

Confirming Ipsen's specialist care globalisation

2009 Full Year Results Road Show

March 02-3, 2010

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Disclaimer

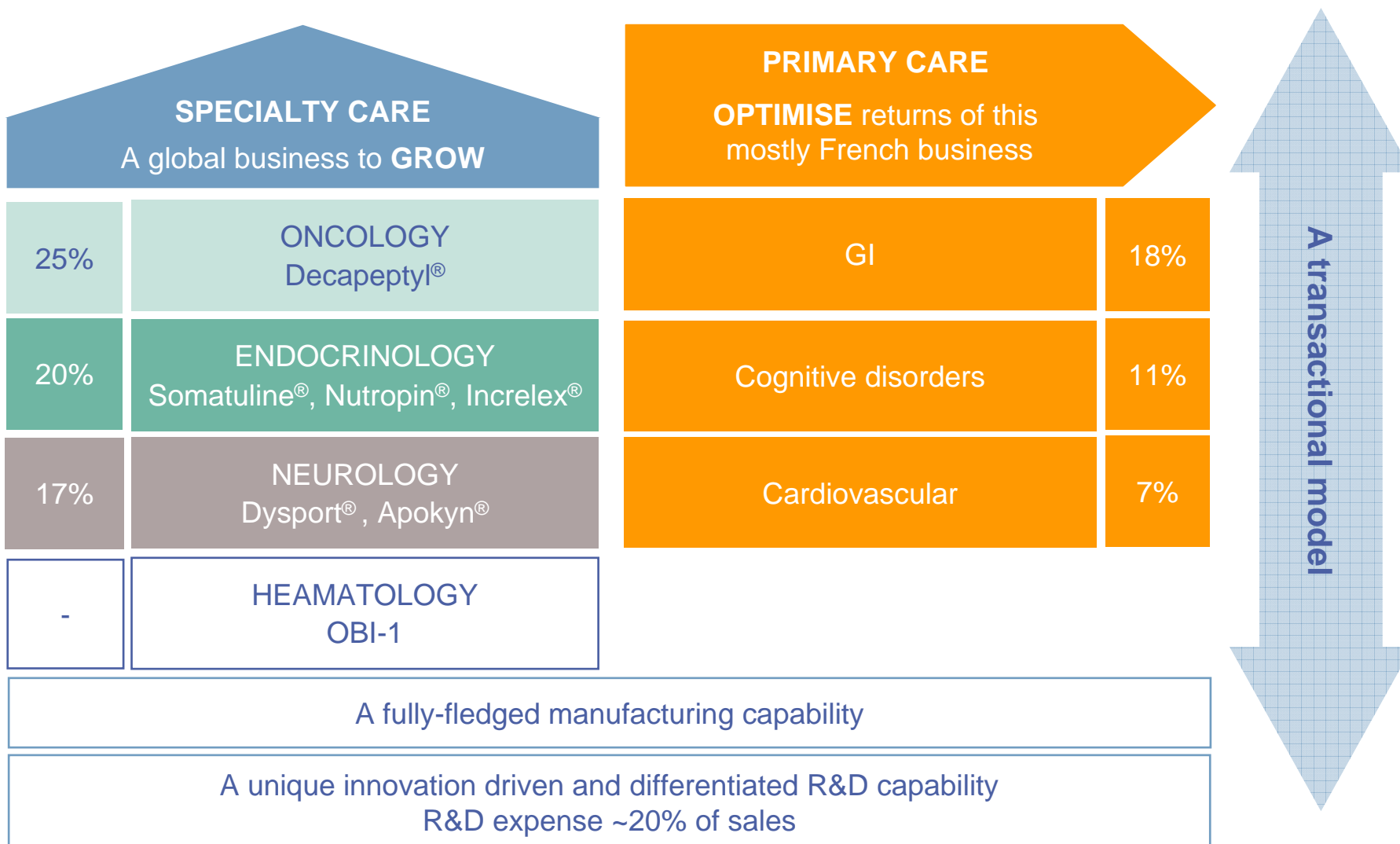
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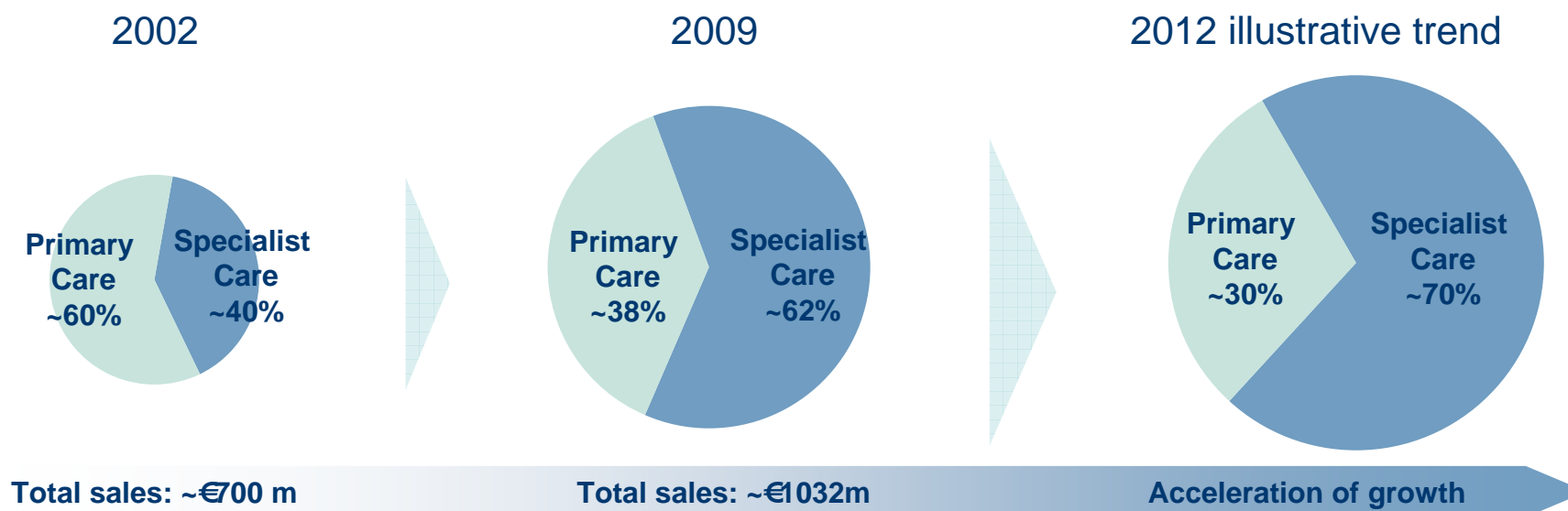
Introduction



