

2009, confirming Ipsen's biotech specialty care profile

Full Year 2009 Results Presentation - March 1, 2010



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.

All product names listed in this document are either licensed to the Ipsen Group or are registered trademarks of the Ipsen Group or its partners.

Objectives for today

1

2009 achievements

2

2009 detailed financials

3

US snapshot

4

Outlook

2009 achievements

Jean-Luc Bélingard

Chairman & CEO



Major initiatives, in a rigorous execution of the Group's strategy

Grow and Globalise Ipsen's *specialty care* business

4 products in the
US, 3 global

6 products in
launch phase

Decapeptyl® 6M
approved in
Europe

Rich phase II/ III
programmes

Out licensing of
non core
compounds



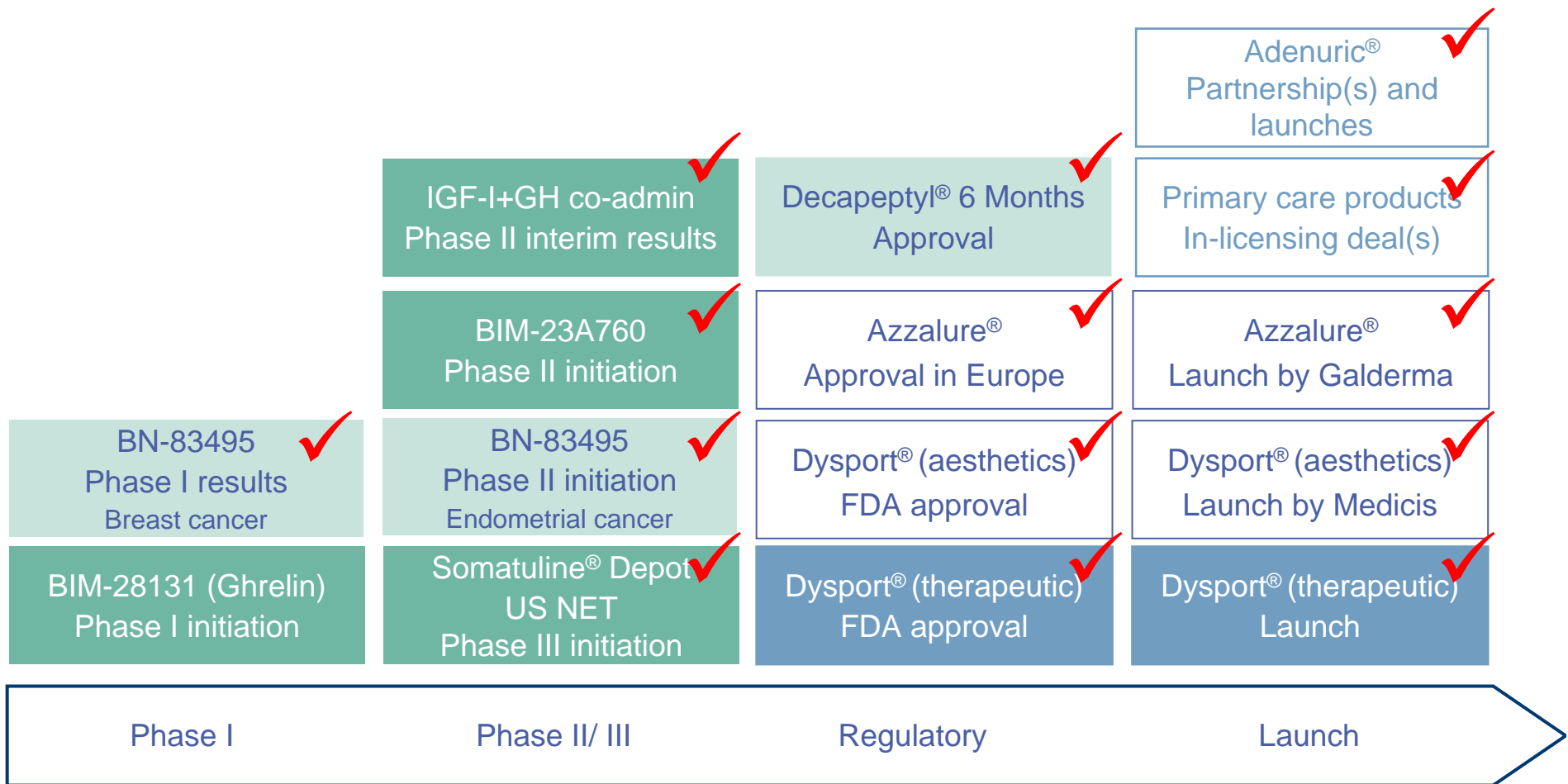
Optimize Ipsen's *primary care* business

Rich deal with Menarini on
Adenuric®


Promising headline results for
taspoglutide (Roche)

BLI-800 (Braintree)

