Confirming Ipsen's specialist care globalisation

Credit Suisse – Conference

London, March 3rd, 2010

Disclaimer

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Introduction

Ipsen today : a global, innovation driven, specialty pharma

SPECIALTY CARE
A global business to **GROW**

27%	ONCOLOGY Decapeptyl®
17%	ENDOCRINOLOGY Somatuline®, Nutropin®, Increlex®
16%	NEUROLOGY Dysport® , Apokyn®
-	HEAMATOLOGY OBI-1

PRIMARY CARE
OPTIMISE returns of this mostly French business

GI	19%
Cognitive disorders	13%
Cardiovascular	8%

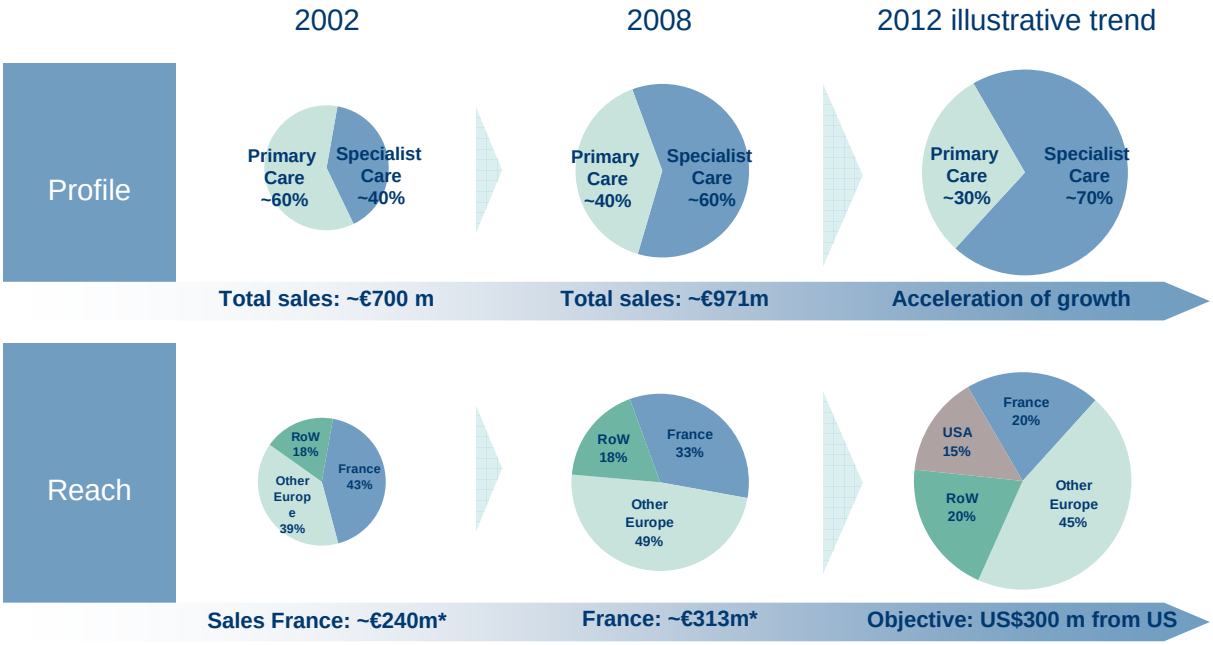
A transactional model

A fully-fledged manufacturing capability

A unique innovation driven and differentiated R&D capability
R&D expense ~20% of sales

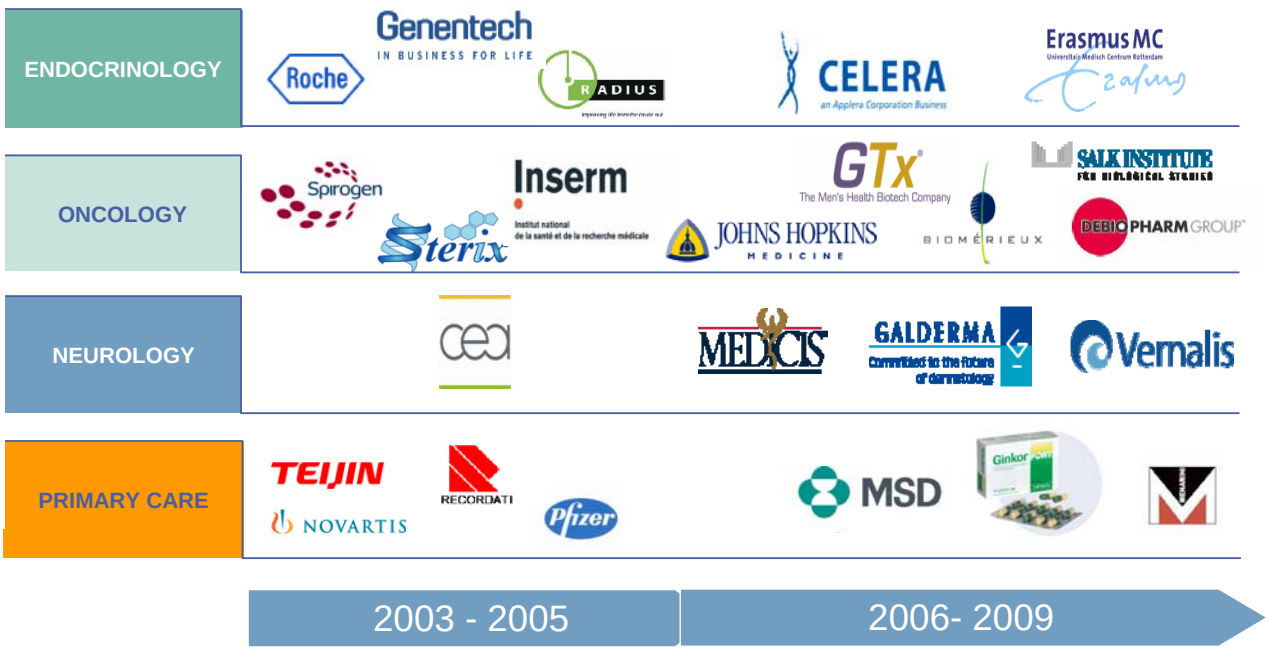
* % are calculated on 2008 total Group Drug Sales of €936 million

A reinforced profile and reach



** Excludes sales of Ginkor Fort (€61 million in 2002, €14 million in 2008)*
specialist care and primary care relative weights are expressed as a % of total Drug sales

An increasingly transactional model



Ipsen today….

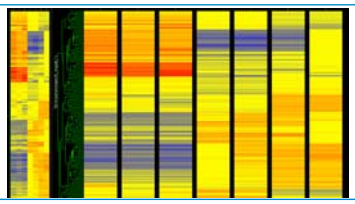
- Resilience of business **in a difficult macro-economic environment**
- **A strong and profitable specialty care** growth engine
- Substantial growth opportunities **through globalization and US entry**
- **A** rich and well balanced R&D pipeline**, with potential blockbusters**
- **A** strong cash flow generation and balance sheet

Truly Differentiated R&D Capabilities

Defining Ipsen's competitive edge in R&D

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

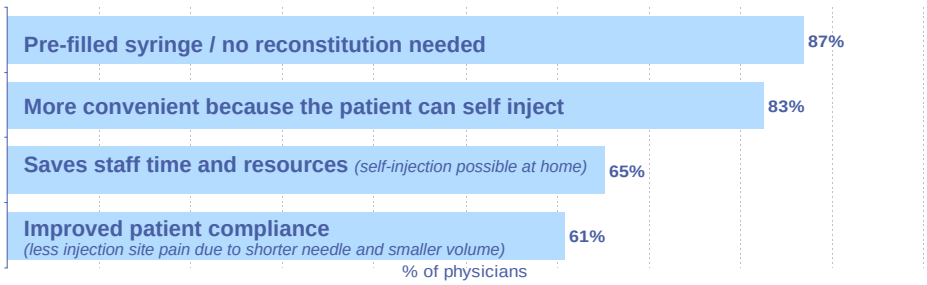
Resident know how based on the integration of basic discovery technologies

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

Example 1 : 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?***



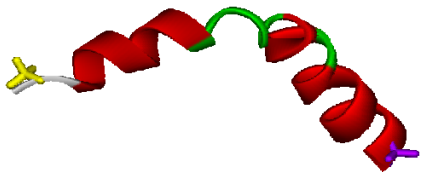
** In selected countries*

*** 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

Example 2 : a unique technology convergence, taspoglutide

Once-a-week 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
  Quarter inch long
- Taspoglutide Liquid SRF ➔ 29G
  Insulin type needle for subcutaneous injection

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

Taspoglutide Toxicology
Roche/Ipsen perspective on GLP-1s and C-cell thyroid tumors