Ipsen today : a global, innovation driven, specialty pharma

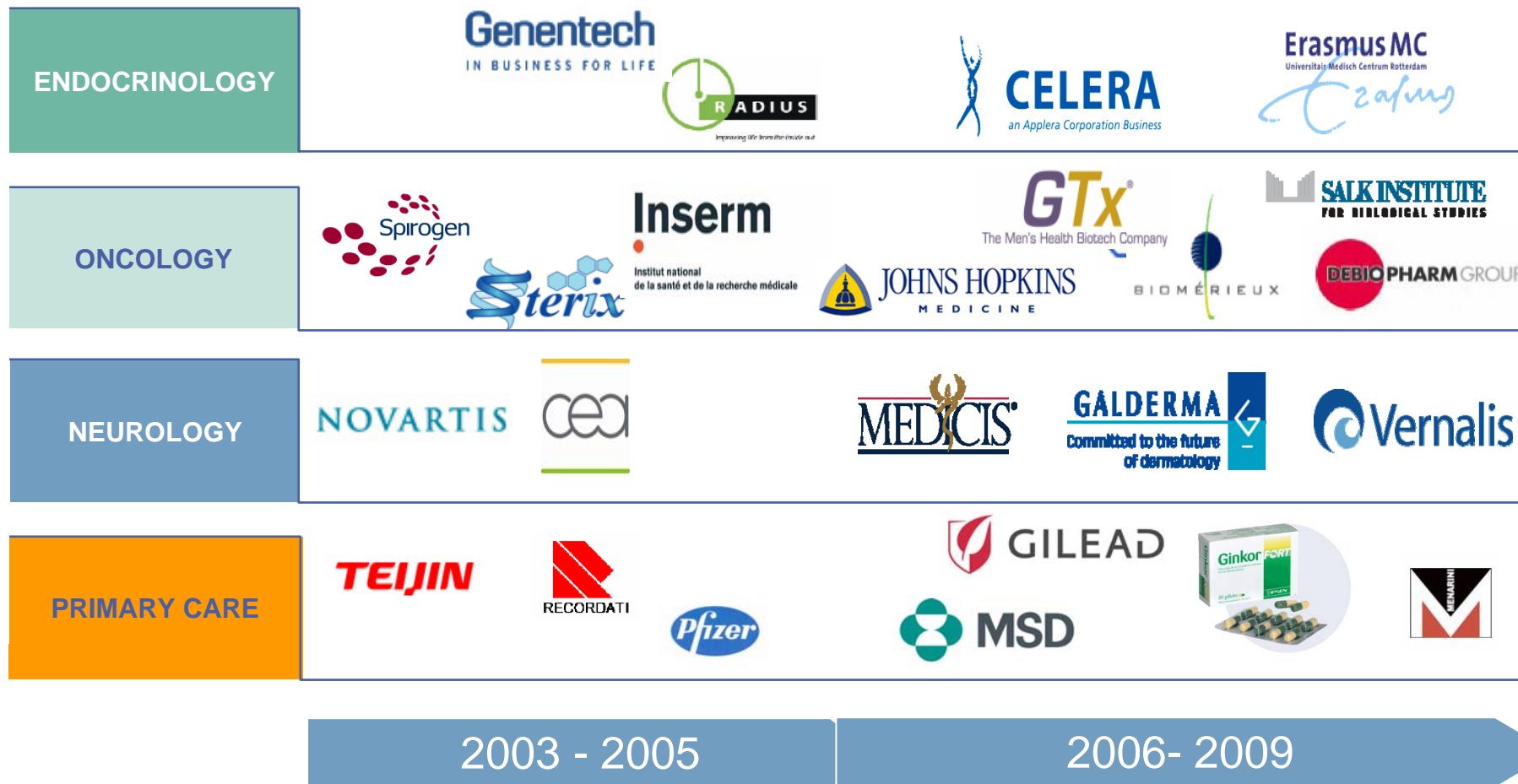


A reinforced profile



Confirming Ipsen's biotech specialty care profile

An increasingly transactional model



Truly Differentiated R&D Capabilities

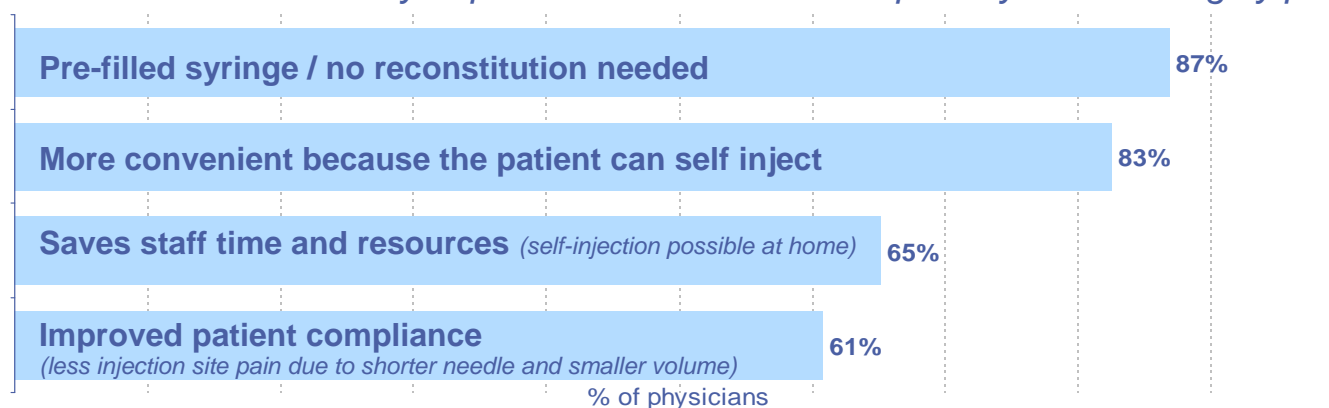


Example 1 : Somatuline[®] Depot, an improved presentation

	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? **



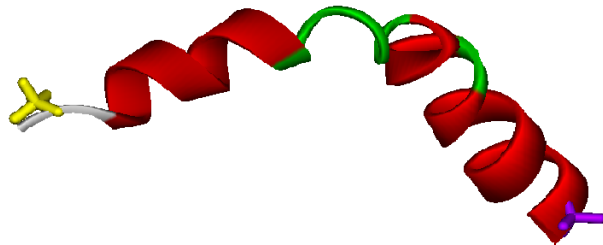
* In selected countries

** 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



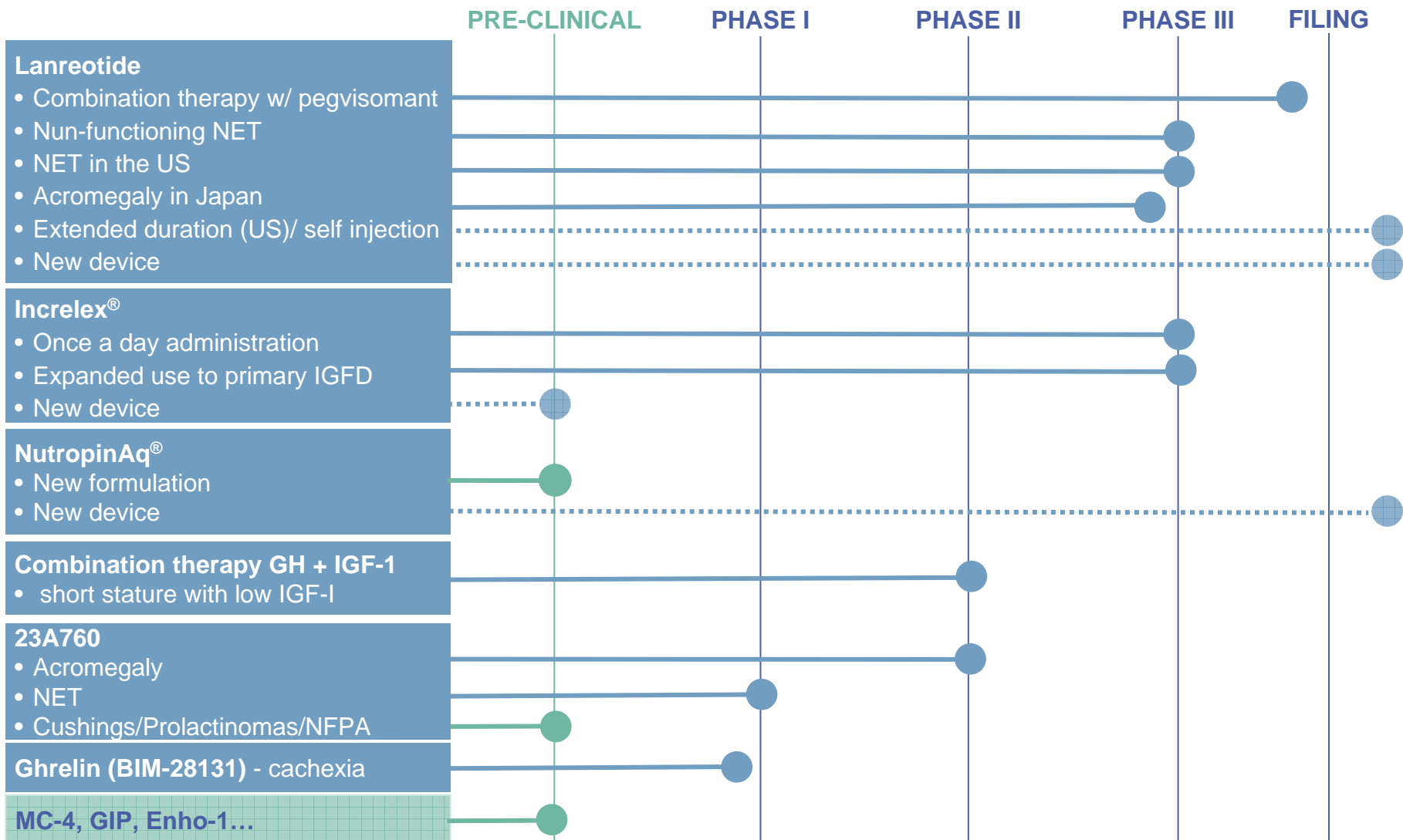
Expected needle gauge

- (LAR) → 23G
Quarter inch long

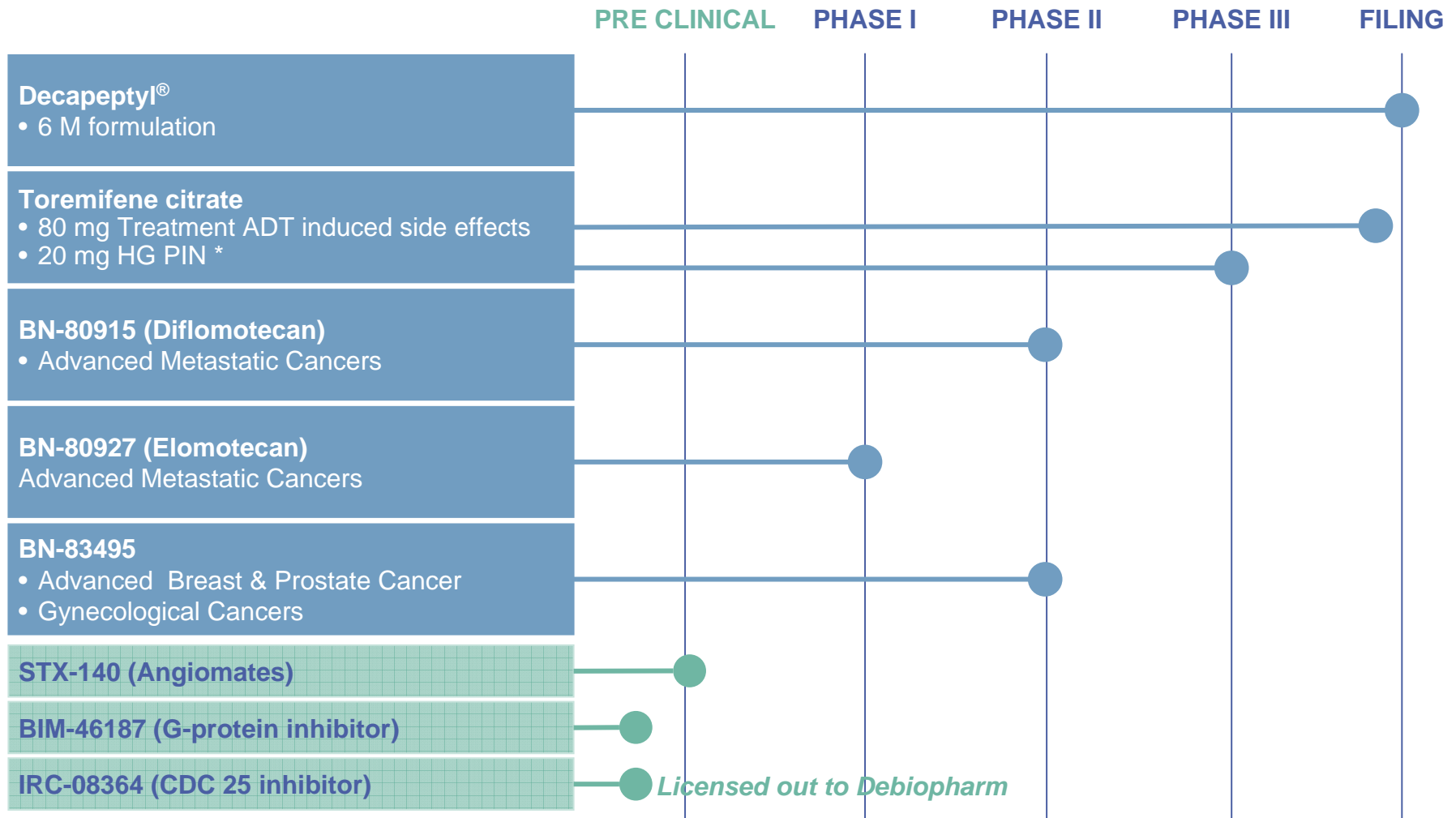
- Taspoglutide Liquid SRF → 29G
Insulin type needle for subcutaneous injection

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

A rich endocrinology pipeline



A promising Oncology pipeline



Progress and Outlook



2009: 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
none core
compounds



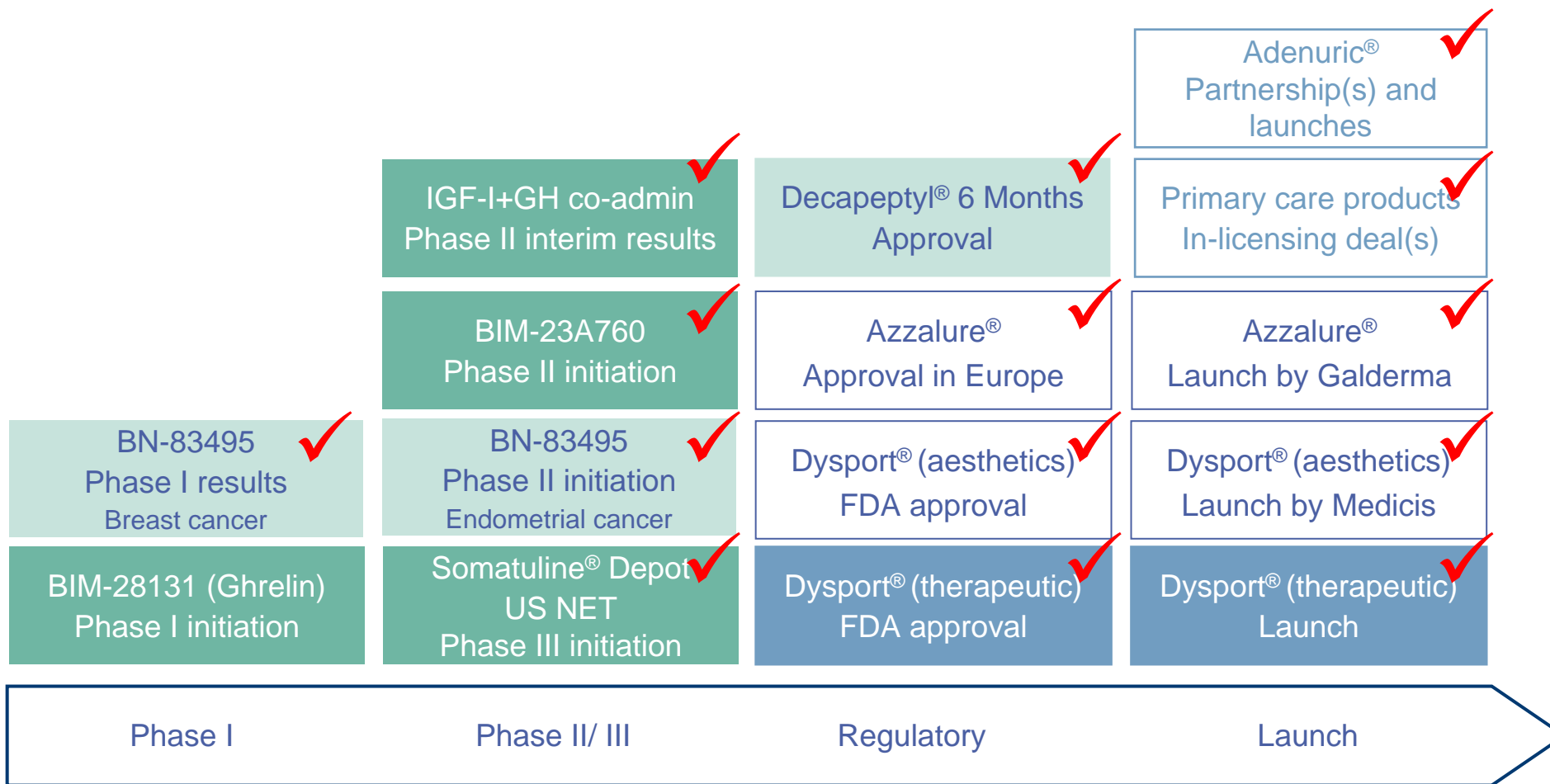
Optimize Ipsen's *primary care* business

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	 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% ✓