All key milestones delivered in 2009

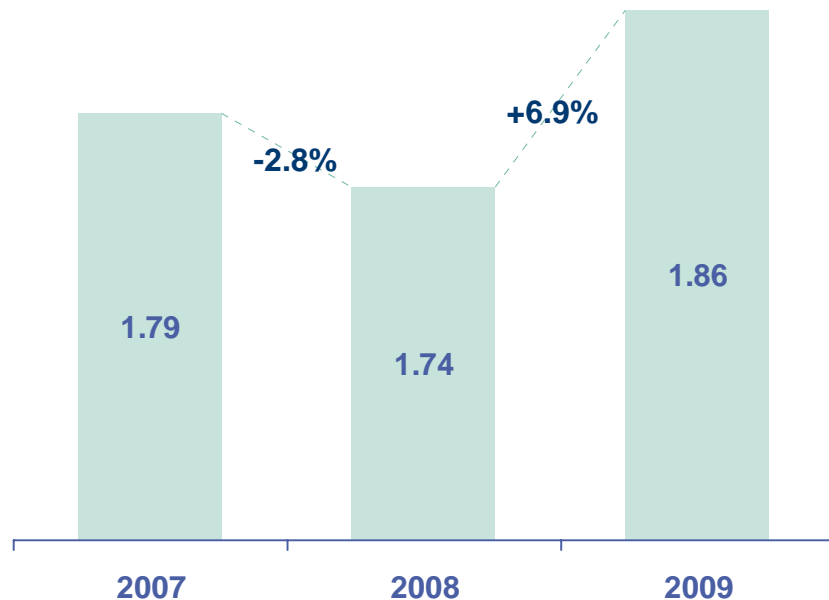


All financial objectives have been met in 2009

	Financial objectives Q1-09	 Bayer Settlement Financial objectives Q3-09	2009 performance
Drug sales	+ 7.0 – 9.0%		+ 7.6% ✓
Other Revenues	Around €45m	Approx. €80m	€79.6 millions ✓
Adjusted operating margin ¹	14.0%	17.0 – 17.5%	17.8% ✓
Normative Tax rate	18.0 - 20.0%		6.3% ✓

A strong profitability in 2009

A strong EPS performance in 2009



... driven by...

A fast growing specialty care activity

Strong partnerships

Continued cost control initiatives

Efficient tax optimization

Successful outcome of Bayer dispute

... despite

Economic conditions in Eastern Europe

4 products in launch phase in the US

Price and generic pressure in Primary care

Increased R&D footprint

Ipsen continues to outgrow its main competitors

**2009 sales of Dysport®
+18.0% y-o-y at constant currency**

**2009 sales of Somatuline®
+18.2% y-o-y at constant currency**

**2009 sales of NutropinAq®
+26.5% y-o-y at constant currency**

**Strong and continued specialty care dynamics
+13.9% y-o-y at constant currency**

2009 detailed financial performance

Claire Giraut

Chief Financial Officer

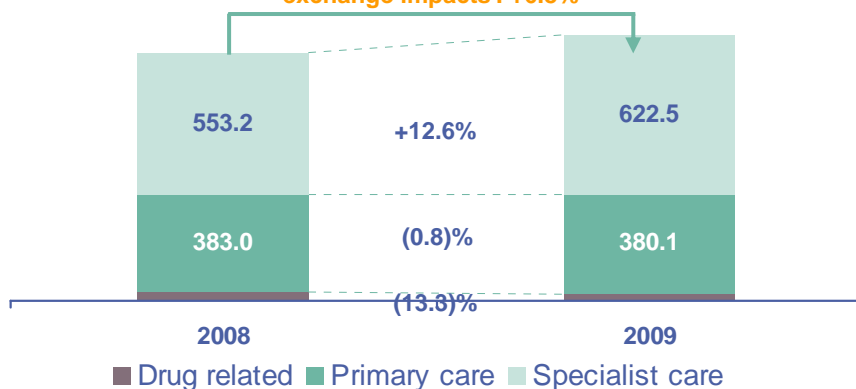


Top line evolution

Sales by therapeutic area

+6.4%

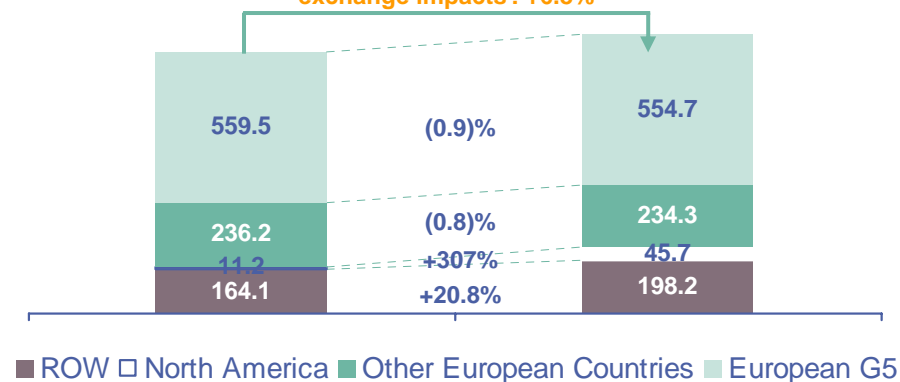
Growth excluding foreign exchange impacts : +6.8%