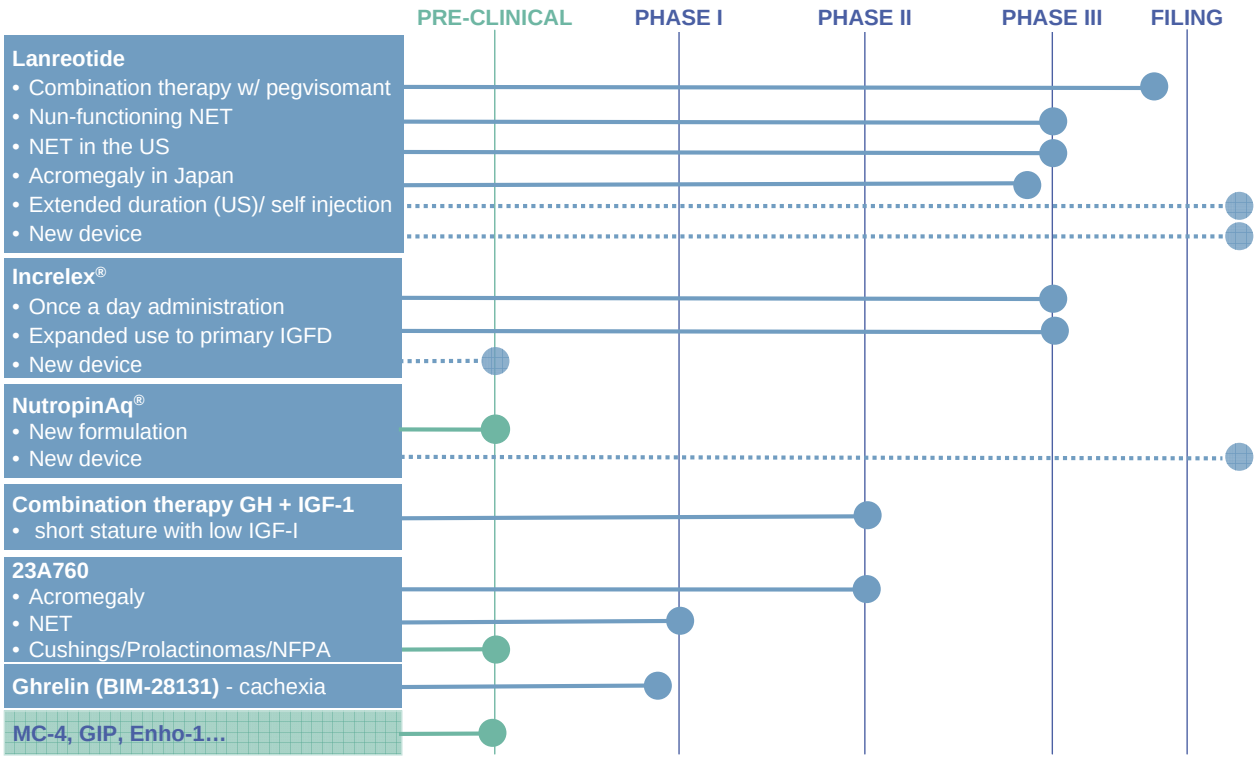
Results	▪ Results of carcinogenicity studies support the ongoing clinical development of taspoglutide; ▪ These results apply to mice as well
Disclosure	▪ We will share the results of the 2 year toxicology studies with the regulatory authorities first and may share the data with the public at a later point in time

Reminder - *ADA 2009* last toxicology update
Roche/Ipsen perspective on GLP-1s and C-cell thyroid tumors

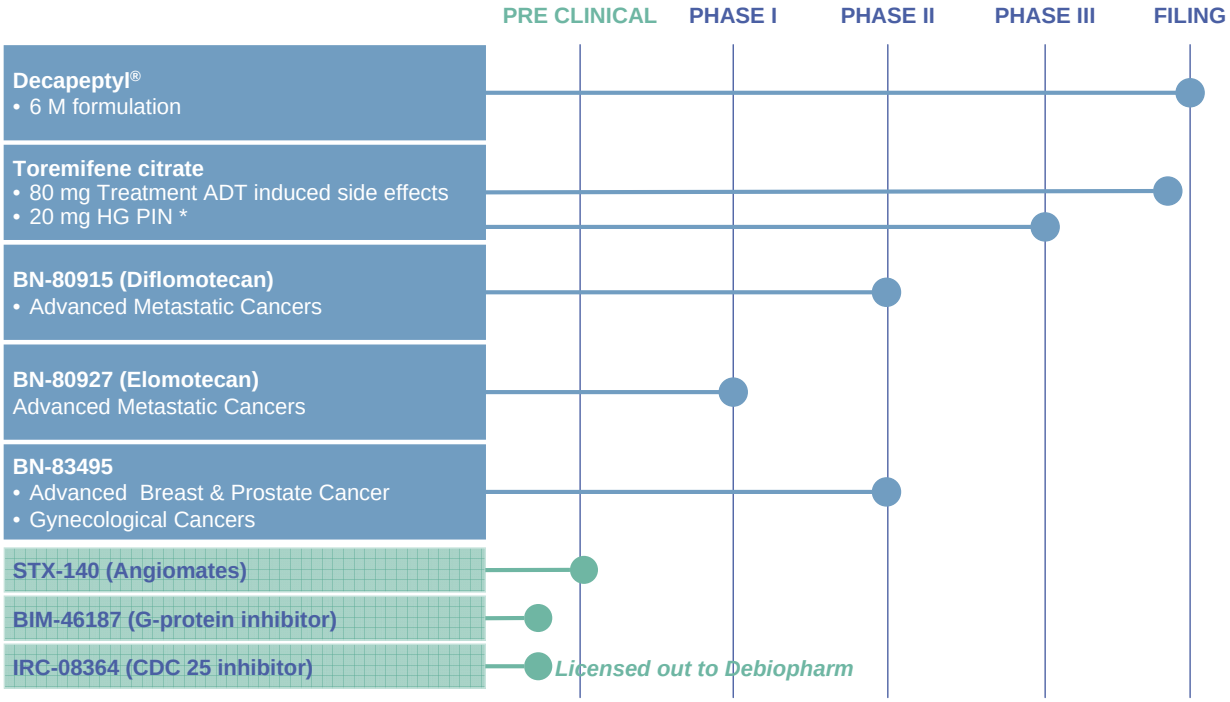
Preliminary incidence	▪ Taspoglutide carcinogenicity program ongoing • **Preliminary incidence of C-cell hyperplasia and adenoma was observed in a small number of animals** • **Safety data not final yet; aiming for high-quality analysis to obtain reliable results**
Disclosure	▪ Clinical relevance of proliferative lesions in rodents under investigation • **Working hypothesis: C-cell effects are rodent-specific** • **Appropriate pre-clinical mechanistic studies underway** • **Calcitonin monitoring in phase III**

