

Confirming Ipsen's biotech specialist pharma profile

SFAF – Conference
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Pierre Kemula – Investor Relations Officer*



Disclaimer

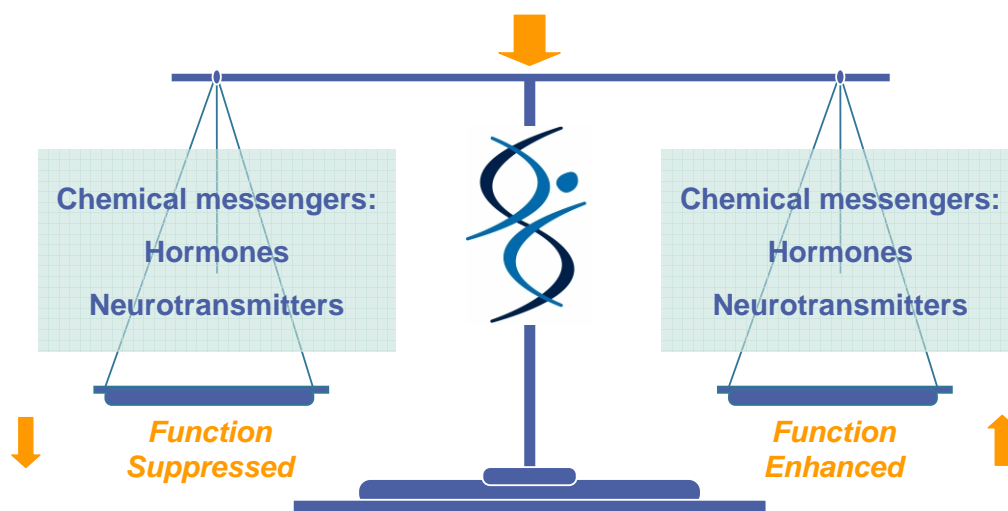
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Quick overview of some fundamentals

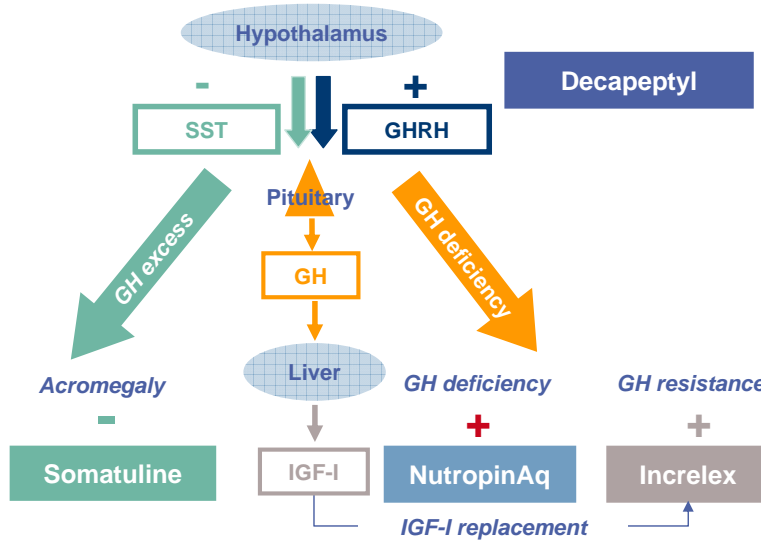


The fundamentals : restoring physiological balance



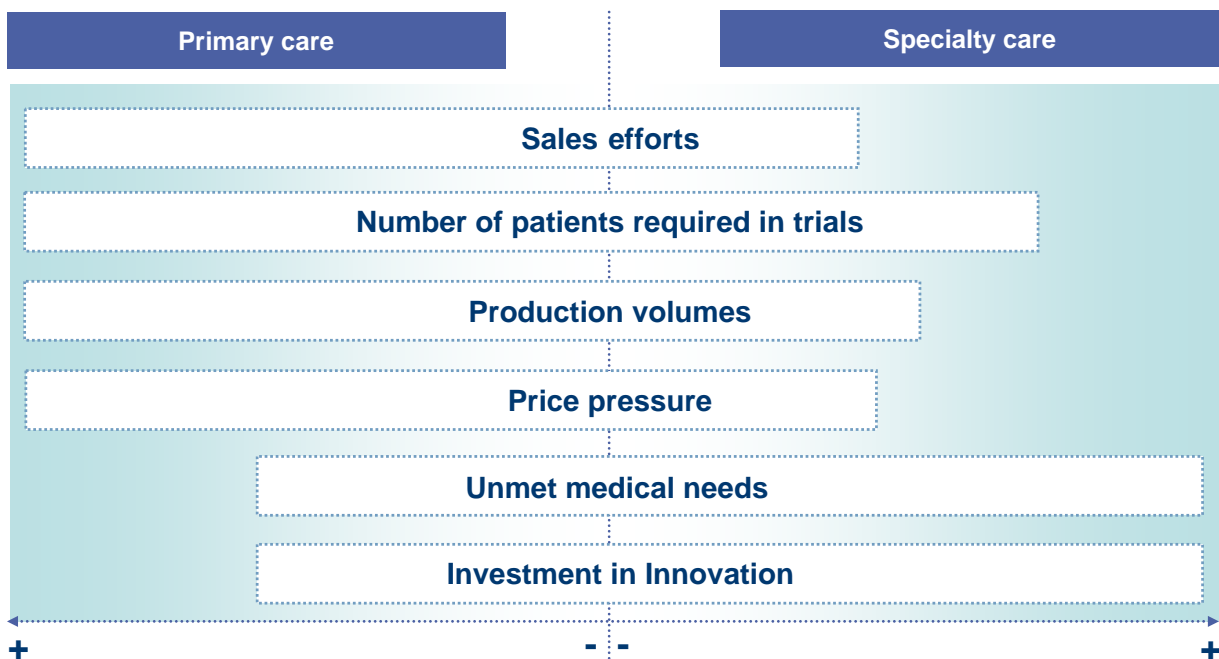
Therapeutic corollary : restore physiological levels, no more, no less

The fundamentals : the hormonal pathway and cascade



Ipsen has a specific knowledge of pituitary disorders

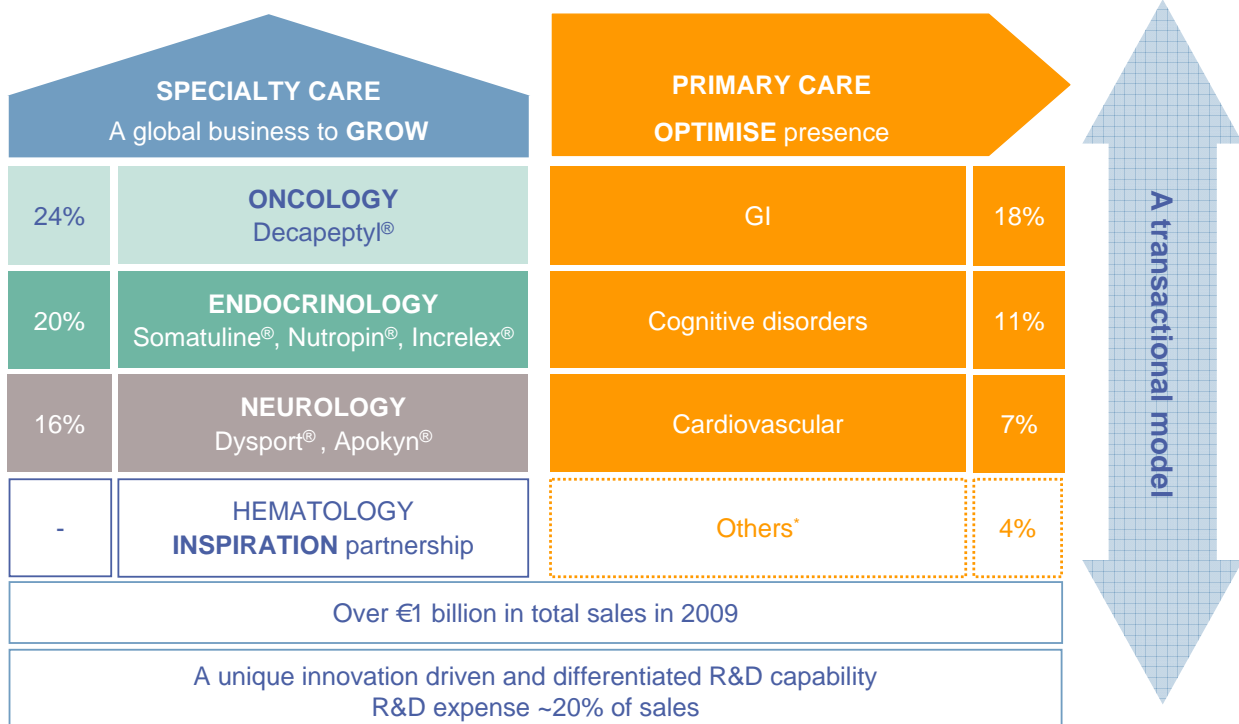
The fundamentals: Ipsen's specialty care vs. primary care businesses



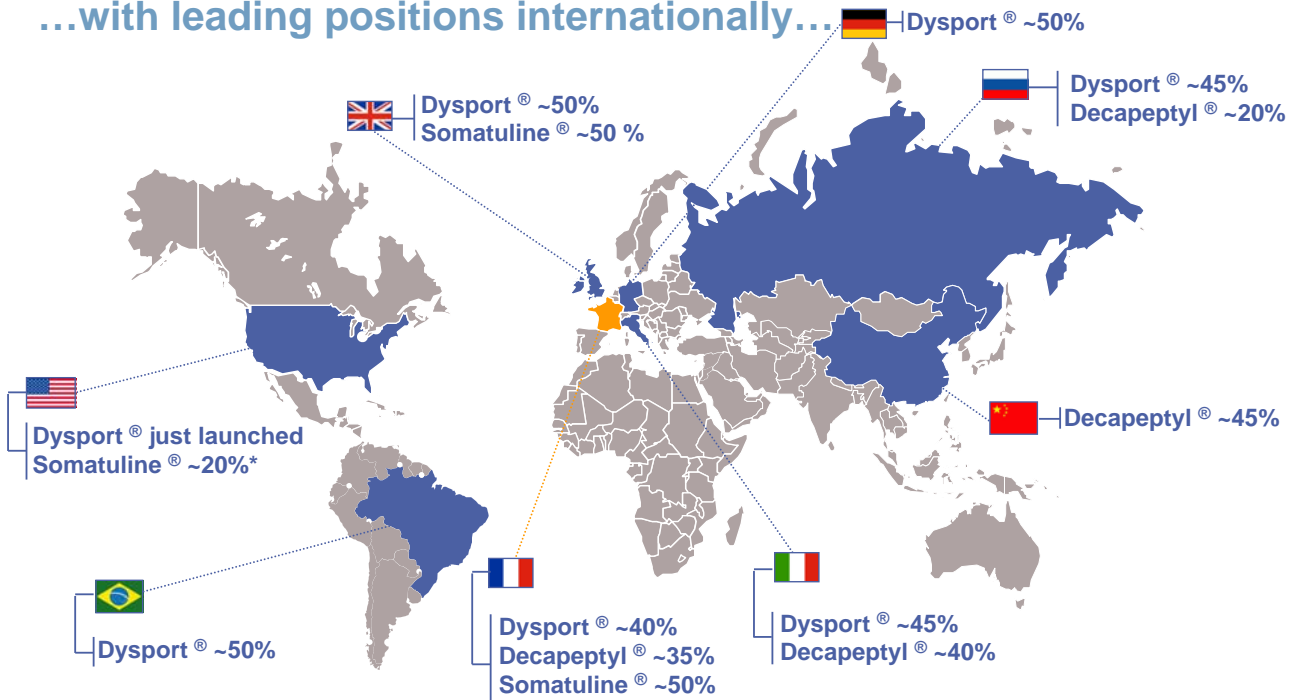
Ipsen in short



Ipsen today : a global biotech specialty pharma...