Sales by region

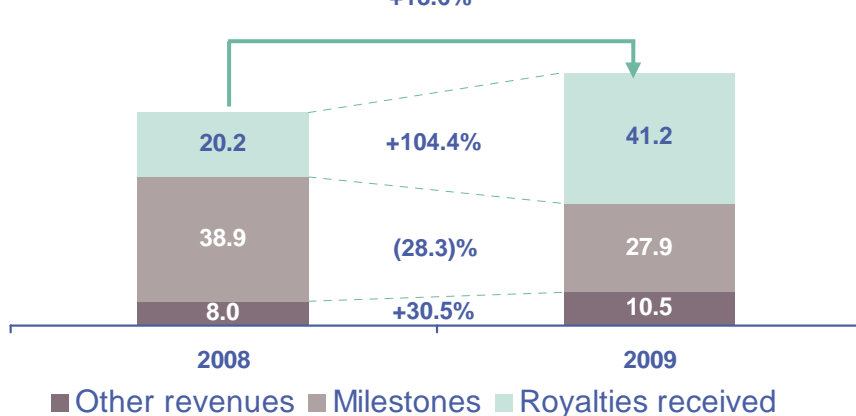
+6.4%

Growth excluding foreign exchange impacts : +6.8%



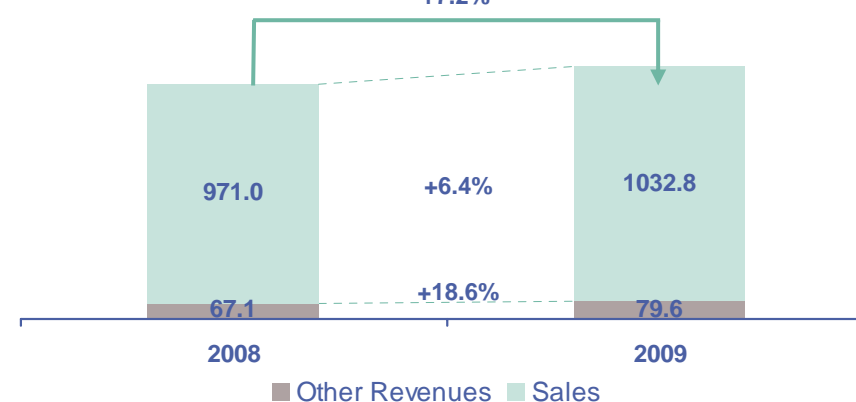
Other revenues evolution

+18.6%



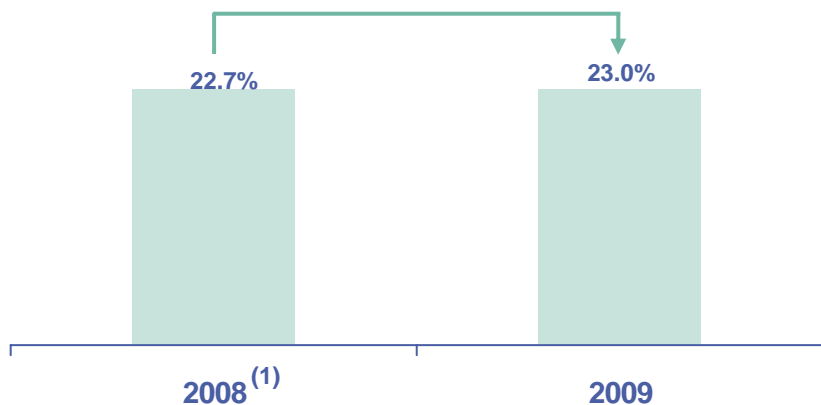
Total revenues evolution

+7.2%

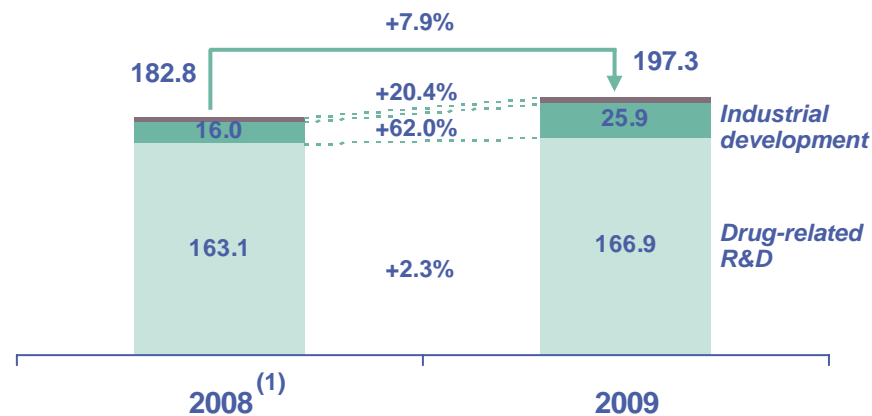


Evolution of main P&L expenses

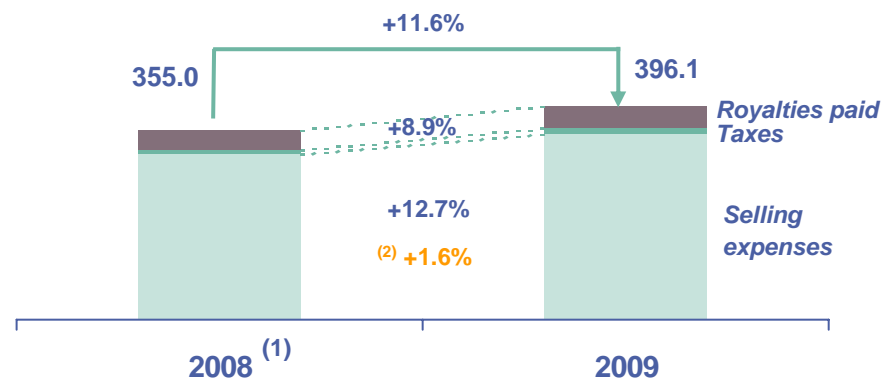
COGS (% of sales)