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

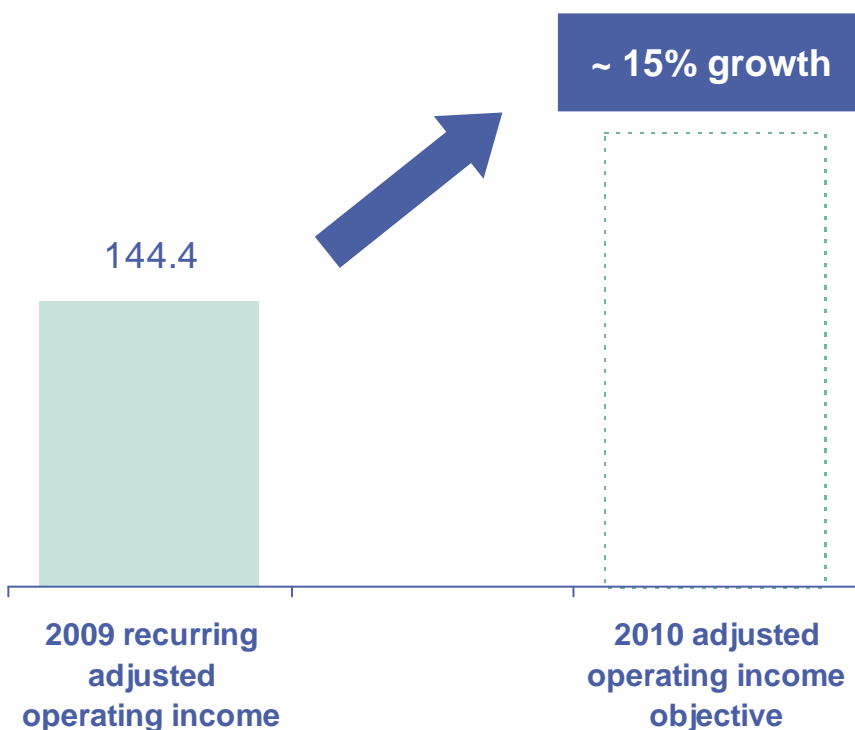
Group Drug Sales growth between 3.0 and 5.0% year-on-year



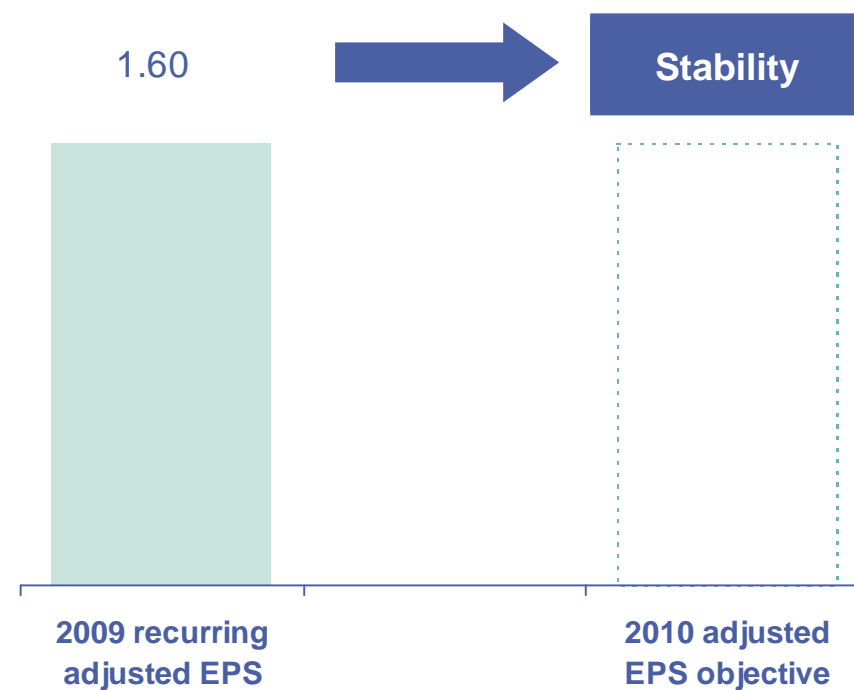
Other Revenues close to €50 million depending on the performance of the Group's partners

Profitability objectives for 2010

Recurring adjusted operating result

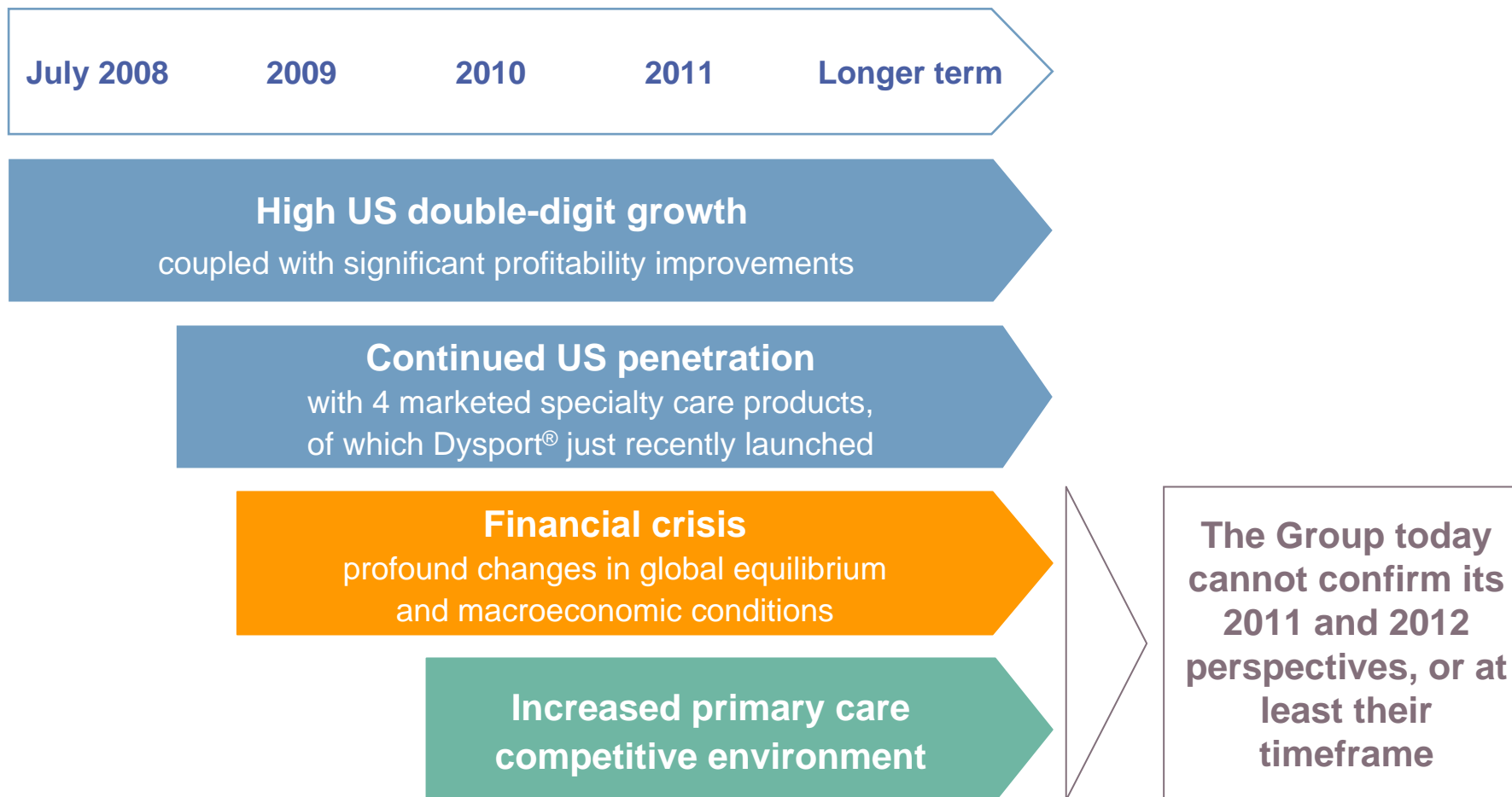


Fully diluted adjusted EPS

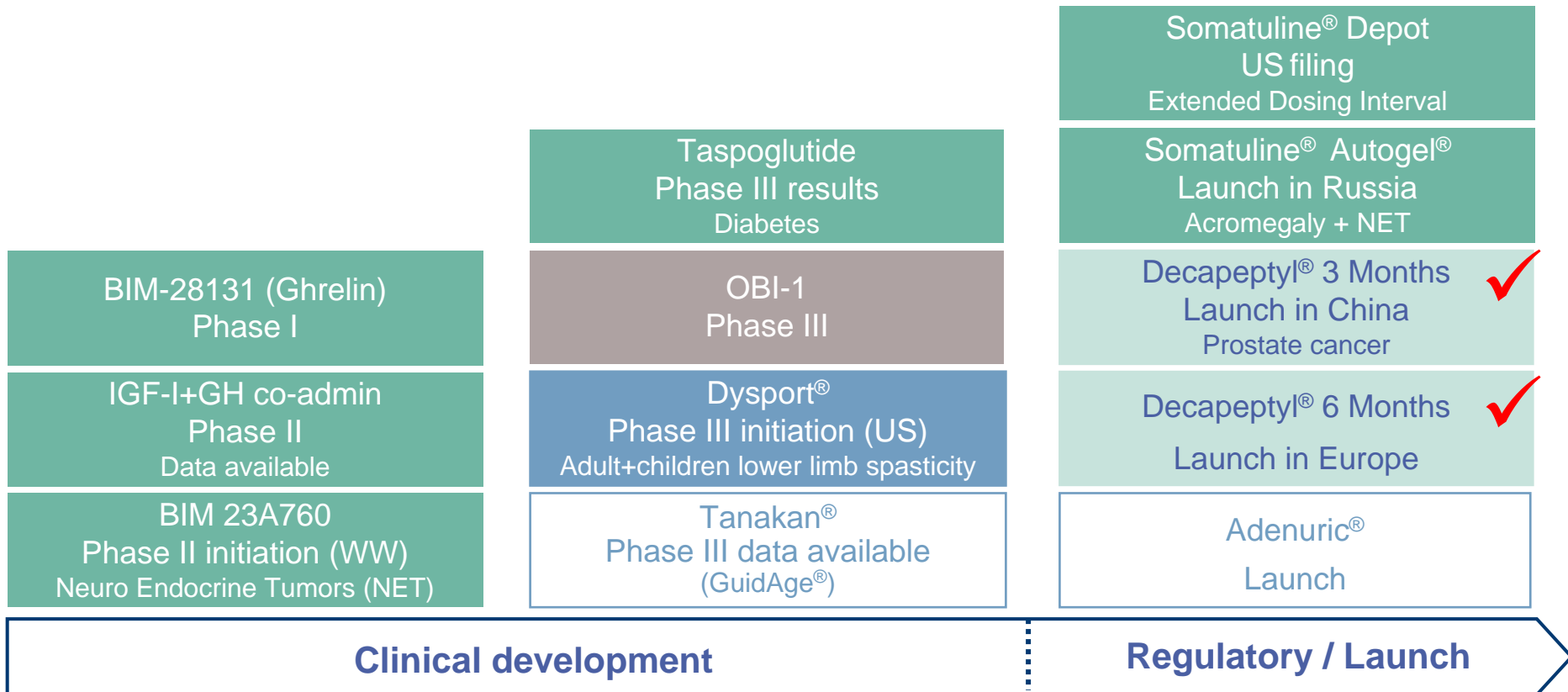


The Group targets an increase of its adjusted operating result and a relative stability of its consolidated income in a context of a significantly expanded R&D footprint

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**

APPENDIX

Full year 2009 detailed financial performance

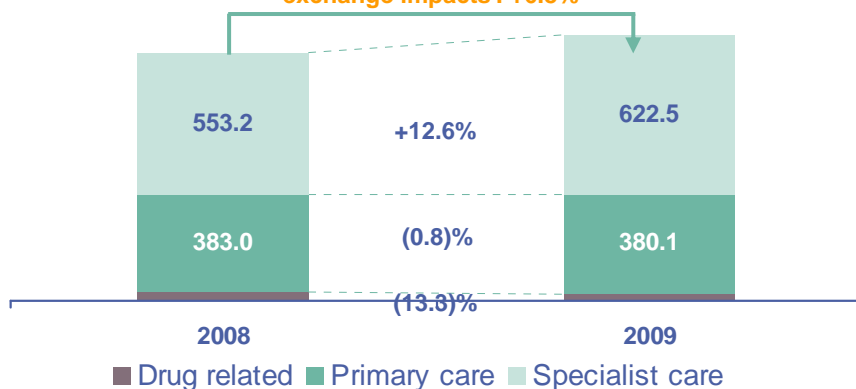


Top line evolution

Sales by therapeutic area

+6.4%

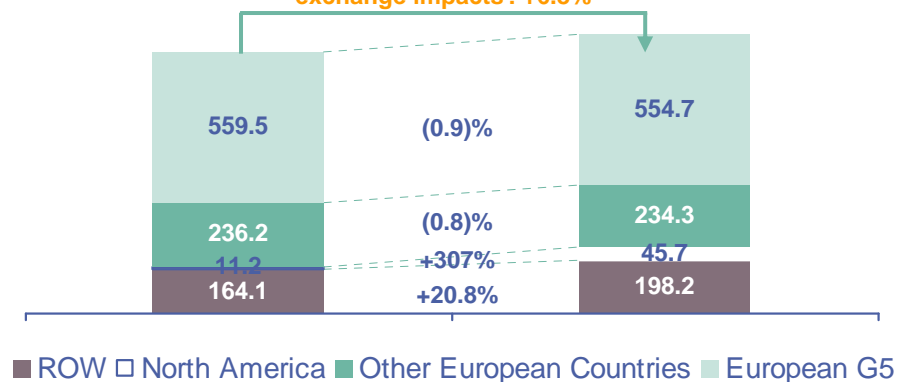
Growth excluding foreign exchange impacts : +6.8%