A rich and promising pipeline

A rich endocrinology pipeline



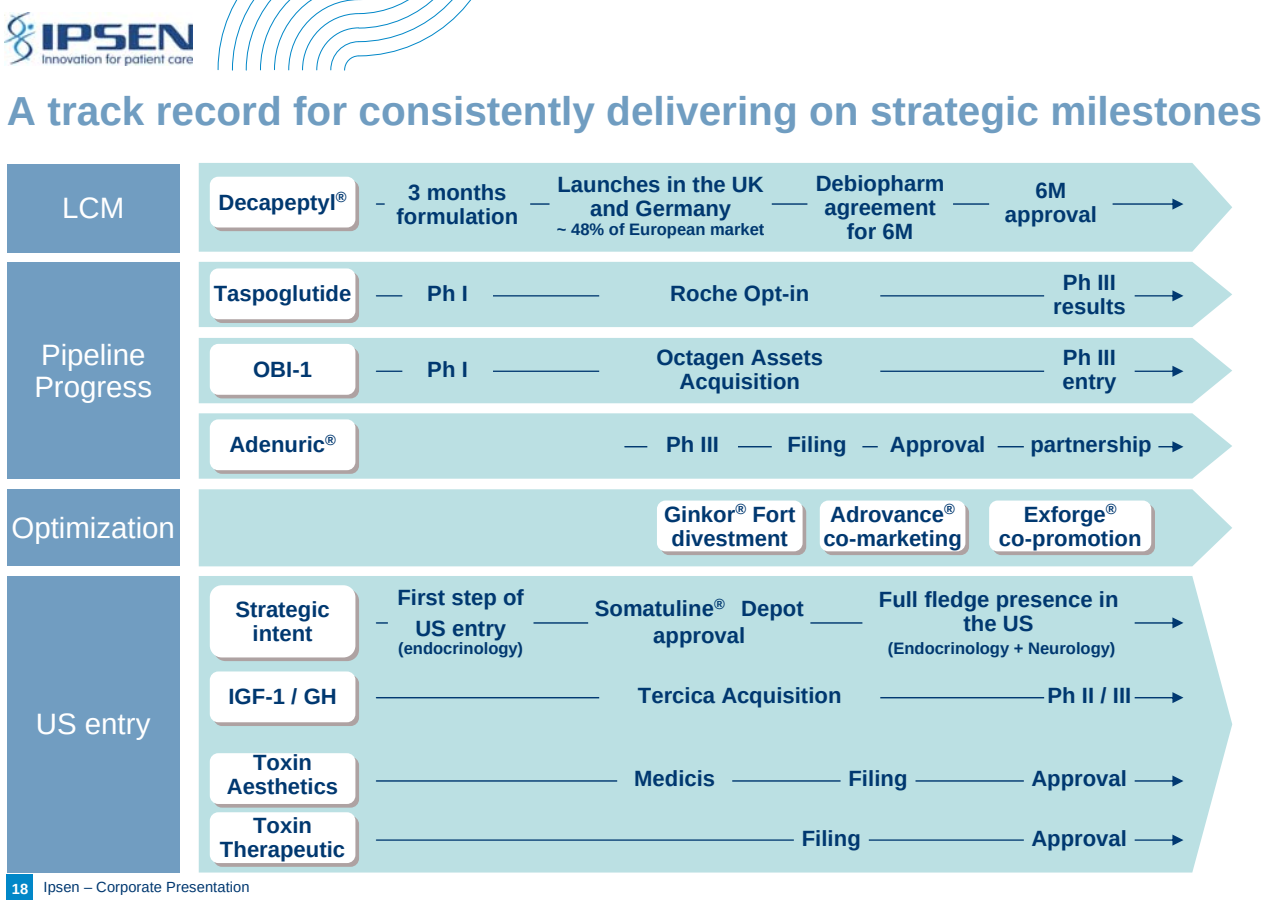
A promising Oncology pipeline



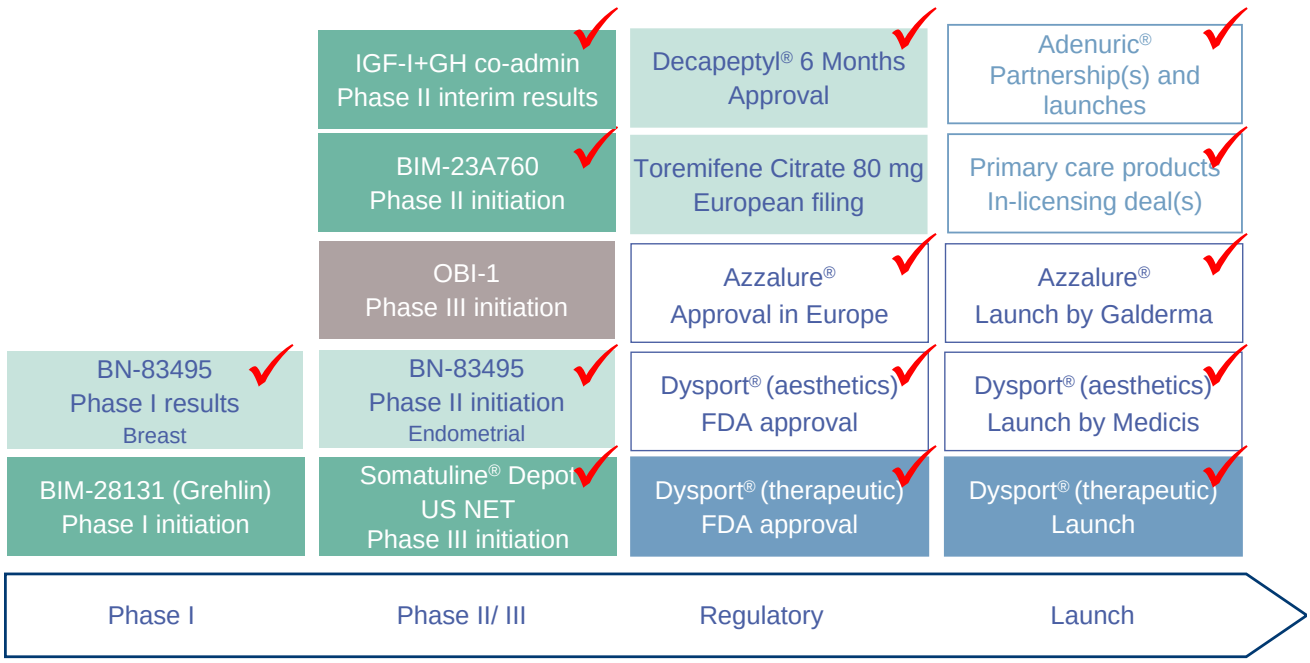
* Option to in-license

Progress and Outlook

A track record for consistently delivering on strategic milestones



All key milestones delivered year-to-date



2009 financial objectives confirmed

Drug sales growth of 7.0 to 9.0%

Other revenues[1] of approximately €80 million

Operating margin before goodwill allocation[2] of 17.0% - 17.5%

The above objectives include the full Kogenate® royalty stream

1- Defined as the total of milestone payments received under licence agreements, royalties received from third parties and other revenue (including for example co-promotion revenues)

2- These financial objectives do not include items resulting from purchase price accounting impacts related to the Group's transactions in North America

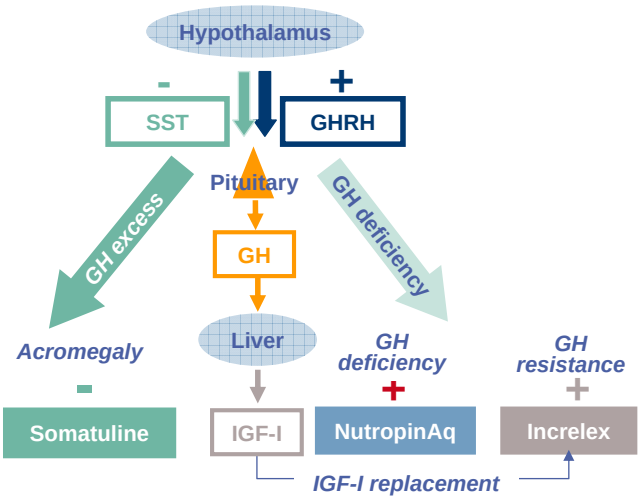
A rich newsflow in 2010

		Somatuline® Depot US filing Extended Dosing Interval
	Taspoglutide Phase III results Diabetes	Somatuline® Autogel® Launch in Russia Acromegaly + NET
BIM-28131 (Grehlin) Phase I	OBI-1 Phase III	Decapeptyl® 3 Months Launch in China Prostate cancer
IGF-I+GH co-admin Phase II Data available	Dysport® Phase III initiation (US) Adult+children lower limb spasticity	Decapeptyl® 6 Months Launch in Europe
BIM 23A760 Phase II initiation (WW) Neuro Endocrine Tumors (NET)	Tanakan® Phase III data available (Guidage)	Adenuric® Launch

Clinical development → Regulatory / Launch

An endocrinology franchise outgrowing competition

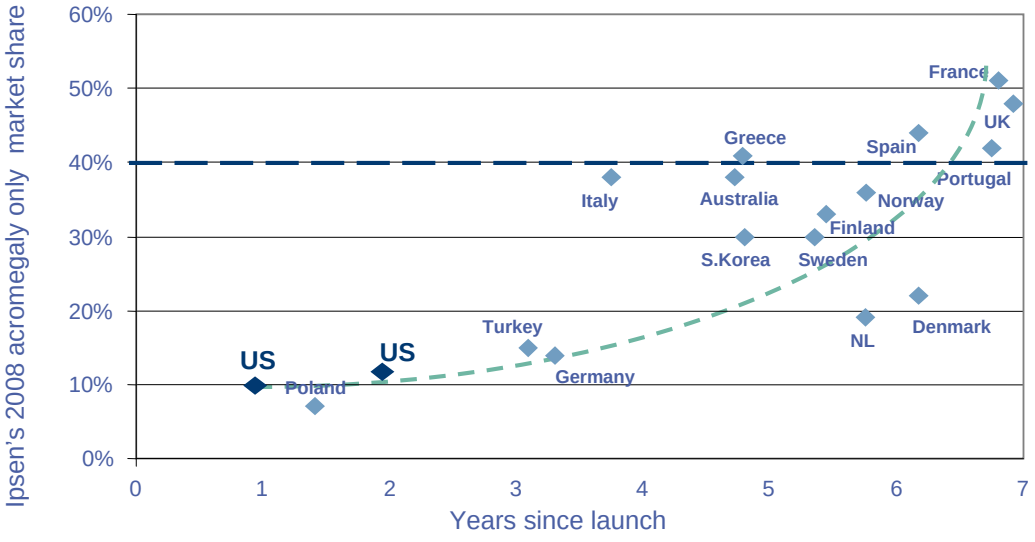
A unique focus on pituitary disorders and hormone dependent diseases



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 ~16 % of 2008 Group sales, ie. ~ €158 million.
- A fast growing franchise: sales doubled in the past 3 years

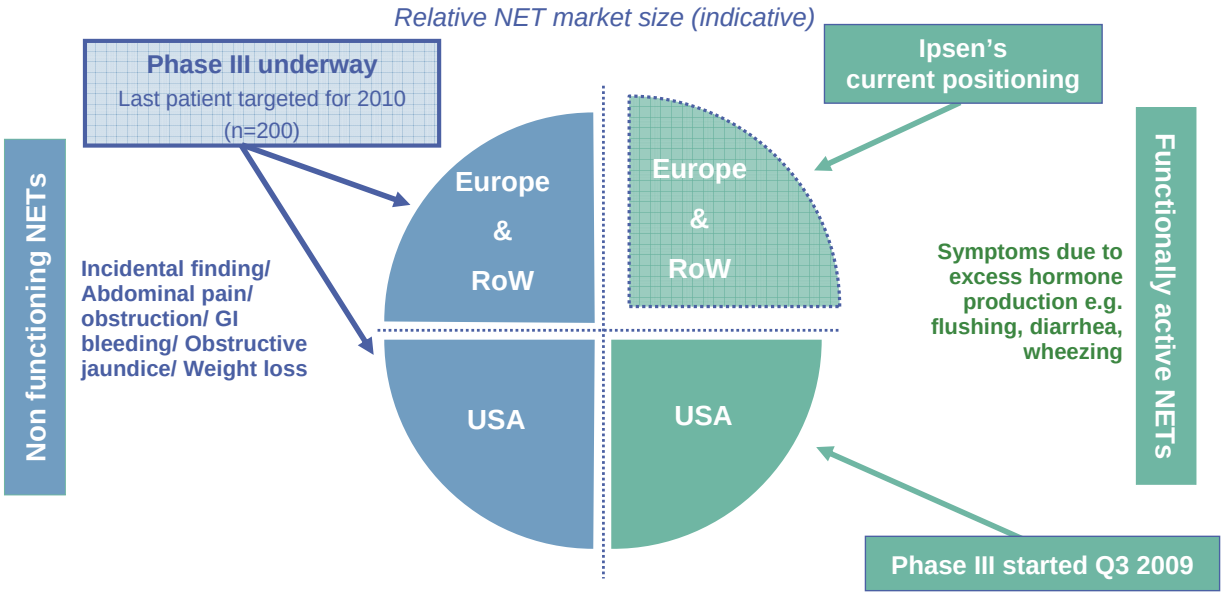
Somatuline® Depot is poised to grow and gain market share



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

SOURCE: Strategix

Somatuline® offers significant life cycle growth opportunities



Significant scope for expansion

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

Physician demand	▪ Target audience : ~1,000 US paediatric endocrinologists ▪ Up to 20% of Rx come from new prescribers each month ▪ 2/3 of pediatric endocrinologists have prescribed Increlex®; 78% continued prescription
Reimbursement success	▪ ~ 90% of private and public covered lives have formulary access ▪ 75% Increlex patients approved upon final decision (similar to GH)
Patient experience	▪ Sharp increase in patients on Increlex® initially GH-naïve to 60% in '08 from 30% in '07 ▪ Dose increasing to appropriate targets, to 100 mcg/kg BID in '08 from 70 mcg/kg BID in '07 ▪ Younger patients initiated with Increlex®, to average age at start of 10.0 years old in '08 from 11.5 years in '07

Sources: Internal data & US Increlex registry

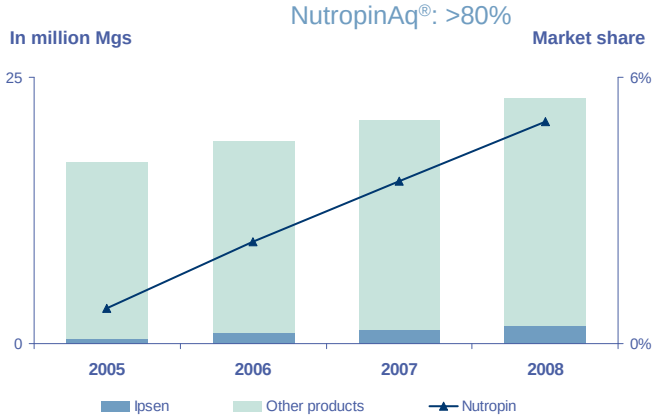
NutropinAq® in Ipsen territories is steadily gaining market share

