Confirming Ipsen's specialist care globalisation

2009 Full Year Results Road Show March 04-5, 2010

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Introduction





Ipsen today: a global, innovation driven, specialty pharma

psen	SPECIALTY CARE	PRIMARY CARE OPTIMISE returns of this	y phan	lia A
	A global business to GROW	mostly French business	, A	4
25%	ONCOLOGY Decapeptyl®	GI	18%	Atran
20%	ENDOCRINOLOGY Somatuline®, Nutropin®, Increlex®	Cognitive disorders	11%	transactional
17%	NEUROLOGY Dysport® , Apokyn®	Cardiovascular	7%	al model
-	HEAMATOLOGY OBI-1		T	<u>o</u>
	A fully-fledged manu	ufacturing capability		
	•	d differentiated R&D capability ~20% of sales		

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A reinforced profile



Confirming Ipsen's biotech specialty care profile

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An increasingly transactional model





















NEUROLOGY

























Truly Differentiated R&D Capabilities



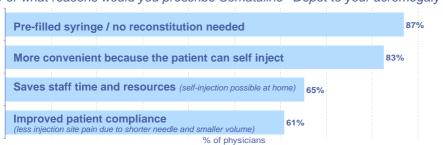


Example 1 : Somatuline® Depot, an improved presentation

	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?**



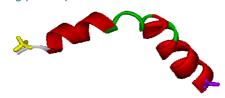
* In selected countries



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

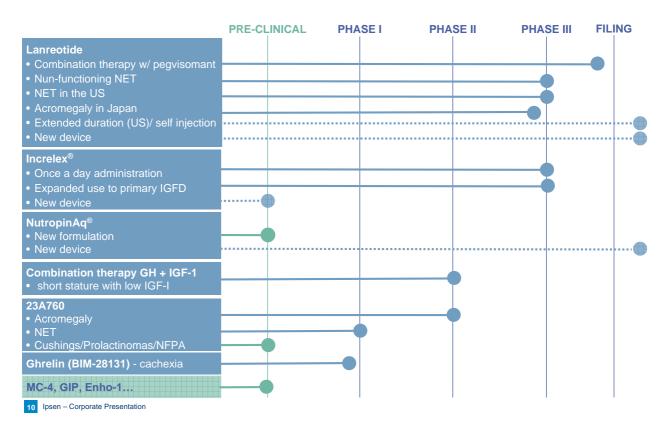
- (LAR) → 23G
 Quarter inch long
- Taspoglutide Liquid SRF → 29G
 Insulin type needle for subcutaneous injection

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

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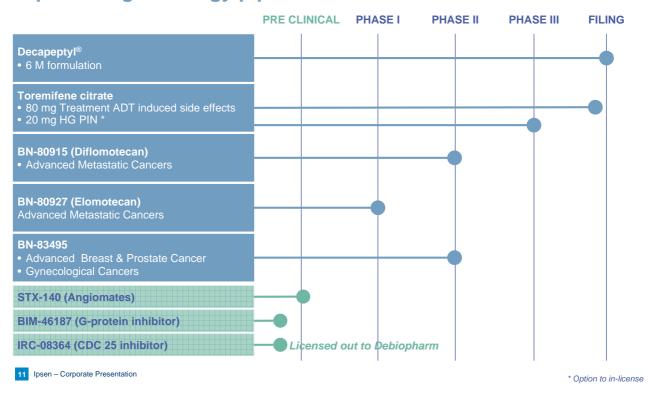


A rich endocrinology pipeline





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®

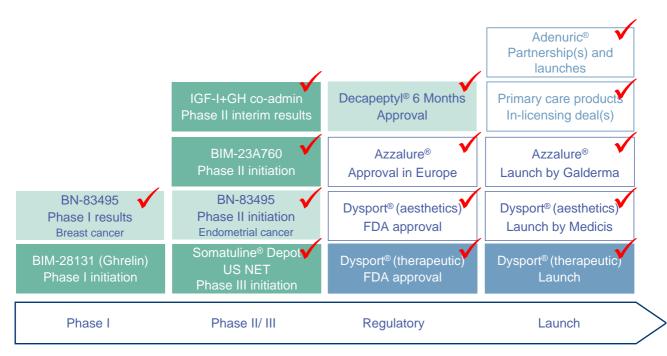
Promising headline results for taspoglutide (Roche)