Sales by region

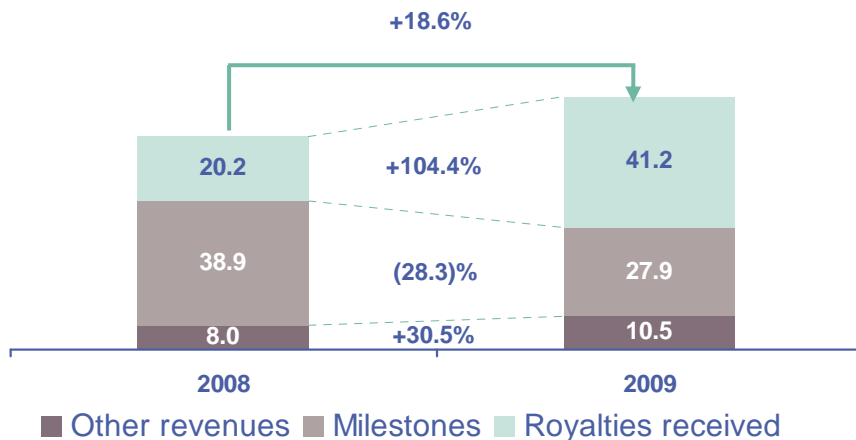
+6.4%

Growth excluding foreign exchange impacts : +6.8%



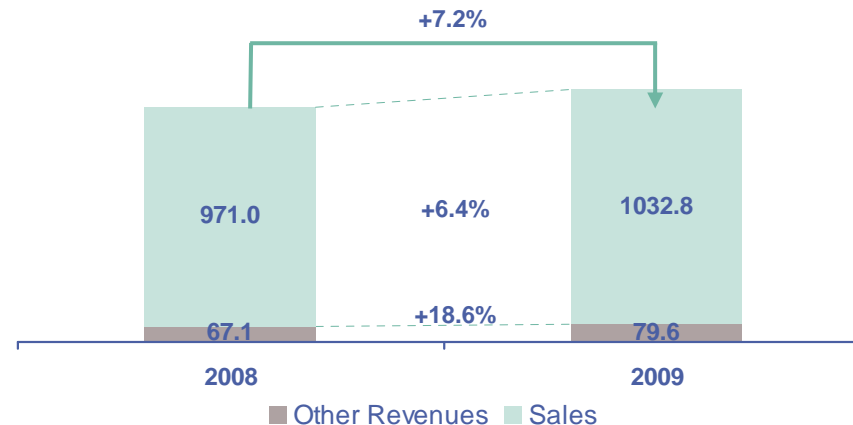
Other revenues evolution

+18.6%



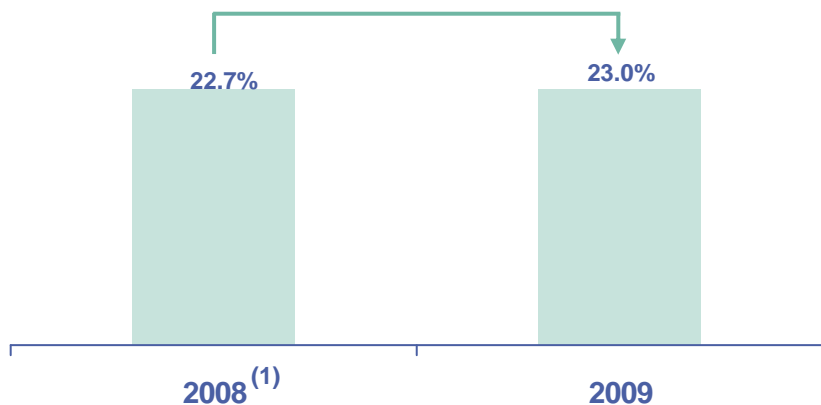
Total revenues evolution

+7.2%

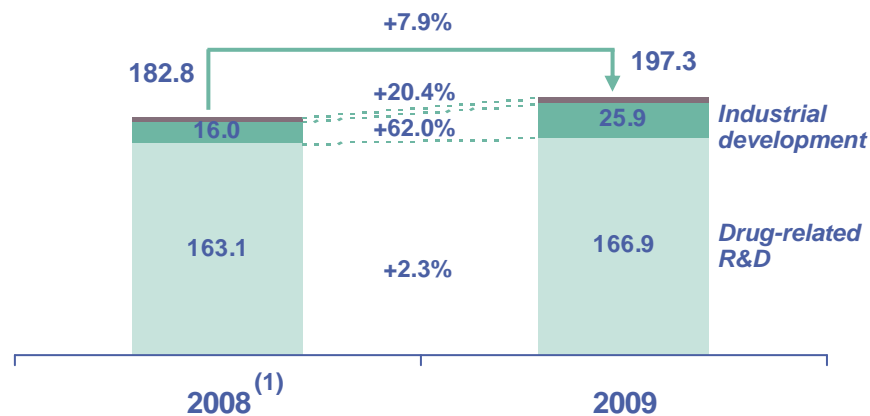


Evolution of main P&L expenses

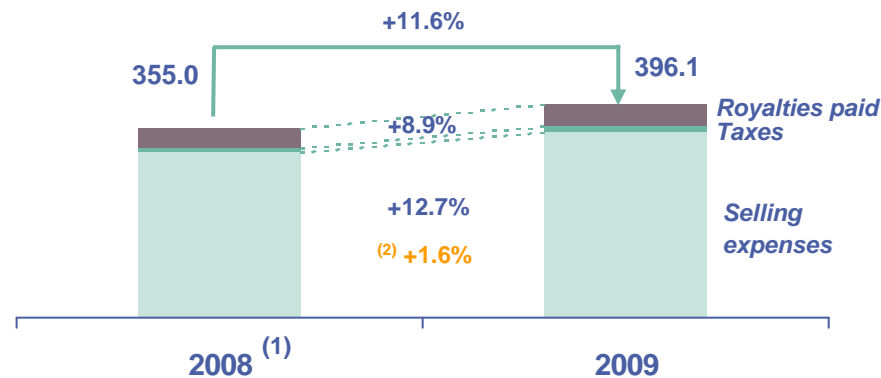
COGS (% of sales)



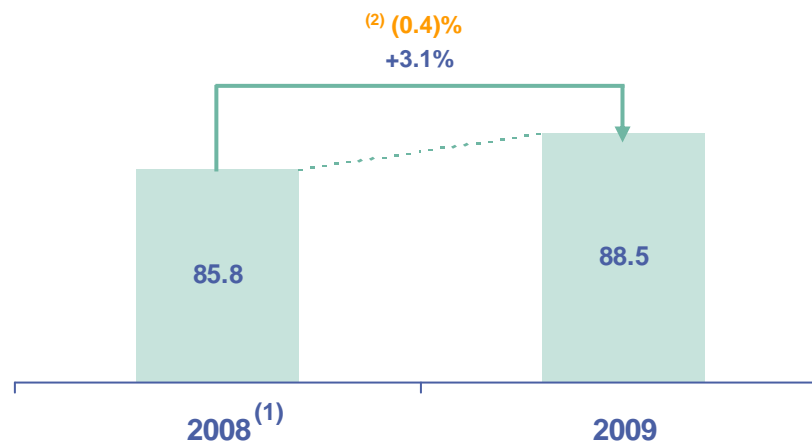
Research & Development



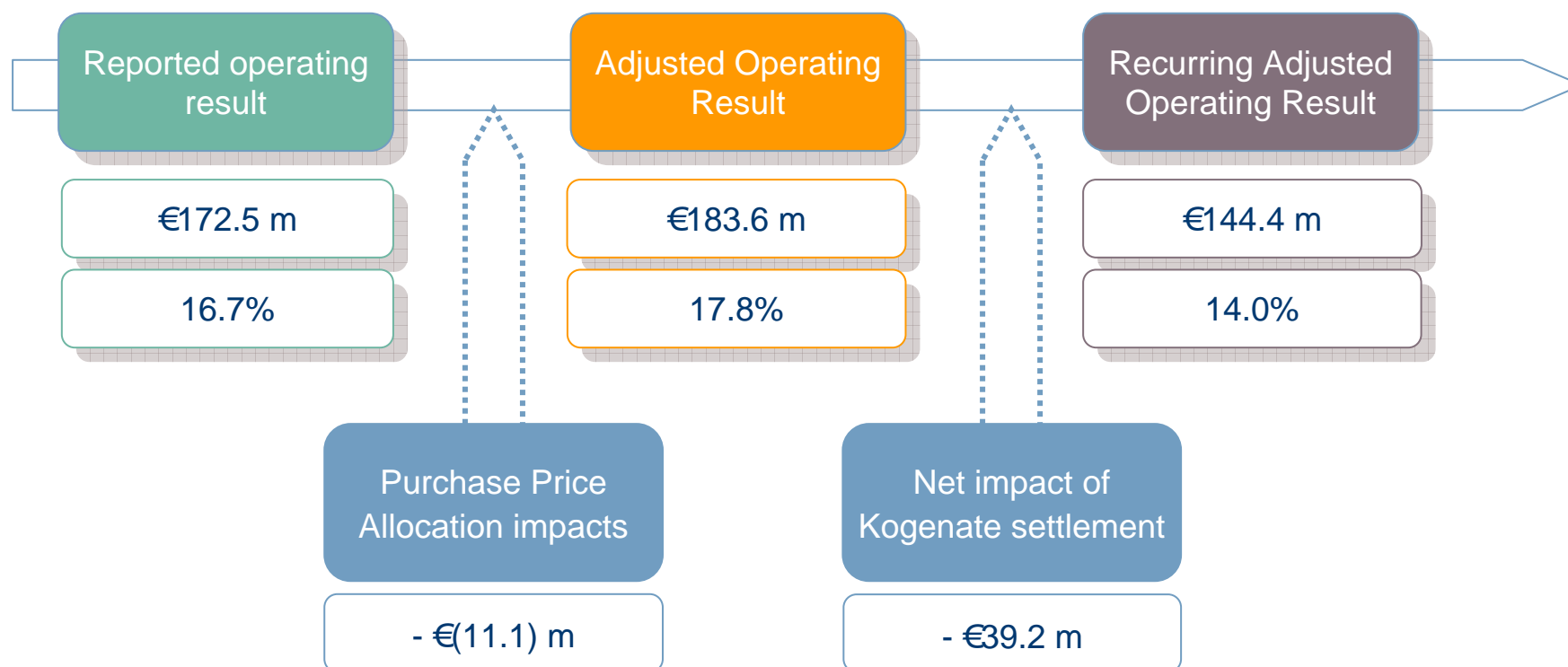
Sales & Marketing



G&A

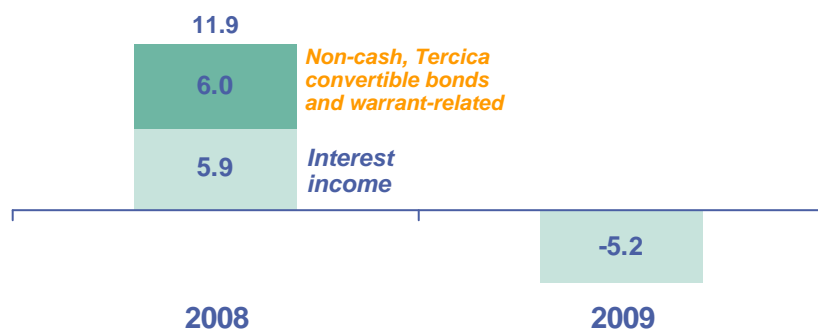


P&L – 2009 operating result and margin

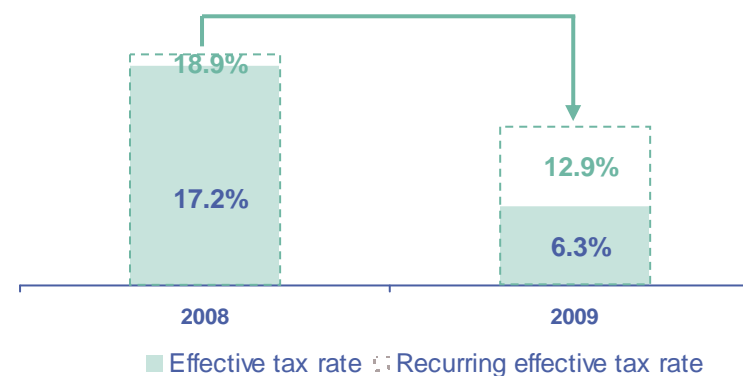


P&L – below EBIT

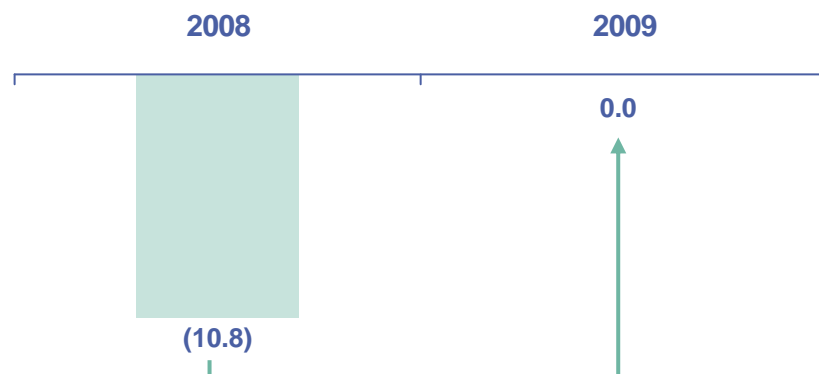
Financial result (€m)



