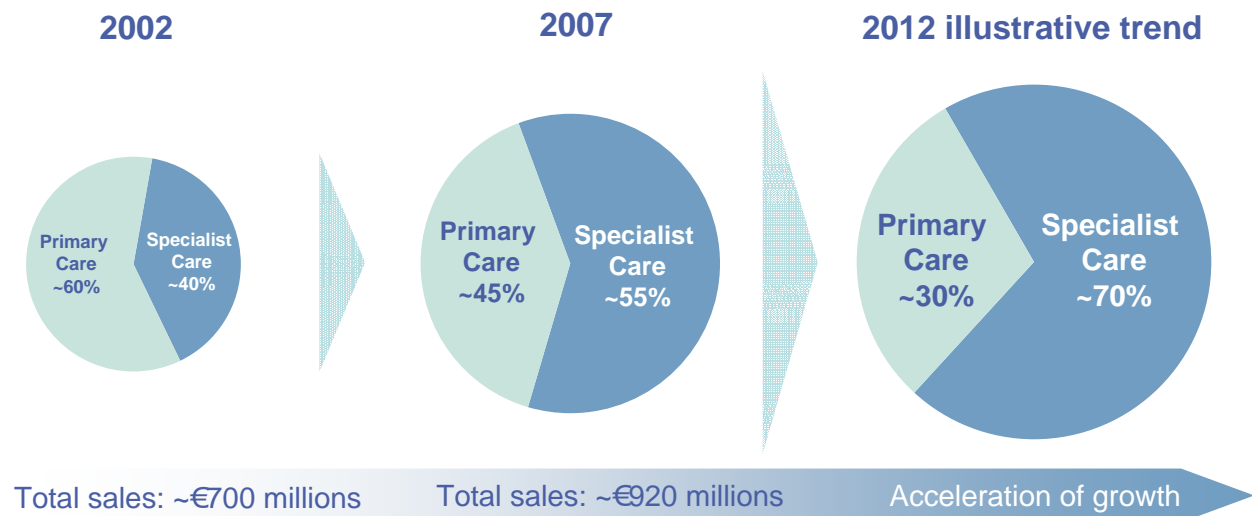
# Introduction



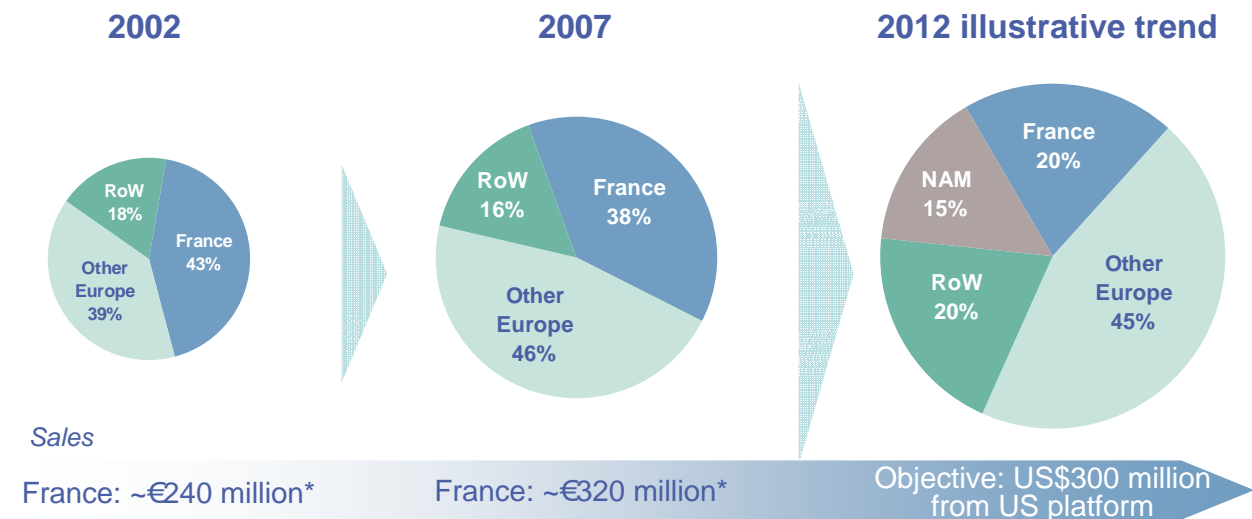
## Ipsen is a Global - Innovation Driven - Specialty Pharma