BLI-800 (Braintree)

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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 -	+ 7.6%	
Other Revenues	Around €45m	Approx. ❸ 0m	€79.6 millions
Adjusted operating margin ¹	14.0%	17.0 – 17.5%	17.8%
Normative Tax rate	18.0 - 20.0%		6.3%



NOTE 1: in percentage of sales, prior to any accounting implications in connection with the purchase accounting of its acquisitions in North America



Top line objectives for 2010

Top line objectives for 2010						
	Close to double digit Reported Speciality Care drug sales					
<	Double digit in-market Speciality Care drug sales					
	+	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					
		Fre	nch primary care environm	ent		

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



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



2010 objective excludes any potential non recurring items



In the longer term...

July 2008 Longer term 2009 2010 2011

High US double-digit growth

coupled with significant profitability improvements

Continued US penetration

with 4 marketed specialty care products, of which Dysport® just recently launched

Financial crisis

profound changes in global equilibrium

Increased primary care competitive environment

The Group today cannot confirm its 2011 and 2012 perspectives, or at least their timeframe



BIM-28131 (Ghrelin)

Phase I

IGF-I+GH co-admin

BIM 23A760

Phase II initiation (WW) Neuro Endocrine Tumors (NET)

A rich newsflow in 2010, already initiated

Phase III results
Diabetes

OBI-1 Phase III

Taspoglutide

Dysport®
Phase III initiation (US)
Adult+children lower limb spasticity

Tanakan®
Phase III data available
(GuidAge®)

Somatuline® Depot
US filing
Extended Dosing Interva

Somatuline® Autogel®
Launch in Russia
Acromegaly + NET

Decapeptyl® 3 Months Launch in China Prostate cancer

Decapeptyl® 6 Months

Launch in Europe

Adenuric®

Launch
Regulatory / Launch

Clinical development

Continuous and rigorous execution of Ipsen's strategy

→ Specialty care growth & globalization, and increase in R&D efficacy

→ Primary care contribution optimization

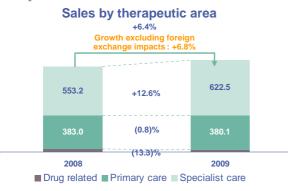
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APPENDIX Full year 2009 detailed financial performance



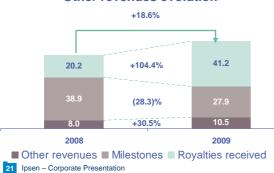


Top line evolution

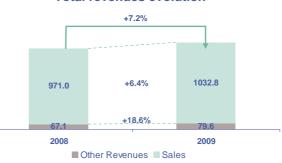






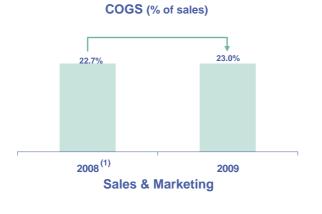




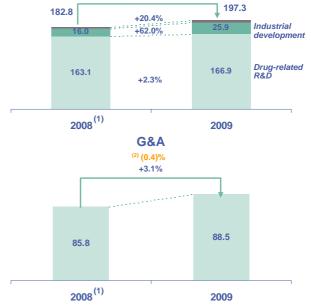


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Evolution of main P&L expenses

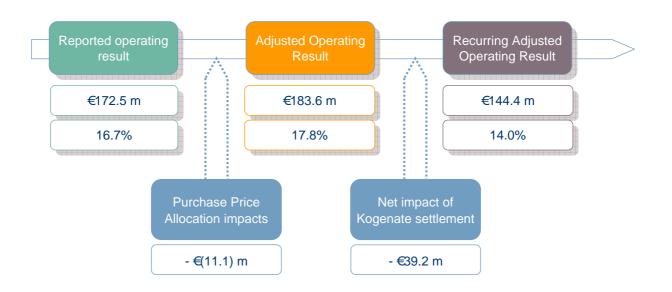








P&L – 2009 operating result and margin



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Margins expressed in % of sales