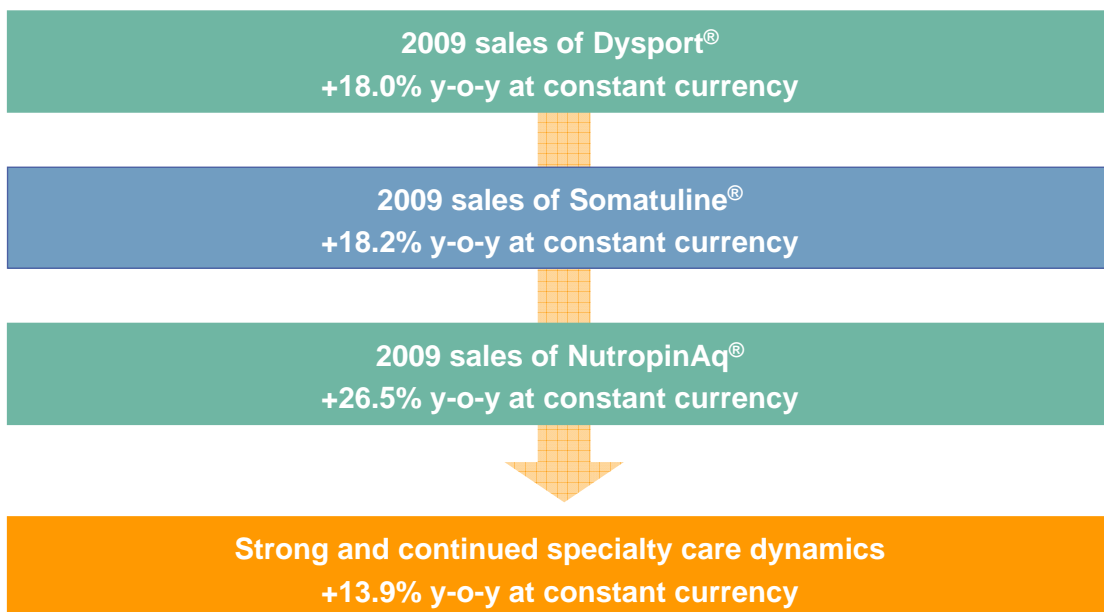


...with leading positions internationally...

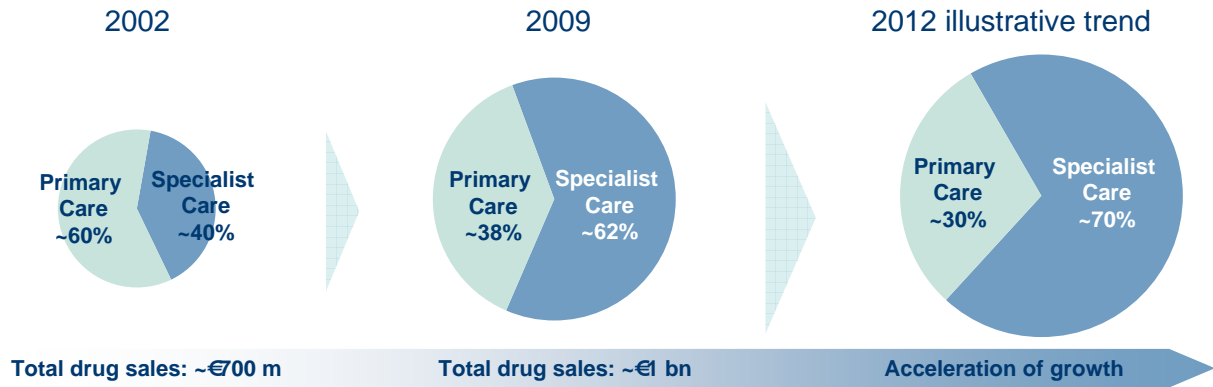


2008 rounded Market shares, except for Somatuline® in the US: 4Q09
 Market shares are for (i) Dysport® in medical indications (ii) Decapeptyl in prostate cancer (China gynecology only) and (iii) Somatuline in Acromegaly only.
 * In the US, market share in patients treated by endocrinologists and in pituitary centers
 Sources: IMS, Insight Health/ODV, Ipsen estimates, Strategix

...continuously outgrowing its main competitors



Today, a reinforced profile...



Confirming Ipsen's biotech specialty care profile

11 ODDO Sales Force Teaching

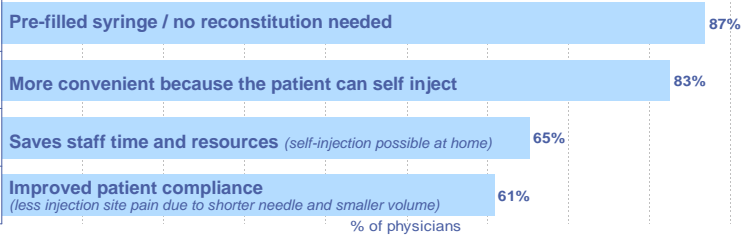
Truly Differentiated R&D Capabilities

Example 1 : Somatuline® Depot

	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? **



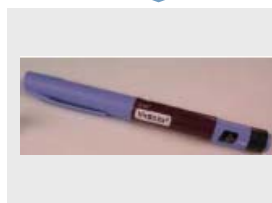
Somatuline® Depot: A self administration syringe, an improved quality of life

* 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

	Liraglutide Flex Pen	Byetta LAR*	Taspoglutide PFS**
Administration	Daily	Weekly	Weekly
Device	Multiple use Needle: 32 gauge	Single-use, syringe & vial Needle : 23 gauge	Single-use, staked-in needle Needle: 29 gauge
Injection technique	1. Attach needle 2. Prime pen 3. Set dose 4. Inject	1. Re-constitute 2. Draw into syringe 3. Inject	1. Remove cap 2. Inject



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

* Long-acting release
** Pre-filled syringe

Selected potential future growth drivers



Snapshot

Internationalization

Fast growing presence in Russia, China, Brazil and emerging markets

Entering the US

Hematology

Capitalizing on OBI-1 to build a unique portfolio of compounds in hemophilia

Life cycle management

Somatuline
IGF-I+GH coadministration
Decapeptyl 6-month

Rich R&D pipeline

Oristusane
BIM 23A760
...



Growth and globalization beyond G5...



Entering the world's largest pharma market with 4 specialty care products

- Dysport®
- Somatuline®
- Increlex®
- Apokyn®



A diversified portfolio in the fastest growing Eastern European pharma market

- Dysport®
- Decapeptyl®
- Tanakan®
- Smecta®



Dynamic specialty care presence in the largest South American pharma market

- Dysport®
- Partnership with Galderma for aesthetics



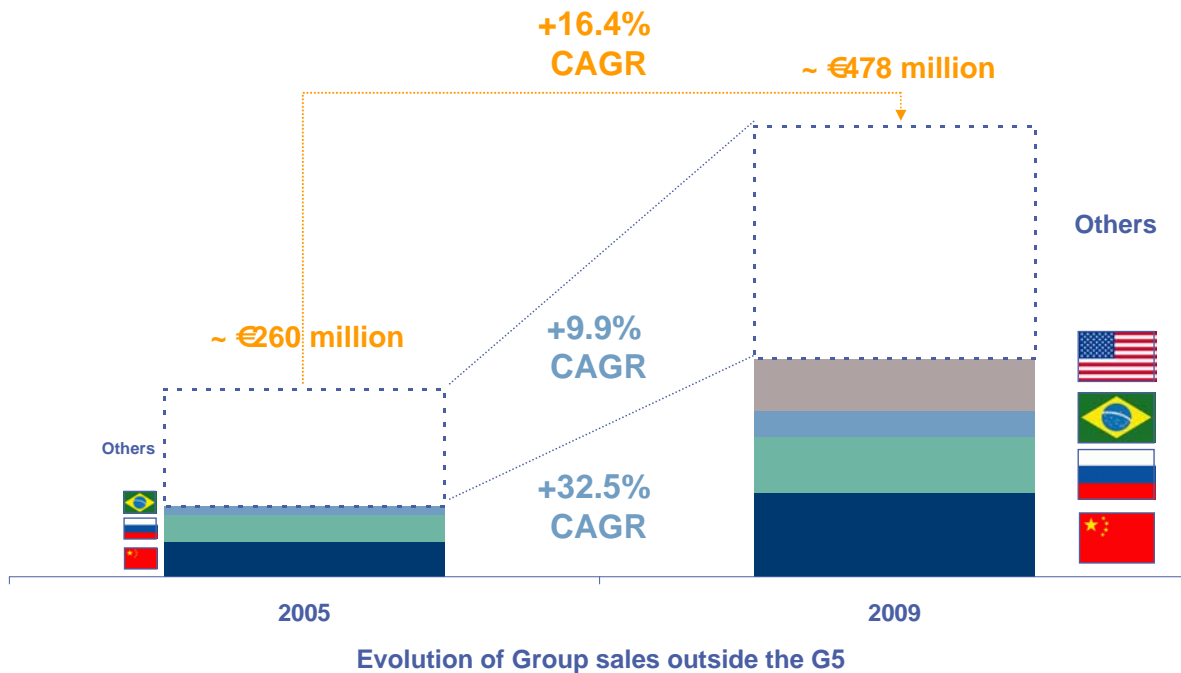
Longstanding and strong positions in one of the world's largest pharma market

- Decapeptyl®
- Smecta®

Ipsen's G5

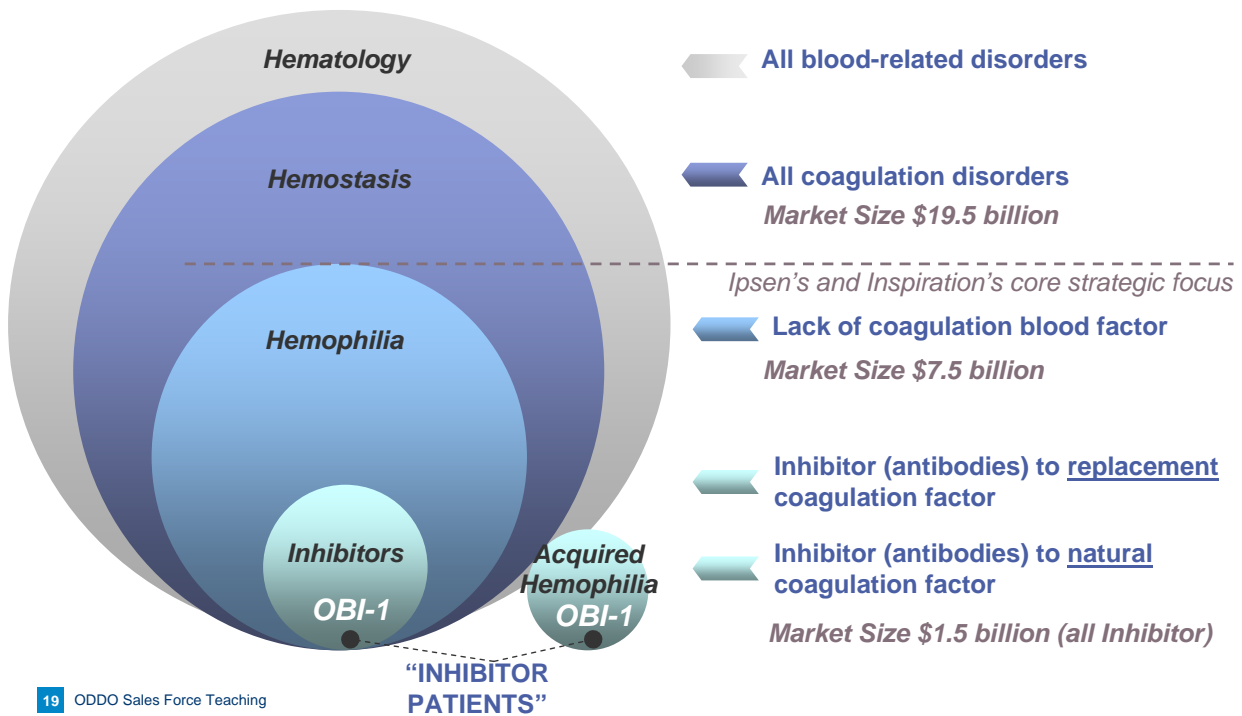


...translating into rapid expansion

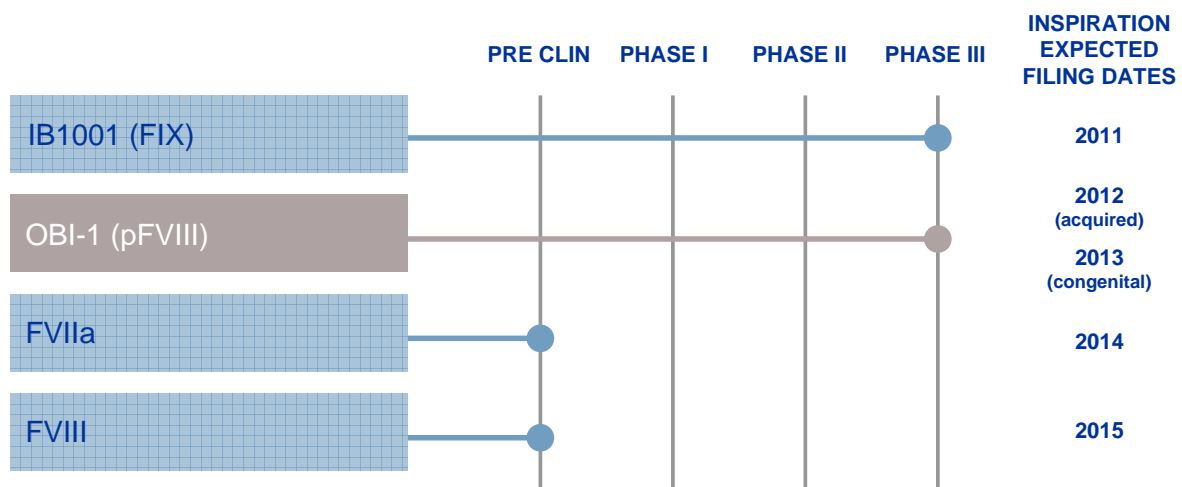




Capitalizing on OBI-1 with the Inspiration partnership...



