

Confirming Ipsen's biopharmaceuticals profile

Exane 12th Healthcare Conference
Paris, May 10, 2010

Jean-Luc Bélingard – Chairman and Chief Executive Officer
Pierre Kemula – Investor Relations Officer



Disclaimer

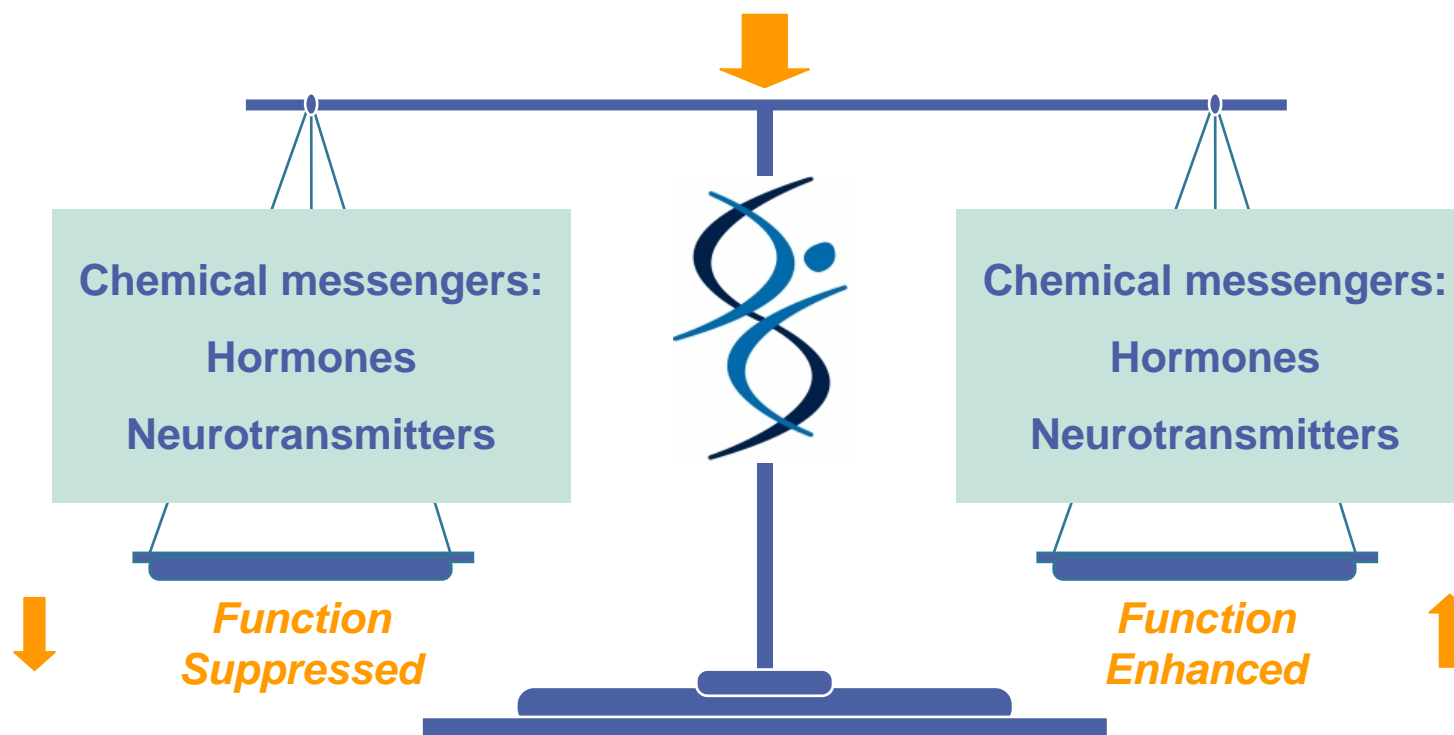
This presentation includes only summary information and does not purport to be comprehensive. Forward-looking statements, targets and estimates contained herein are for illustrative purposes only and are based on management's current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated in the summary information. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably given that a new product can appear to be promising at a preparatory stage of development or after clinical trials but never be launched on the market or be launched on the market but fail to sell notably for regulatory or competitive reasons. The Group must deal with or may have to deal with competition from generic that may result in market share losses, which could affect its current level of growth in sales or profitability. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, targets or estimates contained in this presentation to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based unless so required by applicable law.