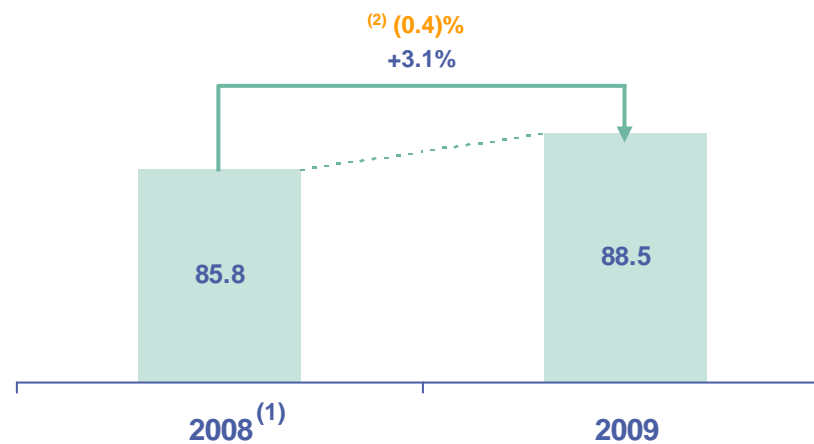
Research & Development



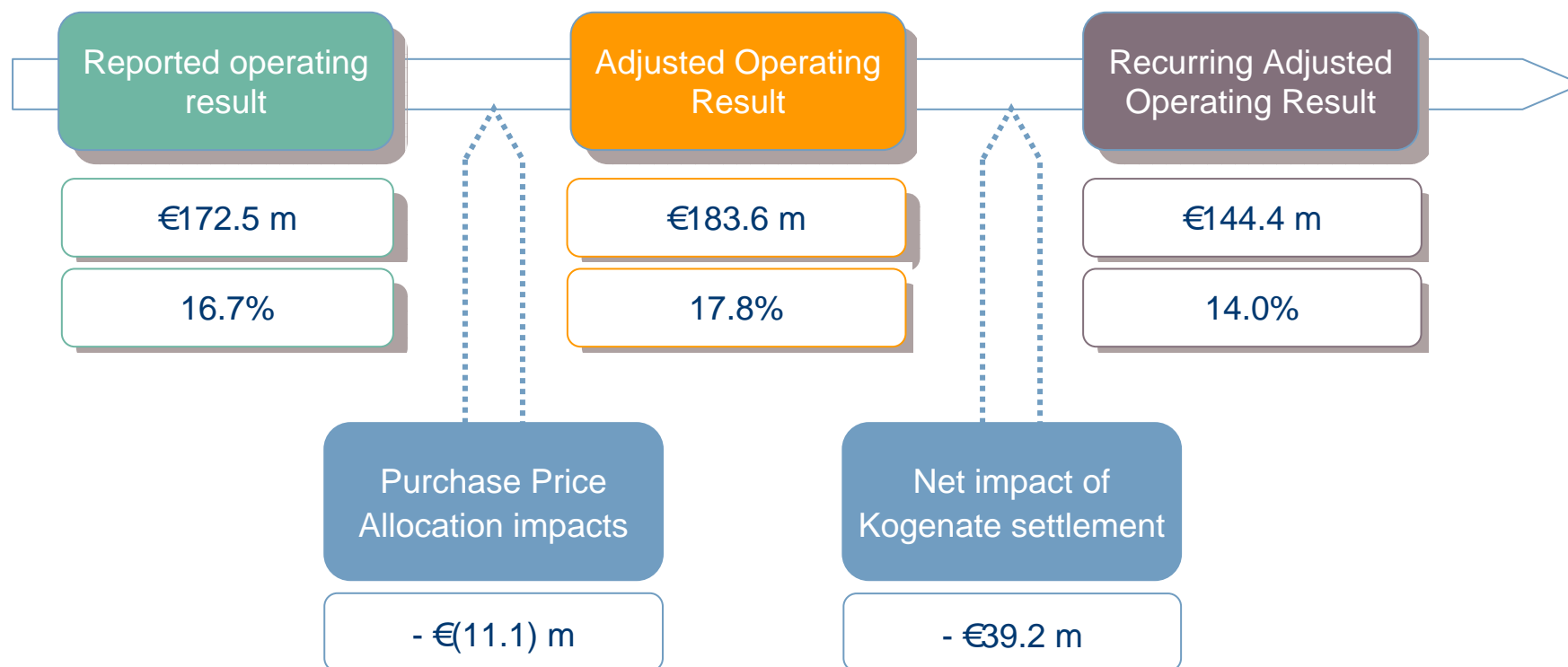
Sales & Marketing



G&A

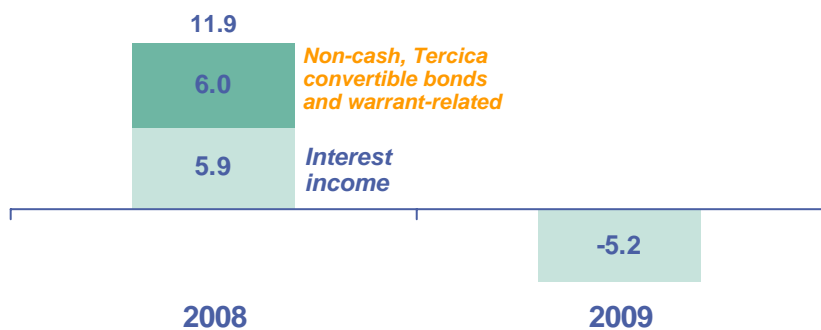


P&L – 2009 operating result and margin

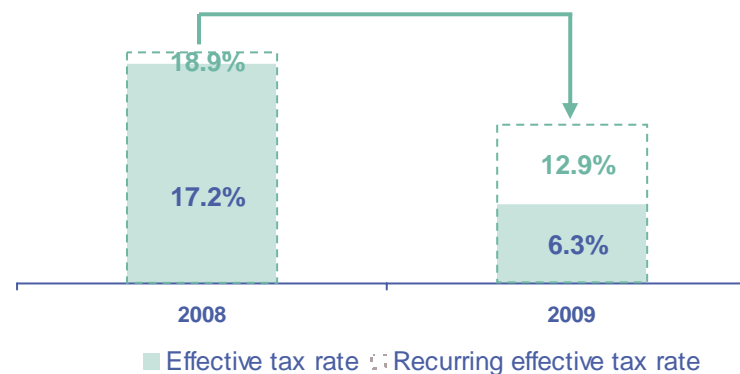


P&L – below EBIT

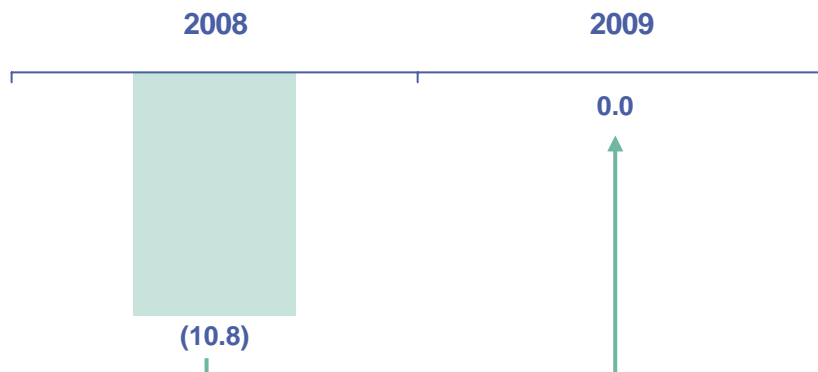
Financial result (€m)