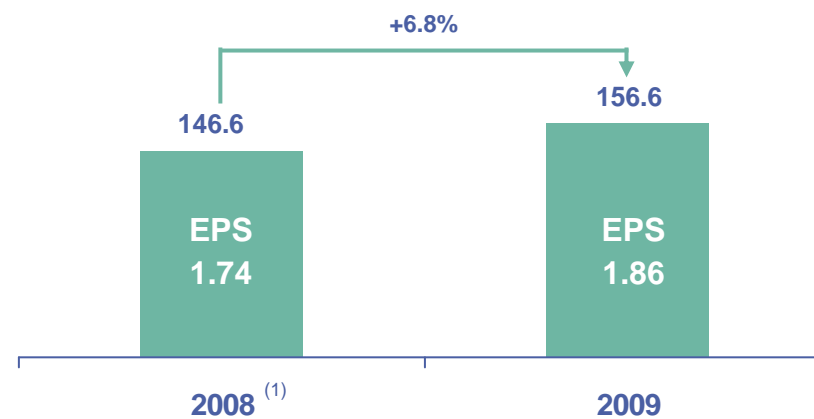
Effective tax rate



Income from Associates (€m)



Consolidated result (€m - group share)



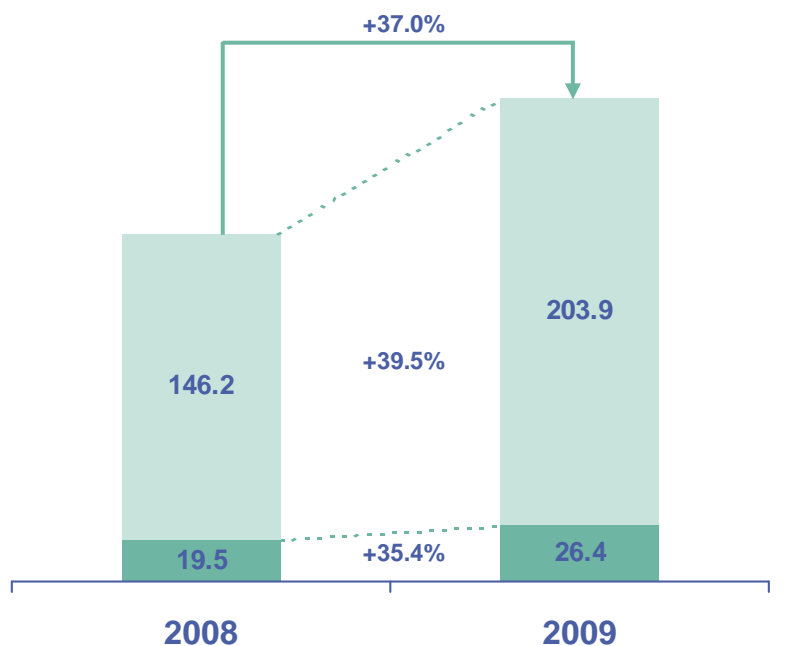
Balance Sheet evolution

(€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



- Payments recognised as revenues in n+2 and beyond
- Payments recognised as revenues in n+1

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 cash flow generated by operating activities	203.7	257.6	▪ Net increase in deferred revenues from partnerships: +€73.9m
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	

Appendix

Focus on the performance of Ipsen's US franchise



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**

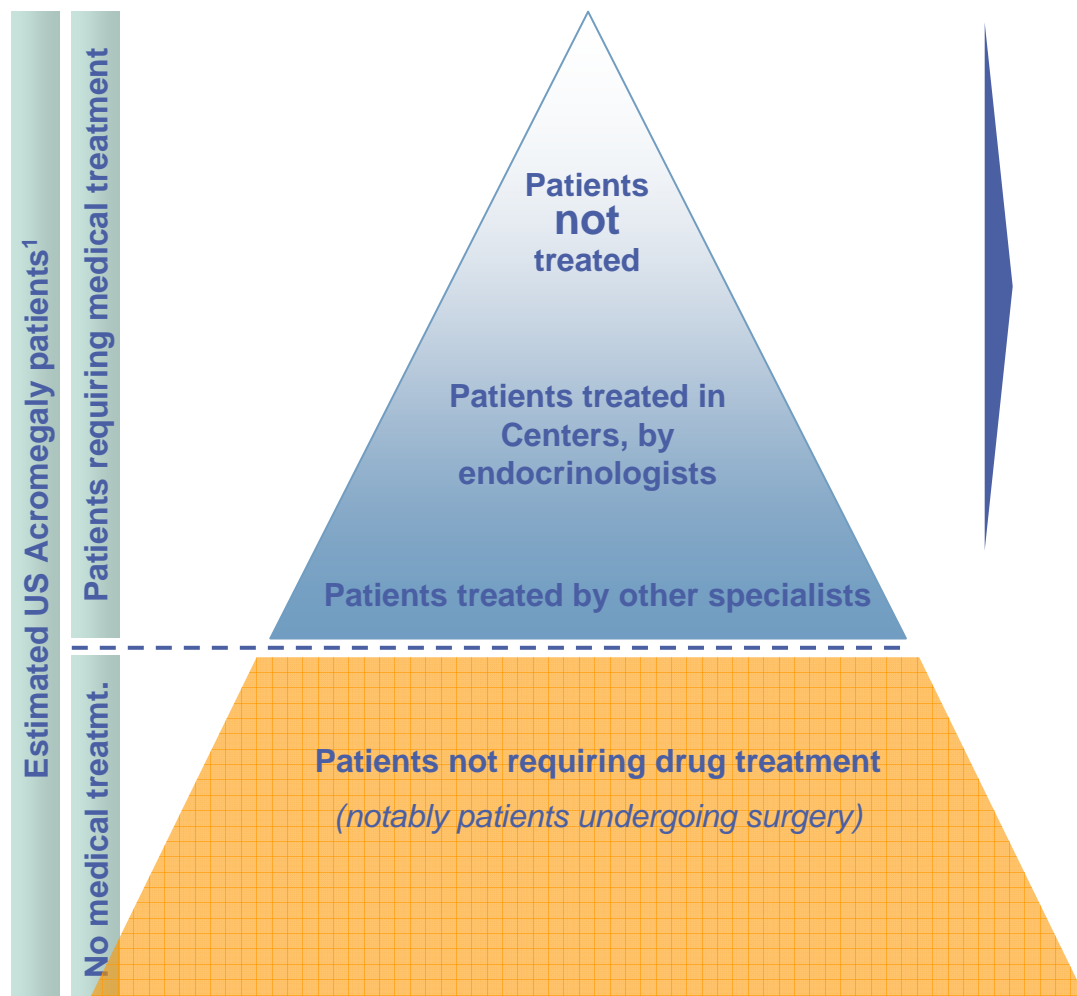
**Customer support programs in place, essential to US success
Implementing PACE program (Patient assistance, Access to services, Continuity of
care, Education) for each product**

**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 – 15 000 to 18 000 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