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

Quick overview of some fundamentals

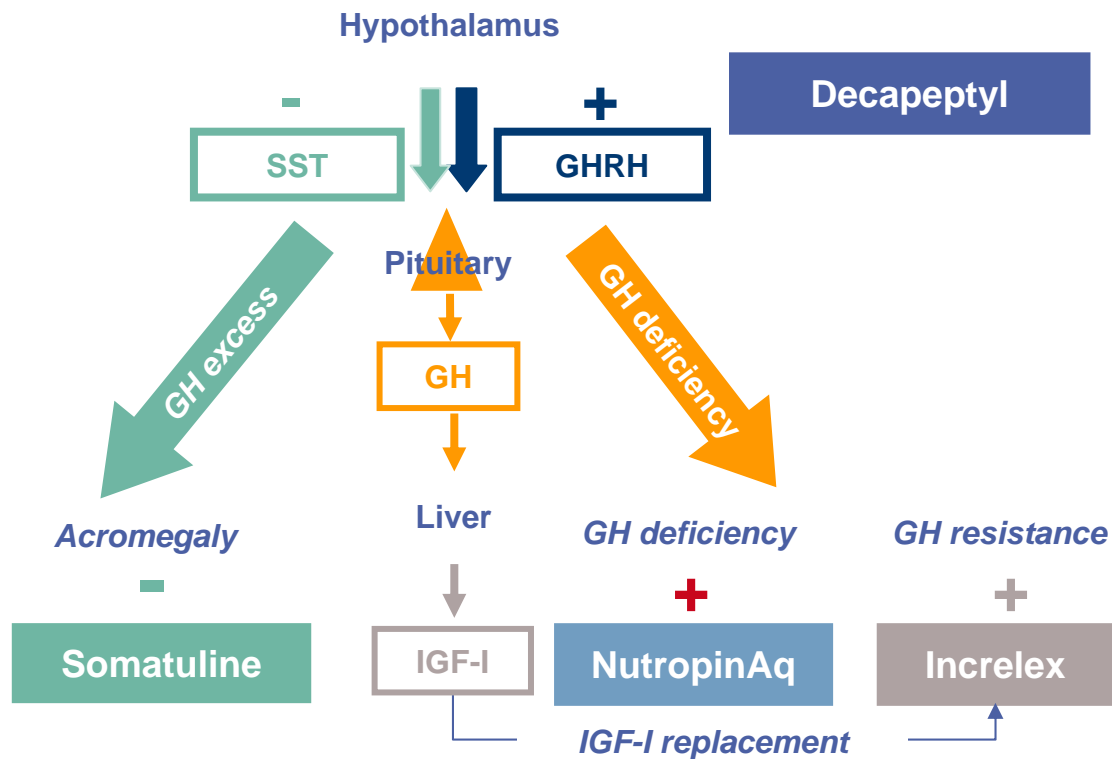


The fundamentals : restoring physiological balance



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

The fundamentals : the hormonal pathway and cascade

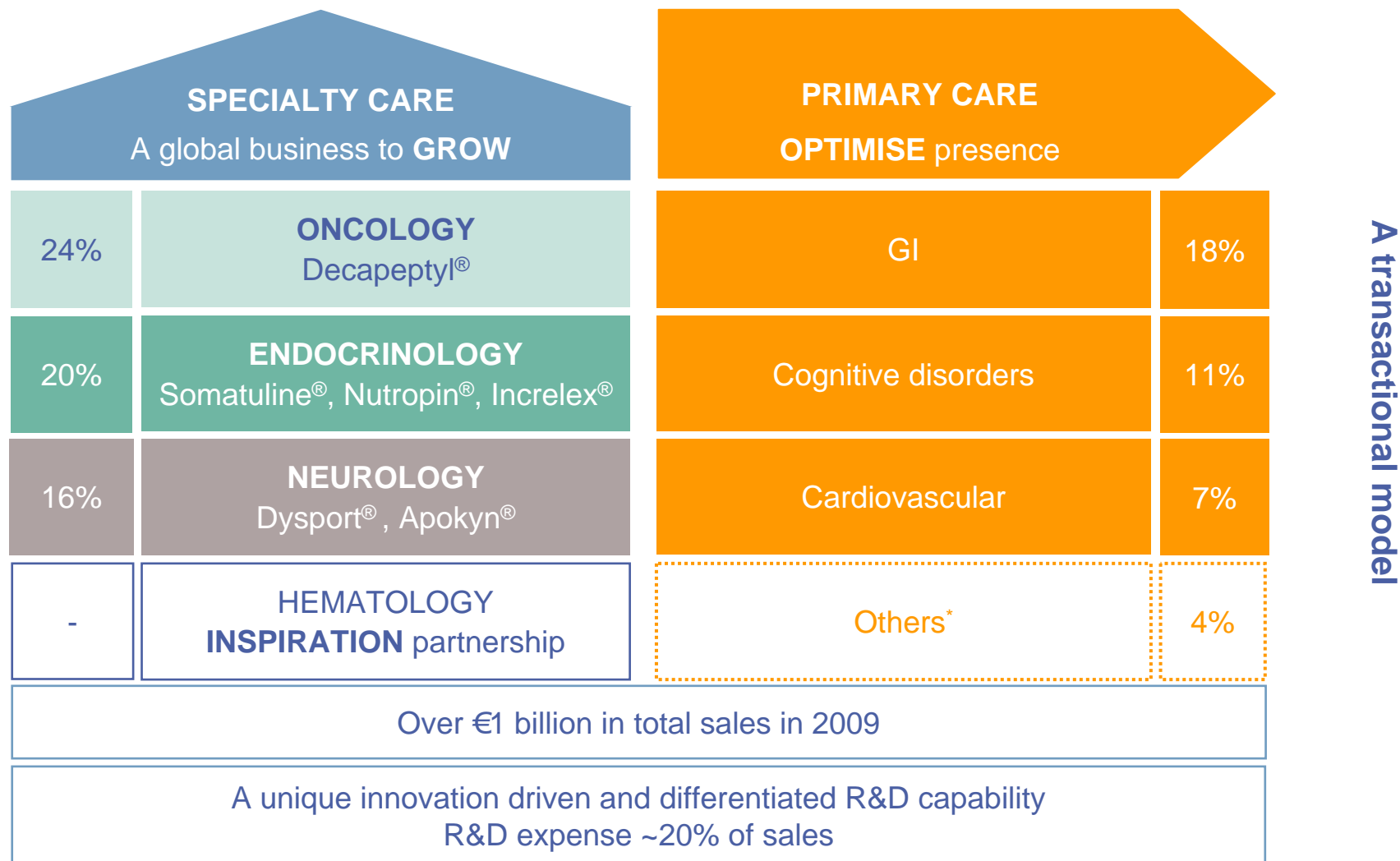


Ipsen has a specific knowledge of pituitary disorders

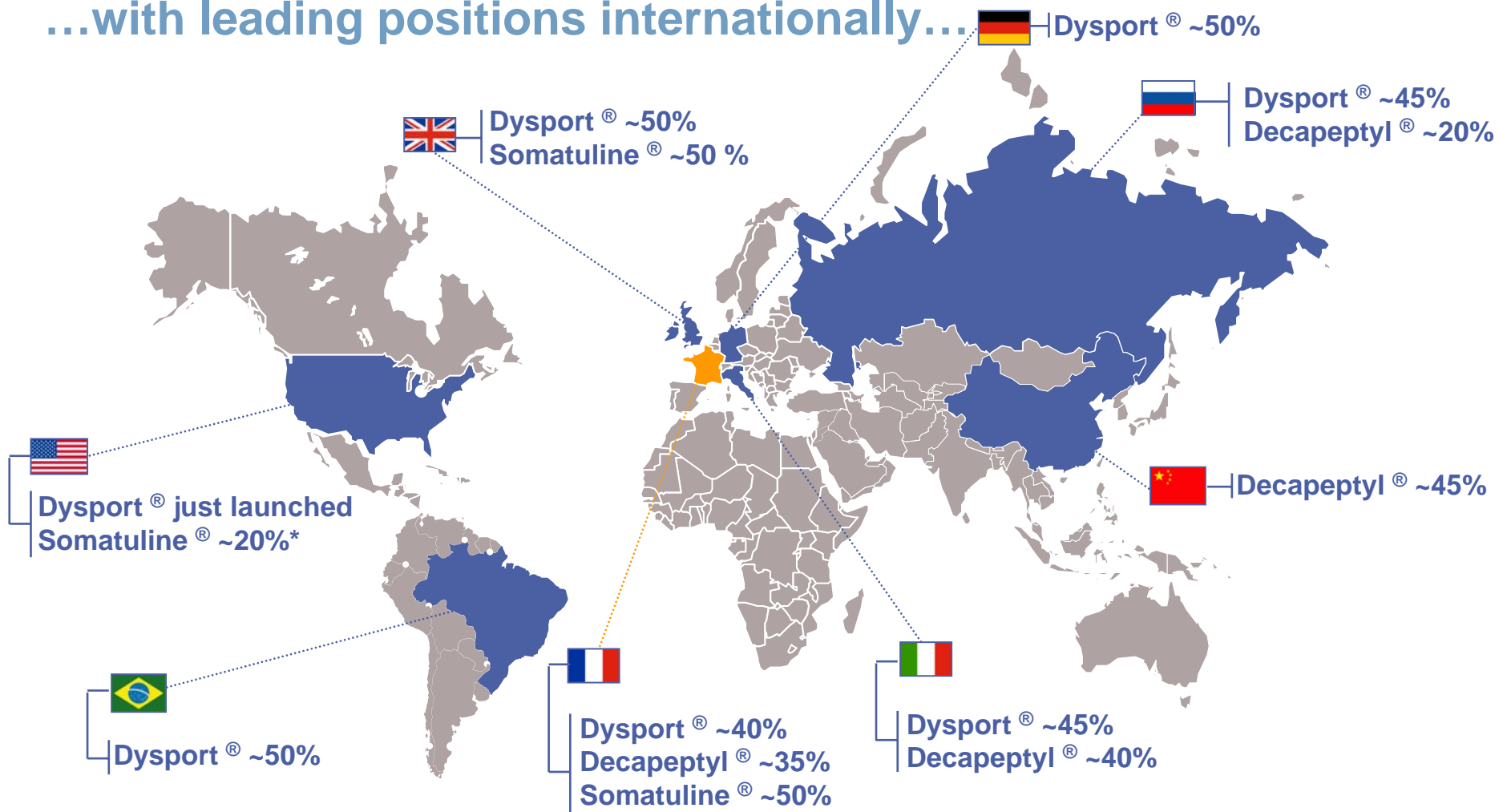
Ipsen in short



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

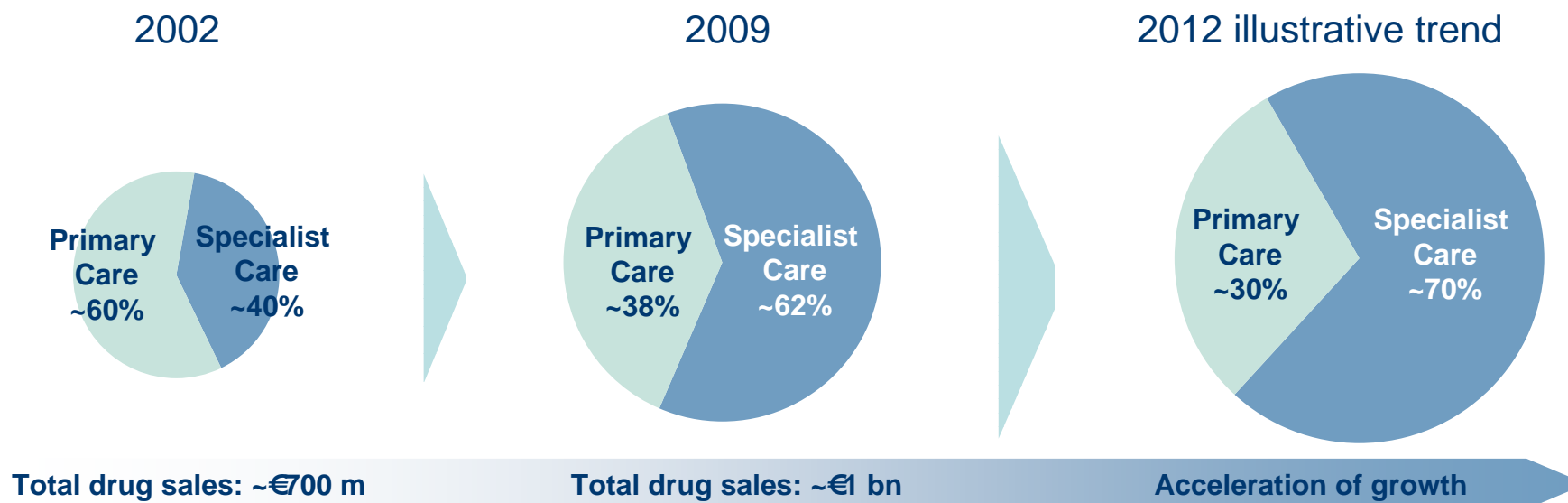