GH market

CAGR[1] 05-08

Total GH market: ~+6%

NutropinAq®: >80%

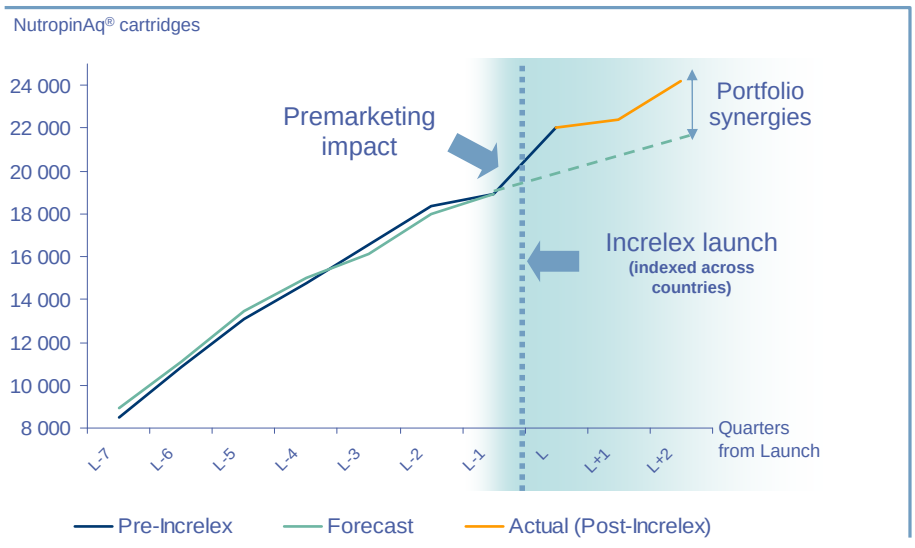


NutropinAq® attributes

- 1st liquid formulation launched WW
- A simple and user friendly pen
- An experienced post marketing surveillance database
- A dedicated experienced and professional team

Source: Strategix

NutropinAq® + Increlex®: evidence of portfolio synergy

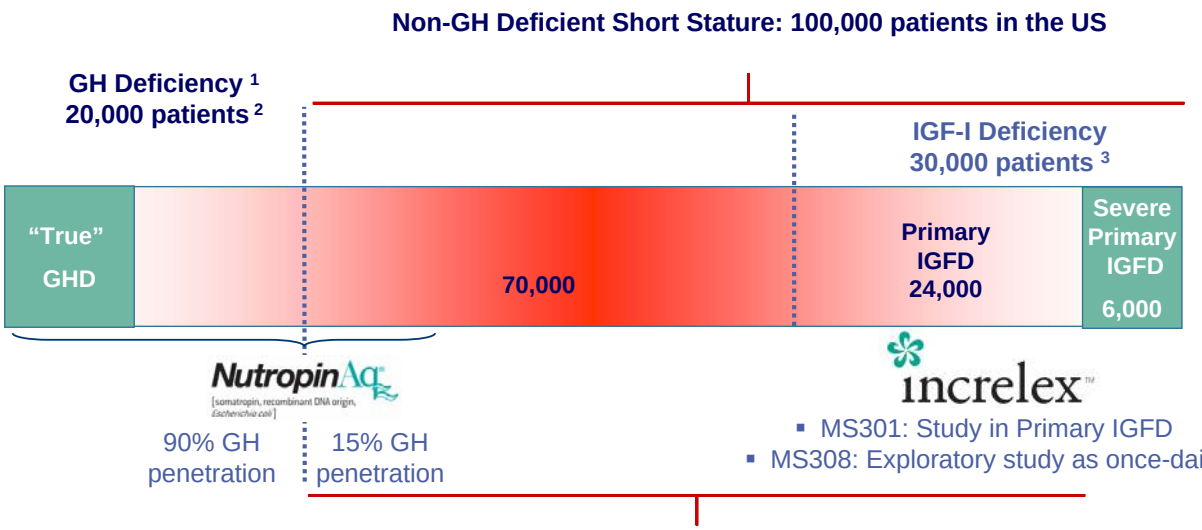


More than 25% favorable impact

"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

NOTE 1: UK, Germany, Sweden, France, Italy, Spain

Ipsen is redefining the treatment of short stature



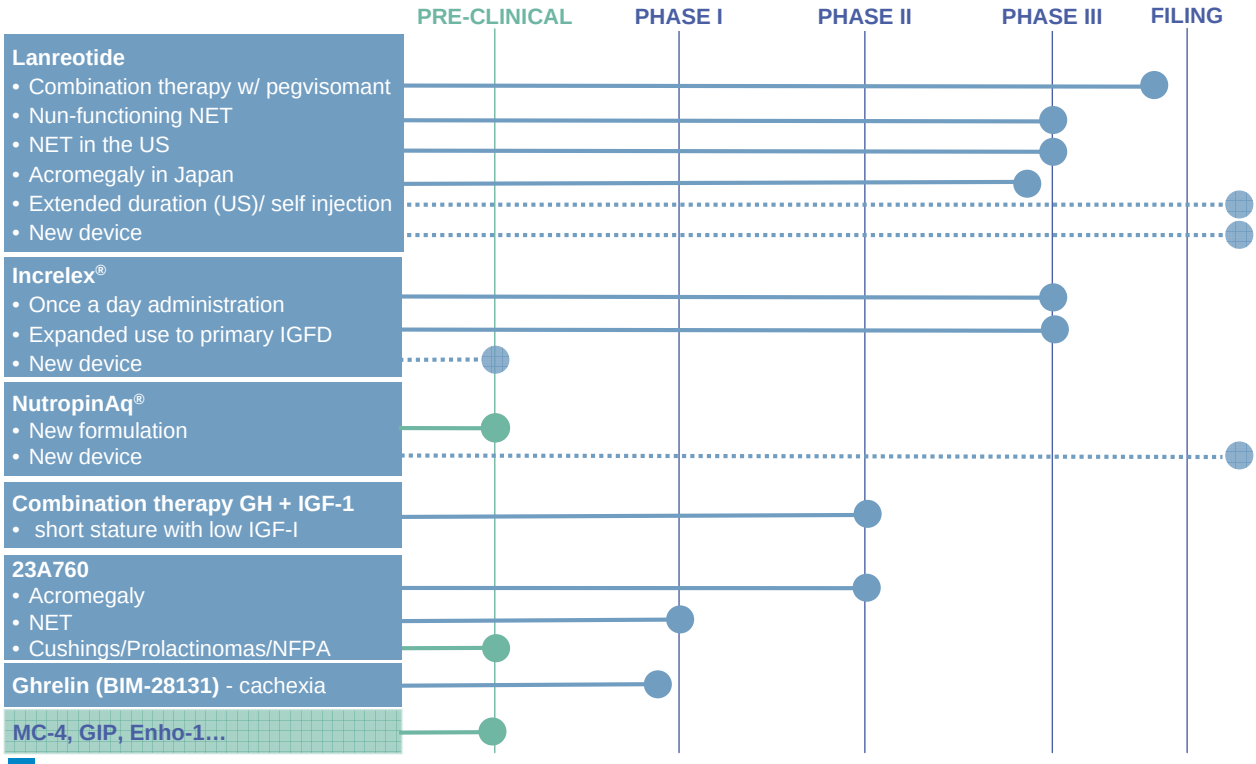
- MS301: Study in Primary IGFD
- MS308: Exploratory study as once-daily

COMBO in IGFD

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

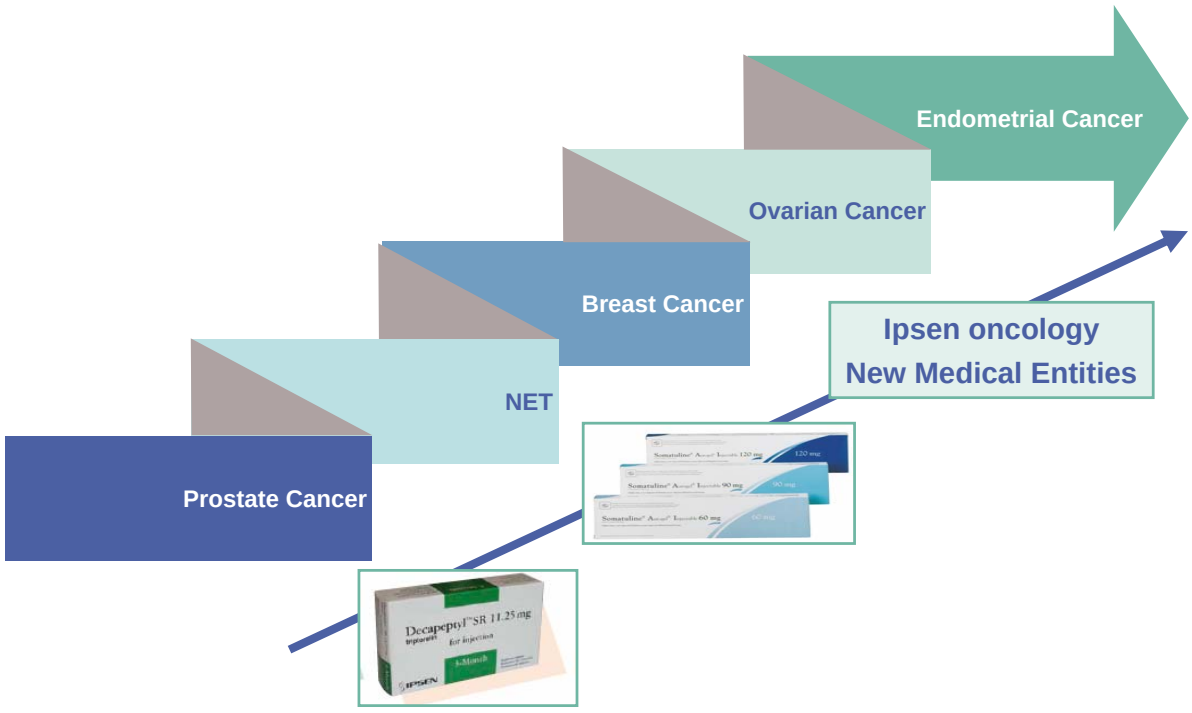
1) Includes TS, SGA, CRI, PWS
2) Approximate number seen by Ped Endos; Finkelstein et. Al.
3) NCGS Analysis