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

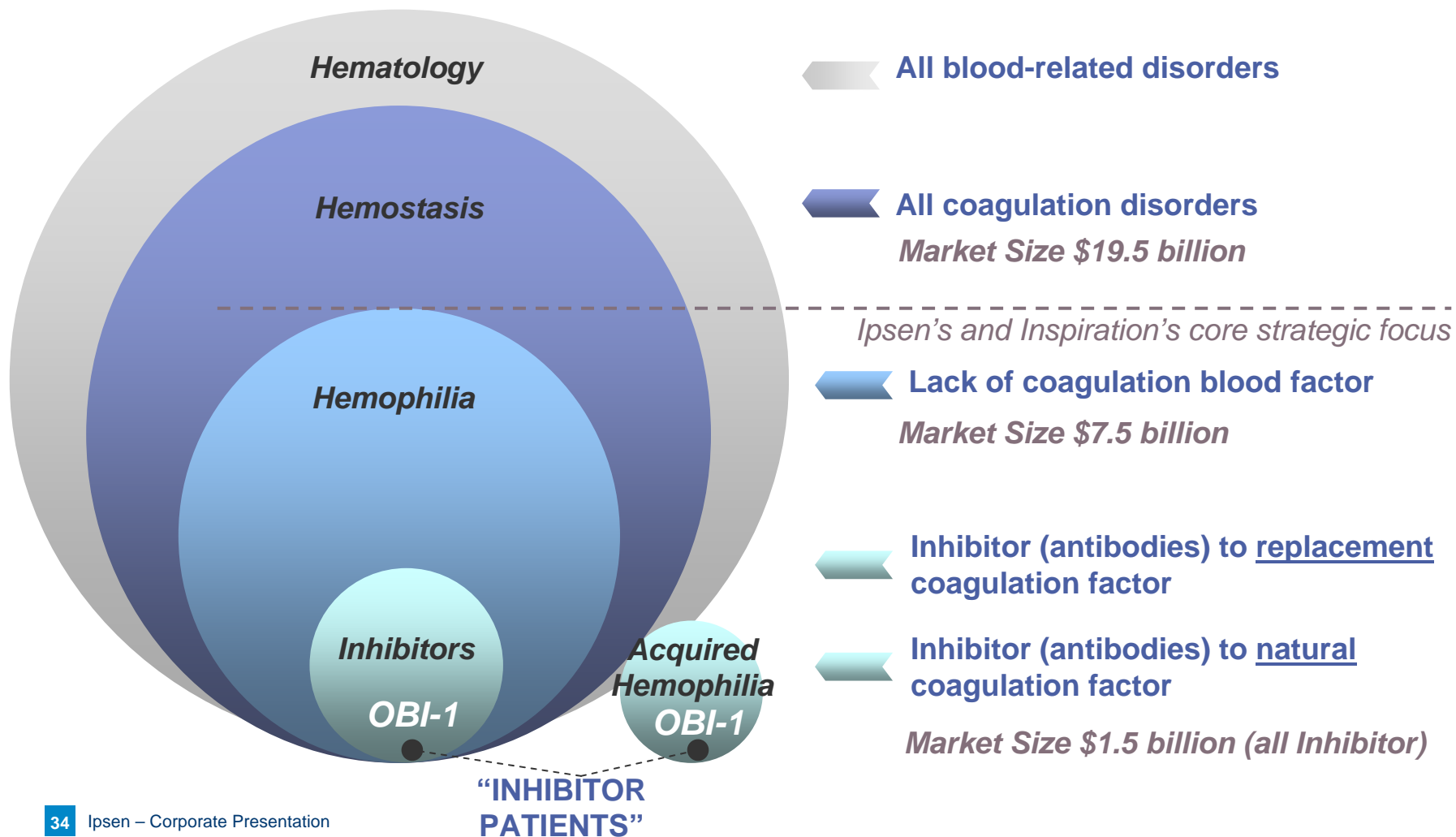


Appendix

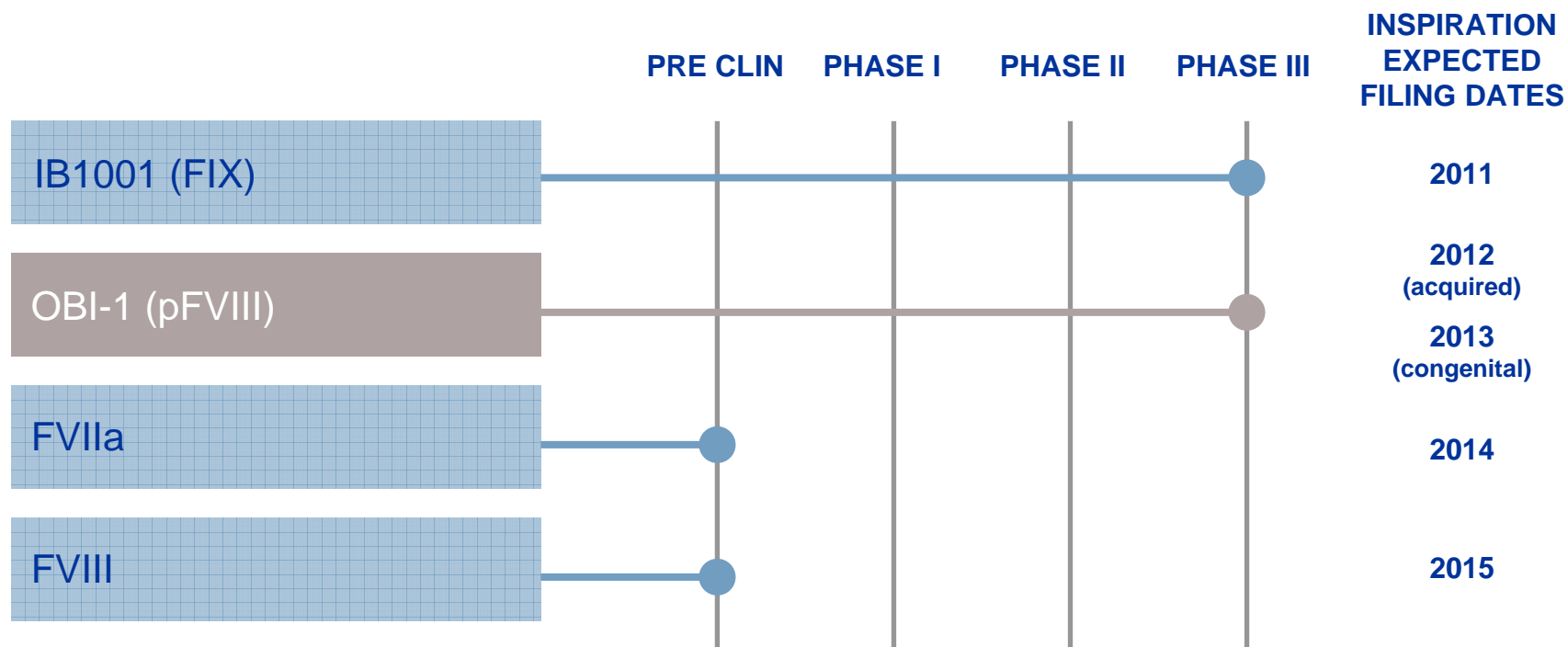
Partnership with Inspiration in Hematology



Capitalizing on OBI-1; Ipsen’s strategic focus is Hemophilia, ...



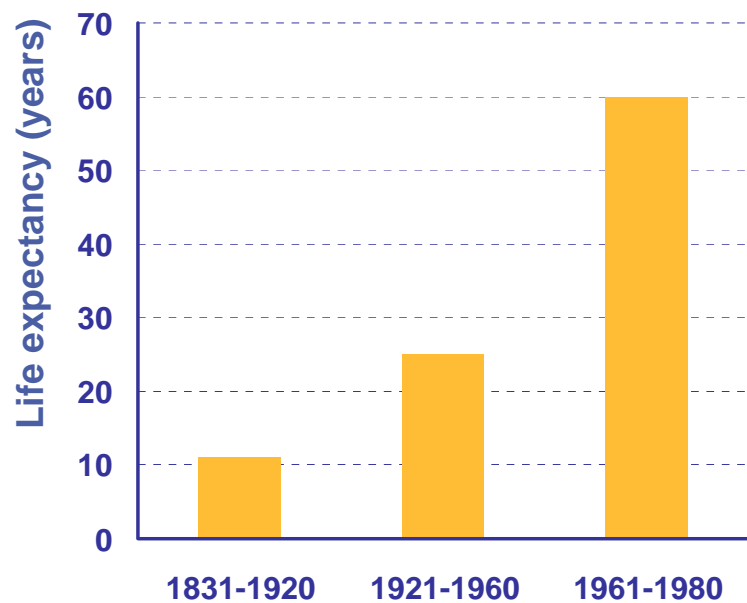
... and combined with Inspiration, serves all hemophilia needs



A recombinant product in each segment of the hemophilia market

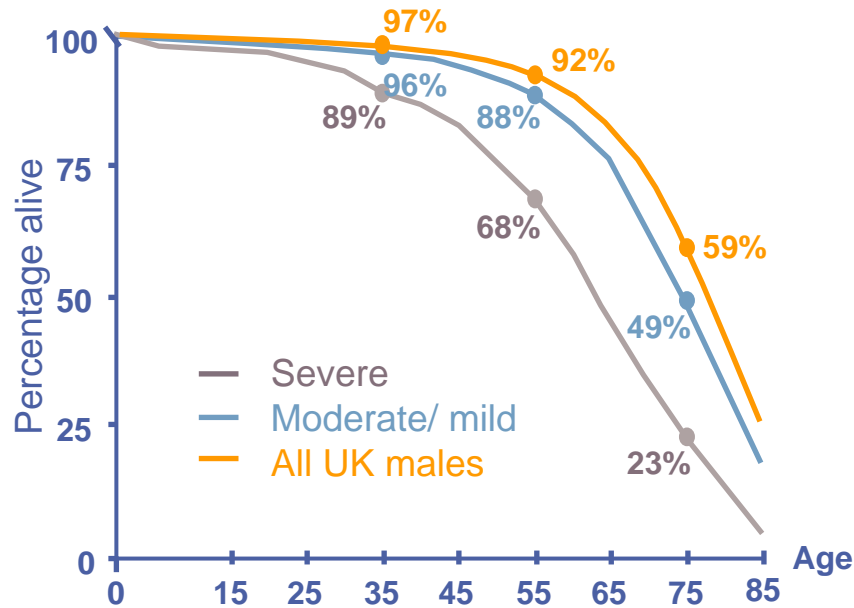
Despite improved life expectancy and treatment of patients with hemophilia...

Improved life expectancy



SOURCE: Larsson SA, et al. *Br J Haematol* 1985;59:593-602

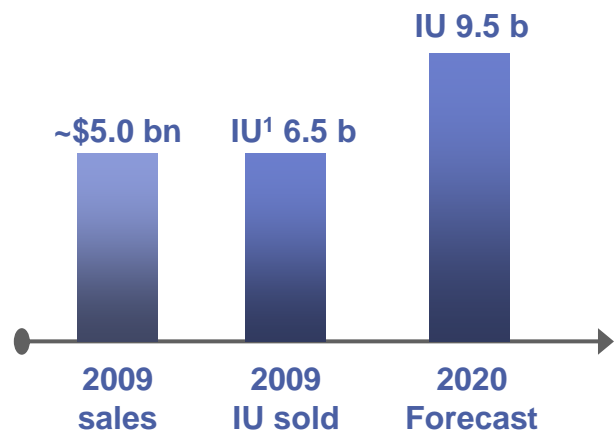
Improved treatments



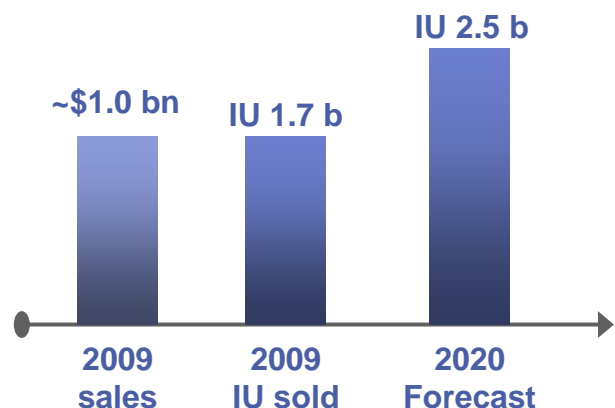
Survival in men in the UK with hemophilia who were not infected with HIV and in the general male population of the UK in 1999
SOURCE: Darby SC, et al. *Blood* 2007;110:815-825

...FVIII & FIX market are still underserved globally...

Factor VIII



Factor IX



Low penetration

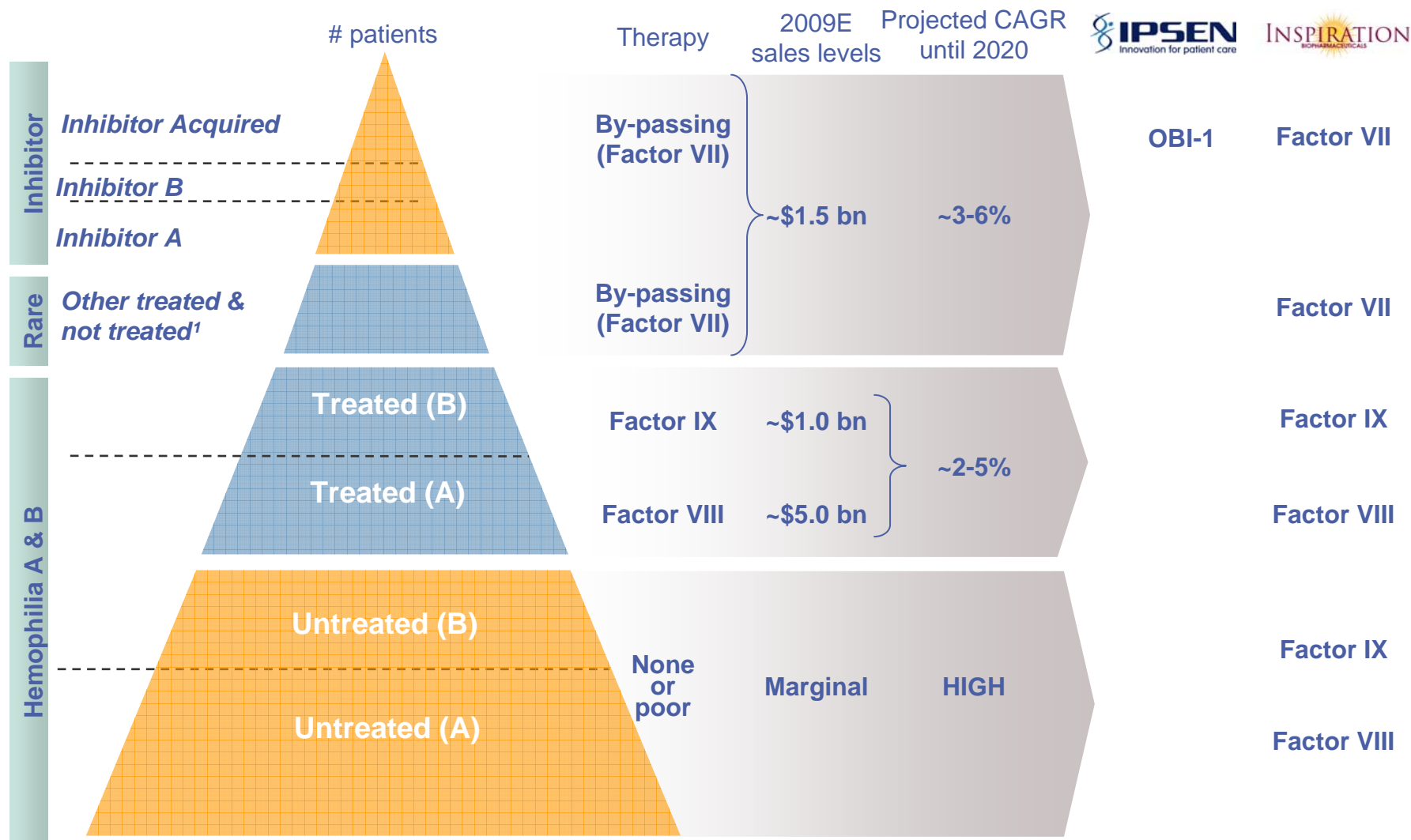
- 70% of hemophilia patients worldwide do not have access to factors

Long term growth prospects

- 4% to 10% CAGR until 2020
- Driven by prophylaxis in developed world
- Driven by more patients treated in RoW
- 90% recombinant in developed world
- 40% and growing in RoW