**2009 sales of Dysport®
+18.0% y-o-y at constant currency**

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

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

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

Today, a reinforced profile...



Confirming Ipsen's biotech specialty care profile

Truly Differentiated R&D Capabilities

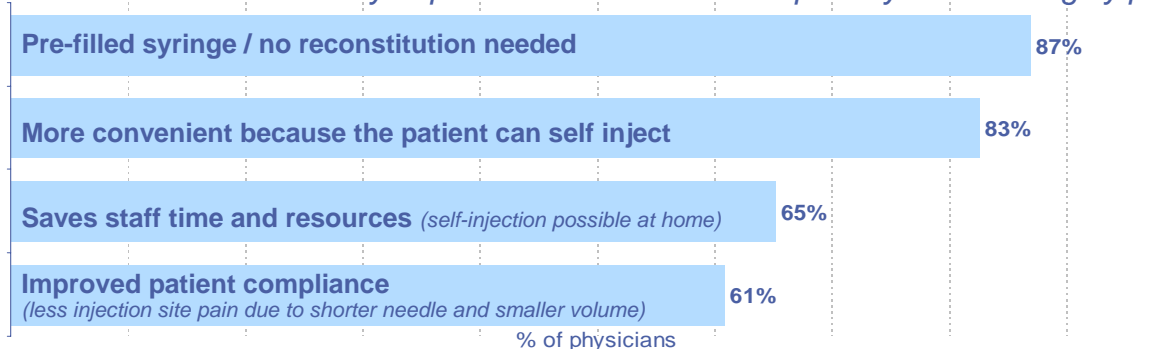


Example 1 : Somatuline[®] Depot

	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? **



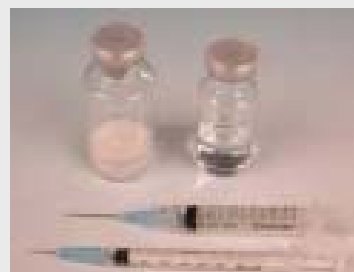
Somatuline[®] Depot: A self administration syringe, an improved quality of life