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



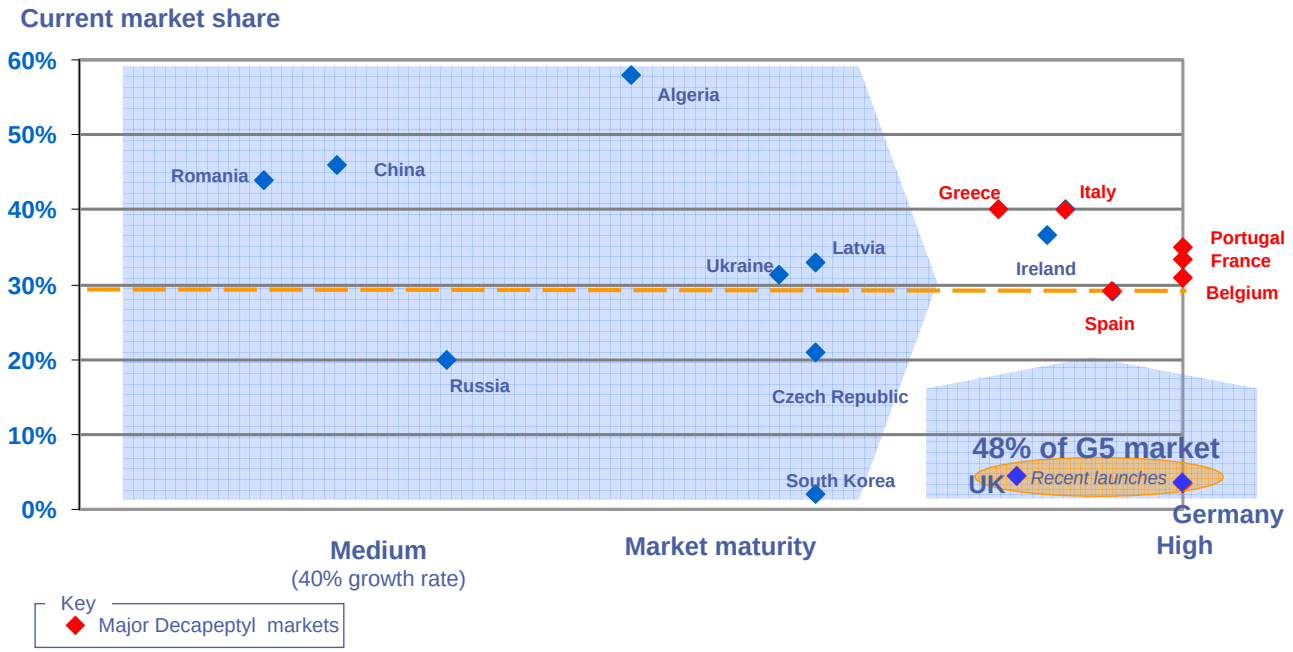
Decapeptyl® 3 months formulation: a competitive product profile

		Competitor 1	Competitor 2	Competitor 3
Formulation and efficacy	▪ Marketed 1 month (1M) and 3 month (3M) formulations ▪ Maintenance of castrate testosterone levels at 3M in 98% of patients[1] ▪ At 3M, 91% decrease of PSA levels, showing tumor control	▪ Various formulations across territories : 1M formulation = 3,75mg or 7,5mg and 3M formulation = 11,25mg or 22,5mg ▪ Increased survival rate at 9 months in triptorelin group vs competitor 1[2]	▪ Conservation between 2 - 4° = needs to be warmed up before reconstitution ▪ Manual reconstitution to obtain SR ▪ Risk of nodules, abscess	▪ Ready to use implant ▪ Very large needle : need of local anesthesia
Local tolerance/ convenience	▪ IM route of administration, good local tolerance ▪ Injection not visible for the patient			
Storage and reconstitution	▪ Stored at room temperature ▪ 5 steps reconstitution ▪ Safety needle system			

SOURCE: French SmPC

REFERENCE . 1: Teillac, Horm Res,2004, 252-58 2: Heyns, BJU Int, 2003, 226-231

Decapeptyl®: strong positions, and poised to grow



SOURCE: IMS – YTD June 2008 except for Italy: internal data

100 indicates most mature markets

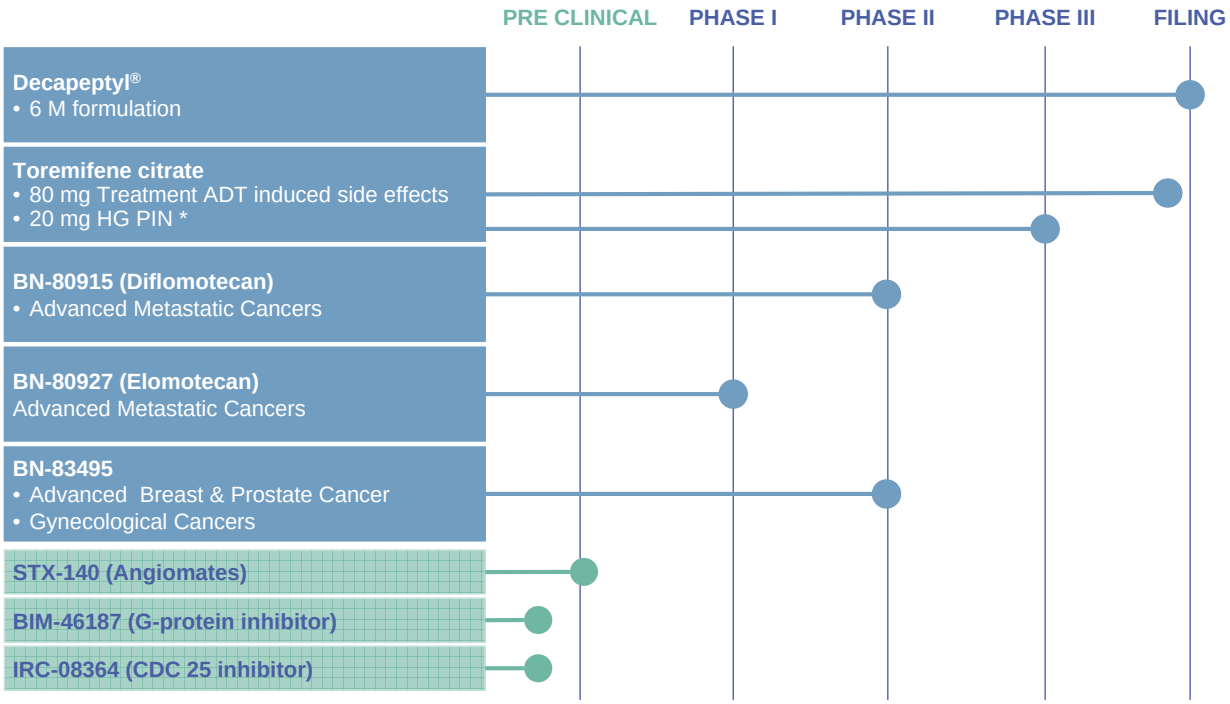
Decapeptyl® 6 month formulation: a more differentiated product profile

Efficacy	▪ Comparable efficacy to 1 and 3 months formulation • **Castration levels (testosterone)** • **Disease control (PSA)**	
Local Tolerance	▪ Limited local side effects (6.7% of patients)	
Storage and reconstitution	▪ Storage at room temperature (no need to heat up before reconstitution) ▪ 5 Steps to reconstitute, change needle, and inject - IM route	
Formulation/ Efficacy	6 month competitor 1 ▪ 80% of patients castrated after 6M [2] ▪ Testosterone to be tested every 6M* [1] ▪ Formation of Nodules or abscess [1]	6 month competitor 2 ▪ Slow release formulation dependent on manual 60 mixture[1] step ▪ Storage at 2-4°: need to heat up for reconstitution [1]

Reference 1: French SmPC

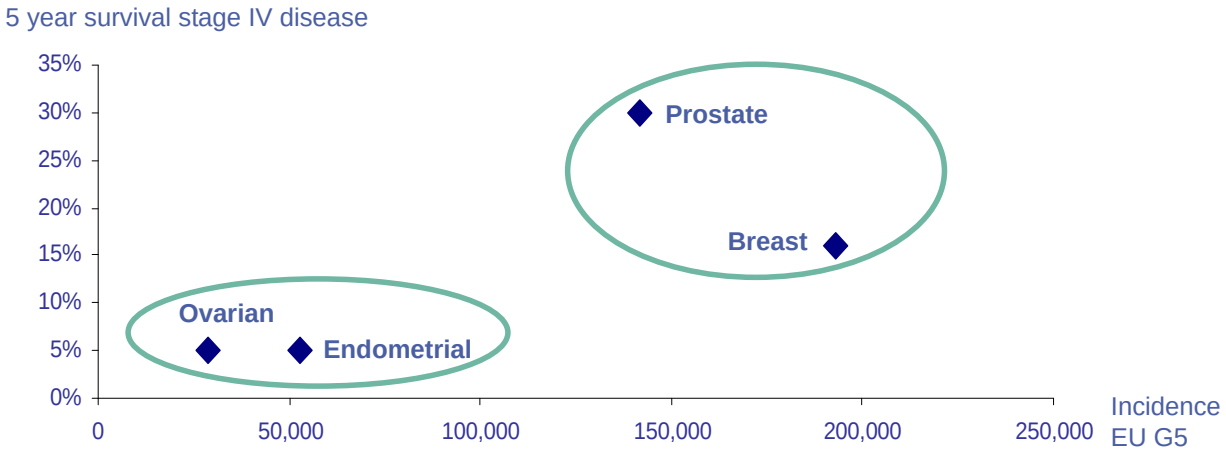
[2]Avis de la commission de transparence