...to build a unique franchise covering all needs in hemophilia...



A recombinant product in each segment of the hemophilia market



... with no equivalent currently on the market

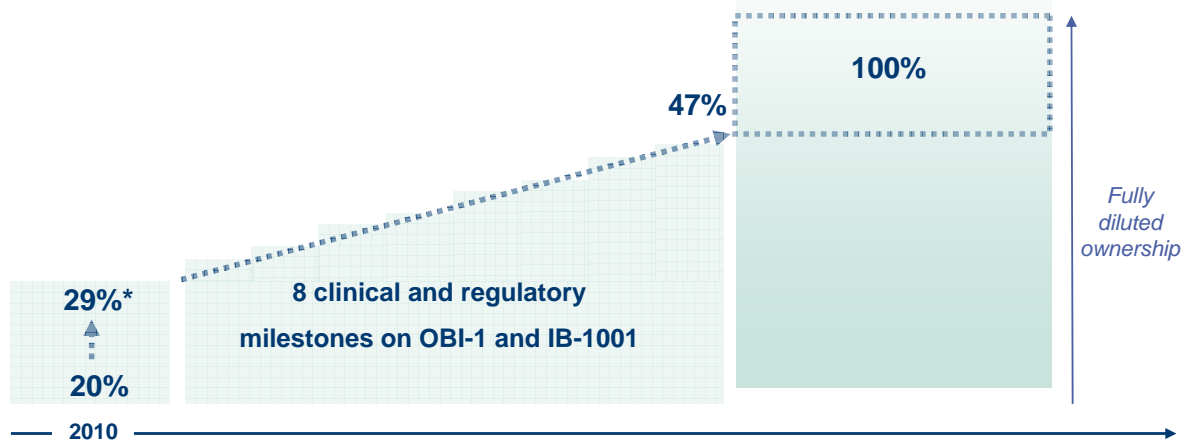
	Inspiration	Wyeth	Baxter	CSL Behring	Bayer	Novo Nordisk	Biogen Idec and Biovitrum
FIX	Phase III	BeneFIX	Phase I	Mononine plasma derived	-	Phase I	Phase III (fusion protein)
OBI-1	Phase III	-	-	-	-	-	-
FVIIa	Preclinical	Preclinical	-	Preclinical	Phase I	Novoseven	-
FVIII	Preclinical	Refacto Xyntha	Advate Recombinate	Helixate	Kogenate	Phase III	-

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

Marketed products



A progressive path of control of Inspiration



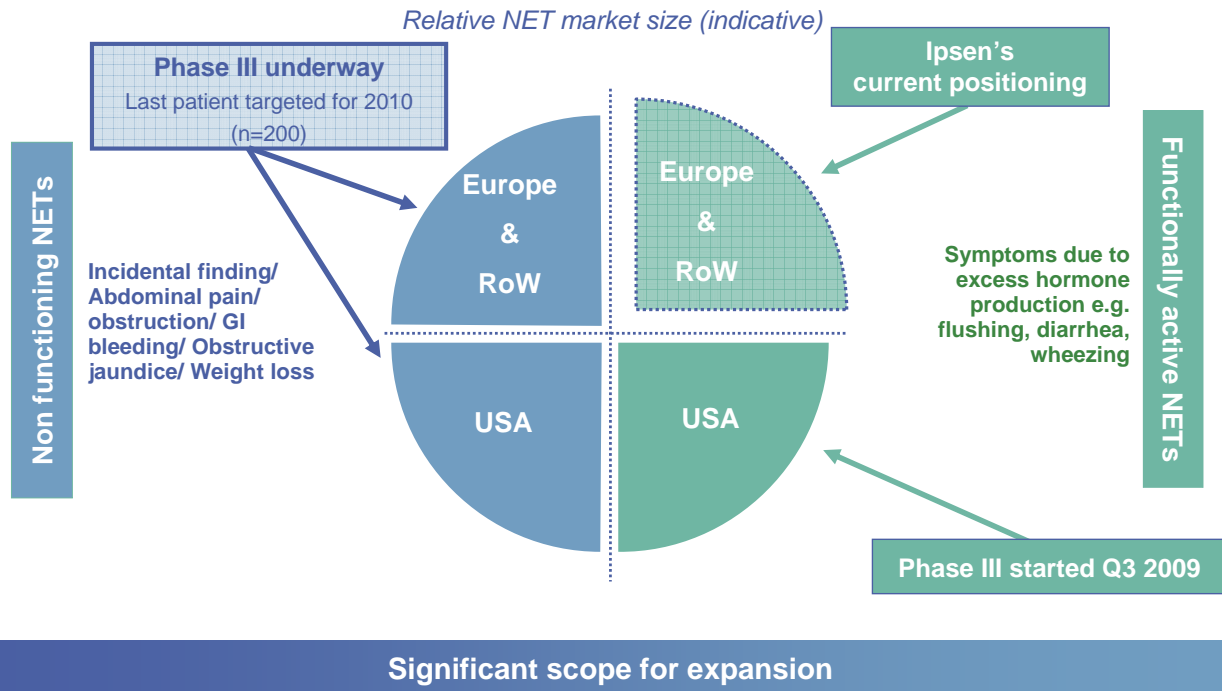
Initial equity stake: \$85 m + OBI-1 upfront: \$50 m + 27.5% royalty rate on OBI-1

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

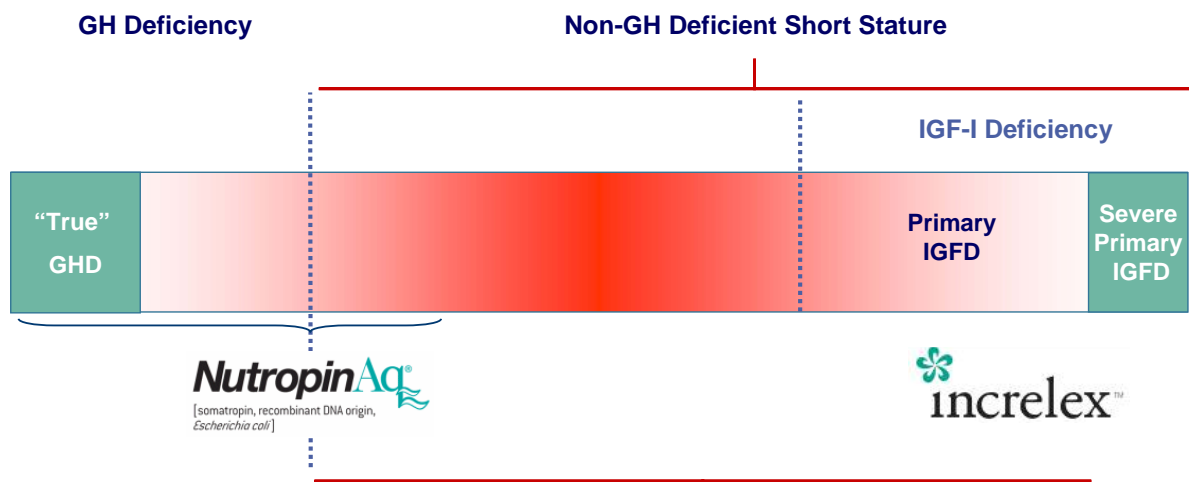
Call at market value exercisable on triggering events expiring at the latest in 2019



Somatuline® offers significant life cycle growth opportunities



Redefining the treatment of short stature



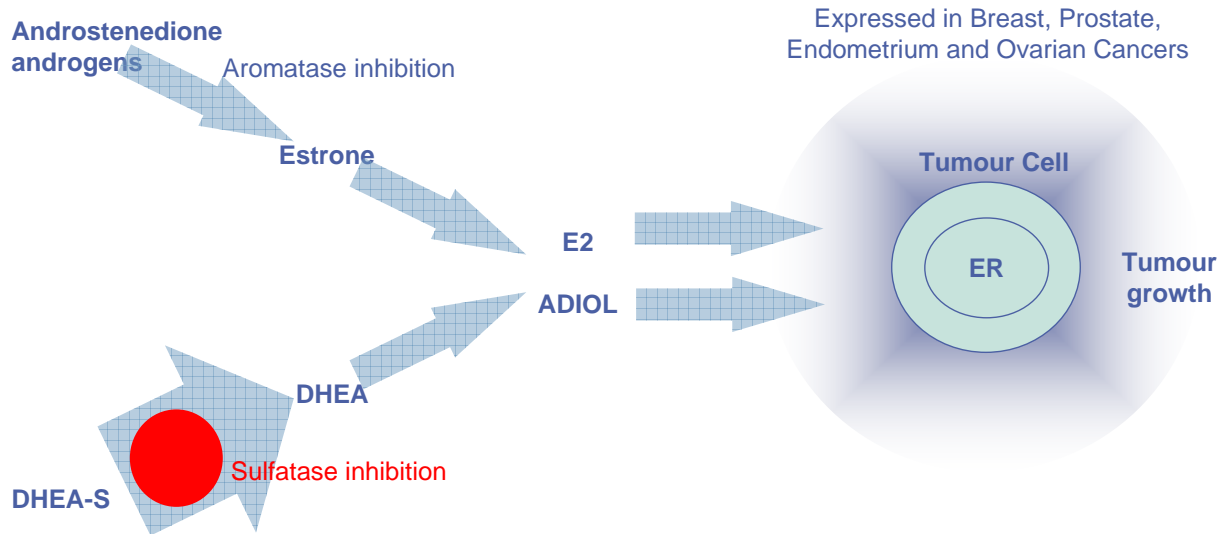
COMBO in IGFD

- MS316: Ph II dose titration study recruitment completed in Q2 '09
 - Interim results announced in September 09
 - Complete results available in H2 '10



Rationale for Sulfatase inhibitor development

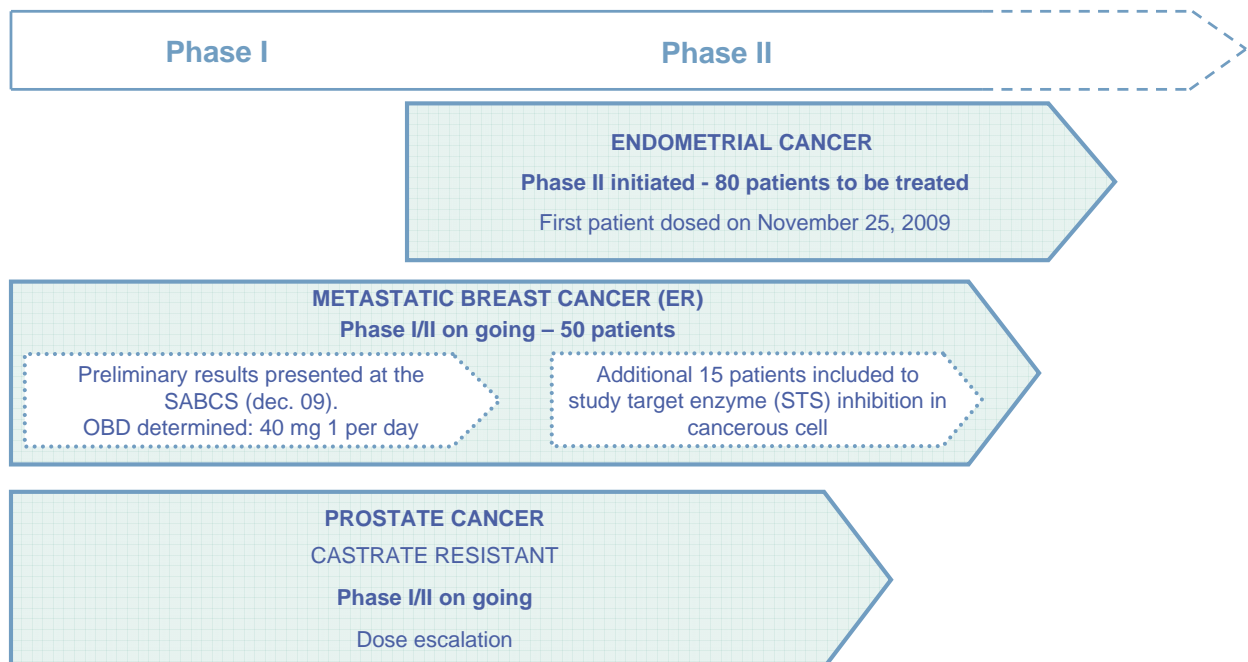
Inhibition of Androstenediol synthesis from DHEA-S