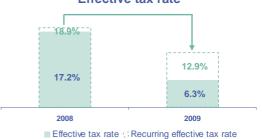


P&L - below EBIT

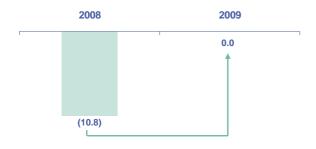
Financial result (€m)



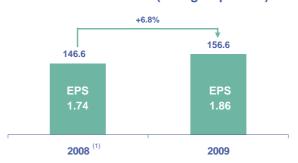
Effective tax rate



Income from Associates (€m)



Consolidated result (€m - group share)



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Balance Sheet evolution

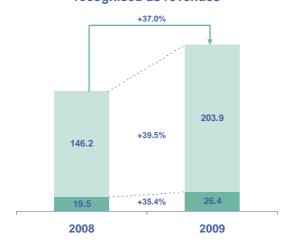
(€m) Assets			Liabilities			
	31 Dec 08	31 Dec 09		31 Dec 08	31 Dec 09	
Goodwill	290.8	290.2	Equity	885.0	982.6	
Property. plans & equipments	237.9	251.8	Minority interests	1.6	1.7	
Intangible assets	232.9	237.0	Total equity	886.6	984.3	
Other non-current assets	112.9	145.5	Long-term financial debts	162.7	12.2	
Total non-current assets	874.5	924.5	Other non-current liabilities	194.2	270.	
Total current assets	688.6	652.4	Short-term debts	10.6	21.4	
Incl. cash and cash equivalents	239.6	218.6	Other current liabilities	305.4	286.	
Discontinued operations	1.3	0.0	Discontinued operations	4.9	2.	
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	■ Net increase in deferred revenues from
- Increase/ Decrease in working capital	7.4	64.9	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
Dividends paid	(55.0)	(58.0)	credit facility €(150) m
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	



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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

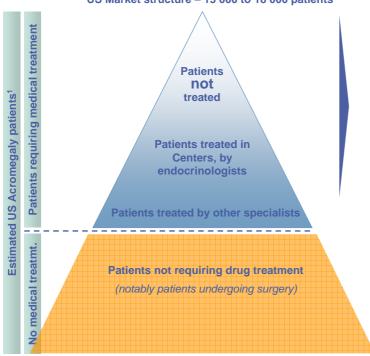
4 products now marketed, promoted by a Sales Force of 75

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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 SMN¹s 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®

Great interest from commercial payors

Dysport® enjoys an 85% coverage rate (commercial) and a 100% coverage rate (government)

Excellent brand awareness

Dysport[®] known by more than 80% of target prescribing population at

Fully integrated in US reimbursement system

Dysport®'s J-Code secured for March 2010

Higher-than-expected success of sampling campaign Dysport® requested by twice as many neurologists

as originally anticipated

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NOTE 1: Statement of Medical Necessity