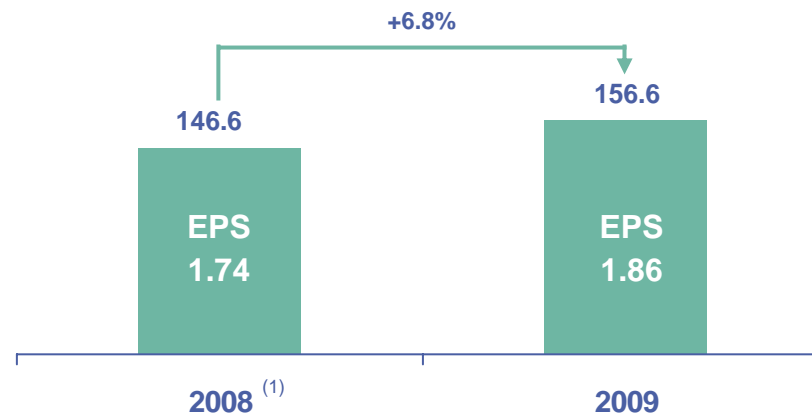
Effective tax rate



Income from Associates (€m)



Consolidated result (€m - group share)



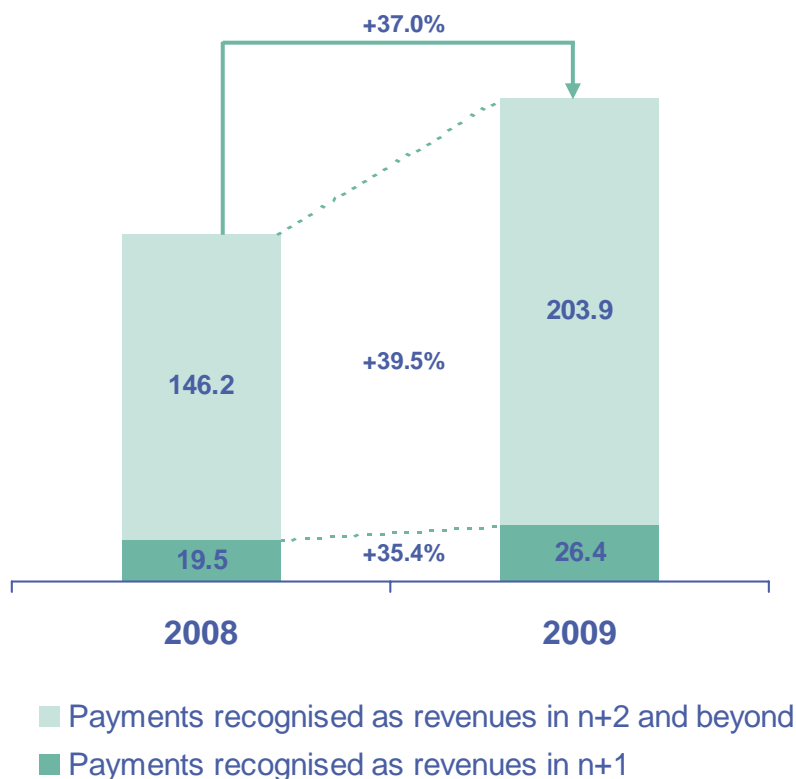
Balance Sheet evolution

(€m)

	Assets		Liabilities		
	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	
Goodwill	290.8	290.2	Equity	885.0	982.6
Property, plans & equipments	237.9	251.8	Minority interests	1.6	1.7
Intangible assets	232.9	237.0	Total equity	886.6	984.3
Other non-current assets	112.9	145.5	Long-term financial debts	162.7	12.2
Total non-current assets	874.5	924.5	Other non-current liabilities	194.2	270.3
Total current assets	688.6	652.4	Short-term debts	10.6	21.4
<i>Incl. cash and cash equivalents</i>	239.6	218.6	Other current liabilities	305.4	286.7
Discontinued operations	1.3	0.0	Discontinued operations	4.9	2.0
Total assets	1,564.4	1,576.9	Total Liabilities	1,564.4	1,576.9
Net Cash	66.2	185.6			

Significant increase of partnership related deferred revenues

Total Milestones cashed-in but not yet recognised as revenues



Main milestones cashed-in in 2009

May
Medicis: \$75m upon approval of Dysport®

March - September
Galderma: €20m upon approval and launches of Azzalure®

October
Menarini: €20m upon signing of partnership for Adenuric®

Cash flow statement

€m	31 Dec 08	31 Dec 09	
Cash Flow before change in working capital	196.3	192.7	
- Increase/ Decrease in working capital	7.4	64.9	▪ Net increase in deferred revenues from partnerships: +€73.9m
Net cash flow generated by operating activities	203.7	257.6	
Investment in tangible assets	(61.4)	(40.3)	
Investment in Intangible assets	(33.8)	(24.7)	
Others	(190.3)	(6.3)	
Net cash flow used in investing activities	(285.5)	(71.3)	
Net change in borrowings	141.0	(151.3)	▪ Reimbursement of syndicated credit facility €(150) m
Dividends paid	(55.0)	(58.0)	
Others	(7.0)	(5.4)	
Net cash flow used in financing activities	79.0	(214.8)	
Discontinued operations	0.7	(1.0)	
Change in cash and cash equivalent	(2.1)	(29.5)	
Impact of exchange rate fluctuations	(1.5)	(2.4)	
Closing cash & cash equivalents	237.3	205.4	
Closing Net Cash	66.2	185.6	

A focus on the performance of Ipsen's US franchise

Christophe Jean

Chief Operating Officer



US platform integrated and fully operational

**Strong and experienced management team :
New President and General Manager (May 2009)
New leadership team in key positions (Clinical & Medical Affairs, legal, HR, ...)**