A promising Oncology pipeline



** Option to in-license*

Moving up to higher prevalence diseases and higher unmet medical needs



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

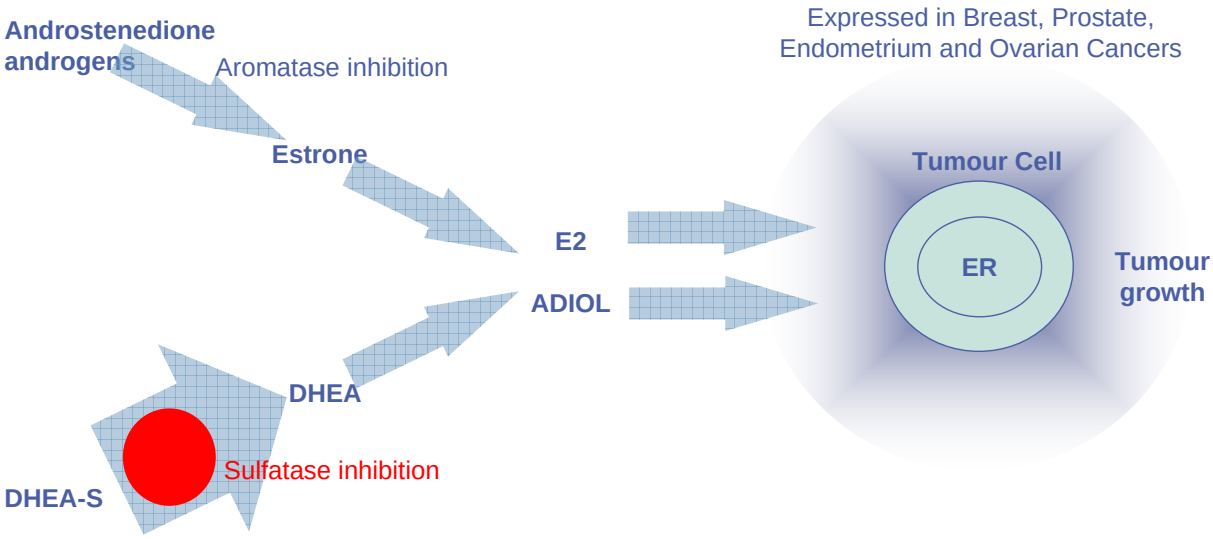
SOURCE: deVita (2008), Datamonitor

Oristusane : Moving forward in the development stages

Endometrial	▪ Phase II initiated : Post-menopausal women with advanced or recurrent endometrial cancer (80 patients) • First patient dosed on November 25
Breast	▪ Phase I/ II on going in ER-positive metastatic breast cancer (35 patients) • Optimal biological dose determined :40 mg once daily oral administration • 95% inhibition of the target enzyme (STS) was achieved in peripheral blood mononuclear cells • Additional 15 patients included to study target enzyme (STS) inhibition in cancerous cell
Prostate	▪ Phase II initiated – Dose escalation
Ovarian	▪ Course of action being defined

Rationale for Sulfatase inhibitor development

Inhibition of Androstenediol synthesis from DHEA-S



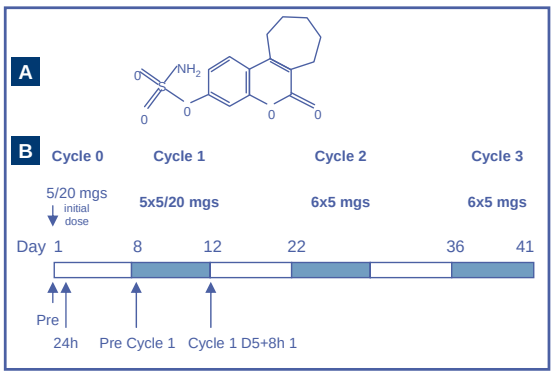
Adiol can bind to oestrogen receptor and stimulate tumour growth (90% Adiol derived from DHEA-S in post-menopausal women)

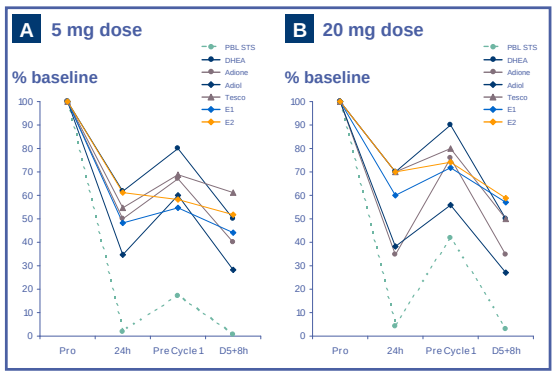
BN-83495

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*



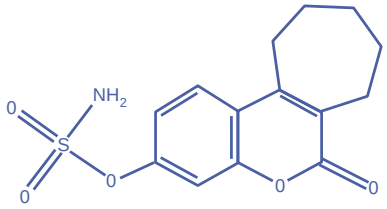


Next step: confirmation of the results in Metastatic Breast Cancer and exploration of the full range of hormonal dependent tumours

** SOURCE: Stanway, S. J. et al. Clin Cancer Res 2006;12:1585-1592*

*** 3 patients with stable disease >6M*

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

Endometrial Cancer
BN-83495
Initiation PII in 2009

Ovarian Cancer
BN-83495
Initiation PII in 2009

Breast Cancer
BN-83495
Initiation PII in 2009

NET in the US
Initiation PIII in 2009

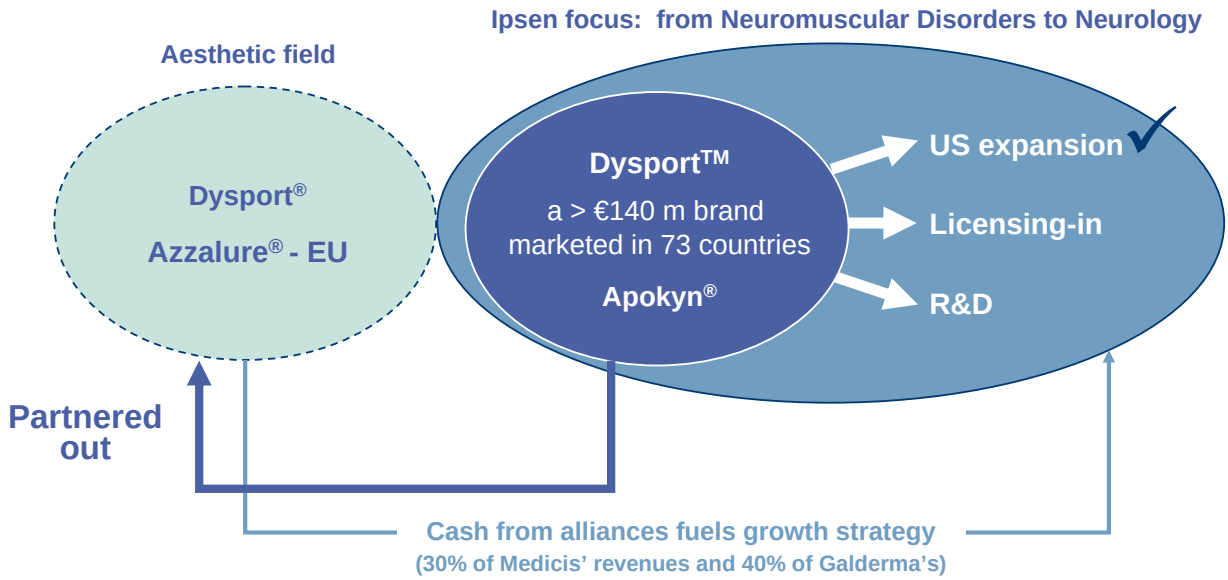
Prostate Cancer
Decapeptyl® 6M: Launch in 2010
Toremifene citrate: Filing in 2009
BN-83945: POC in 2009

Ipsen oncology New Medical Entities

Near-term milestones…

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

Cervical dystonia
9/100,000 (1)

Blepharospasm
5/100,000 (2)

Adult spasticity
322/100,000)

Cerebral palsy
19/100,000 aged 17 & less (3)

> 90%
of 2008 ex-US therapeutic market(4)

Hyperhydrosis

Hemifacial spasm

Aesthetic use

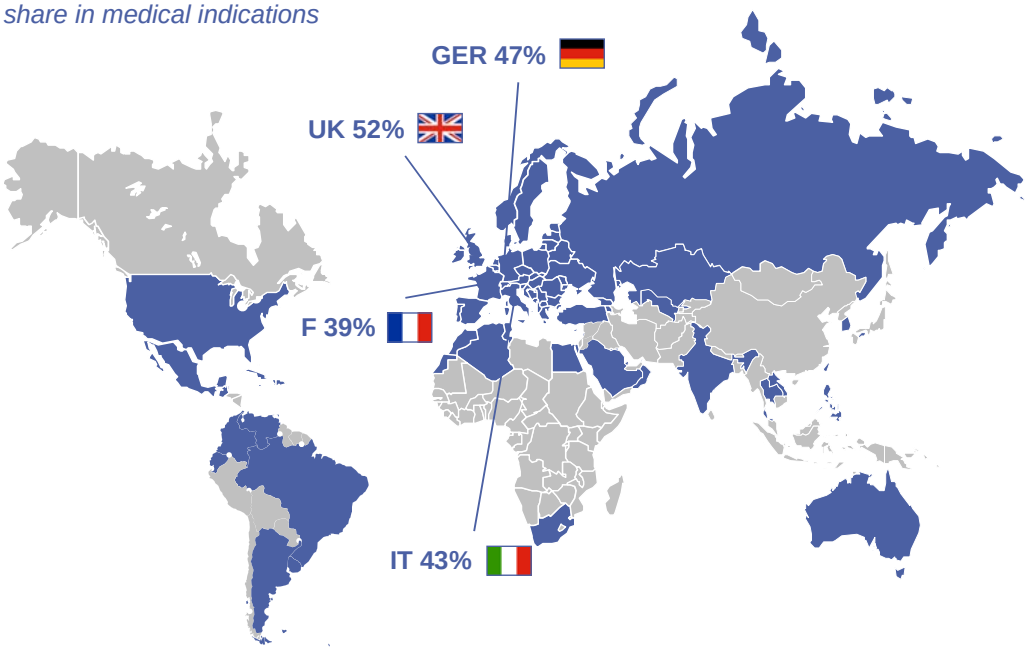
Strabismus and other less frequent indications