After encouraging phase I results, Oristusane is now in phase II clinical trial



Oristusane : Moving forward in the development stages



Progress and Outlook



2009: major initiatives, in a rigorous execution of the Group's strategy

Grow and Globalize 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



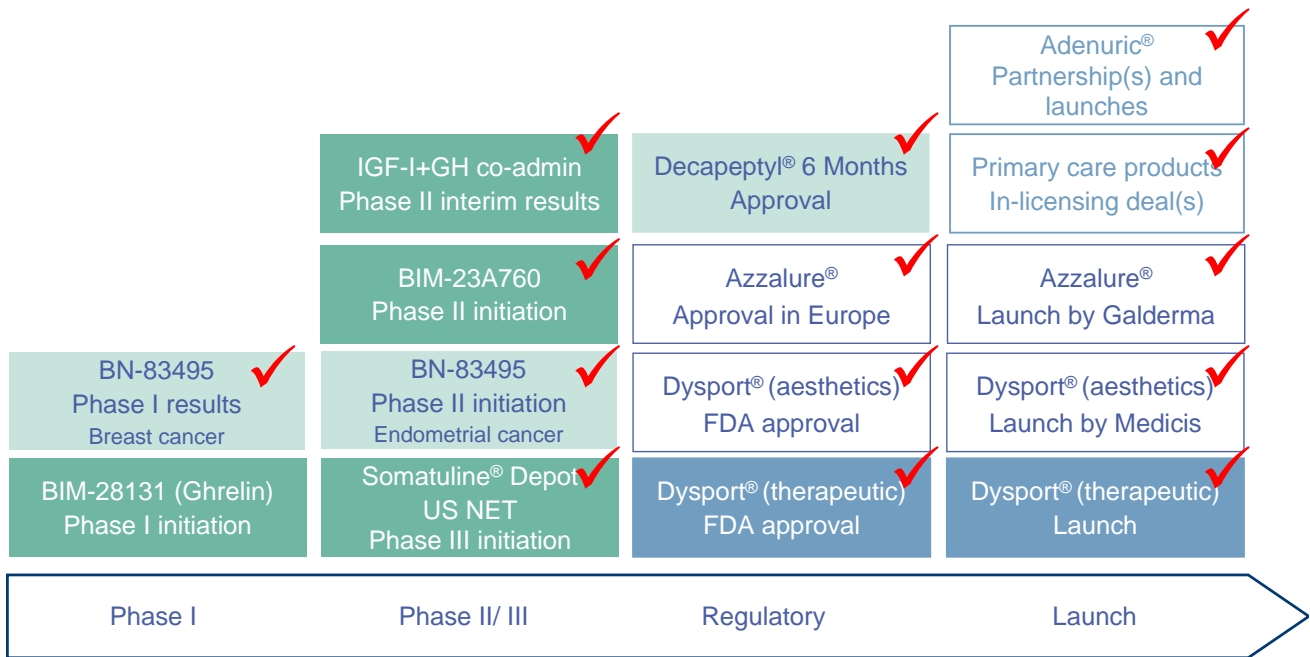
Optimize Ipsen's *primary care* business

Rich deal with Menarini on
Adenuric®

Promising headline results for
taspoglutide (Roche)

BLI-800 (Braintree)

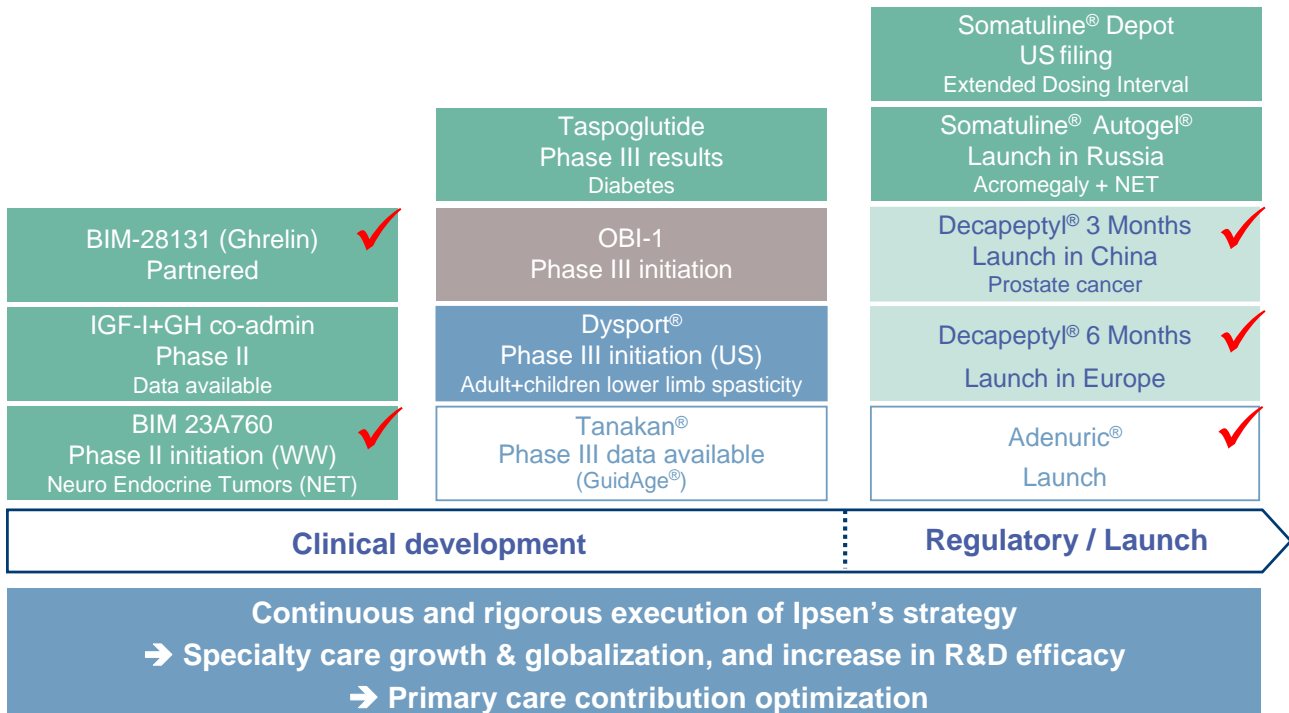
All key milestones delivered in 2009



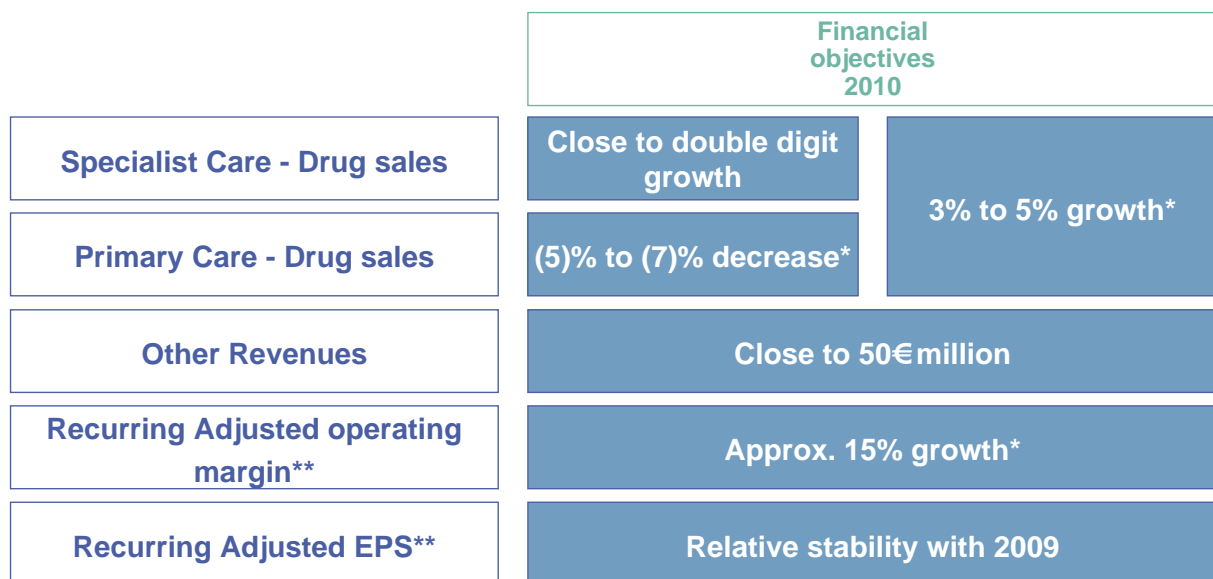
All financial objectives have been met in 2009

	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% ✓

A rich newsflow in 2010, already initiated



All financial objectives for 2010



The above objectives are set at constant currency
2010 objective excludes any potential non recurring items

* Margins expressed in % of sales

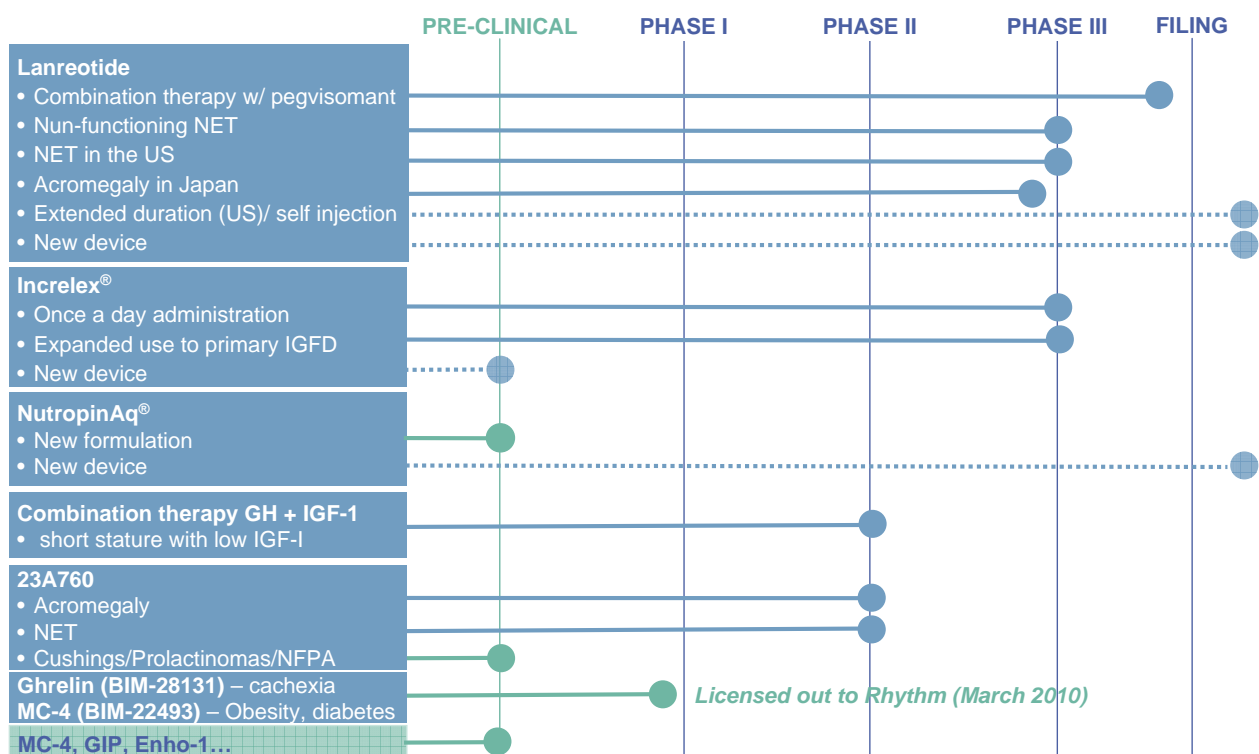
** Prior to any accounting implications in connection with the purchase accounting of its acquisitions in North America and non recurring elements