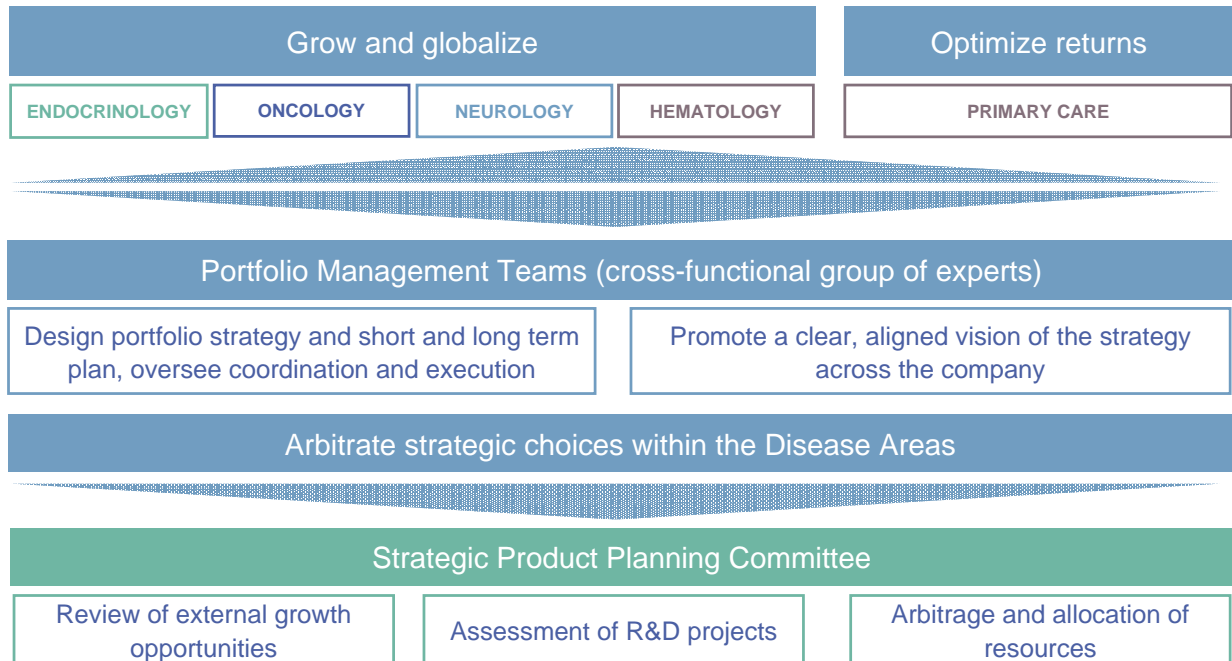
## A renewed sales base



## A renewed geographic footprint

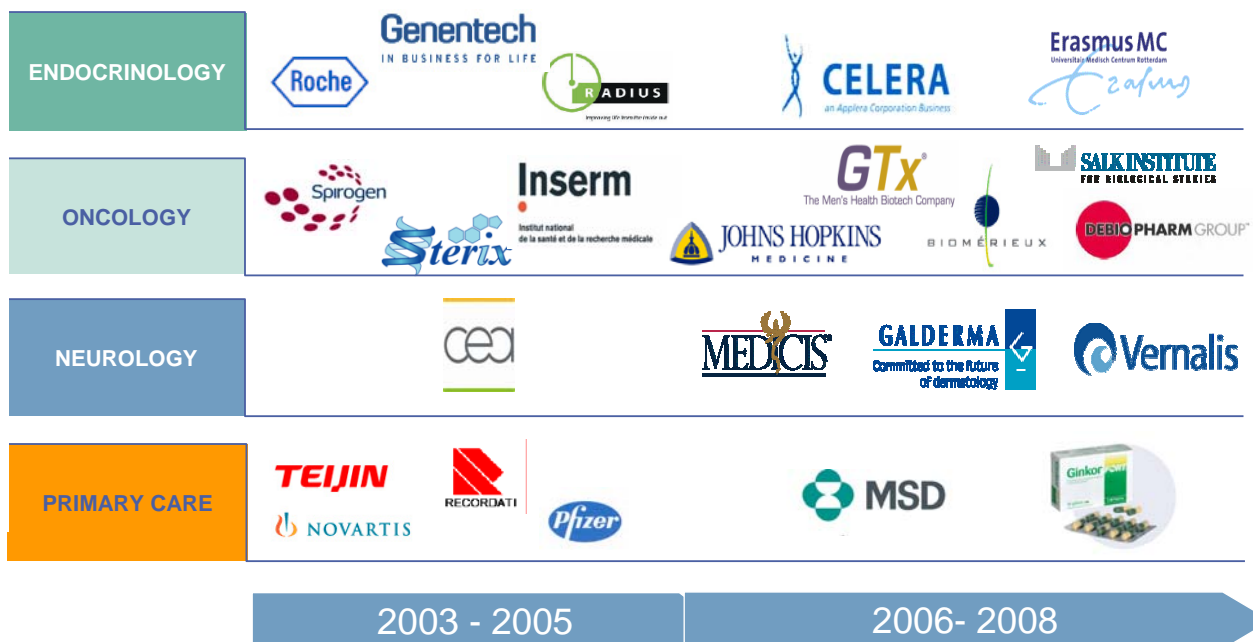


## An organisation fully aligned with the Group's strategy



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## An increasingly transactional model



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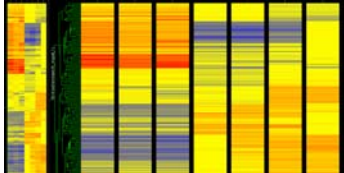


# Truly Differentiated Discovery Capabilities



## Defining Ipsen's competitive edge in drug Discovery

Hormones provide well defined templates with matching targets both novel or validated

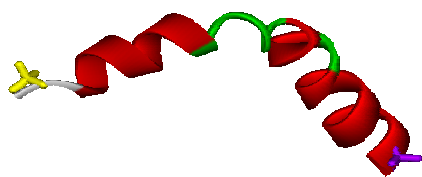
Resident know how based on the integration of basic discovery technologies

Technologies	Medicinal chemistry	Delivery systems
<p>Target identification, validation and drugability based on clinical observations supported by ...omics technologies</p>	<p>Steroids peptides, proteins engineering aiming at enhanced efficacy, potency, selectivity and safety over the endogenous hormone</p>	<p>Emphasis on improved pharmacological properties, optimization of dosing regimen and improved patients compliance and convenience</p>
		

## An example of this unique technology convergence: taspoglutide

### Once-a-week or twice-a-month injection

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



### Expected needle gauge

- (LAR) → 23G
- Taspoglutide Liquid SRF → 29G  
**Insulin type needle** for subcutaneous injection

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

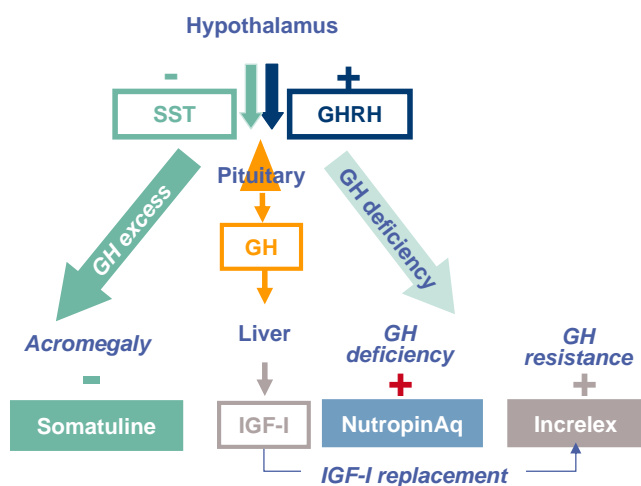
## Ipsen's R&D in summary

- Fundamental adherence to the medical concept of **restoring and sustaining homeostasis**
- **Core expertise in drug discovery** based on the rationale design of novel medicines inspired by endogenous human hormones
- **Primary focus on the role of hormones** in benign and malignant, degenerative and proliferative diseases
- **Innovation for patient care** : Conception of medicine through advanced, optimal dose, drug delivery systems
- **Integrated knowledge based R&D** with the versatility required to sustain Ipsen's strategy
- Strong **partnerships** with leading private and public academic institutions
- Dynamic **portfolio optimization** through a broad range of transactions : in/ out licensing , spin out, etc...

## An endocrinology franchise outgrowing competition



### A unique focus on pituitary disorders and hormone dependent diseases



#### A strong franchise

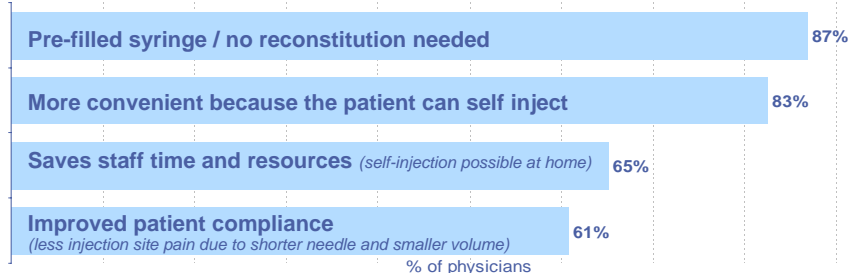
- A range of products addressing today Short Stature, Acromegaly and NET
  - High morbi-mortality
  - Debilitating pathologies
  - High unmet medical needs
- Somatuline®, NutropinAq® and Increlex® contributed to ~15 % of 2007 Group sales, ie. ~ €130 million.
- A fast growing franchise: sales doubled in the past 3 years

## Somatuline® Depot: an improved presentation

	Sandostatin LAR®	Somatuline® Autogel®
Administration	2.0 ml Intramuscular	0.3 ml – 0.5 ml Subcutaneous
Presentation	Powder vial + solvent filled syringe + 2 needles	Pre-filled syringe
Injection technique	10 steps needed to reconstitute	Ready to use Self administration*



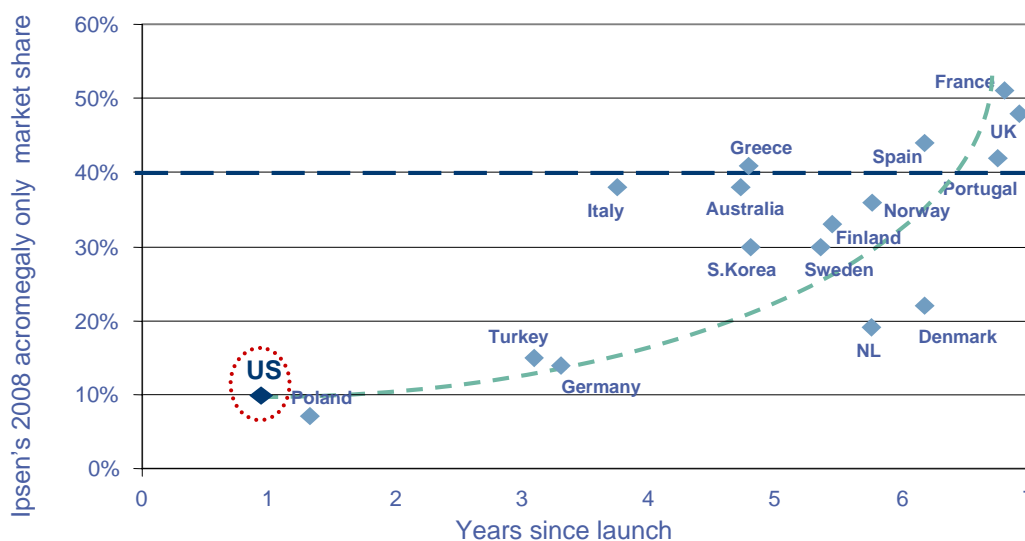
For what reasons would you prescribe Somatuline® Depot to your acromegaly patients? \*\*