**Most important unmet need today:
Enable access to treatment to more patients**

...resulting in high unmet medical needs in all segment of hemophilia

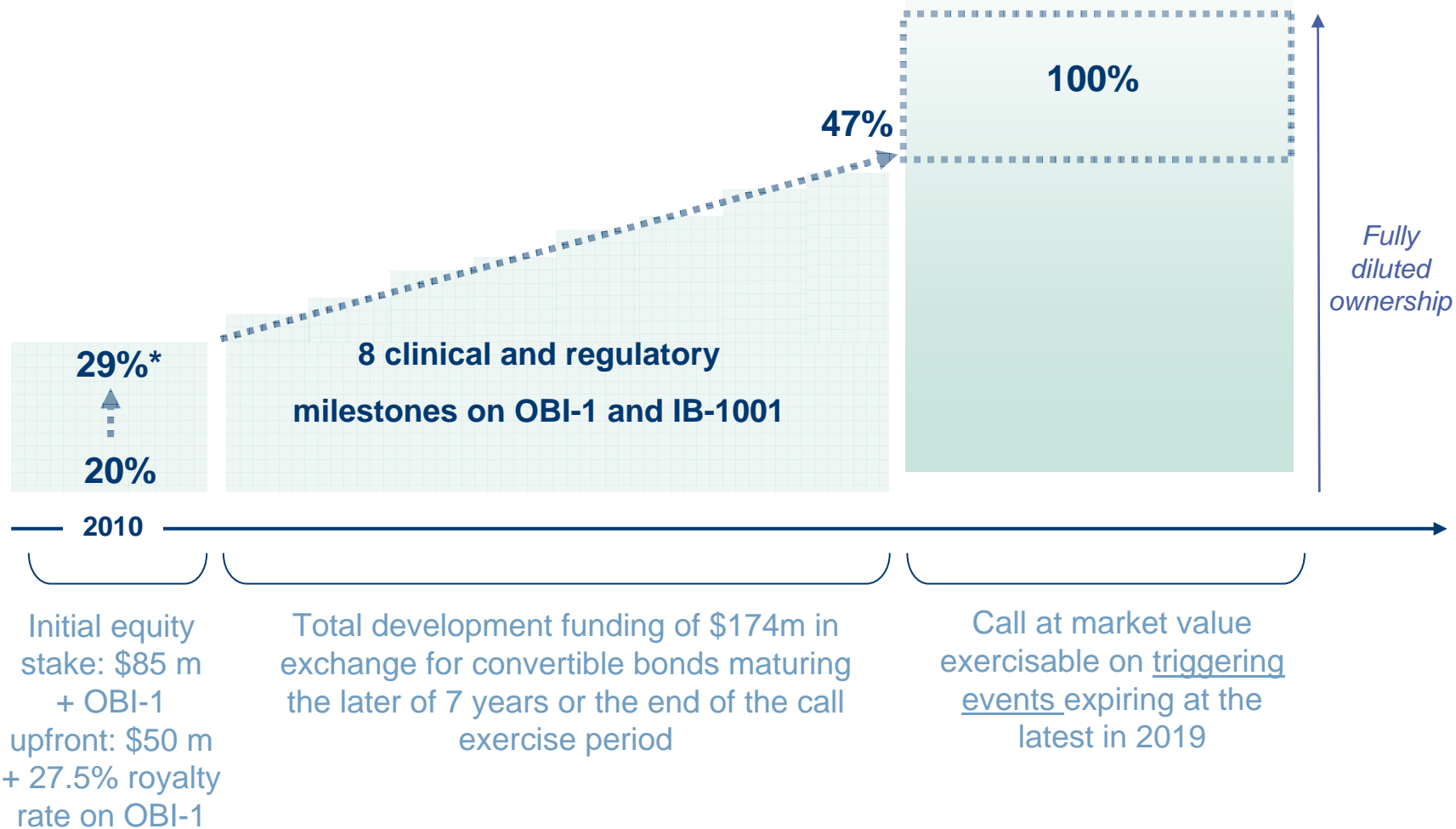


Building a unique hemophilia product franchise

	Inspiration	Wyeth	Baxter	CSL Behring	Bayer	Novo Nordisk
FIX	Phase III	BeneFIX	Phase I	Mononine plasma derived	-	Phase I
OBI-1	Phase III	-	-	-	-	-
FVIIa	Preclinical	Preclinical	-	Preclinical	Phase I	Novoseven
FVIII	Preclinical	Refacto Xyntha	Phase I	Phase I / II	Kogenate/ Advate	Phase III

Inspiration will be the company with the most comprehensive portfolio of hemophilia solutions

A progressive path to control linked to clinical, regulatory and commercial milestones of OBI-1 and IB-1001



Initial equity stake: \$85 m + OBI-1 upfront: \$50 m + 27.5% royalty rate on OBI-1

Total development funding of \$174m in exchange for convertible bonds maturing the later of 7 years or the end of the call exercise period

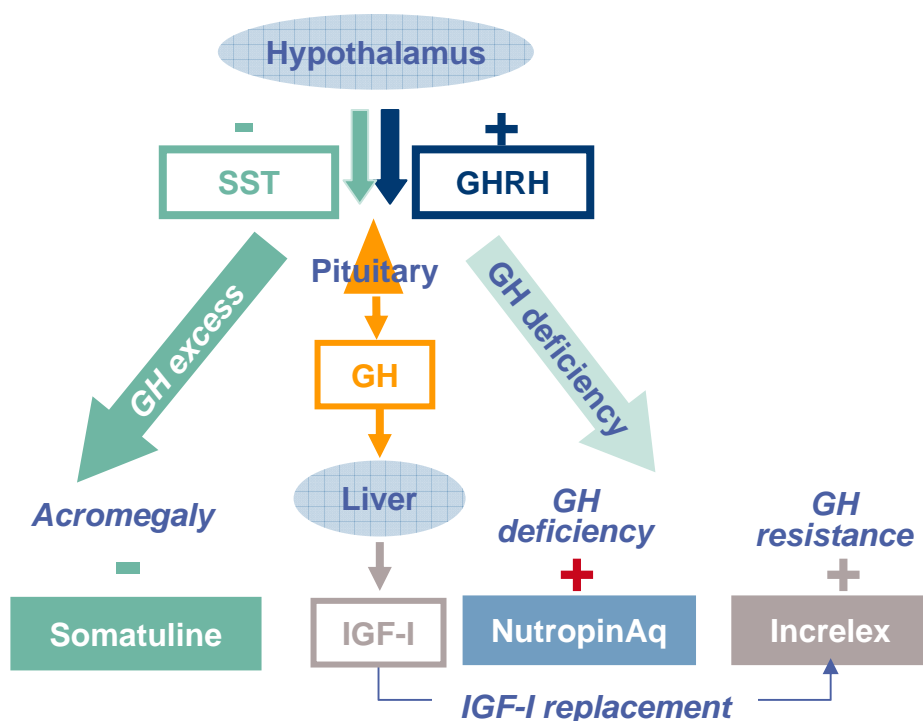
Call at market value exercisable on triggering events expiring at the latest in 2019

BACK UP SLIDES

Endocrinology



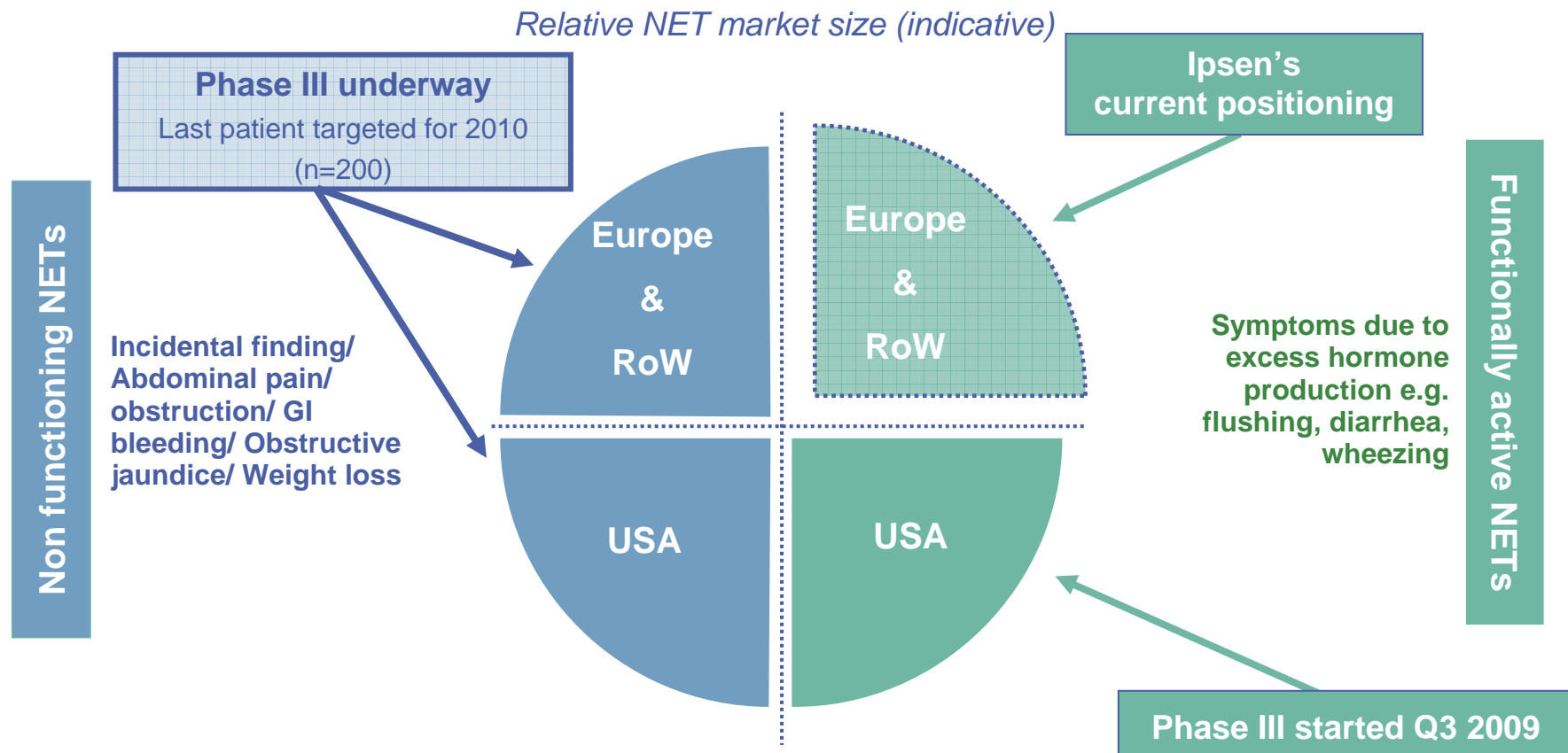
A unique focus on pituitary disorders and hormone dependent diseases



A strong franchise

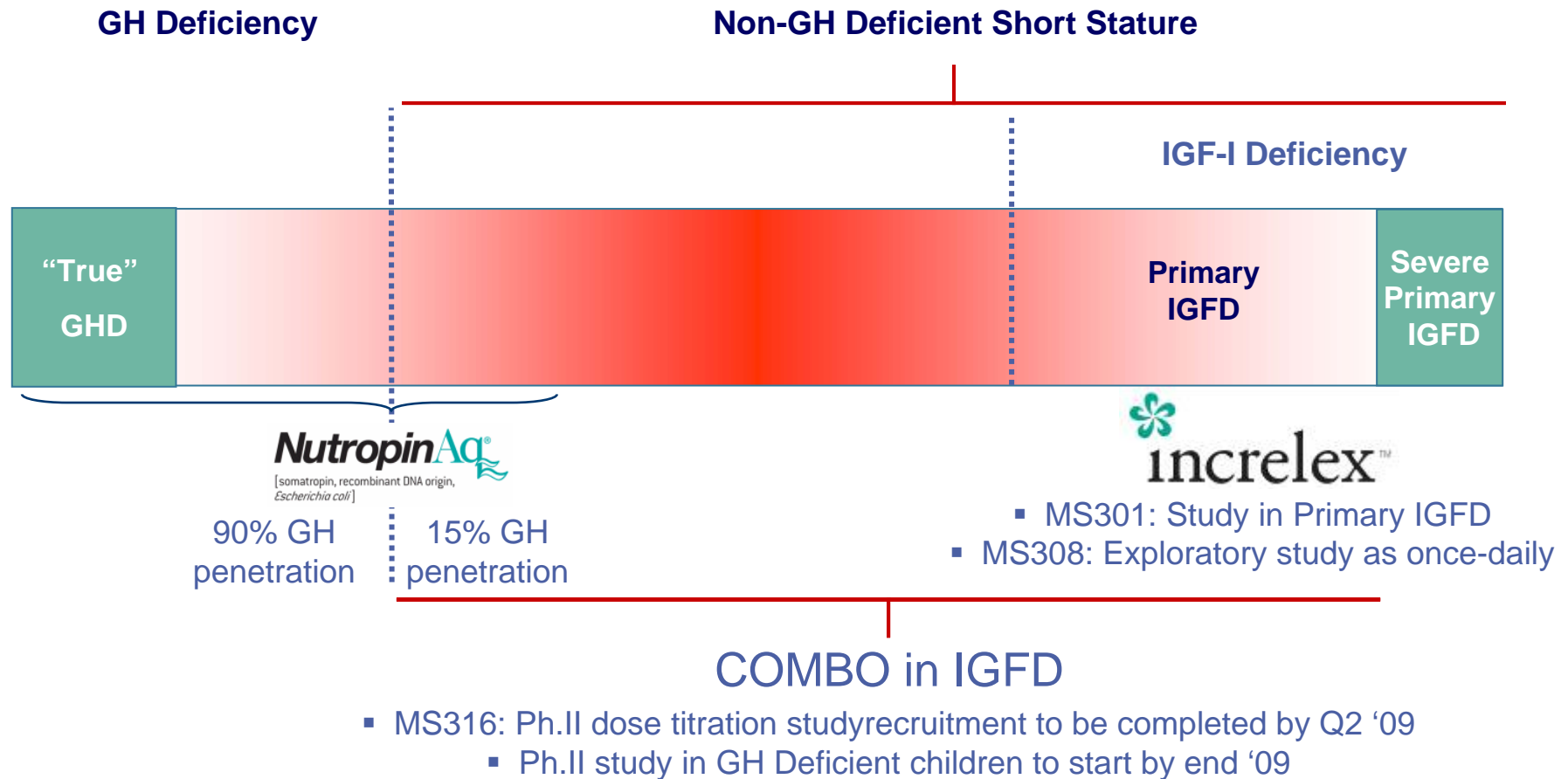
- A range of products addressing today Short Stature, Acromegaly and NET
 - High morbi-mortality
 - Debilitating pathologies
 - High unmet medical needs
- Somatuline[®], NutropinAq[®] and Increlex[®] contributed to ~16 % of 2008 Group sales, ie. ~ €158 million.
- A fast growing franchise: sales doubled in the past 3 years