APPENDIX

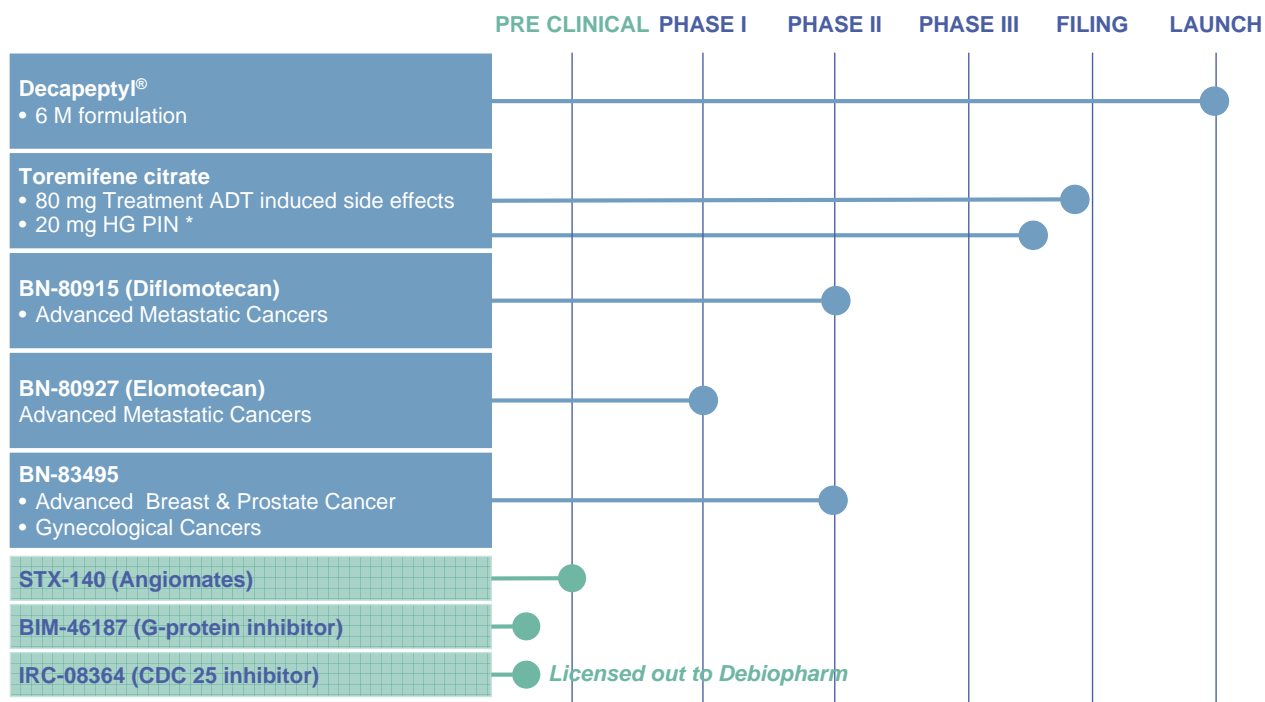
R&D Pipeline



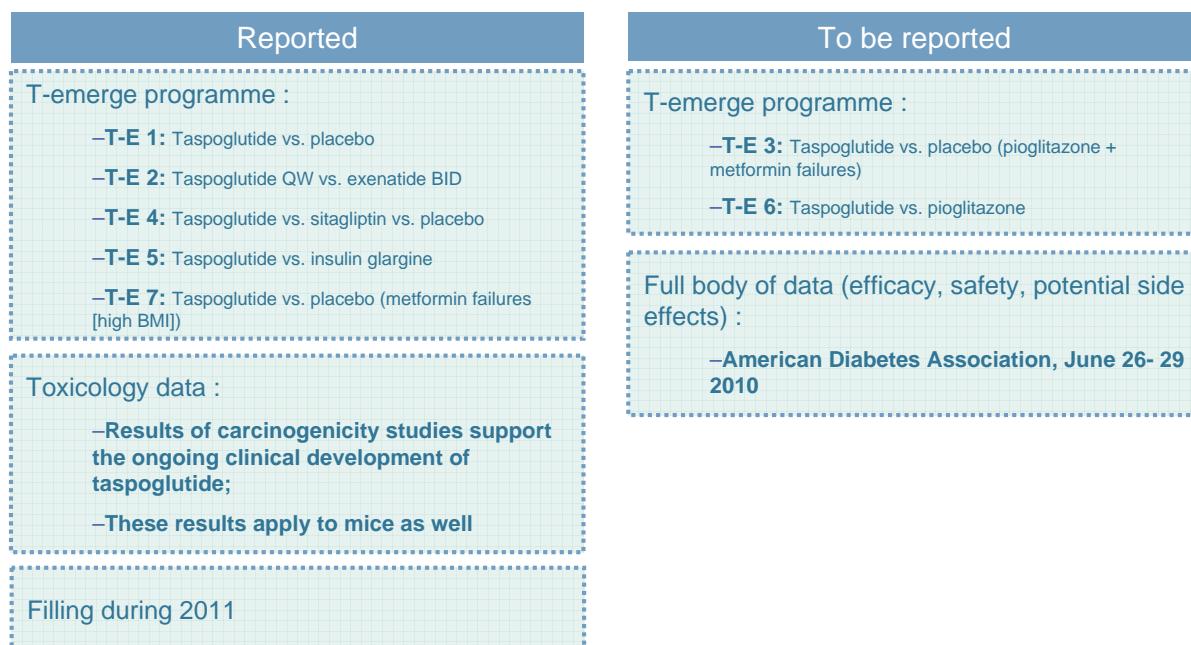
A rich endocrinology pipeline



A promising Oncology pipeline



Taspoglutide : Potential Best-in-class profile

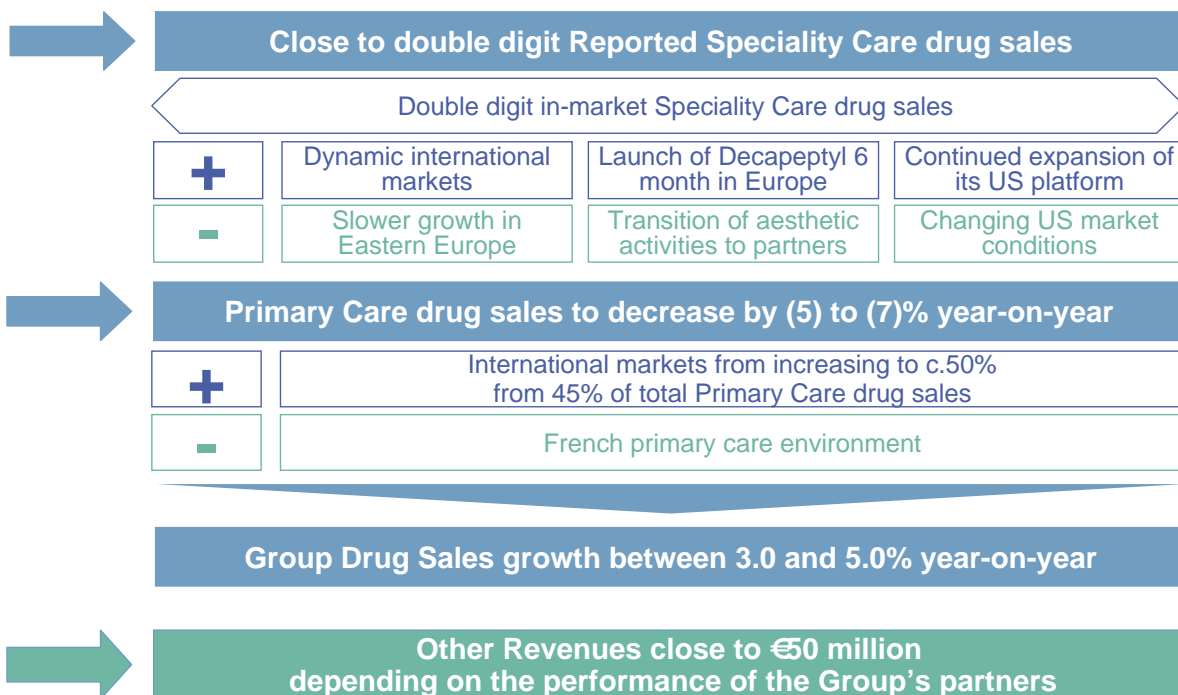


APPENDIX

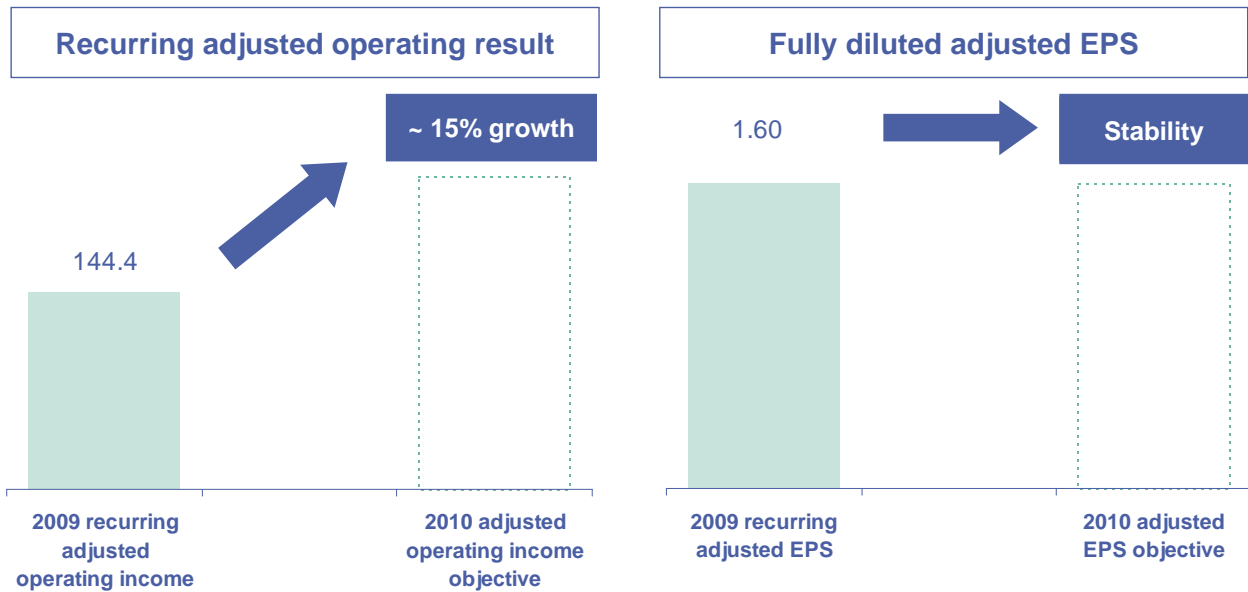
Financial objectives



Top line objectives for 2010

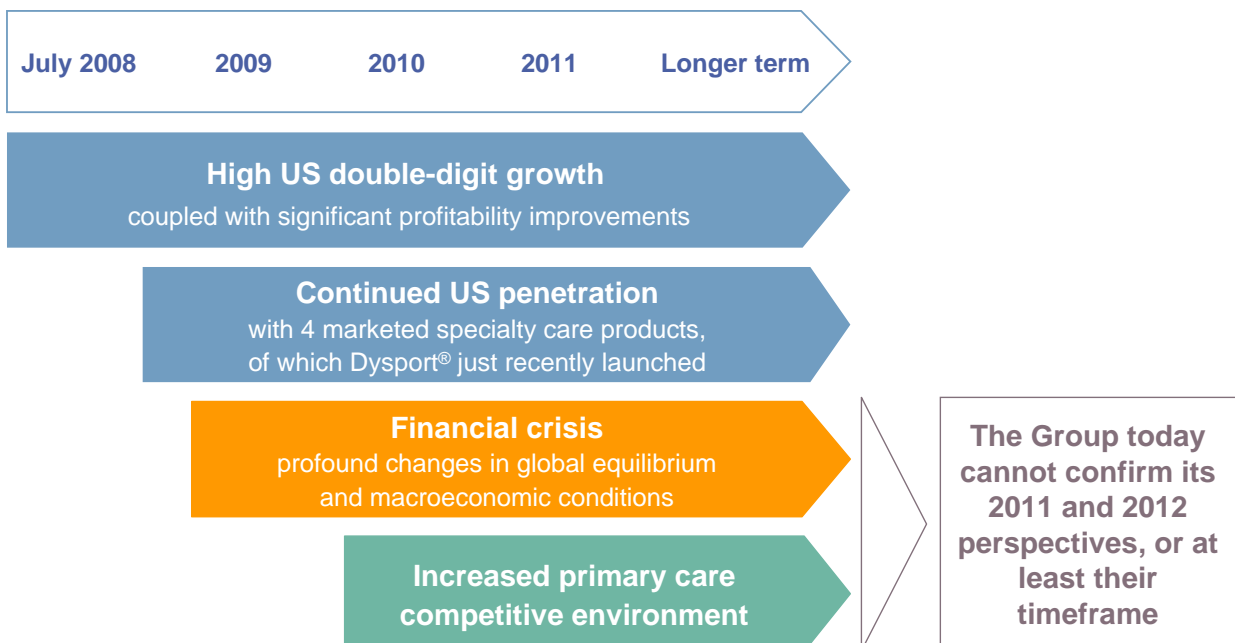


Profitability objectives for 2010



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

In the longer term...