**Fully operational managed care organisation (22 FTEs), including Payer Relation
Management**

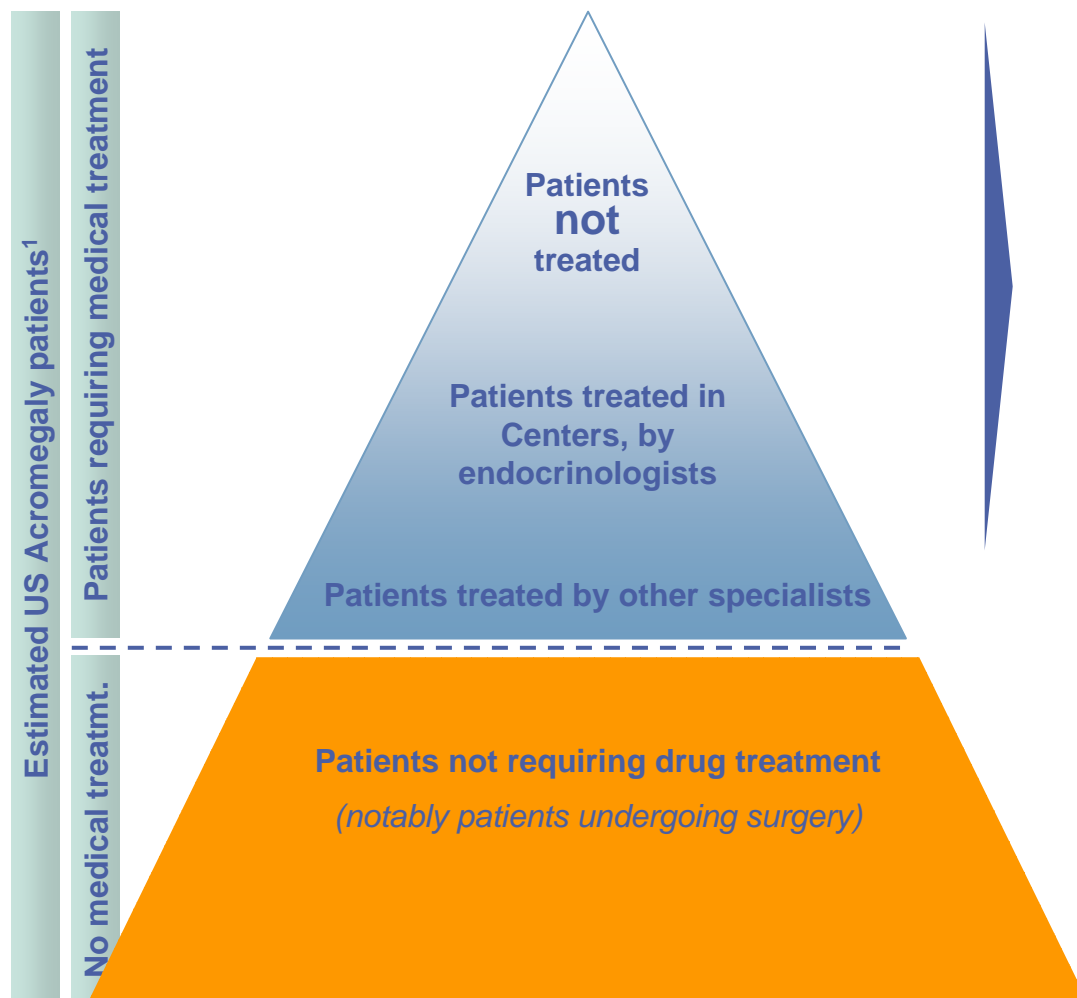
**Customer support programs in place, essential to US success
Implementing PACE program (Patient assistance, Access to services, Continuity of
care, Education) for each product**

**Full clinical development and regulatory capability in the US
allowing for global developments of key programs**

4 products now marketed, promoted by a Sales Force of 75

Somatuline[®] Depot market in the US

US Market structure and # patients



- **Good penetration of Somatuline[®] Depot**
 - **20% share²** of endocrinologists prescriptions
 - **40% market share²** in pituitary centers
- **Significant pool of untreated patients**
- **Relatively low compliance compared to Europe**

Drive Somatuline[®] Depot as first line recommendation in Pituitary centers and Endocrinologists

Drive Somatuline[®] Depot access and persistence

NOTE 1 : Prevalence of 60 per million
NOTE 2 : Q409 market share established by Wolters Kluwer

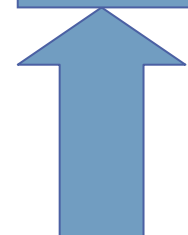
Snapshot on Increlex[®] and Dysport[®]

Increlex[®]

Established treatment option:
Number of SMN¹'s up more than 31% year-on year

Establishment of specialized Reimbursement
& Endocrinologist dedicated support teams

**+40% increase
in sales in 2009**



**30% decrease in patient
drop out rate in 2009**



Dysport[®]

<p>Great interest from commercial payors</p> <p>Dysport[®] enjoys an 85% coverage rate (commercial) and a 100% coverage rate (government)</p>	<p>Fully integrated in US reimbursement system</p> <p>Dysport[®]'s J-Code secured for March 2010</p>
<p>Excellent brand awareness</p> <p>Dysport[®] known by more than 80% of target prescribing population at launch</p>	<p>Higher-than-expected success of sampling campaign</p> <p>Dysport[®] requested by twice as many neurologists as originally anticipated</p>

A change in US context

Difficult economic situation impacting finances of patients

Increased pressure from commercial payers with tougher reimbursement criteria

Enforcement of strict compliance environment

Outlook

Jean-Luc Bélingard

Chairman & CEO



Top line objectives for 2010



Close to double digit Reported Speciality Care drug sales

Double digit in-market Speciality Care drug sales

+

Dynamic international markets

Launch of Decapeptyl 6 month in Europe

Continued expansion of its US platform

-

Slower growth in Eastern Europe

Transition of aesthetic activities to partners

Changing US market conditions



Primary Care drug sales to decrease by (5) to (7)% year-on-year

+

International markets from increasing to c.50% from 45% of total Primary Care drug sales