\* In selected countries

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 \*\* Study Sample: A total of 50 US endocrinologists completed a 30-minute online questionnaire between April 4 - 17, 2008  
 25 High Volume Endocrinologists: Endocrinologists who see 11 or more acromegaly patients in a year  
 25 Low Volume Endocrinologists: Endocrinologists who see between 5-10 acromegaly patients in a year

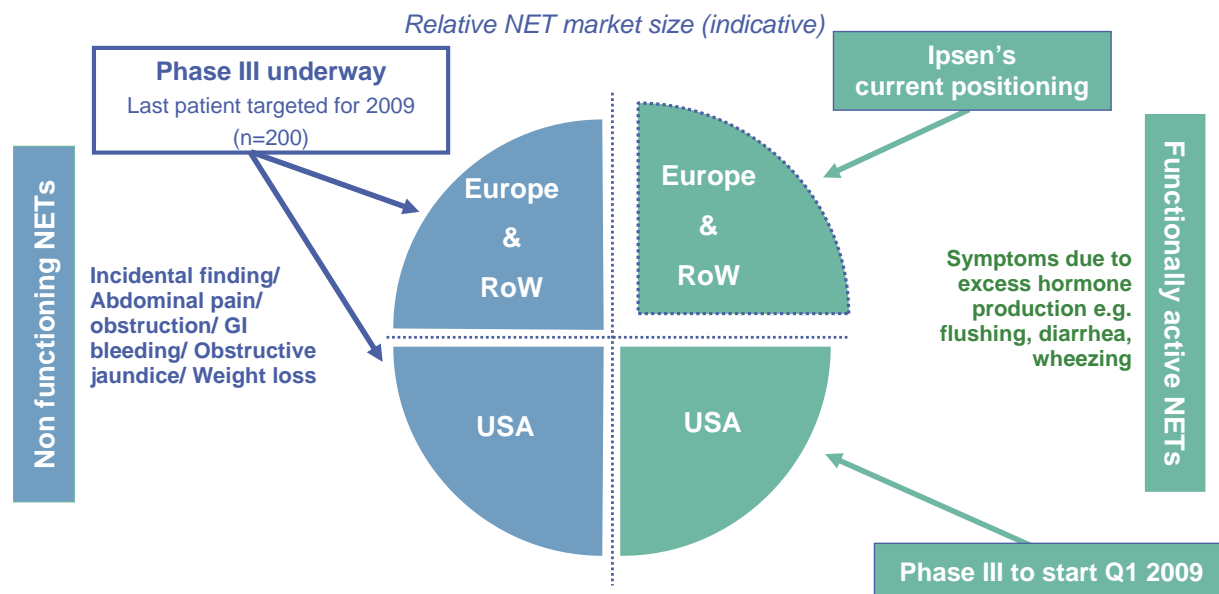
## Somatuline® Depot is poised to grow and gain market share



**Somatuline® market share is directly correlated to its time on market**



## Somatuline® offers significant life cycle growth opportunities

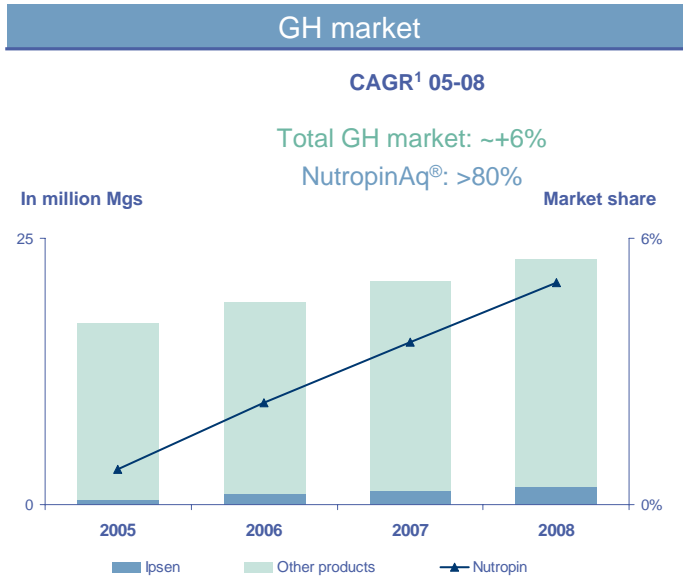


Significant scope for expansion

## Increlex® in the US : steady performance with continued growth expectations

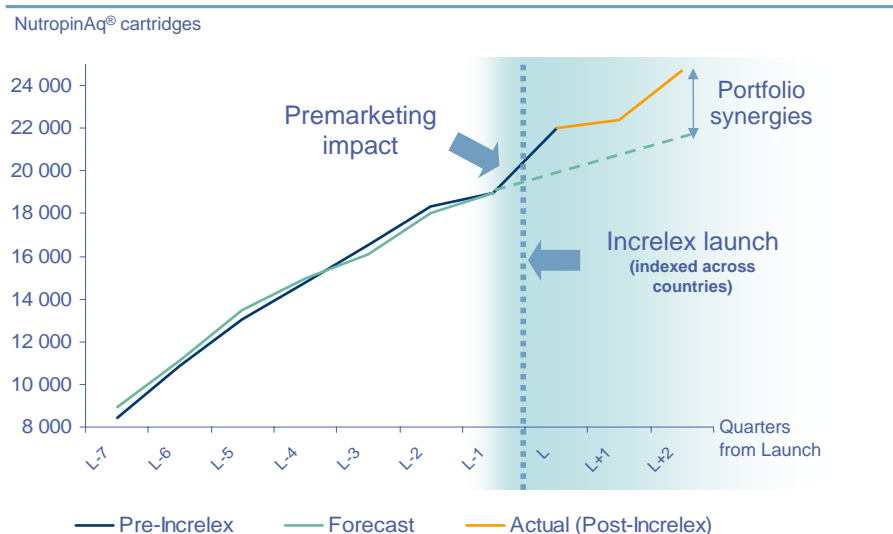
Physician demand	<ul style="list-style-type: none"> <li>Target audience : ~1,000 US paediatric endocrinologists</li> <li>Up to 20% of Rx come from new prescribers each month</li> <li>2/3 of pediatric endocrinologists have prescribed Increlex®; 78% continued prescription</li> </ul>
Reimbursement success	<ul style="list-style-type: none"> <li>~ 90% of private and public covered lives have formulary access</li> <li>75% Increlex patients approved upon final decision (similar to GH)</li> </ul>
Patient experience	<ul style="list-style-type: none"> <li>Sharp increase in patients on Increlex® initially GH-naïve to 60% in '08 from 30% in '07</li> <li>Dose increasing to appropriate targets, to 100 mcg/kg BID in '08 from 70 mcg/kg BID in '07</li> <li>Younger patients initiated with Increlex®, to average age at start of 10.0 years old in '08 from 11.5 years in '07</li> </ul>

## NutropinAq<sup>®</sup> in Ipsen territories is steadily gaining market share



- NutropinAq<sup>®</sup> attributes**
- 1<sup>st</sup> liquid formulation launched WW
  - A simple and user friendly pen
  - An experienced post marketing surveillance database
  - A dedicated experienced and professional team