* 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

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®
Incrèlex®
Apokyn®



Dynamic specialty care presence in the largest South American pharma market

Dysport®
Partnership with Galderma for aesthetics



A diversified portfolio in the fastest growing Eastern European pharma market

Dysport®
Decapeptyl®
Tanakan®
Smecta®

Ipsen's G5

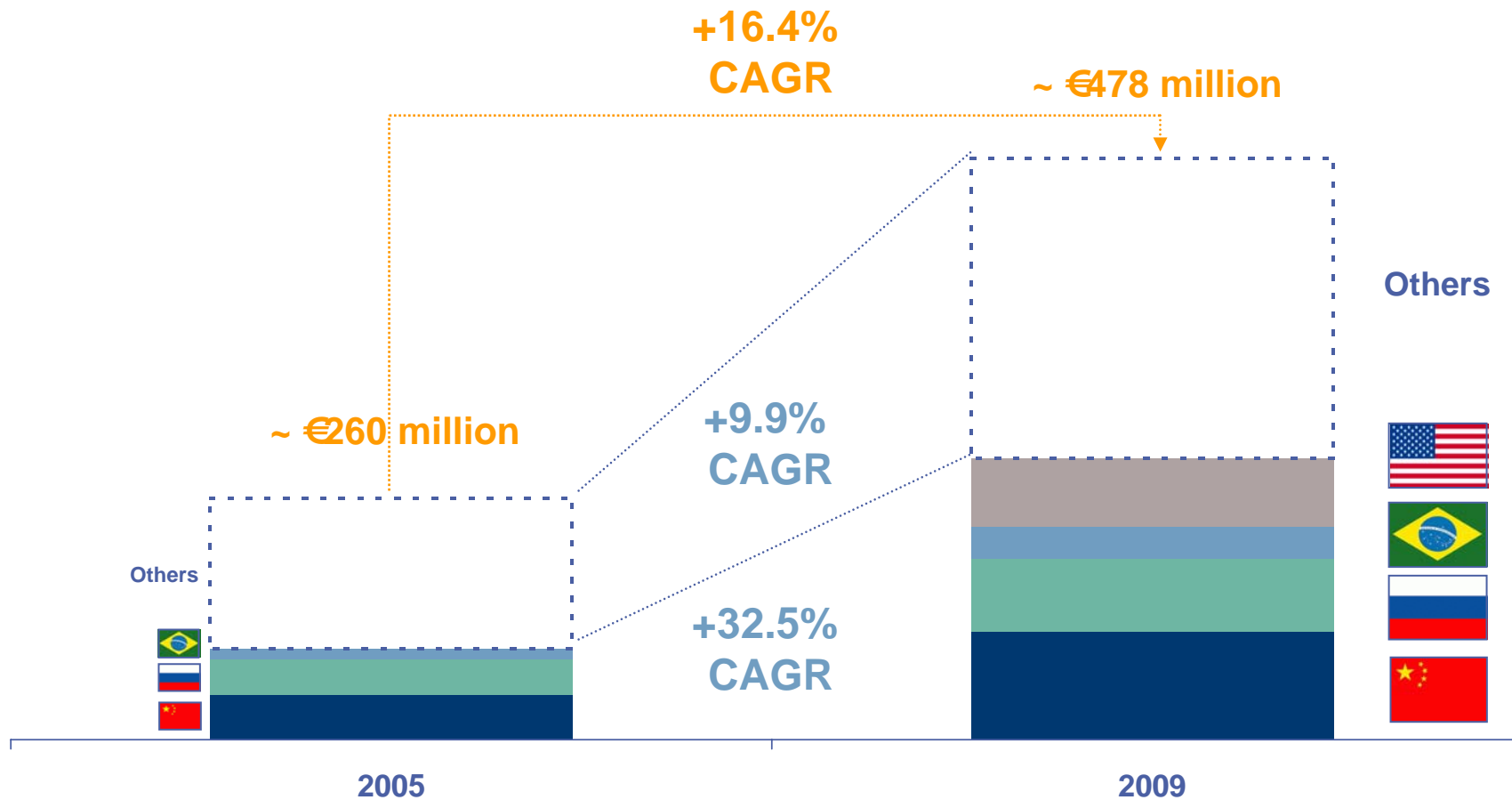


Longstanding and strong positions in one of the world's largest pharma market