-

French primary care environment

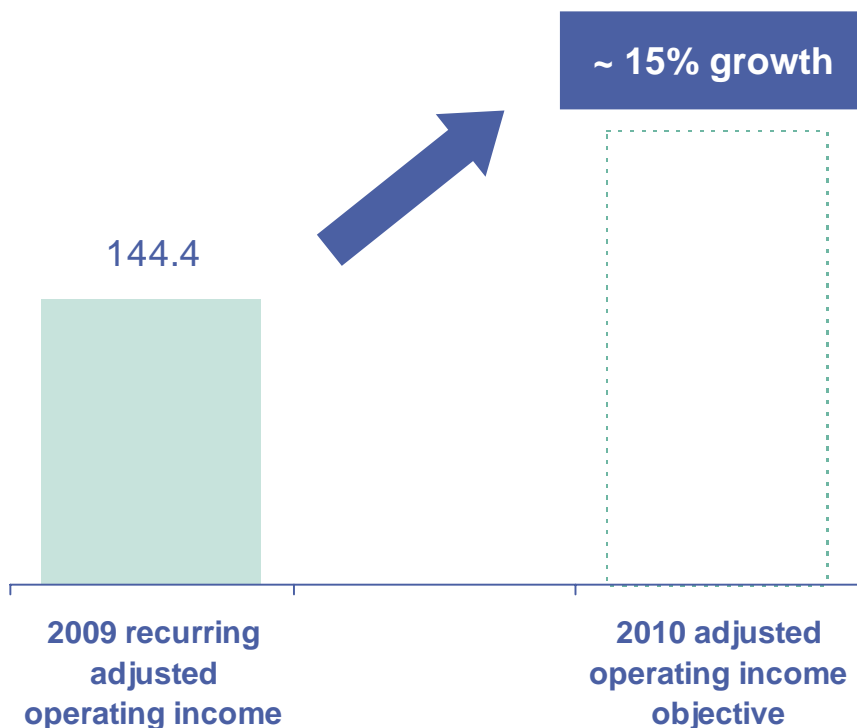
Group Drug Sales growth between 3.0 and 5.0% year-on-year



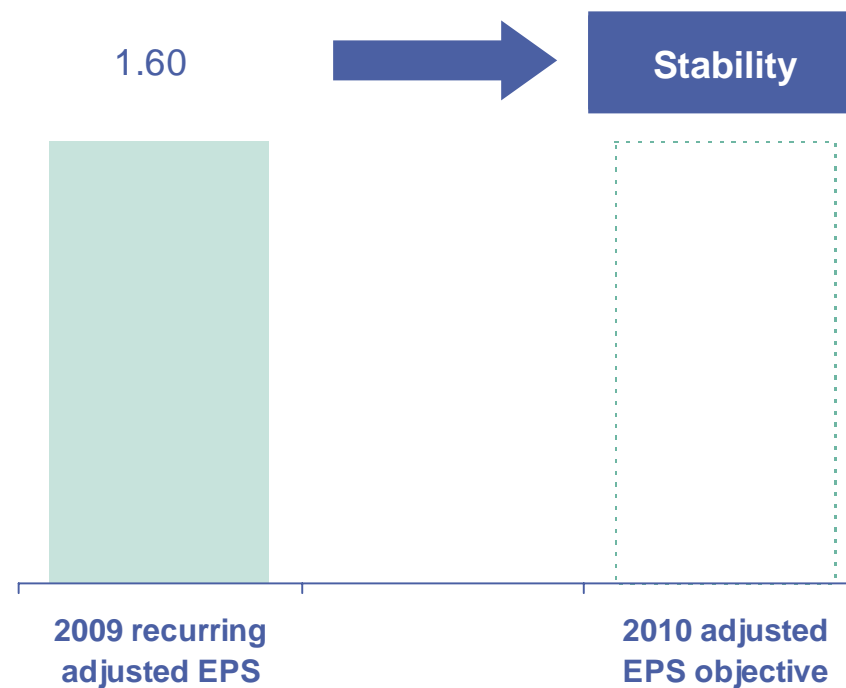
Other Revenues close to €50 million depending on the performance of the Group's partners