Source of prevalences in inhabitants:(1) Movement disorders V10; (2) www.blepharospasm.org; (3) www.cdc.gov;

** Source: Ipsen*

Dysport®: launched in 1991, approved in more than 75 countries

Market share in medical indications

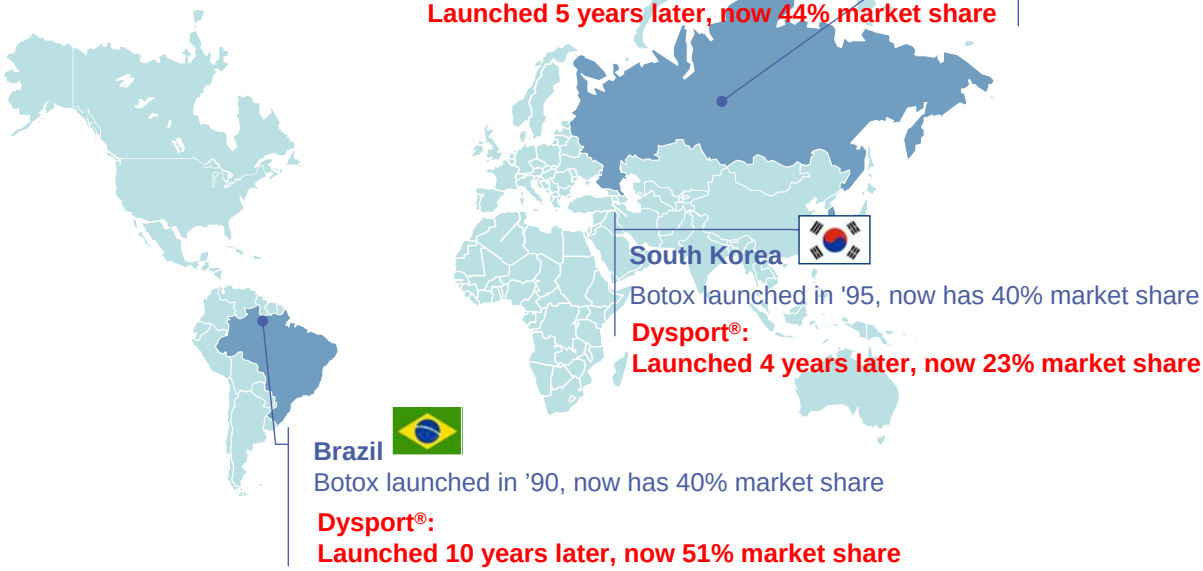


In dark blue, countries where Dysport® is marketed

Sources: IMS, Insight Health/ODV, Ipsen estimates

A good track record at catching-up market shares…

Market share in medical indications



Russia
Botox launched in '94, now 56% market share
Dysport®:
Launched 5 years later, now 44% market share

South Korea
Botox launched in '95, now has 40% market share
Dysport®:
Launched 4 years later, now 23% market share

Brazil
Botox launched in '90, now has 40% market share
Dysport®:
Launched 10 years later, now 51% market share

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

IPSEN
Innovation for patient care

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

First half 2009 achievements

A strong commercial performance in the first half 2009

6.3% Drug sales growth,
in line with our full-year objective

A solid 11.5% specialist care sales growth,
with endocrinology up 32.7% year-on-year

Stabilisation in Eastern Europe, with Q2 sales up 1.0% year-on-year

Dynamic growth in the US, with Somatuline®,
Increlex® and Apokyn® generating $23 million, up 33% Q2 over Q1

NOTE: All % sales growth expressed at constant currency

A strong profitability and cash generation

25.0% operating margin pre-goodwill allocation

A 'clean operating margin'* of 18.0%, compared with 21.6% a year ago

€147 m generated by operating activities, versus €124 m a year ago

€139 m net cash position as at June 30, 2009,
post €203 m net cashed-out on US acquisitions in H2 08

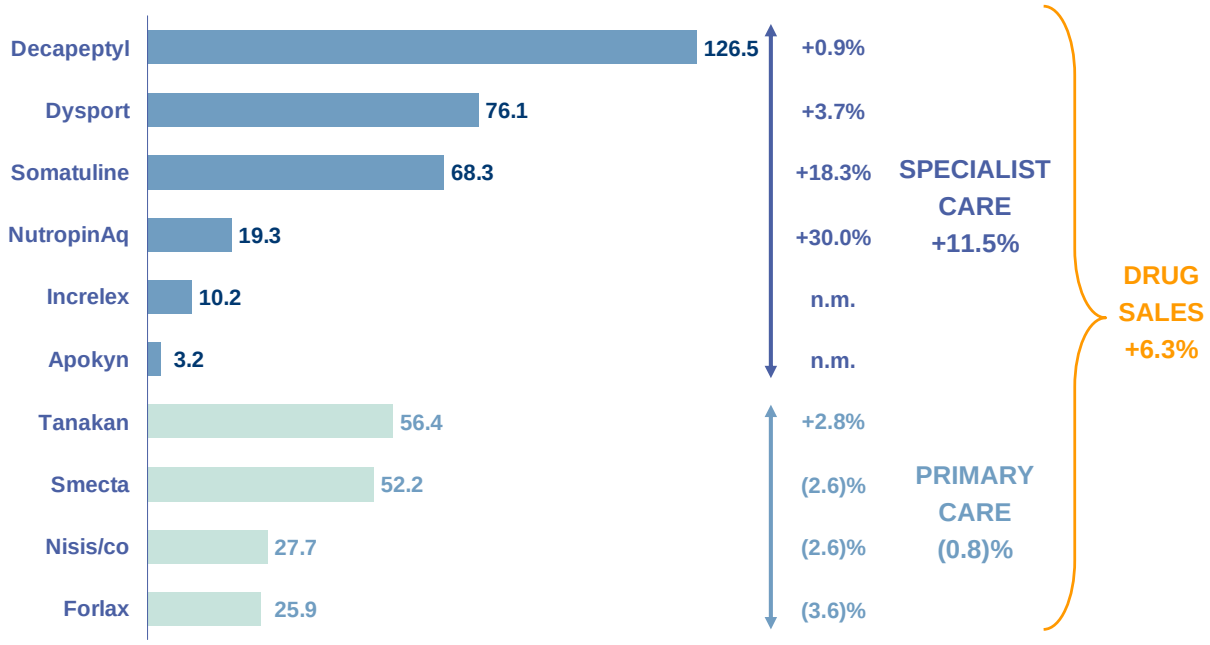
NOTE: All margins expressed in % of sales

**Reported operating income excluding non-recurring elements (divestment of Ginkor Fort® & sale of land), purchase price accounting impacts AND all Kogenate royalties*

First half 2009 detailed financial performance

Main products performances

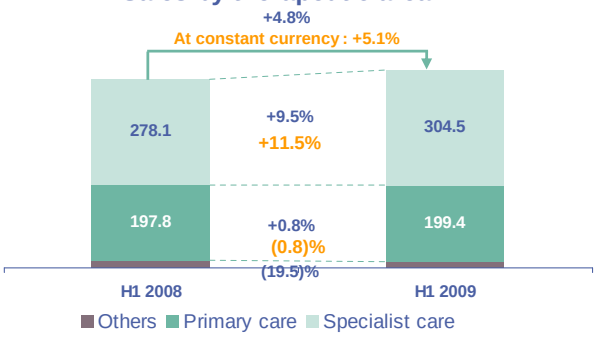
Sales in € million



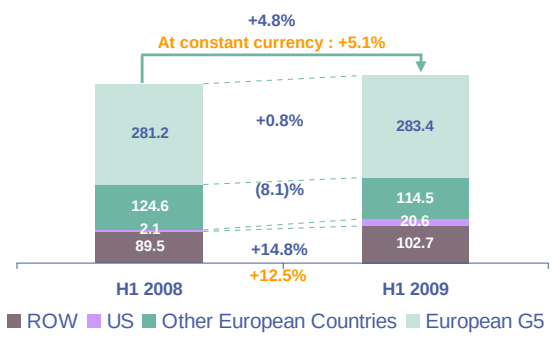
NOTE: % sales growth at constant currency

Top line evolution

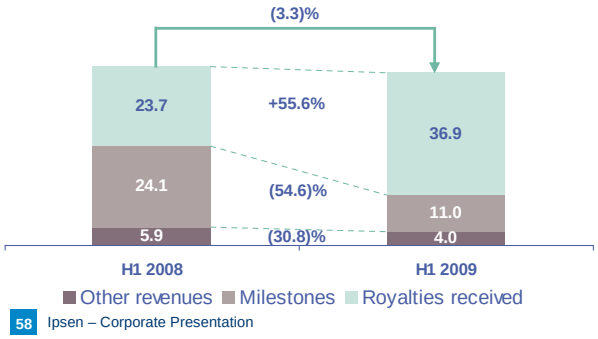
Sales by therapeutic area



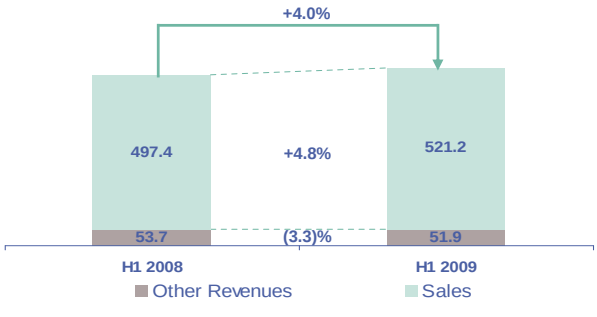
Sales by region



Other revenues evolution

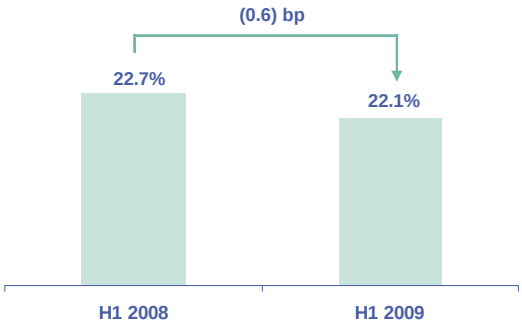


Total revenues evolution

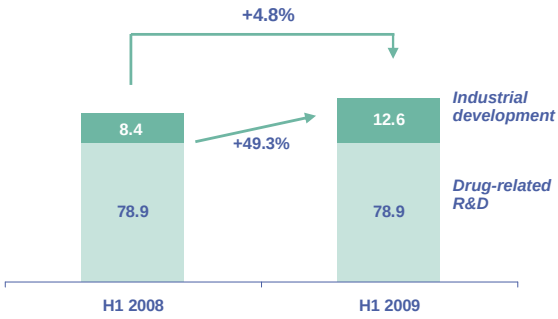


P&L – above EBIT

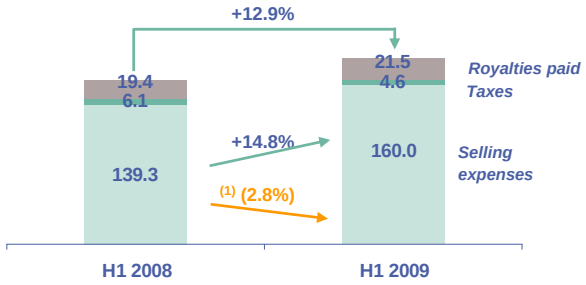
COGS (% of sales)