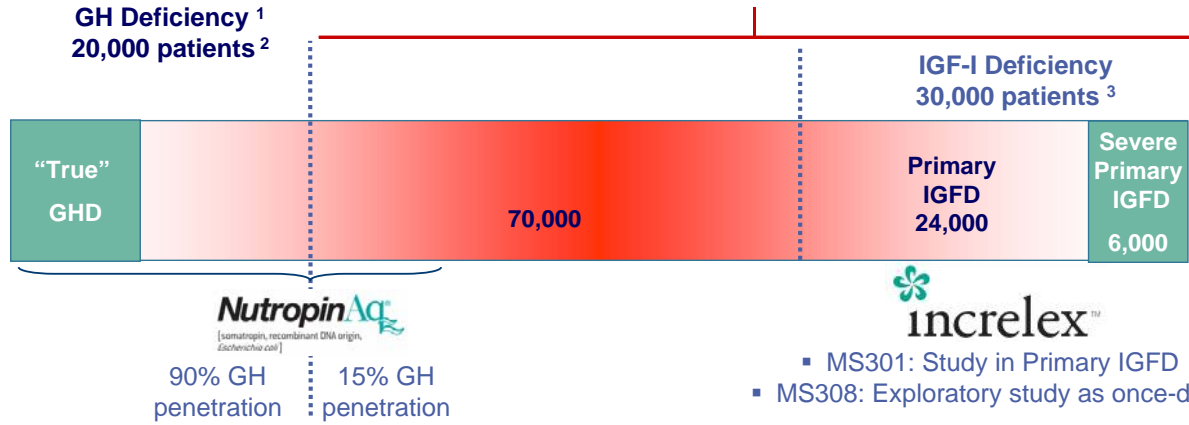
## NutropinAq<sup>®</sup> + Increlex<sup>®</sup>: evidence of portfolio synergy



“Ipsen is the only company that can legitimately claim to treat all forms of growth failures through the spectrum of GH deficiency to GH resistance”  
*Pr. Martin Savage, St Bartholomew’s Hospital, London*

## Ipsen is redefining the treatment of short stature

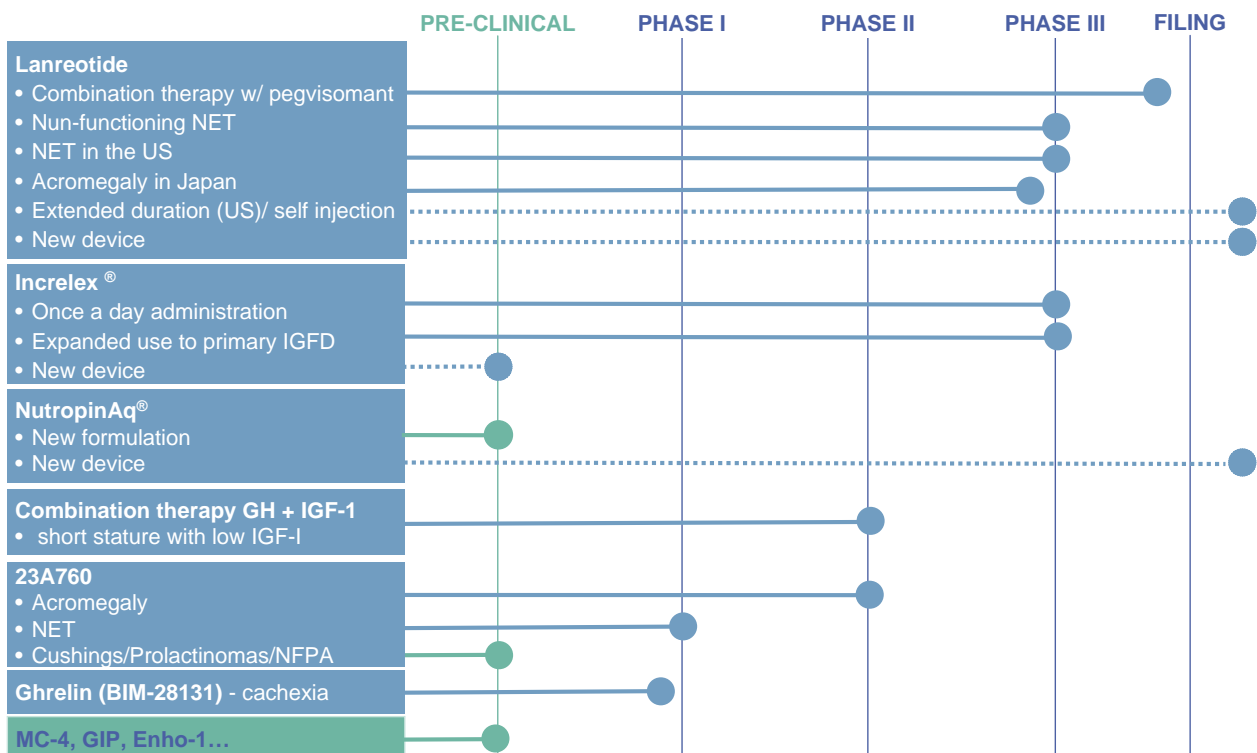
Non-GH Deficient Short Stature: 100,000 patients in the US



### COMBO in IGFD

- MS316: Ph.II dose titration study recruitment to be completed by Q2 '09
  - Ph.II study in GH Deficient children to start by end '09