Profitability objectives for 2010

Recurring adjusted operating result

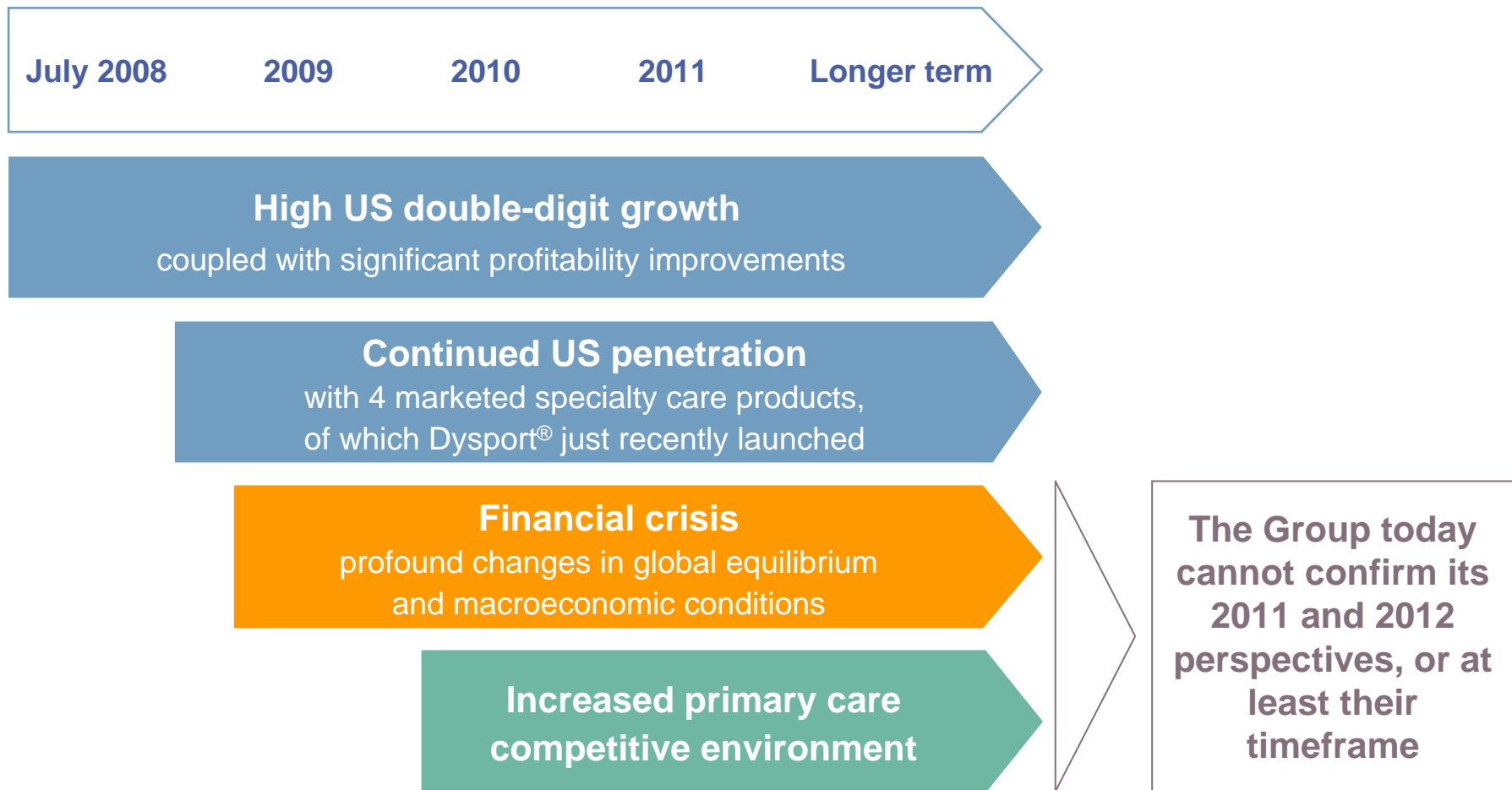


Fully diluted adjusted EPS

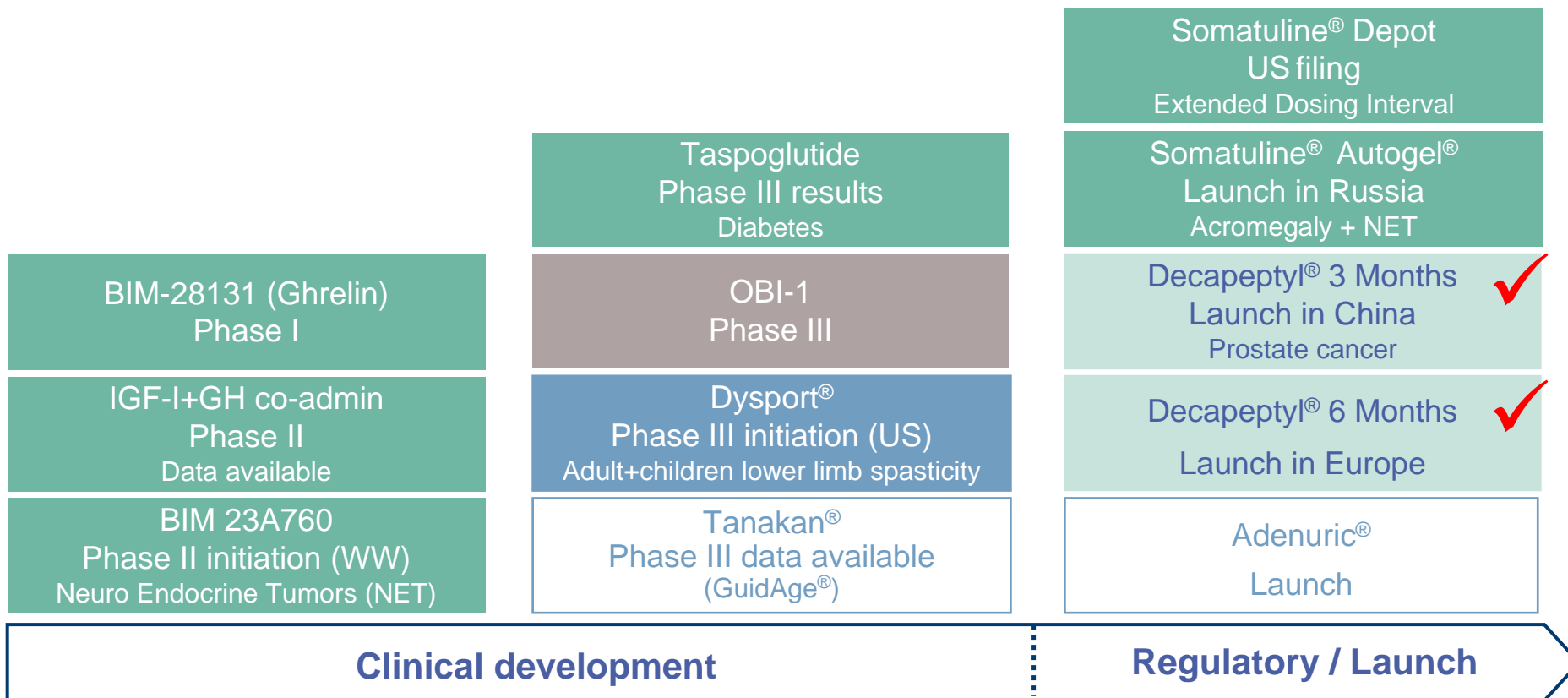


The Group targets an increase of its adjusted operating result and a relative stability of its consolidated income in a context of a significantly expanded R&D footprint

In the longer term...



A rich newsflow in 2010, already initiated



Continuous and rigorous execution of Ipsen's strategy
 → Specialty care growth & globalization, and increase in R&D efficacy
 → Primary care contribution optimization