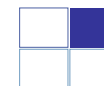
Decapeptyl®
Smecta®



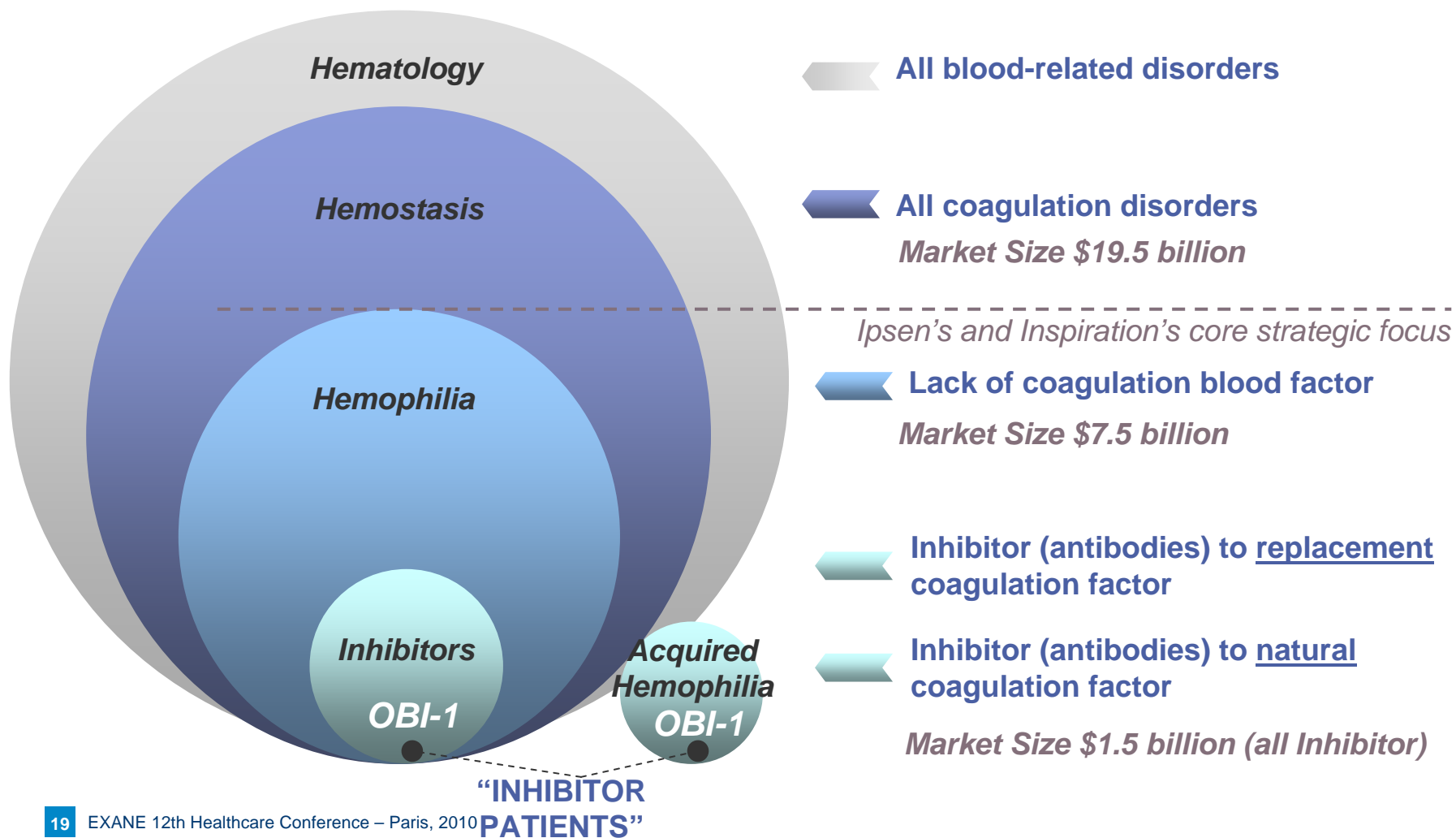
...translating into rapid expansion



Evolution of Group sales outside the G5

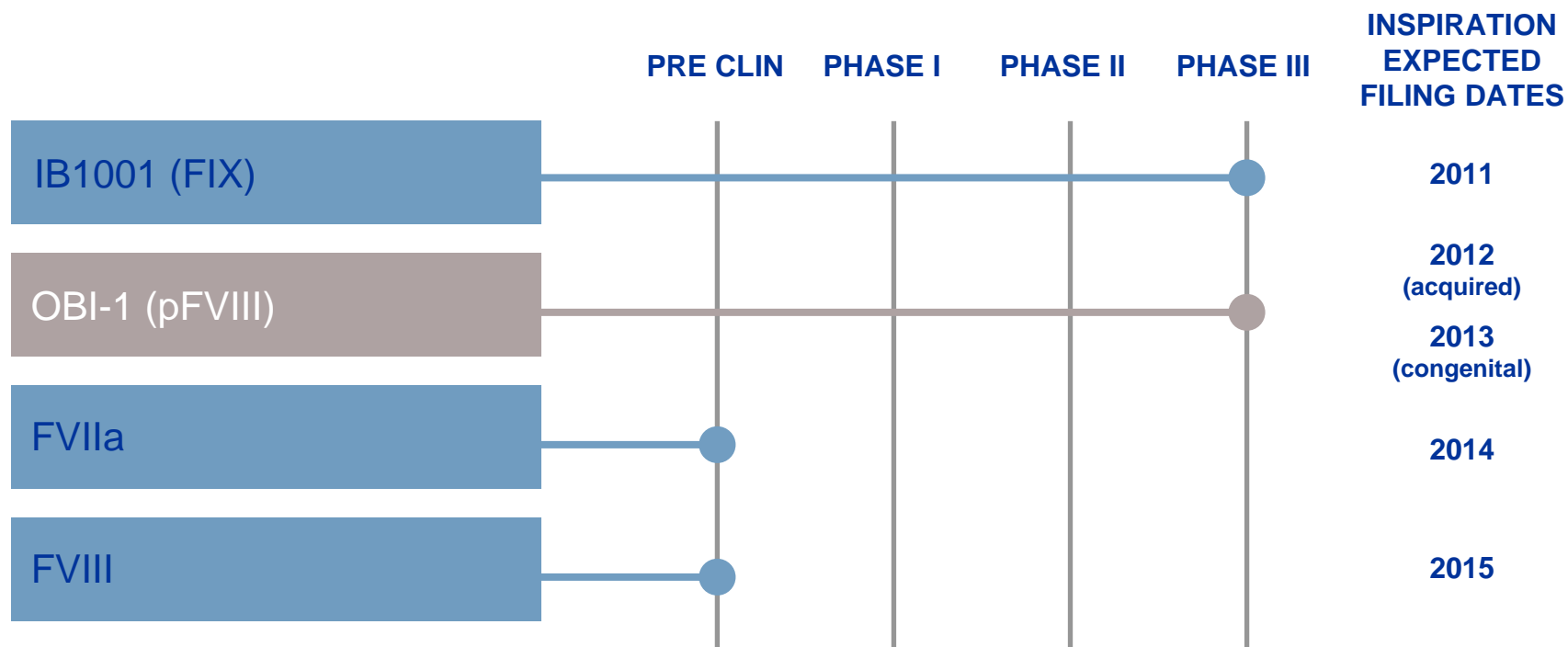


Capitalizing on OBI-1 with the Inspiration partnership...





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



A recombinant product in each segment of the hemophilia market



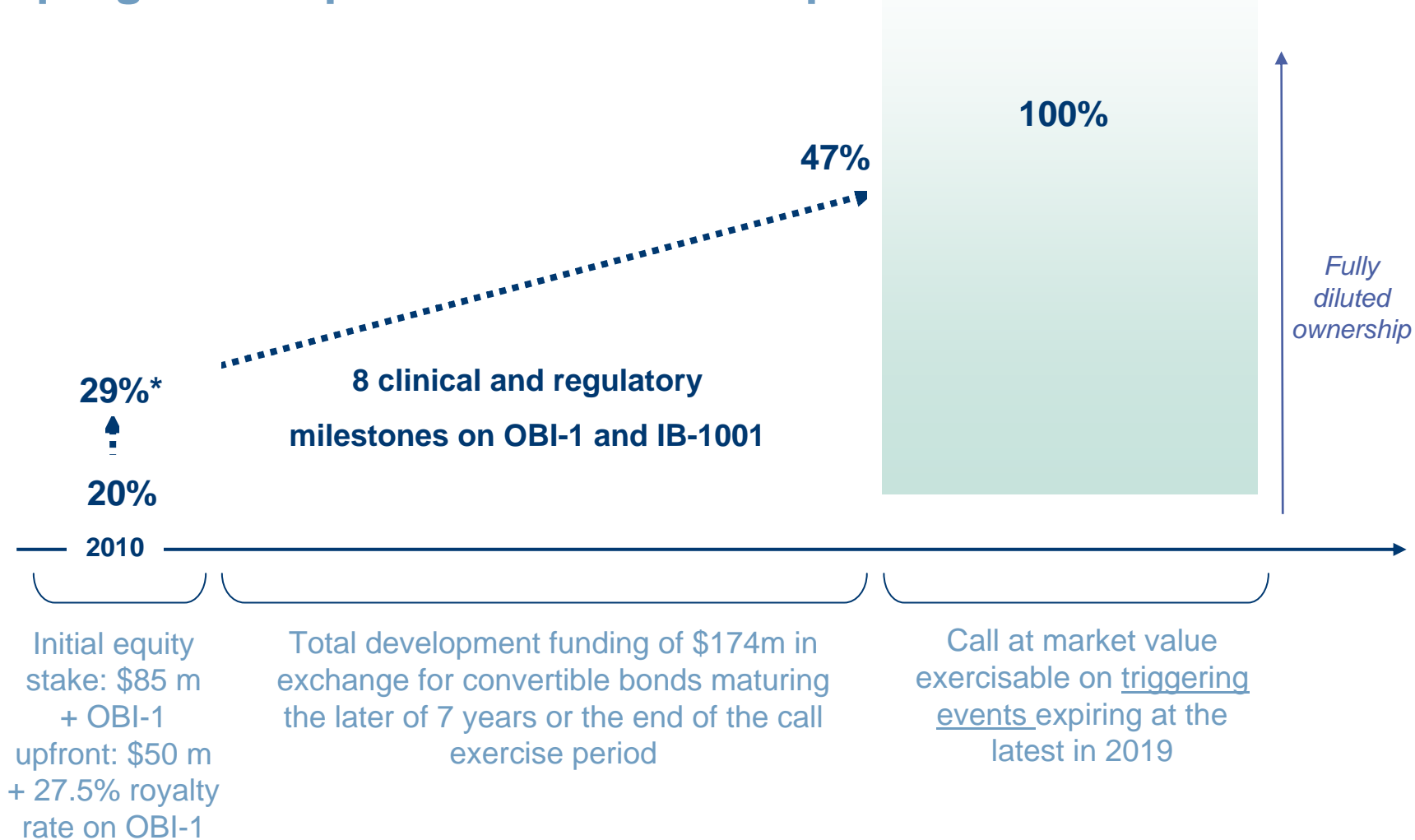
... with no equivalent currently on the market