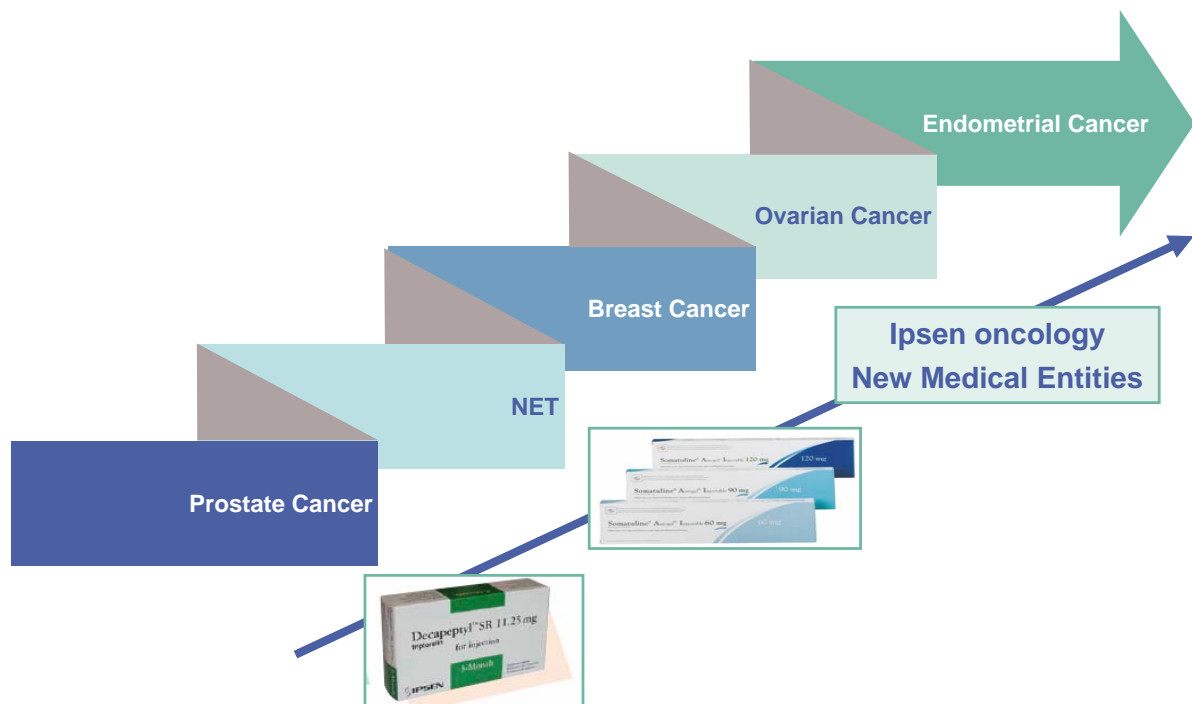
## A rich endocrinology pipeline



# Confirming Ipsen as a leader in the field of hormone dependent cancers



## Confirming Ipsen as a leader in Hormone Dependent Cancers

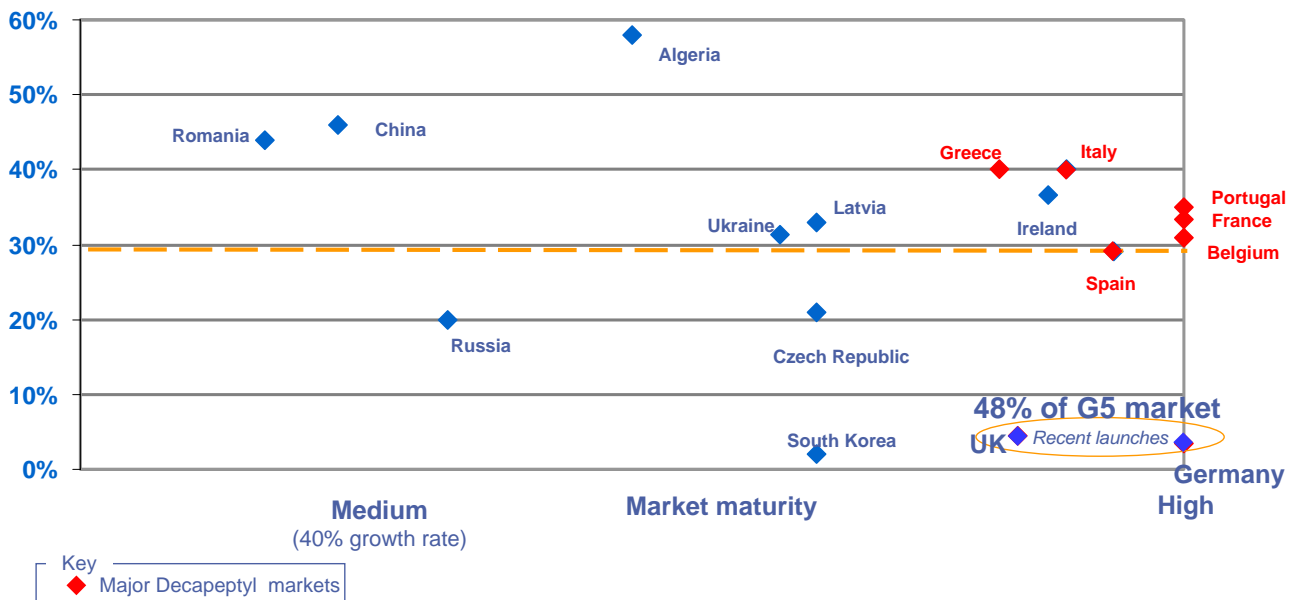


## Decapeptyl® 3 months formulation: a competitive product profile

Formulation and efficacy	<ul style="list-style-type: none"> <li>Marketed 1 month (1M) and 3 month (3M) formulations</li> <li>Maintenance of castrate testosterone levels at 3M in 98% of patients<sup>1</sup></li> <li>At 3M, 91% decrease of PSA levels, showing tumor control</li> </ul>						
Local tolerance/ convenience	<ul style="list-style-type: none"> <li>IM route of administration, good local tolerance</li> <li>Injection not visible for the patient</li> </ul>						
Storage and reconstitution	<ul style="list-style-type: none"> <li>Stored at room temperature</li> <li>5 steps reconstitution</li> <li>Safety needle system</li> </ul>						
Formulation and efficacy	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4F81BD; color: white;">Competitor 1</th> <th style="background-color: #4F81BD; color: white;">Competitor 2</th> <th style="background-color: #4F81BD; color: white;">Competitor 3</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>Various formulations across territories : 1M formulation = 3,75mg or 7,5mg and 3M formulation = 11,25mg or 22,5mg</li> <li>Increased survival rate at 9 months in triptorelin group vs competitor 1<sup>2</sup></li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Conservation between 2 - 4° = needs to be warmed up before reconstitution</li> <li>Manual reconstitution to obtain SR</li> <li>Risk of nodules, abscess</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>Ready to use implant</li> <li>Very large needle : need of local anesthesia</li> </ul> </td> </tr> </tbody> </table>	Competitor 1	Competitor 2	Competitor 3	<ul style="list-style-type: none"> <li>Various formulations across territories : 1M formulation = 3,75mg or 7,5mg and 3M formulation = 11,25mg or 22,5mg</li> <li>Increased survival rate at 9 months in triptorelin group vs competitor 1<sup>2</sup></li> </ul>	<ul style="list-style-type: none"> <li>Conservation between 2 - 4° = needs to be warmed up before reconstitution</li> <li>Manual reconstitution to obtain SR</li> <li>Risk of nodules, abscess</li> </ul>	<ul style="list-style-type: none"> <li>Ready to use implant</li> <li>Very large needle : need of local anesthesia</li> </ul>
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## Decapeptyl®: strong positions, and poised to grow