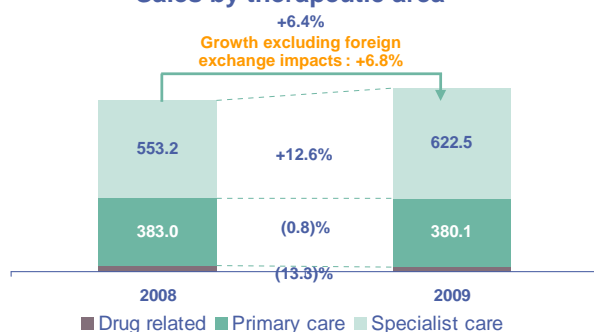
APPENDIX

Full year 2009 detailed financial performance

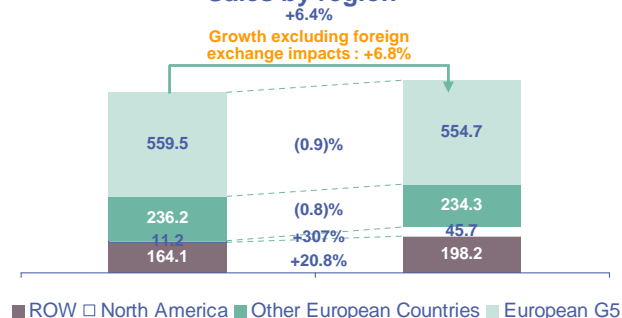


Top line evolution

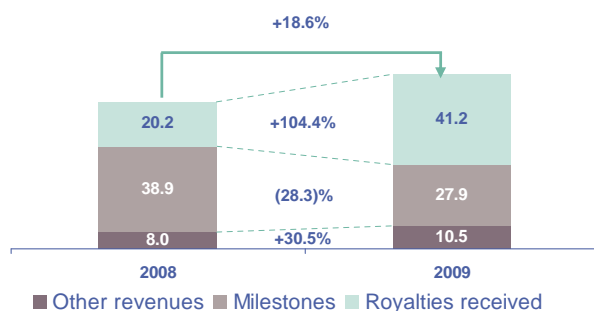
Sales by therapeutic area



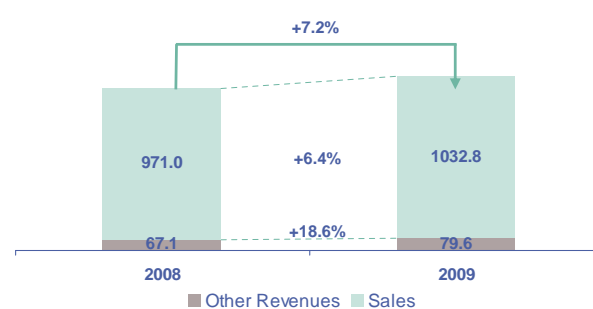
Sales by region



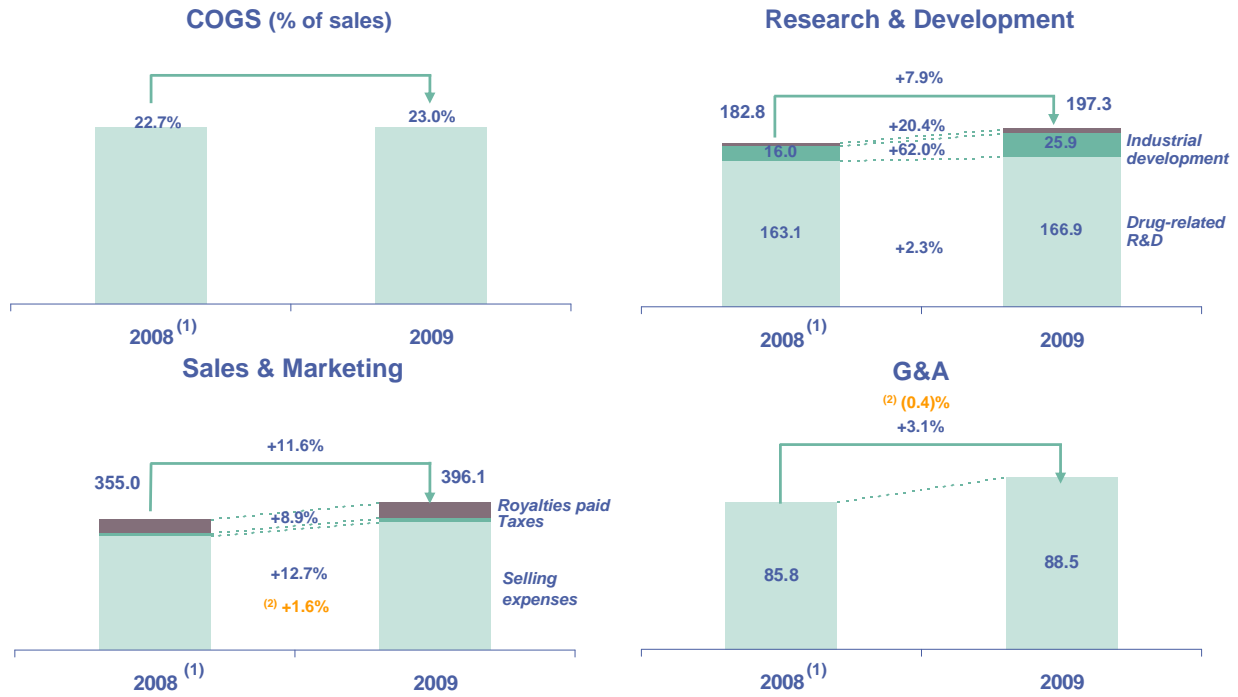
Other revenues evolution



Total revenues evolution



Evolution of main P&L expenses

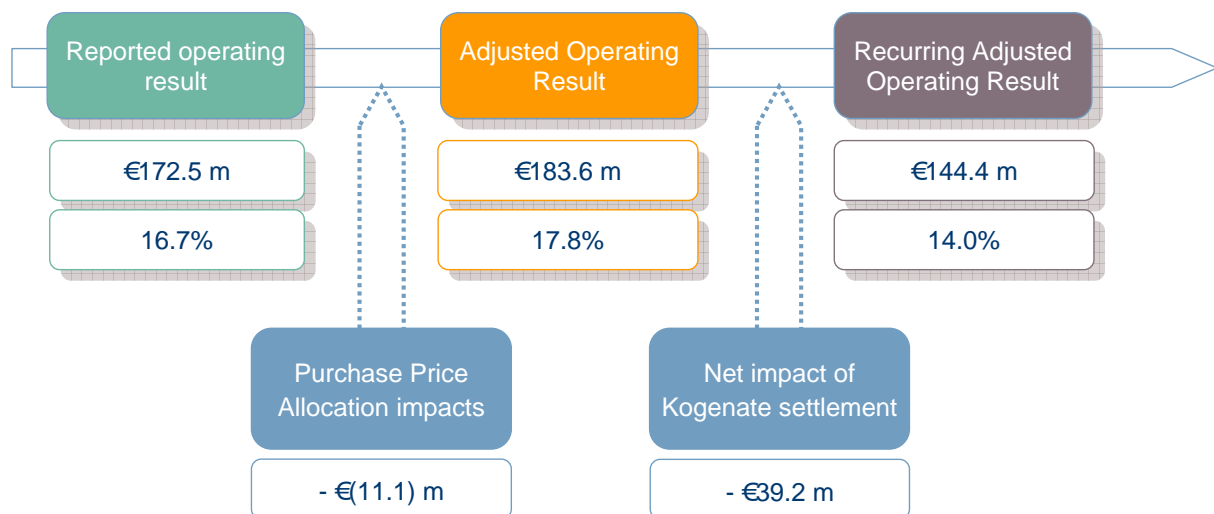


43 ODDO Sales Force Teaching

NOTE 1 : Adjusted for the impacts related to purchase price accounting in connection with the Group's acquisitions

NOTE 2 : in orange: outside North America

P&L – 2009 operating result and margin

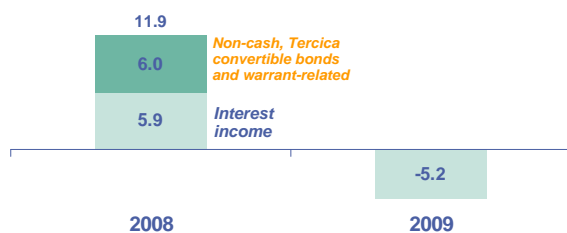


44 ODDO Sales Force Teaching

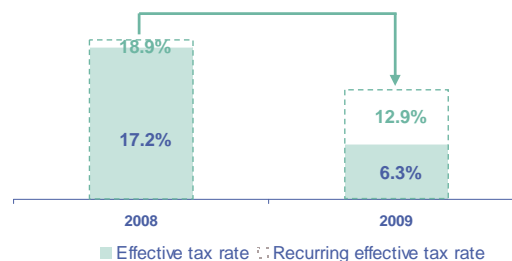
Margins expressed in % of sales

P&L – below EBIT

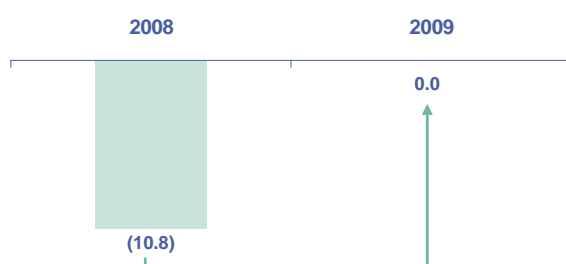
Financial result (€m)



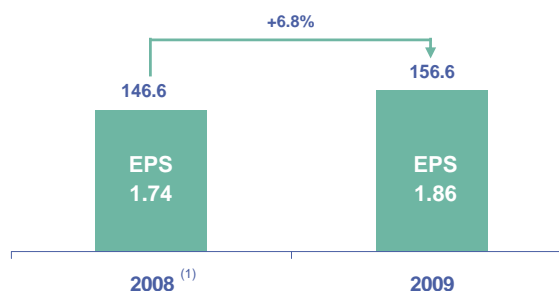
Effective tax rate



Income from Associates (€m)



Consolidated result (€m - group share)



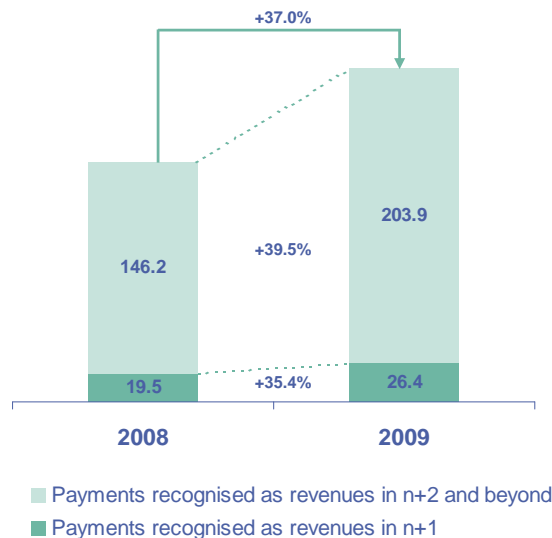
Balance Sheet evolution

(€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 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)
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