Somatuline[®] offers significant life cycle growth opportunities



Significant scope for expansion

Ipsen is redefining the treatment of short stature



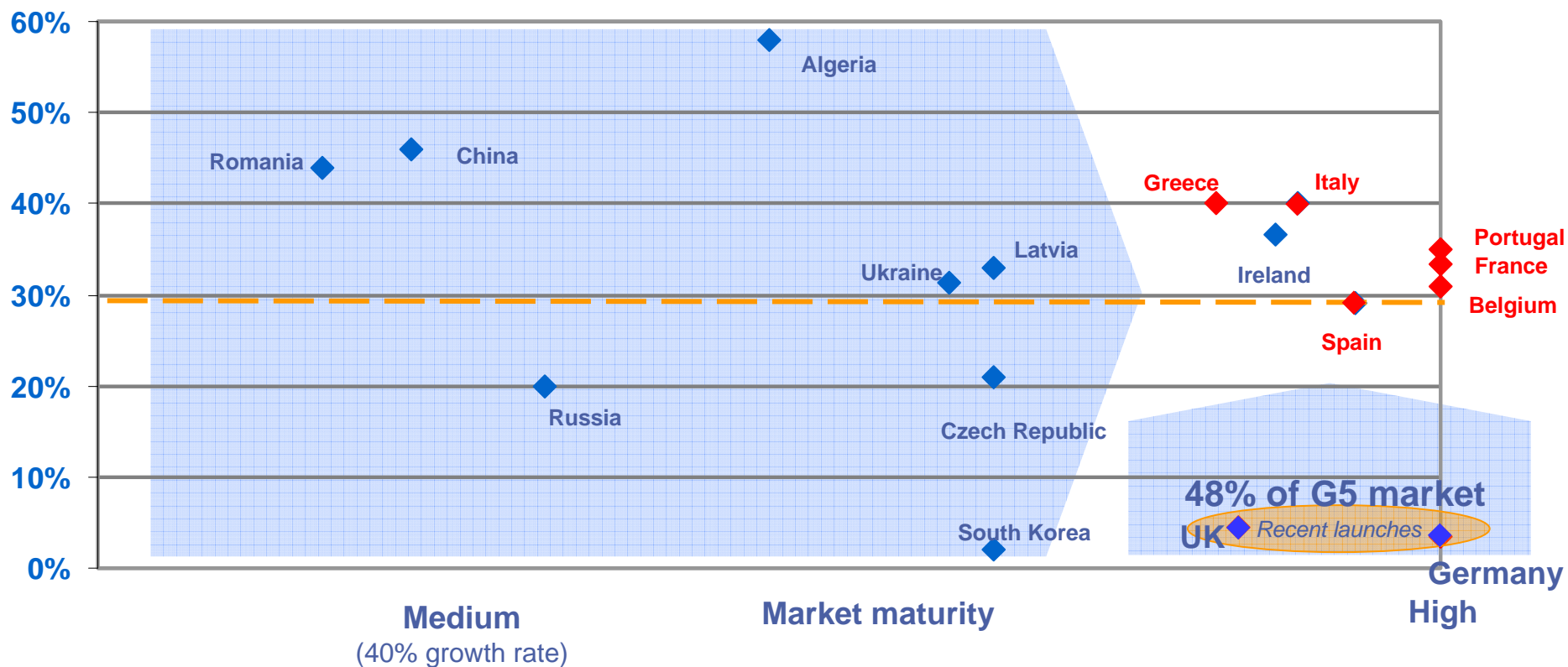
BACK UP SLIDES

Oncology



Decapeptyl[®]: strong positions, and poised to grow

Current market share



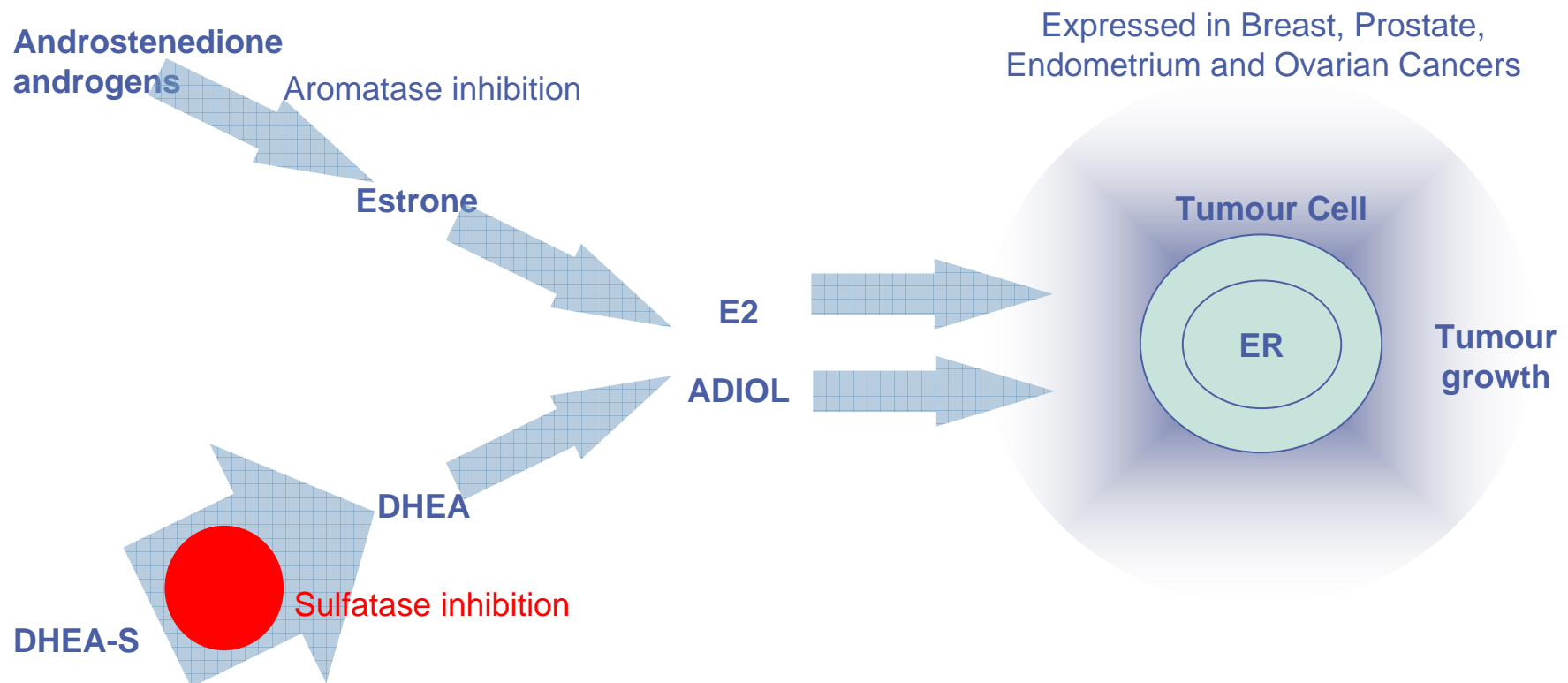
Key
◆ Major Decapeptyl markets

Decapeptyl[®] 6 month formulation: a more differentiated product profile

Efficacy	<ul style="list-style-type: none"> ▪ Comparable efficacy to 1 and 3 months formulation <ul style="list-style-type: none"> • Castration levels (testosterone) • Disease control (PSA) 	
Local Tolerance	<ul style="list-style-type: none"> ▪ Limited local side effects (6.7% of patients) 	
Storage and reconstitution	<ul style="list-style-type: none"> ▪ 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	6 month competitor 2
	<ul style="list-style-type: none"> ▪ 80% of patients castrated after 6M² ▪ Testosterone <u>to be tested</u> every 6M*¹ ▪ Formation of Nodules or abscess¹ 	<ul style="list-style-type: none"> ▪ Slow release formulation dependent on manual 60 mixture¹ step ▪ Storage at 2-4°: need to heat up for reconstitution¹

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)**

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

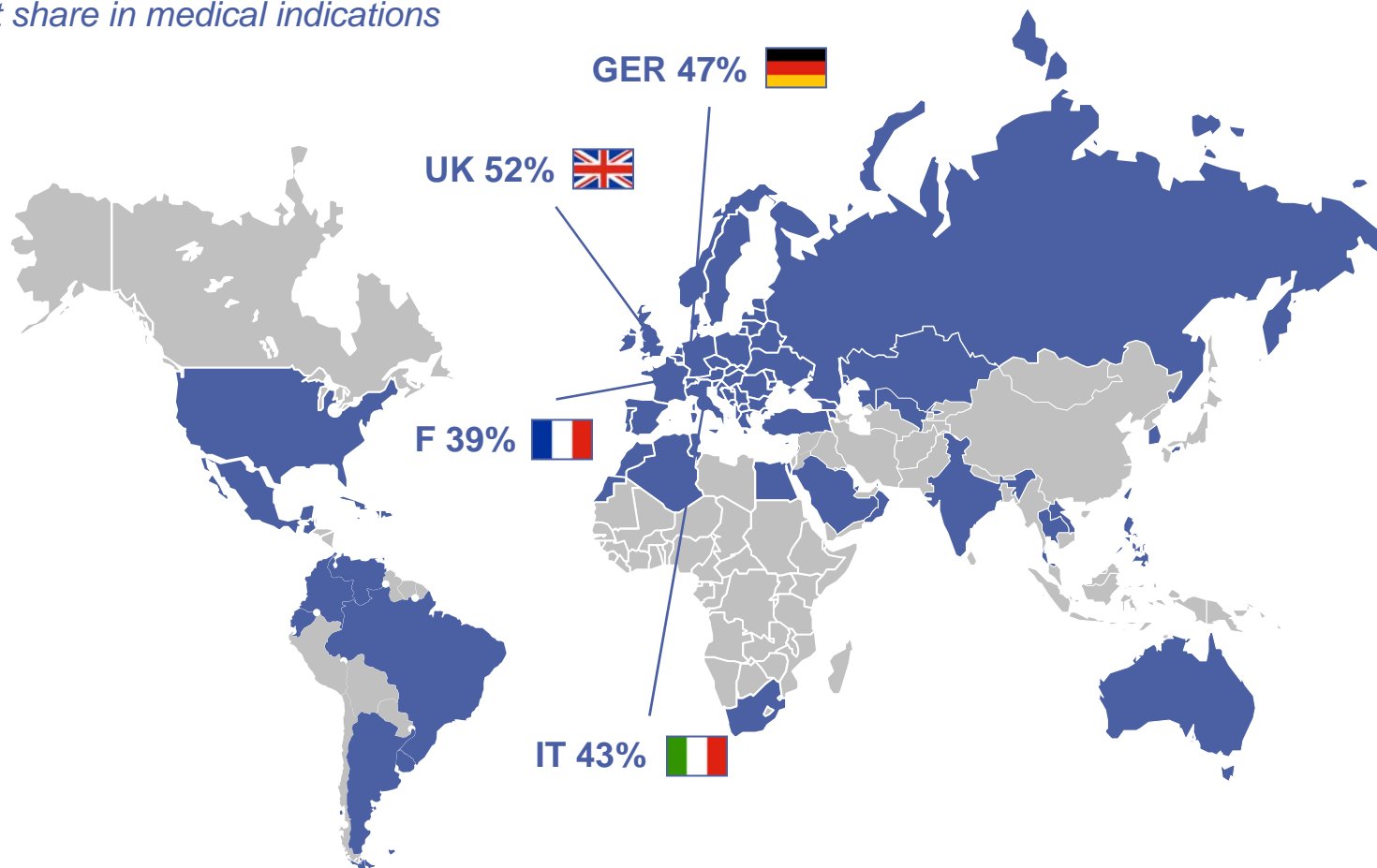
BACK UP SLIDES

Neurology



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

Market share in medical indications



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

Market share in medical indications