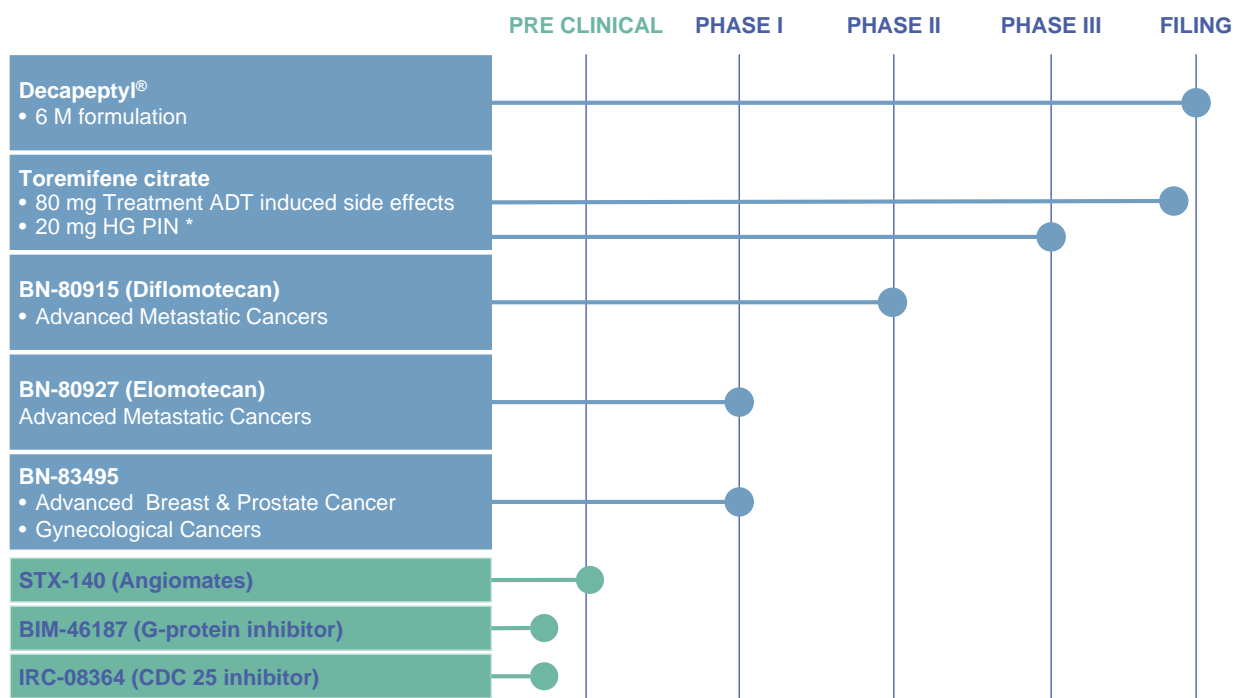
### Current market share



## Decapeptyl® 6 month formulation: a more differentiated product profile

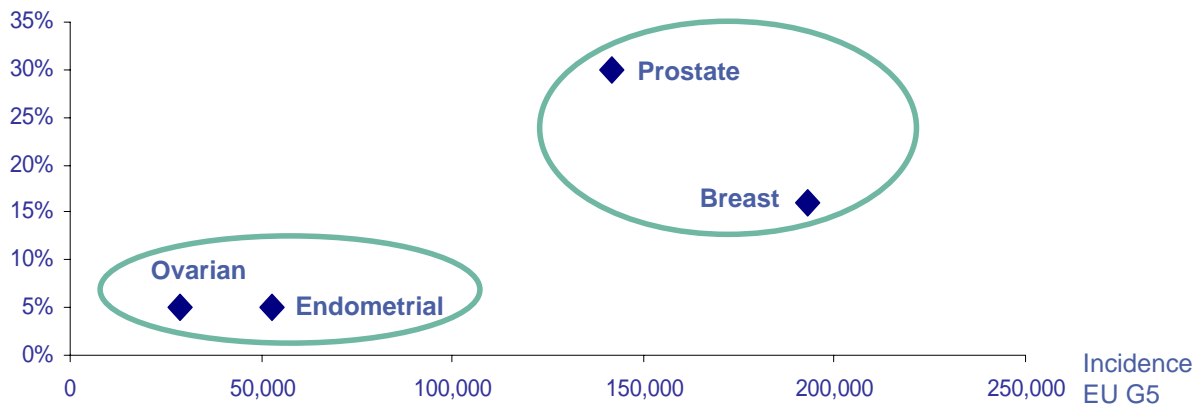
Efficacy	<ul style="list-style-type: none"> <li>▪ Comparable efficacy to 1 and 3 months formulation               <ul style="list-style-type: none"> <li>• Castration levels (testosterone)</li> <li>• Disease control (PSA)</li> </ul> </li> </ul>	
Local Tolerance	<ul style="list-style-type: none"> <li>▪ Limited local side effects (6.7% of patients )</li> </ul>	
Storage and reconstitution	<ul style="list-style-type: none"> <li>▪ Storage at room temperature (no need to heat up before reconstitution)</li> <li>▪ 5 Steps to reconstitute, change needle, and inject - IM route</li> </ul>	
Formulation/ Efficacy	6 month competitor 1	6 month competitor 2
	<ul style="list-style-type: none"> <li>▪ 80% of patients castrated after 6M<sup>2</sup></li> <li>▪ Testosterone <u>to be tested</u> every 6M*<sup>1</sup></li> <li>▪ Formation of Nodules or abscess<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Slow release formulation dependent on manual 60 mixture<sup>1</sup> step</li> <li>▪ Storage at 2-4°: need to heat up for reconstitution<sup>1</sup></li> </ul>

## A promising Oncology pipeline



## Moving up to higher prevalence diseases and higher unmet medical needs

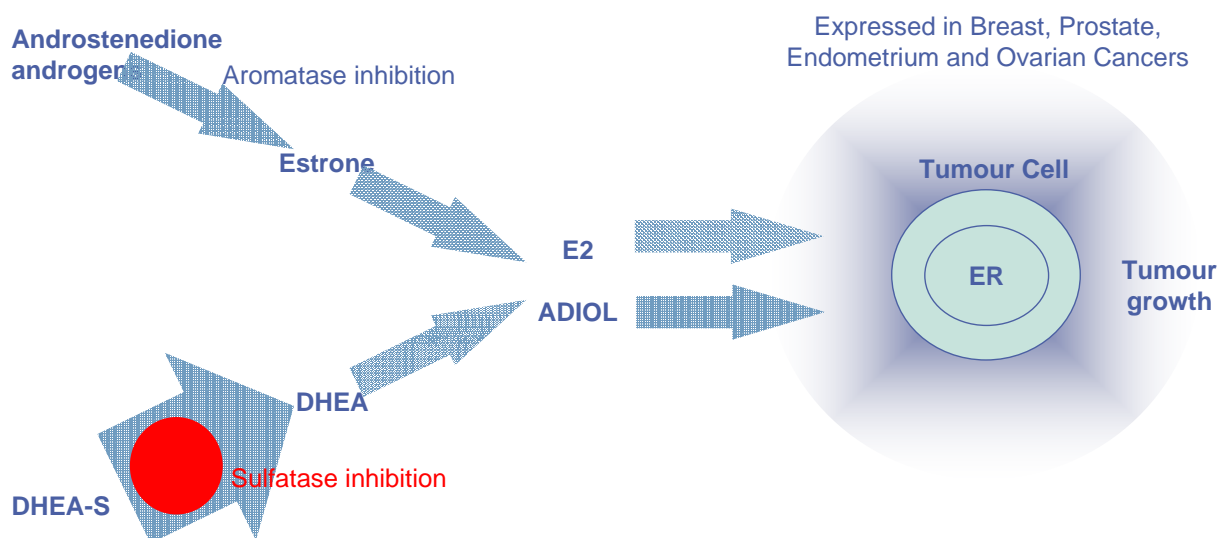
5 year survival stage IV disease



**Ipsen New Medical Entities: multi targeted agents aiming at large markets as well as niche indications with large unmet medical needs**  
**BN-83495 is potentially a company transforming product**

## Rationale for Sulfatase inhibitor development

*Inhibition of Androstenediol synthesis from DHEA-S*

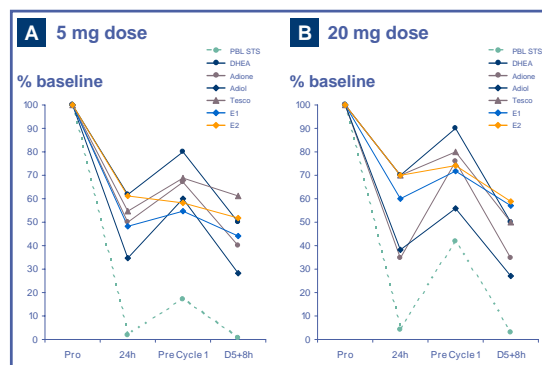
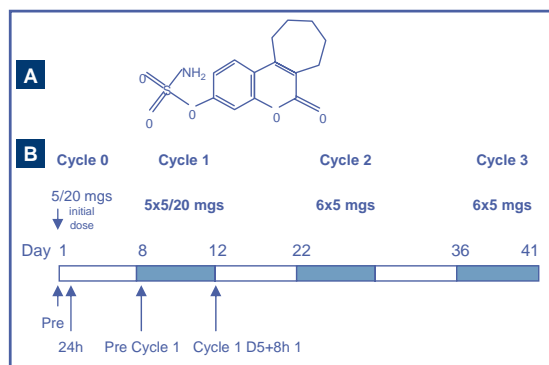


**Adiol can bind to oestrogen receptor and stimulate tumour growth**  
**(90% Adiol derived from DHEA-S in post-menopausal women)**

## First clinical study in Breast Cancer patients

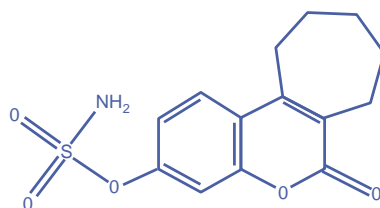
STS inhibition leads to significant reduction in circulating steroids and induces clinical benefit\*\*

First clinical study CR UK \* - Daily x 5 dosing



Next step: confirmation of the results in Metastatic Breast Cancer and exploration of the full range of hormonal dependent tumours

## BN-83495 in a nutshell: a new mechanism of action and potential therapeutic breakthrough



Tricyclic coumarin sulfamate

Irreversible **Oral** steroid sulfatase (STS) inhibitor

Preclinical data supporting correlation between STS inhibition and tumour suppression in Endocrine Cancers