	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

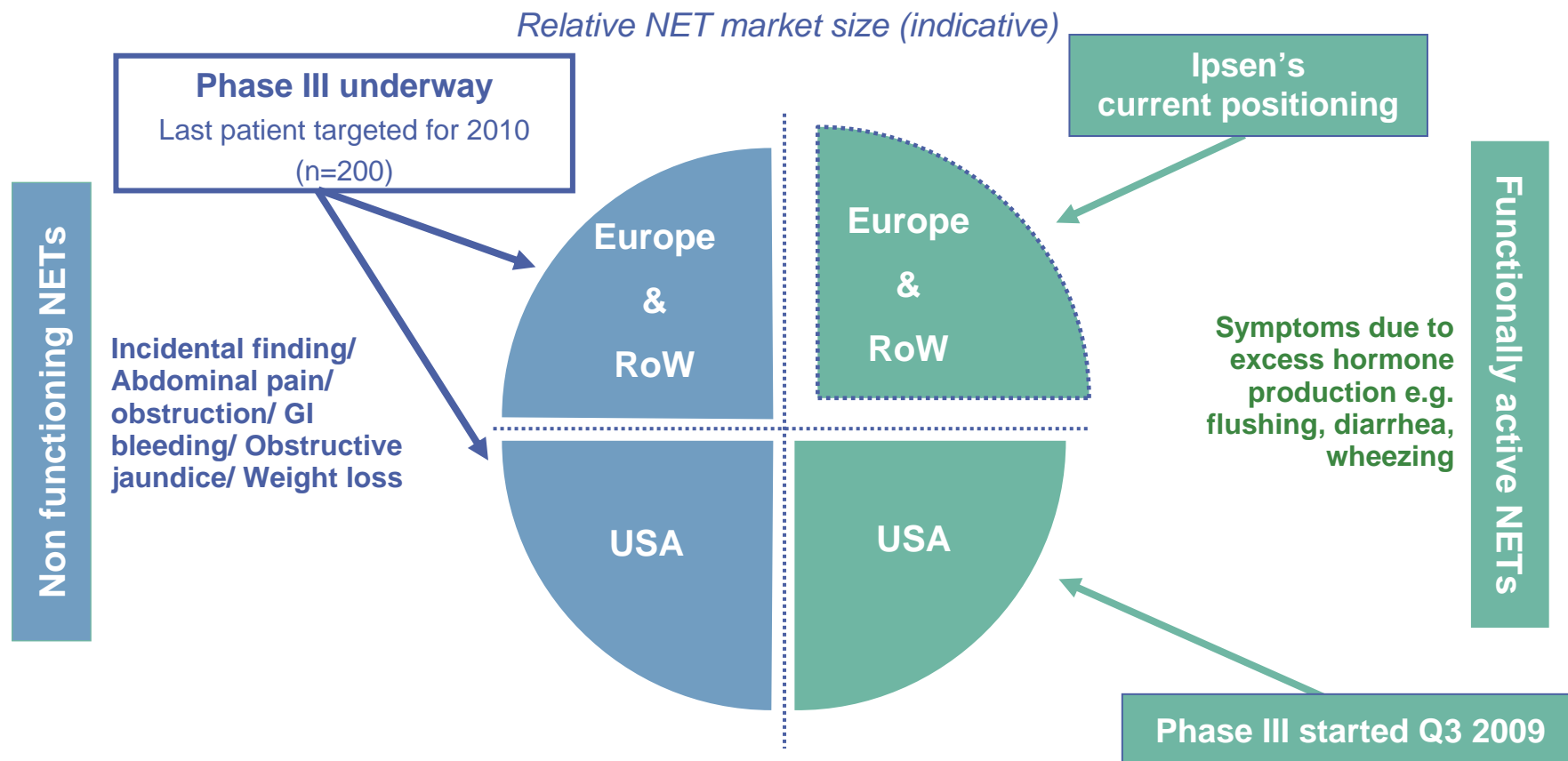


A progressive path of control of Inspiration





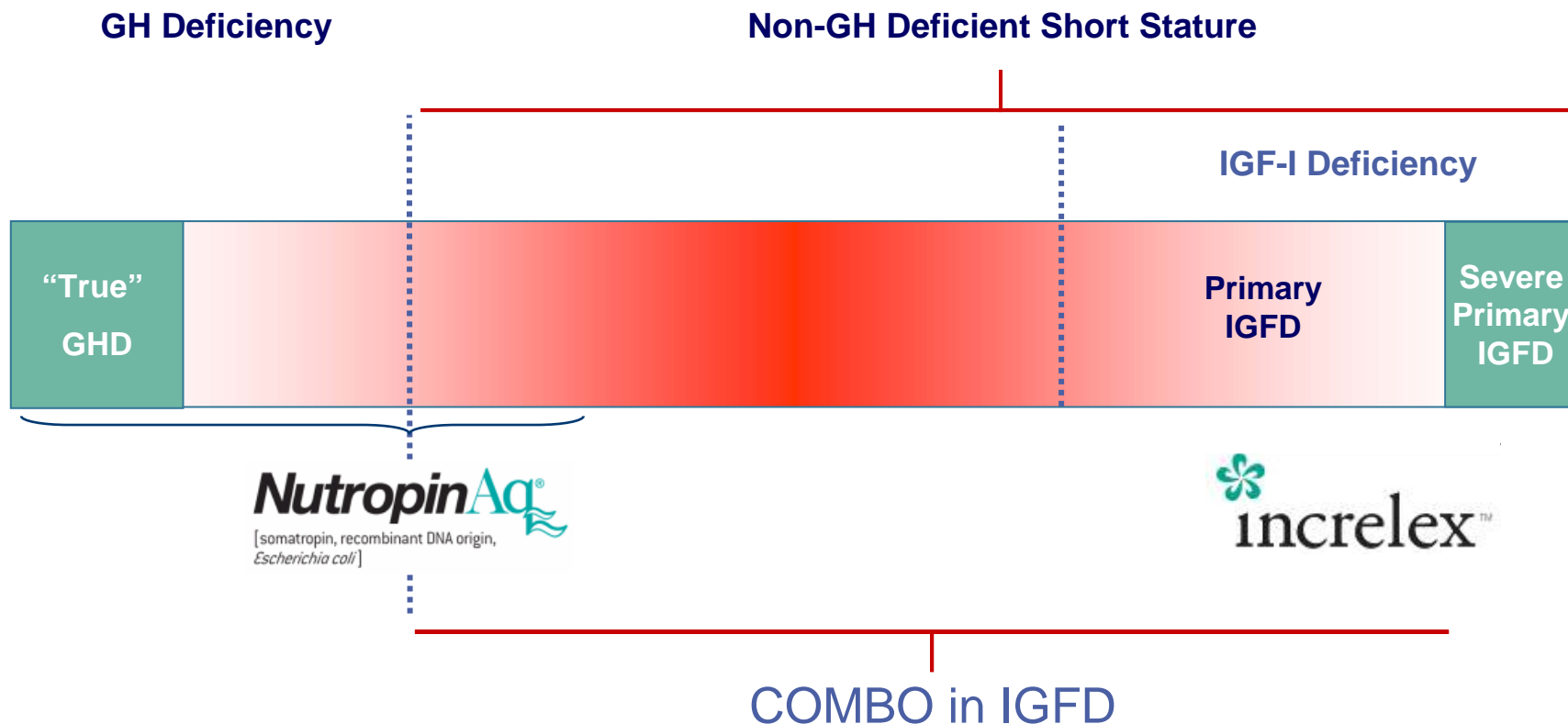
Somatuline[®] offers significant life cycle growth opportunities