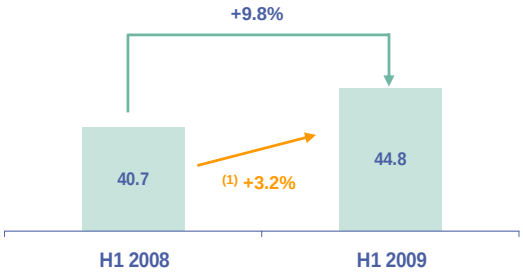
Research & Development



Sales & Marketing



G&A



NOTE 1: excluding US

P&L - EBIT

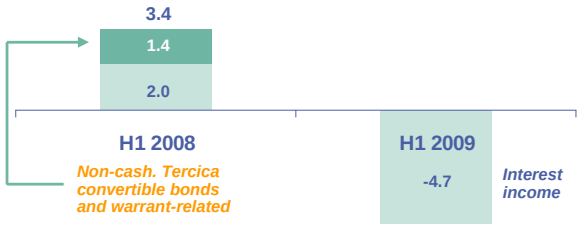
Excluding goodwill allocation in connection with US acquisitions AND income from Bayer	
€94.1 m	18.0%

Excluding goodwill allocation in connection with US acquisitions	
€130.5 m	25.0%

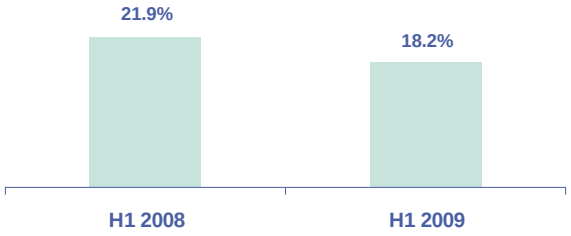
As reported	
€125.2 m	24.0%

P&L – below EBIT

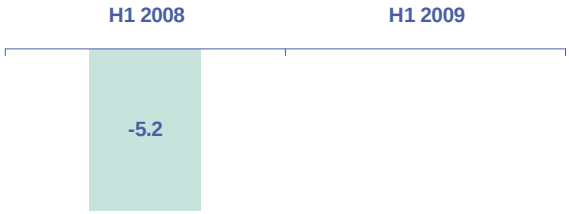
Financial result (€m)



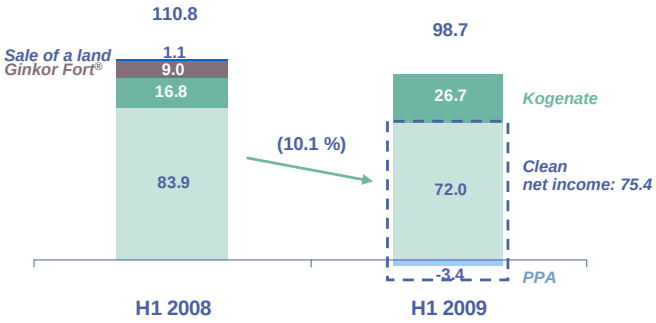
Effective tax rate (% of PBT)



Income from Associates (€m)



Consolidated result (€m - group share)



Balance Sheet evolution

- In million of euros

Assets

	31 Dec 08	30 Jun 09
Goodwill	(*) 290.8	290.8
Property. plans & equipments	237.9	244.7
Intangible assets	(*) 232.9	239.3
Other non-current assets	(*) 112,9	140.5
Total non-current assets	(*) **874.5**	**915.3**
Total current assets	(*) **688.6**	**589.7**
Incl. cash and cash equivalents	239.6	140.2
Assets / discontinued operations	1.3	0.7
Total assets	**1 564,4**	**1 505.8**
Net Cash	**66.2**	**118.9**

- In million of euros

Liabilities

	31 Dec 08	30 Jun 09
Equity	(*) 885.0	928.4
Minority interests	1.6	1.8
Total equity	(*) **886.6**	**930.2**
Long-term financial debts	160,4	12.7
Other non-current liabilities	(*) 196,4	276.3
Short-term debts	8.3	8.0
Other current liabilities	307.8	275.1
Liabilities / discontinued operations	4.9	3.5
Total Liabilities	**1 564,4**	**1 505.8**

(*) 31 Dec 08 restated after Purchase Price Allocation of Tercica Inc. and Vernalis Inc.

Cash flow statement

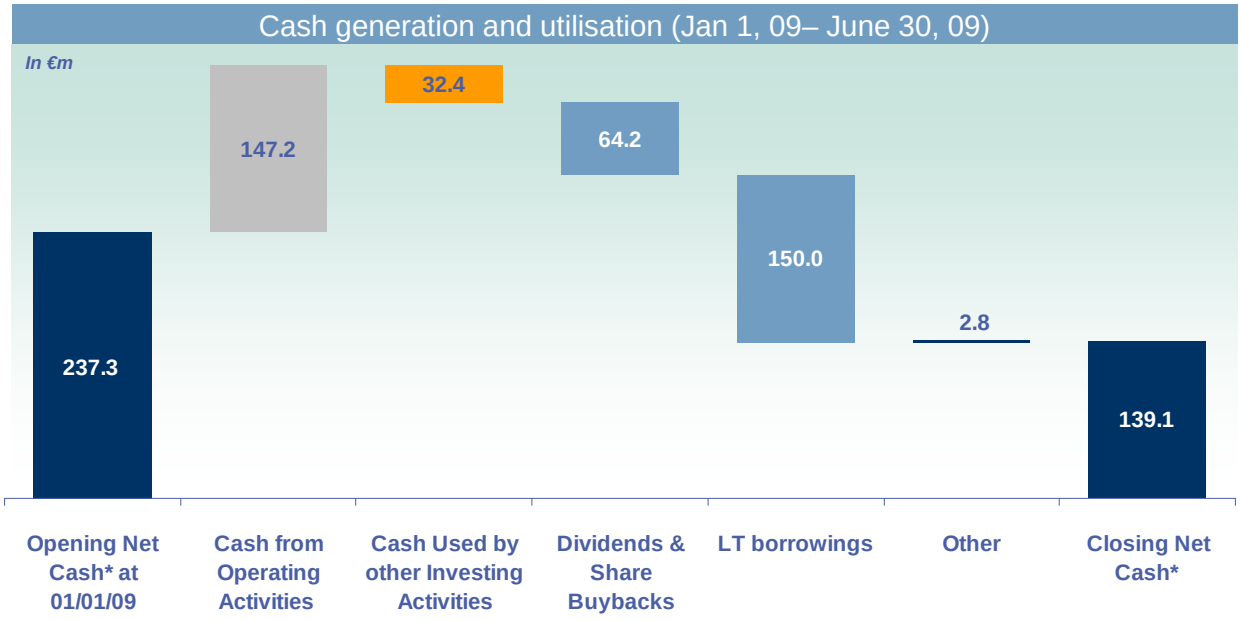
- In million of euros	30 Jun 08	30 Jun 09
Cash Flow before change in working capital	**141.3**	**121.5**
- Increase / Decrease in working capital	(17.1)	25.7
Net cash flow generated by operating activities	**124.1**	**147.2**
Investment in intangible assets and property. plant & equipment	(34.2)	(25.6)
Others	1.8	(6.8)
Net cash flow used in investing activities	**(32.4)**	**(32.4)**
Net change in borrowings	(9.8)	(159.4)
Dividends paid	(55.2)	(58.2)
Others	0.1	-
Net cash flow used in financing activities	**(64.9)**	**(217.6)**
Discontinued operations	(1.0)	(0.2)
Change in cash and cash equivalent	**25.8**	**(103.0)**
Impact of exchange rate fluctuations	(3.0)	4.8
Closing cash & cash equivalents	**263.7**	**139.1**
Closing Net Cash	**239.4**	**118.9**

Comments

- Deferred revenues net increase: €+56.7m (Medicis / Galderma)
- Receivables, payables, inventory and others: €-31.0m
- Tangible assets: €-14.7m
- Intangible assets: €-10.9m
- reimbursement of credit facility: €-150m
- Shares buy back: €-6m

Financial appendices

Cash flow generation



** Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities plus or minus derivative financial instruments*

Allocation of the Tercica purchase price accounting

- **Other intangible assets** (IGF-1 licence) + € 69.0 m
- **Current assets** (stock revaluation & others) €(0.4) m
- **Contingent liabilities** €(7.6) m
- **Deferred tax assets*** + €18.0 m
- **Equity** (revaluation of the share previously held) €(18.1) m

Total of the allocation: **€60.9 m**

Allocation of residual Goodwill to "North America"

** Net Operating Loss and temporary differences*

Milestones Cashed in but not yet Recognised as Revenues

- In million of euros	30 Jun 08	30 Jun 09
Payments recognised as revenues in year N+1	11.2	12.1
Payments recognised as revenues in years N+2 and beyond	205.7	195.2
Total Milestones cashed in but not yet recognised as revenues	**216.9**	**207.3**

Decrease linked to global consolidation of Tercica and elimination of deferred revenues on Somatuline US