Early clinical POC  
in  
metastatic Breast Cancer

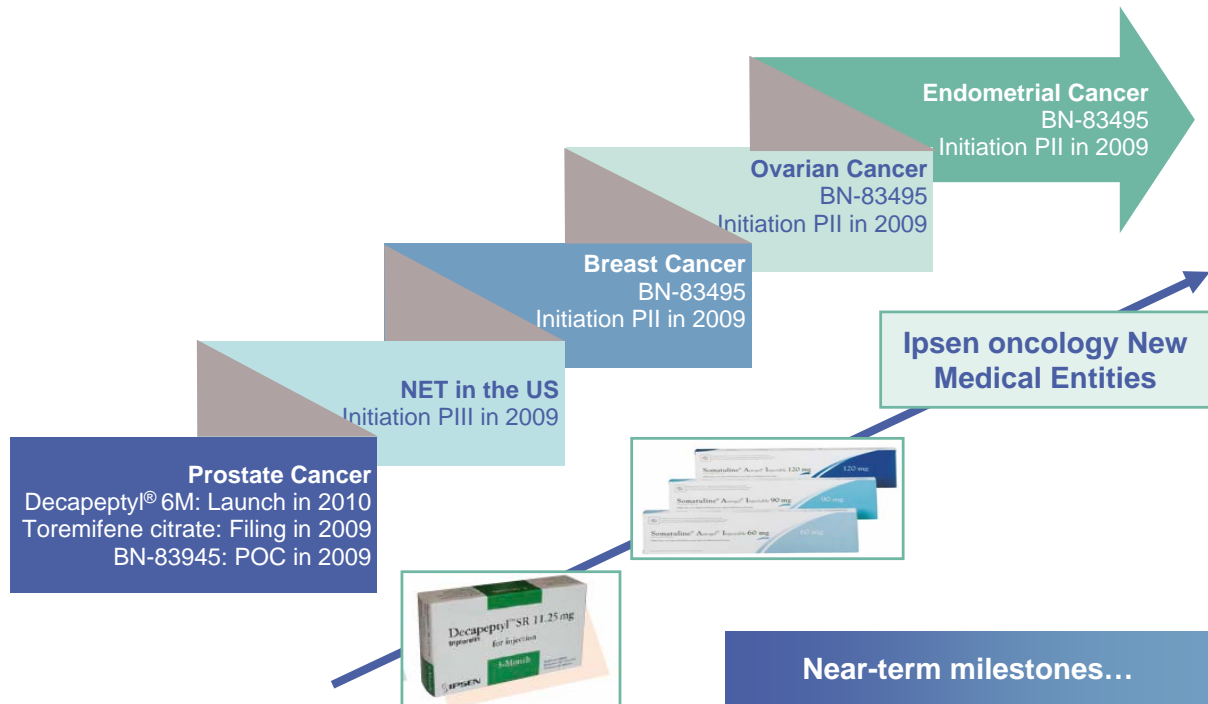
POC trial  
in HR Prostate Cancer  
commenced Jan. 2009

POC trials in  
Gynecological Cancers  
to commence in 2009

Strong patent platform position & available back-up

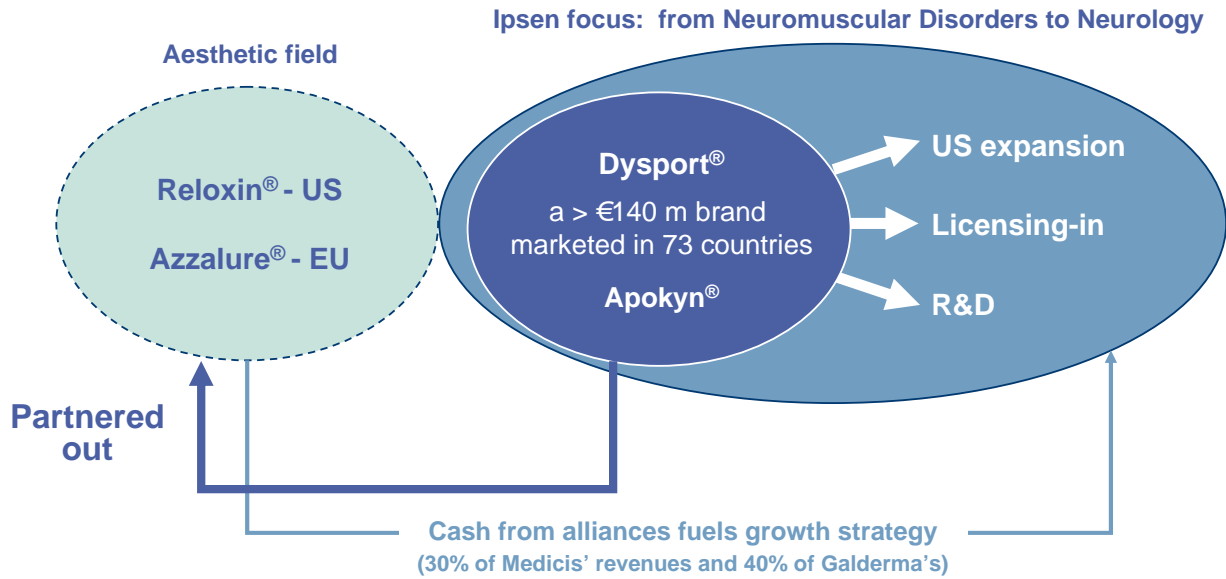


## Confirming Ipsen as a leader in Hormone Dependent Cancers



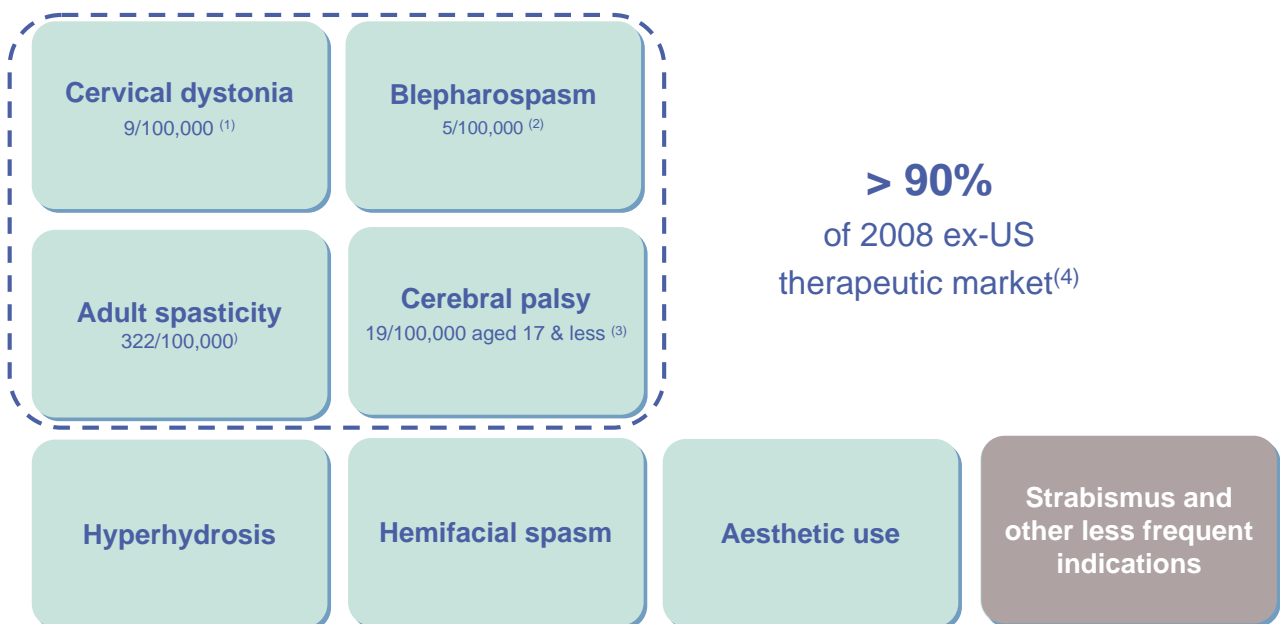
## From a Regional Neuromuscular Specialty to a Global Neurology Franchise