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

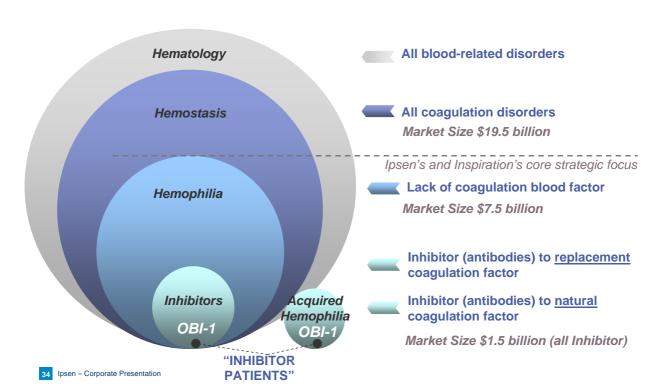
Appendix

Partnership with Inspiration in Hematology



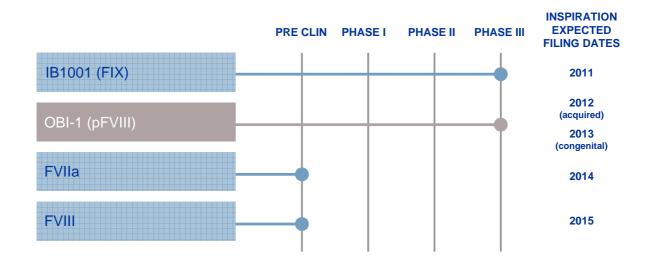


Capitalizing on OBI-1; Ipsen's strategic focus is Hemophilia, ...





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

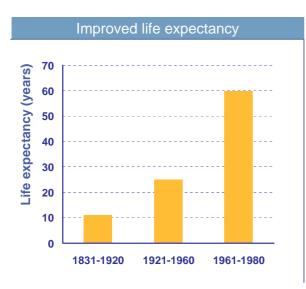


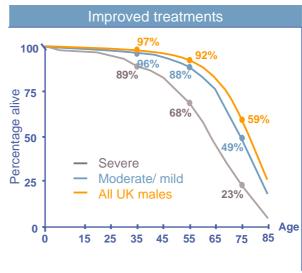
A recombinant product in each segment of the hemophilia market

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



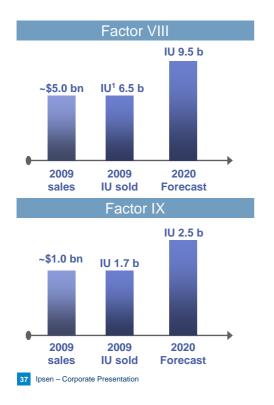


SOURCE: Larsson SA, et al. Br J Haematol 1985;59:593-602

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...



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

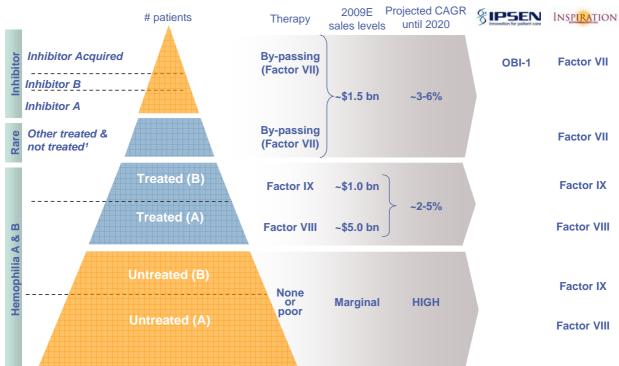
Most important unmet need today: Enable access to treatment to more patients

> Sources: MRB, Market intelligence NOTE 1 - IU: International Units



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...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

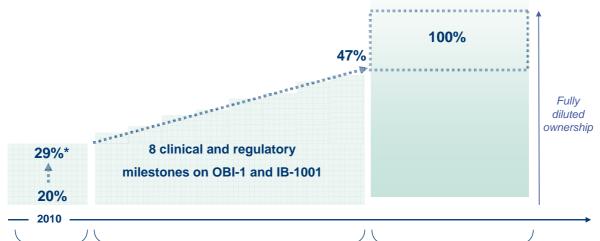
Inspiration will be the company with the most comprehensive portfolio of hemophilia solutions