▪ Net increase in deferred revenues from partnerships: +€73.9m

▪ Reimbursement of syndicated credit facility (€150) m

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

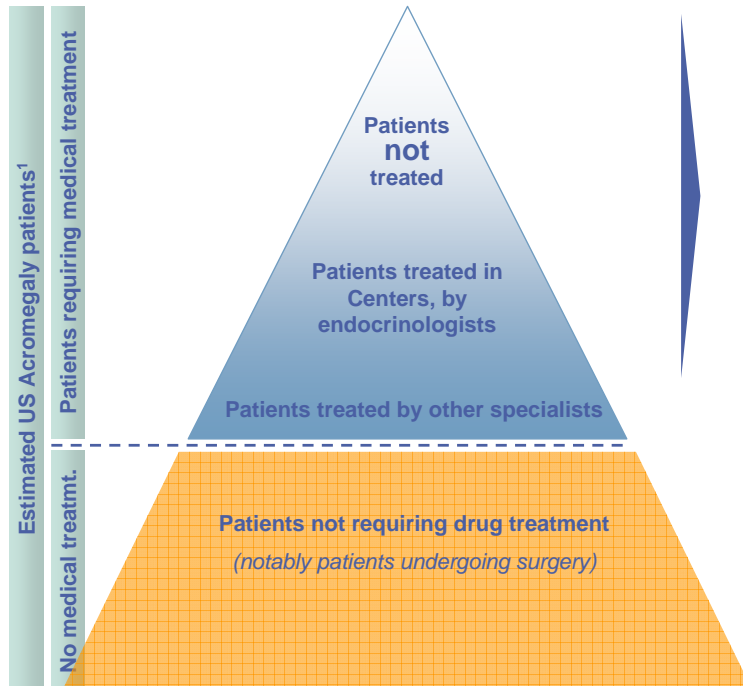
Customer support programs in place, essential to US success
Implementing PACE program (Patient assistance, Access to services, Continuity of care, Education) for each product

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

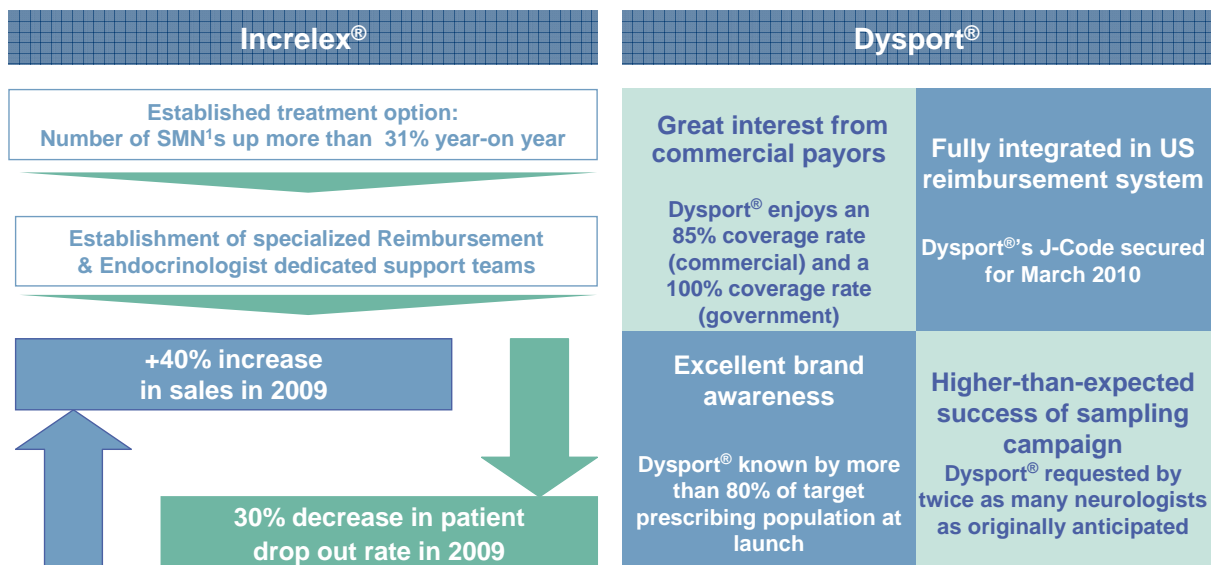


- **Good penetration of Somatuline[®] Depot**
 - 20% share² of endocrinologists prescriptions
 - 40% market share² in pituitary centers
- **Significant pool of untreated patients**
- **Relatively low compliance compared to Europe**

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

Drive Somatuline[®] Depot access and persistence

Snapshot on Increlex[®] and Dysport[®]





A change in US context

Difficult economic situation impacting finances of patients

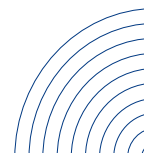
Increased pressure from commercial payers with tougher reimbursement criteria

Enforcement of strict compliance environment



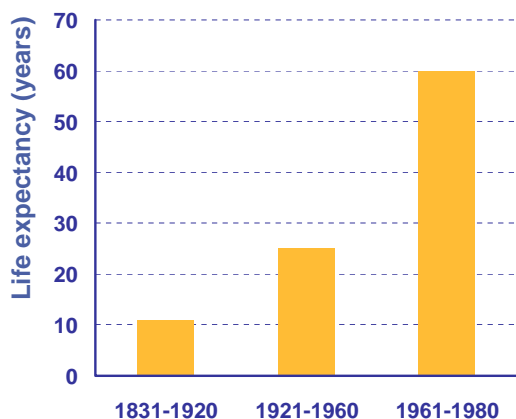
Appendix

Partnership with Inspiration in Hematology



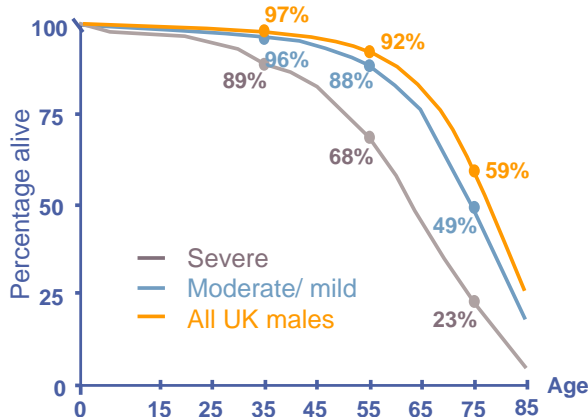
Despite improved life expectancy and treatment of patients with hemophilia...

Improved life expectancy



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

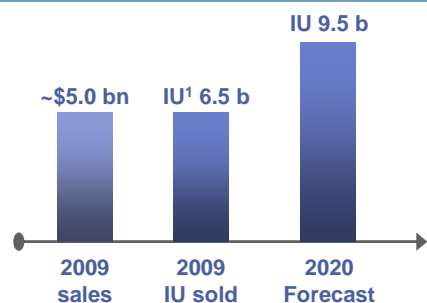
Improved treatments



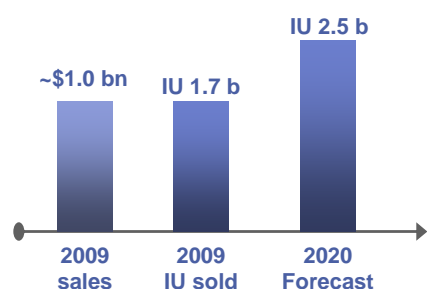
Survival in men in the UK with hemophilia who were not infected with HIV and in the general male population of the UK in 1999
SOURCE: Darby SC, et al. *Blood* 2007;110:815-825

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

Factor VIII



Factor IX



Low penetration

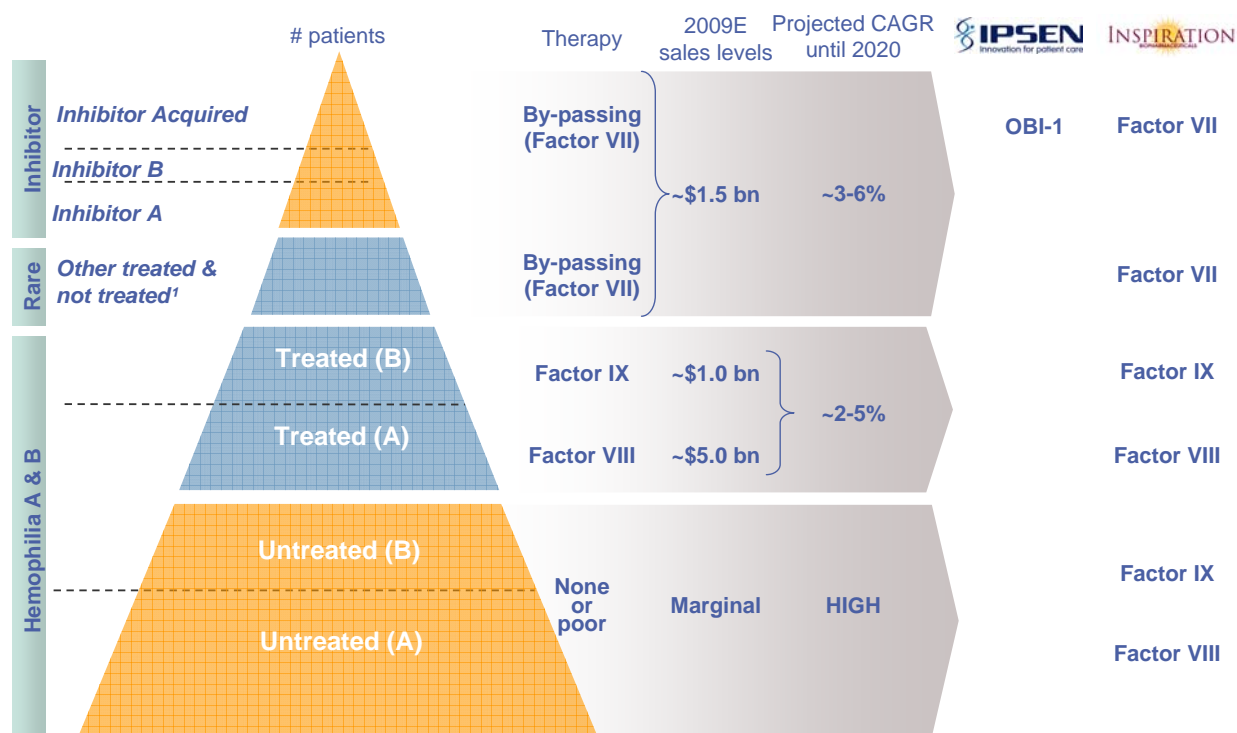
- 70% of hemophilia patients worldwide do not have access to factors

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**

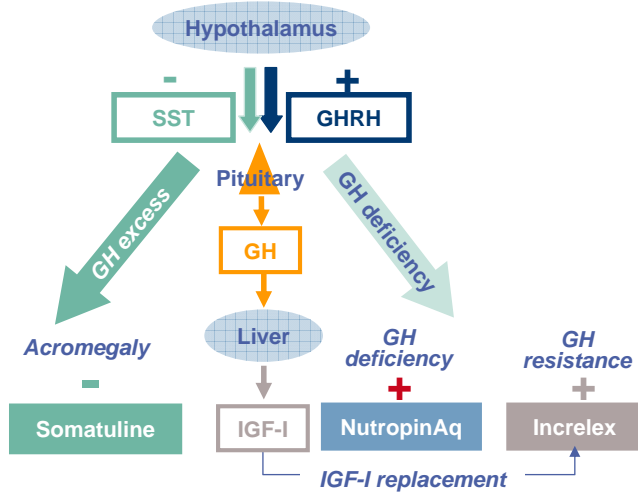
...resulting in high unmet medical needs in all segment of hemophilia



BACK UP SLIDES

Endocrinology

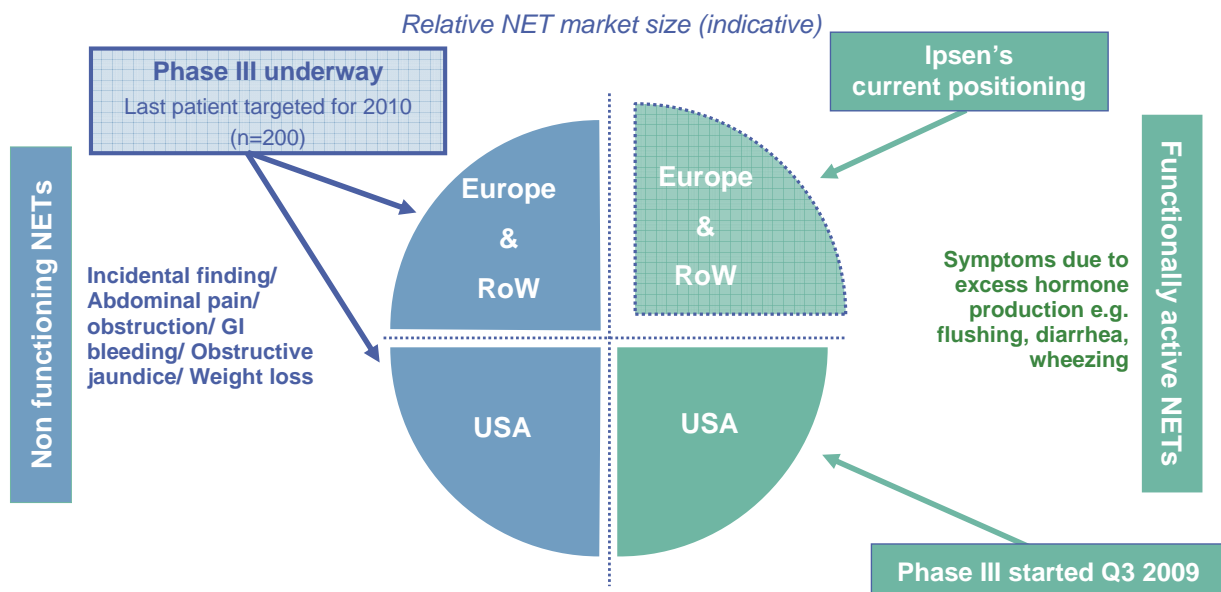
A unique focus on pituitary disorders and hormone dependent diseases