Significant scope for expansion



Redefining the treatment of short stature

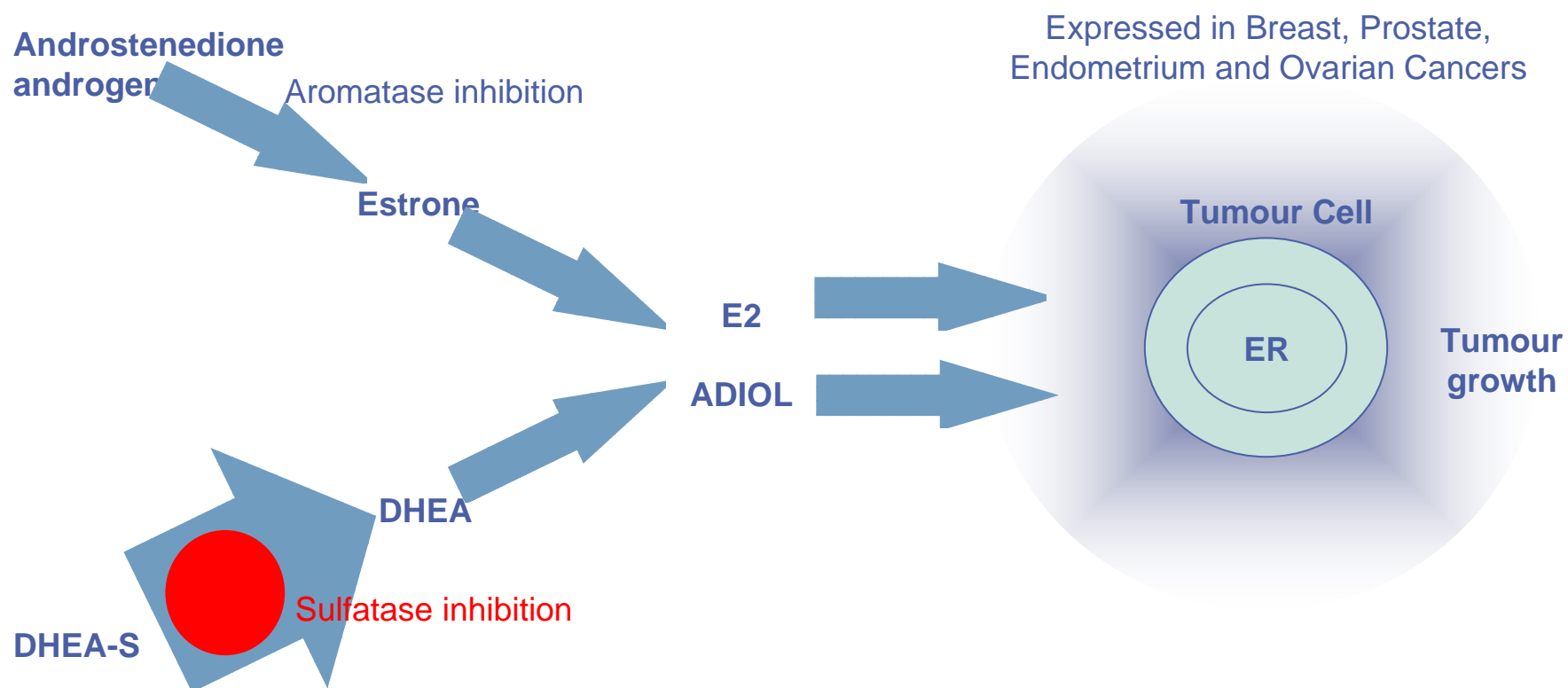


- MS316: Ph II dose titration study recruitment completed in Q2 '09
 - Interim results announced in September 09
 - Complete results available in H2 '10