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Marketed products



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

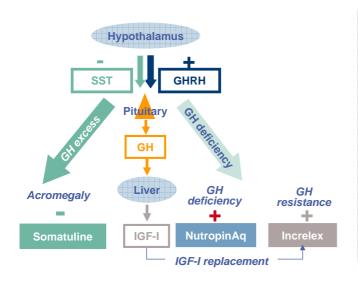
BACK UP SLIDES

Endocrinology





A unique focus on pituitary disorders and hormone dependent diseases

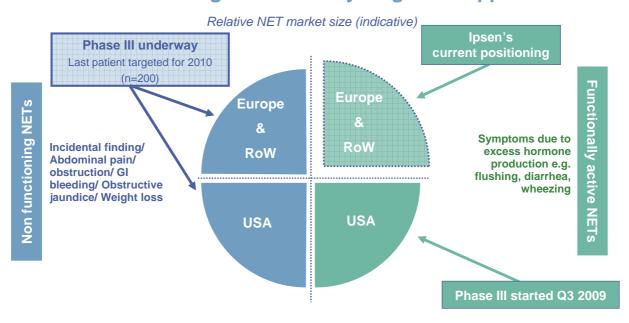


A strong franchise

- 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



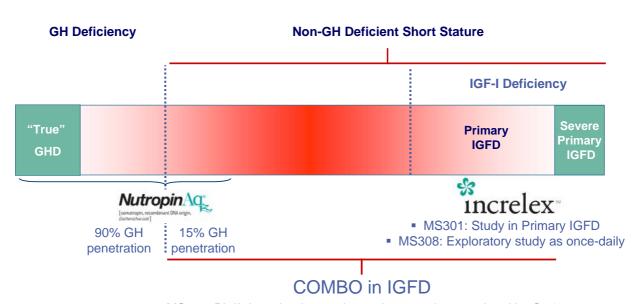
Significant scope for expansion



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Ipsen is redefining the treatment of short stature



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

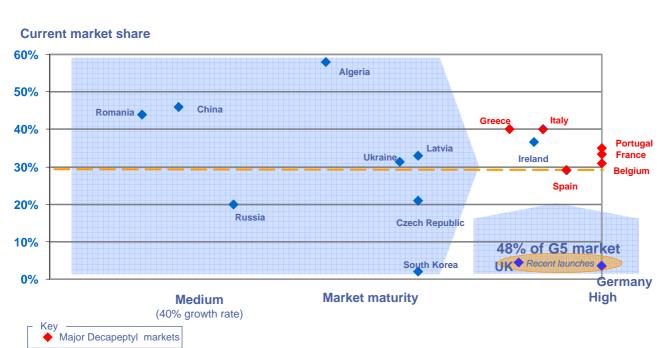
BACK UP SLIDES

Oncology





Decapeptyl®: strong positions, and poised to grow





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

- Storage at room temperature (no need to heat up before reconstitution)
- 5 Steps to reconstitute, change needle, and inject IM route

6 month competitor 1

Formulation/

- 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 mixture¹ step
- Storage at 2-4°: need to heat up for reconstitution 1

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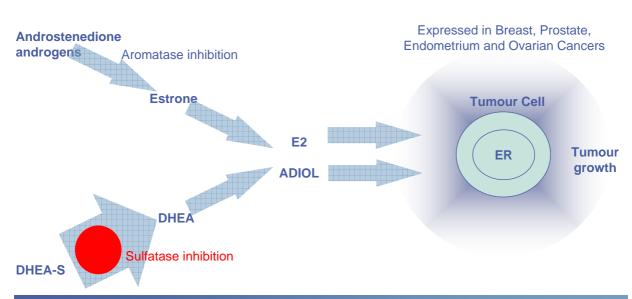
Reference 1: French SmPC ²Avis de la commission de transparence

BN-83495



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
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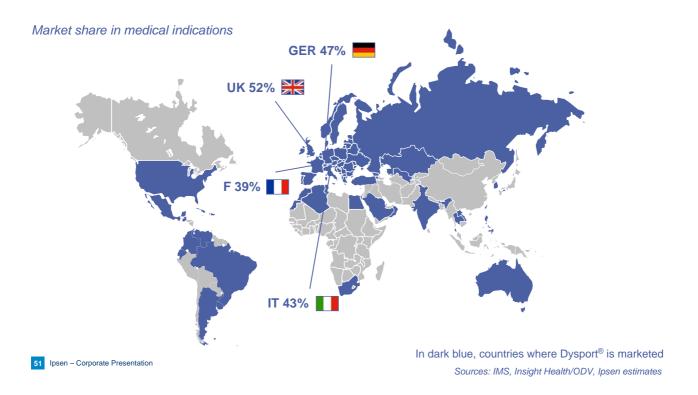
BACK UP SLIDES

Neurology





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





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