## A specific therapeutic focus



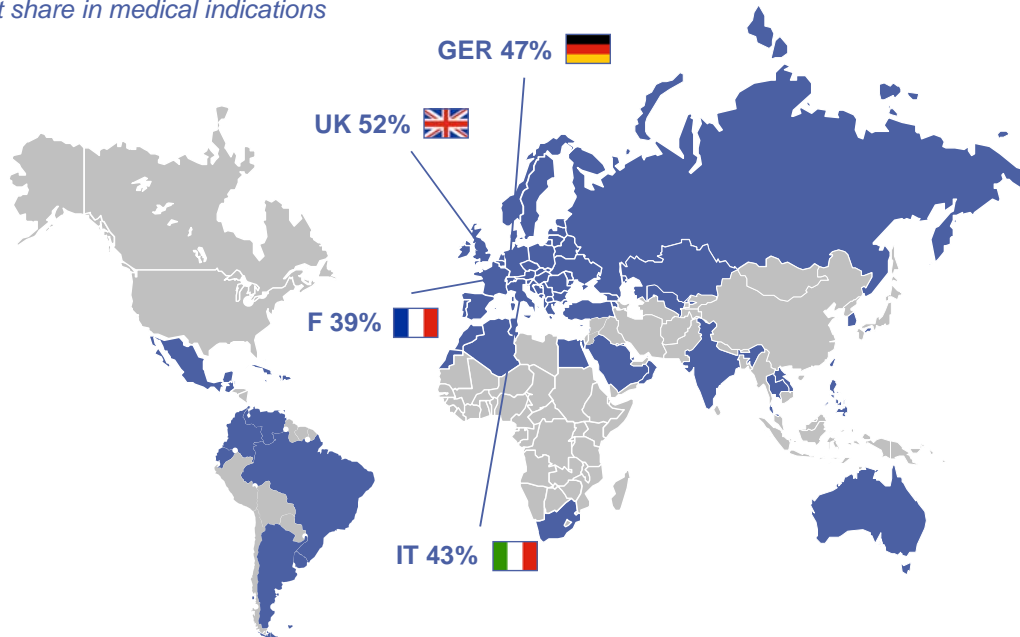
**Dysport®: the cornerstone of a Neurology franchise**

## Dysport®: approved ex-US in most key indications



## Dysport®: launched in 1991, approved in 73 countries

Market share in medical indications



In dark blue, countries where Dysport® is marketed

Sources: IMS, Insight Health/ODV, Ipsen estimates

## A good track record at catching-up market shares...

Market share in medical indications



Sources: Ipsen market intelligence

## Dysport® in the US: a step further toward a global neurology franchise

1. **Dysport®: a proven track record and field proven product**
2. **A true global product**
3. **A unique focus on medical use**
4. **Focus on US opportunity – strong positioning with well prepared launch**
  - Sound value proposition: the medical treatment alternative
  - Targeted and appropriate sales force
  - Managed care experience
5. **Building up a neurology franchise leveraging the business development capability**
6. **Intense efforts in the discovery area**

## A focused haematology presence

## An agent targeting both acquired and congenital hemophilia

### **Congenital hemophilia A** *with inhibitors to human FVIII*

- Affects 1:4000 male births
- The development of neutralizing antibodies (inhibitors) to hFVIII following replacement therapy is a major complication
- Inhibitors develop in about 28% of severe patients and in between 3% to 13% of mild and moderate hemophilia A patients
- Patients no longer respond to hFVIII therapy

### **Acquired hemophilia** *Acquired factor VIII inhibitor*

- Affects 1 to 2 individuals in 1,000,000, predominantly in older individuals
- A small proportion of younger patients may develop the disease, predominantly post-partum women
- Clinical manifestation is more severe and anatomically diverse than in congenital hemophilia A
- A mortality rate approaching 20%. Bleeding is often spontaneous or in response to minimal trauma

**pFVIII is a promising treatment to stop bleeds in patients with inhibitors to hFVIII**

## Now preparing for phase 3...

2 prospective clinical trials, in liaison with Medical Community & Regulatory Agencies

Study in patients with acquired factor VIII inhibitor (acquired hemophilia)

Treatment of all acute bleeding episodes

Study in patients with congenital hemophilia A and inhibitors to hFVIII

Treatment of life or limb threatening bleeding episodes

Both will be of similar design  
Open label, non comparative prospective studies, with about 40 patients in each study

Standards setting: first ever prospective trial in acquired hemophilia

**Protocols finalization and pre-phase 3 CMC consultations with regulatory agencies to be completed in H1 2009**



## A highly specialized hospital product addressing unmet need

First biologics to conclude Phase 2 resulting from strategic biotechnology platform

Patent protection until 2023 in Europe and US

World-wide commercialization rights

Lean commercial infrastructure

A commercial potential in excess of US\$200 million

Fourth specialty therapeutic focus in Haematology

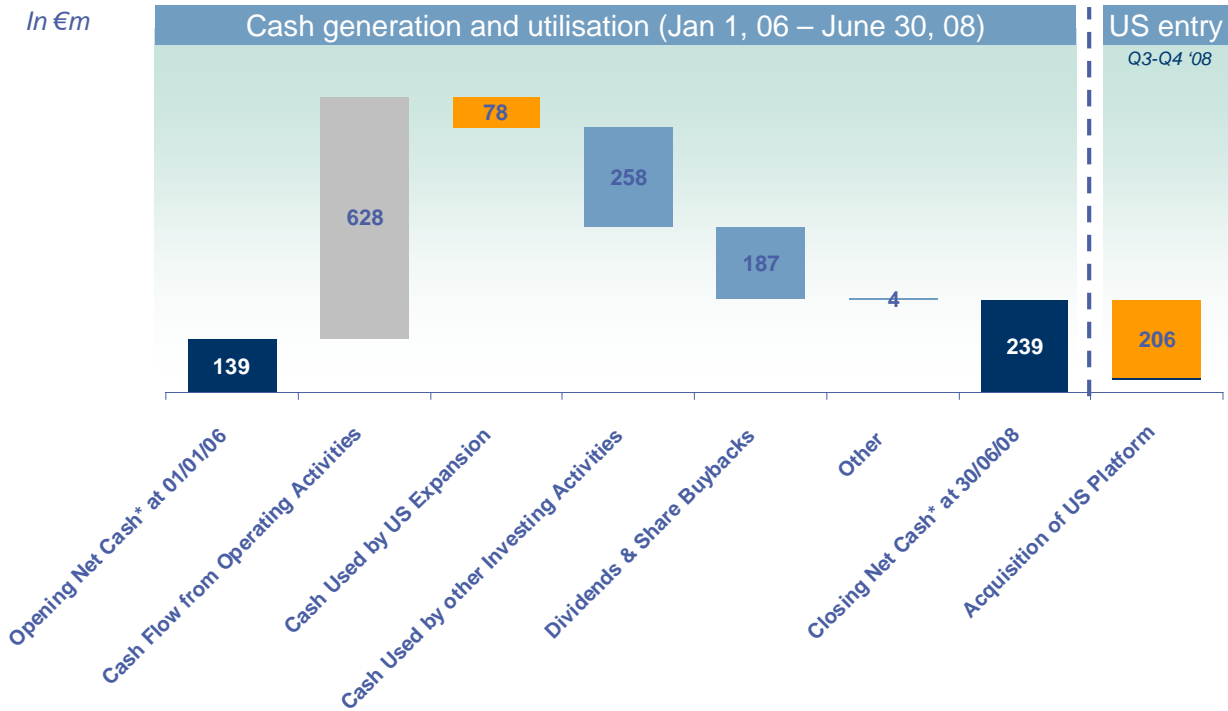


## Conclusion



## A strong, recurring cash flow generation

In €m



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\* Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities

## After its US acquisitions, Ipsen remains cash positive, with a sound financial structure

<b>Shareholders equity</b>	€844 million As of June 30, 2008
<b>Net debt/ (Net cash)</b>	Net cash position of close to €100 million <b>Post US entry</b>
<b>Financing</b>	5 year, multi-currency revolving facility agreement of €300 million EURIBOR + 50 basis points

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## 2009 objectives

Sales growth	12.0 to 14.0%*
Operating margin	Around 15% (in % of sales)

*Operating margin objective set before taking into account:*

- any restructuring costs, acquisition related one-off items or purchase accounting impacts and;
- the potential impacts of the dispute with Bayer on a royalty revenue stream

*While the Group is currently finalising the analysis of the potential impacts of difficult macroeconomic conditions on its future performance, it remains confident in its ability to achieve its future financial objectives and, given its growth prospects, to significantly outpace the average pharmaceutical industry growth rate*

## Confidence in our long term objectives

US Endocrinology platform	2012	Sales in excess of \$250 million
US Neurology platform		Sales in excess of \$50 million
WW hematology (OBI-1)	At peak	Sales in excess of \$200 million
A US platform generating close to \$1 billion by the end of the next decade		



## Conclusion



You will hear from us in the months to come...