A strong franchise

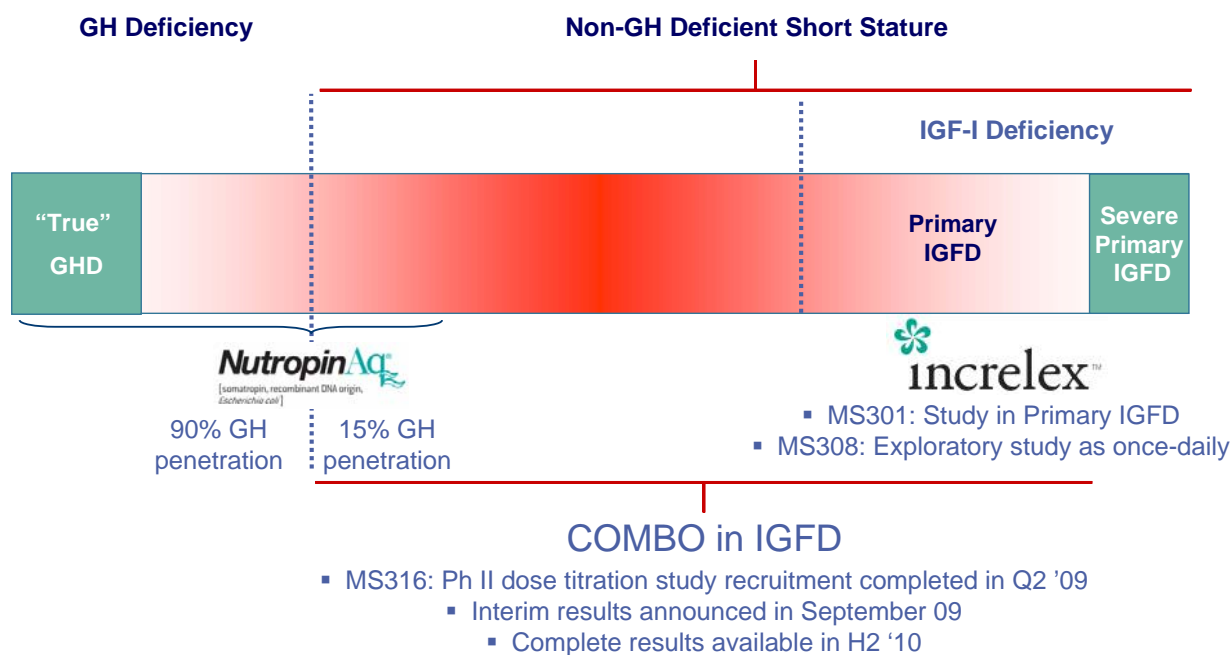
- A range of products addressing today Short Stature, Acromegaly and NET
 - High morbi-mortality
 - Debilitating pathologies
 - High unmet medical needs
- Somatuline®, NutropinAq® and Increlex® contributed to ~16 % of 2008 Group sales, ie. ~ €158 million.
- A fast growing franchise: sales doubled in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

Somatuline® offers significant life cycle growth opportunities



Significant scope for expansion

Ipsen is redefining the treatment of short stature

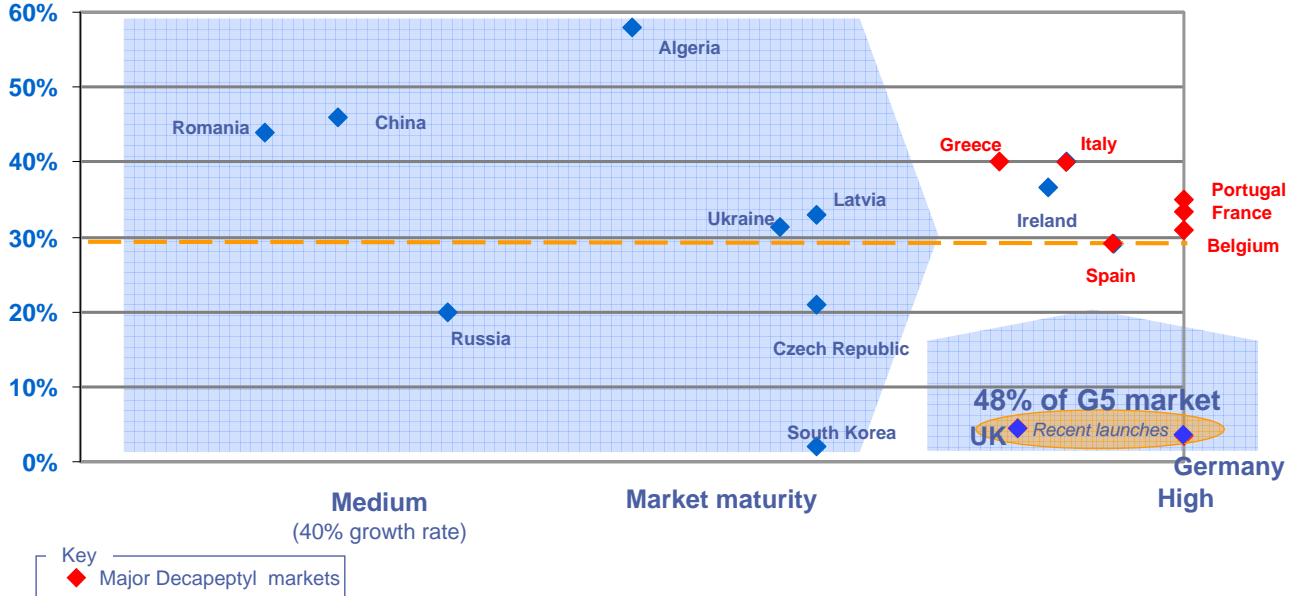


BACK UP SLIDES

Oncology

Decapeptyl®: strong positions, and poised to grow

Current market share



63 ODDO Sales Force Teaching

SOURCE: IMS – YTD June 2008 except for Italy: internal data
100 indicates most mature markets

Decapeptyl® 6 month formulation: a more differentiated product profile

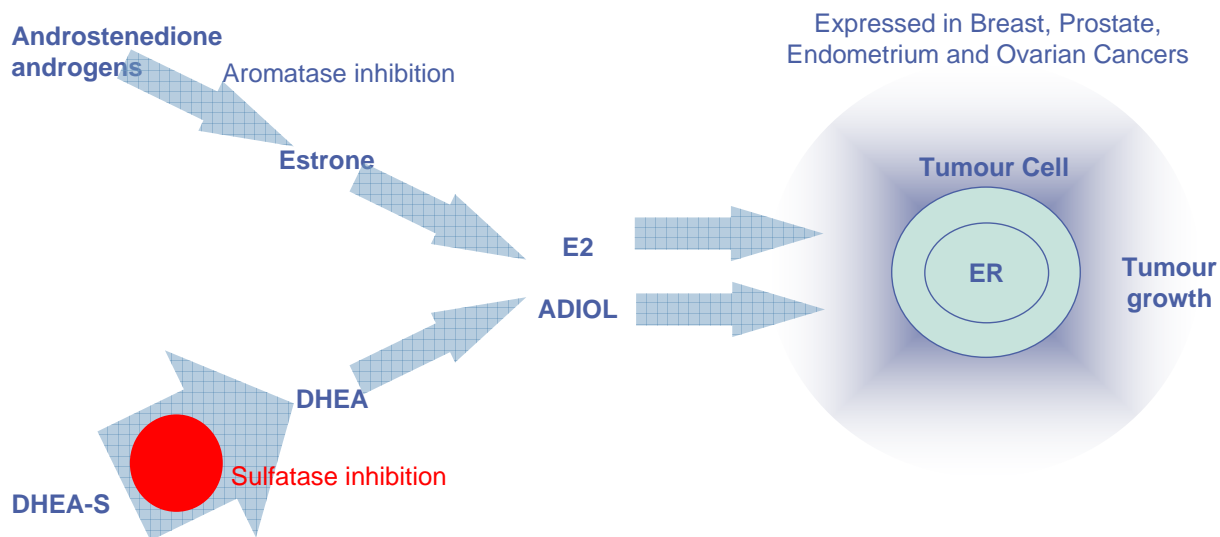
Efficacy	<ul style="list-style-type: none"> ▪ Comparable efficacy to 1 and 3 months formulation <ul style="list-style-type: none"> • Castration levels (testosterone) • Disease control (PSA) 				
Local Tolerance	<ul style="list-style-type: none"> ▪ Limited local side effects (6.7% of patients) 				
Storage 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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4F81BD; color: white; padding: 5px;">6 month competitor 1</th> <th style="background-color: #4F81BD; color: white; padding: 5px;">6 month competitor 2</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <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 </td> <td style="padding: 5px;"> <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 </td> </tr> </tbody> </table>	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
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Reference 1: French SmPC
²Avis de la commission de transparence

Rationale for Sulfatase inhibitor development

Inhibition of Androstenediol synthesis from DHEA-S



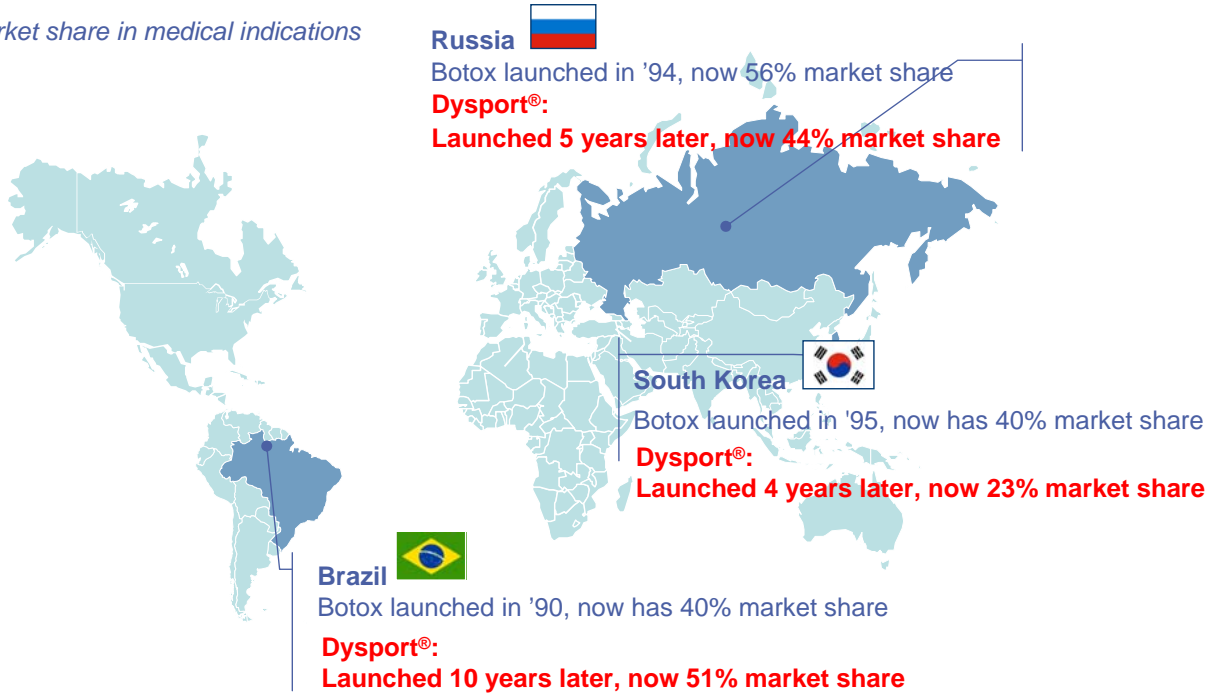
Adiol can bind to oestrogen receptor and stimulate tumour growth (90% Adiol derived from DHEA-S in post-menopausal women)

BACK UP SLIDES

Neurology

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

Market share in medical indications



An increasingly transactional model