Rationale for Sulfatase inhibitor development

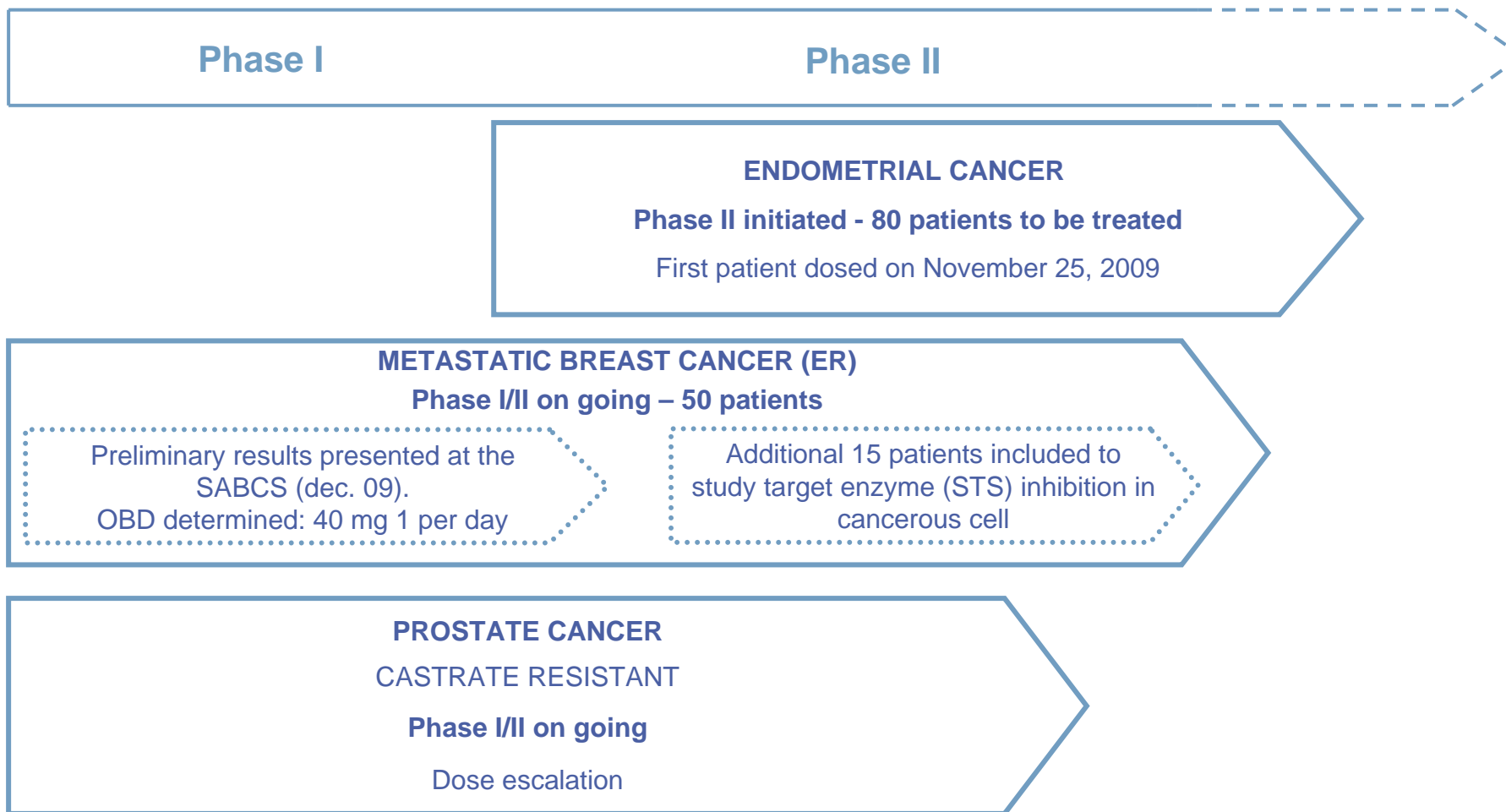
Inhibition of Androstenediol synthesis from DHEA-S



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
non core
compounds



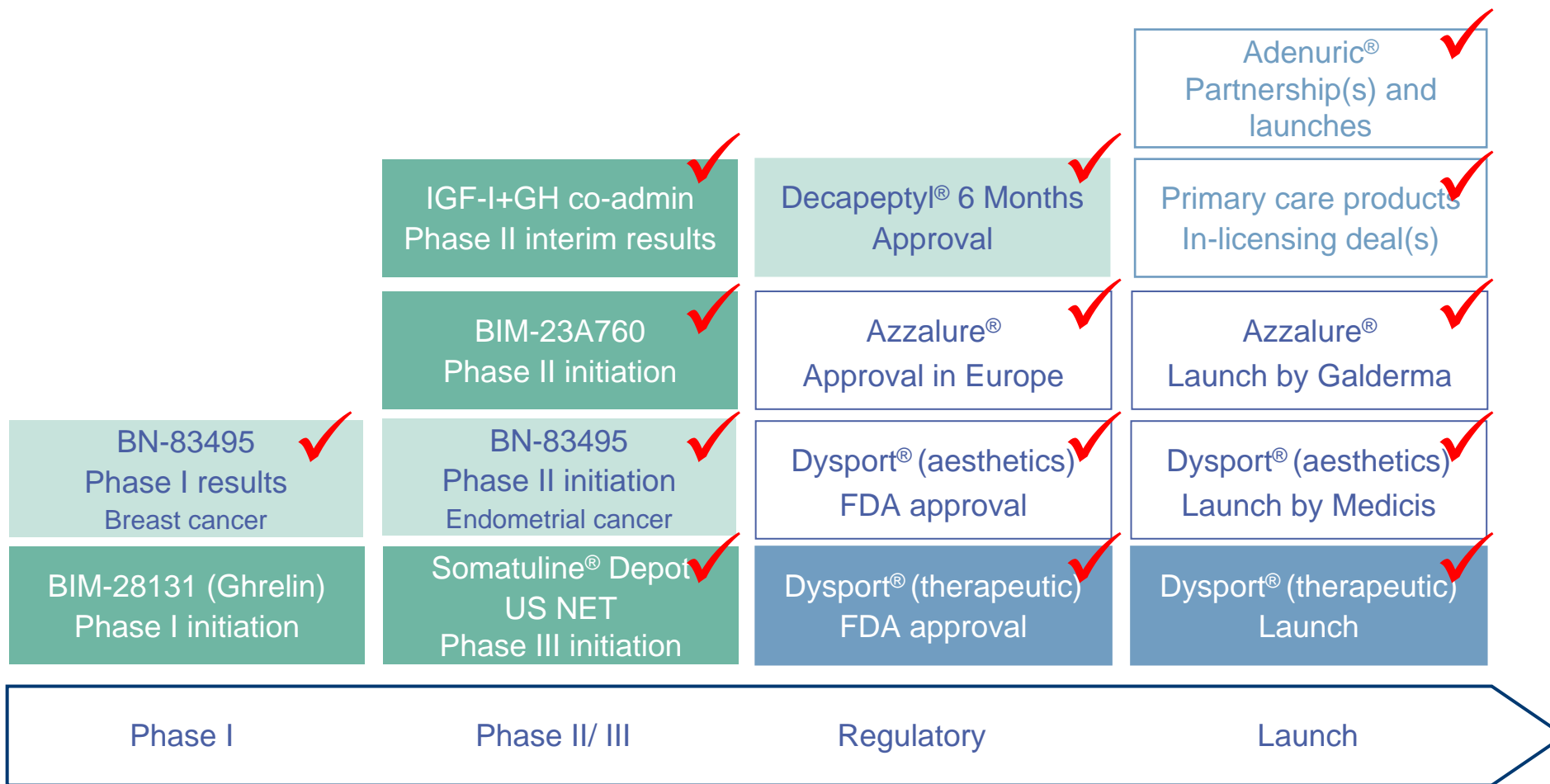
Optimize Ipsen's *primary care* business

Rich deal with Menarini on
Adenuric®






Promising headline results for
taspoglutide (Roche)

BLI-800 (Braintree)

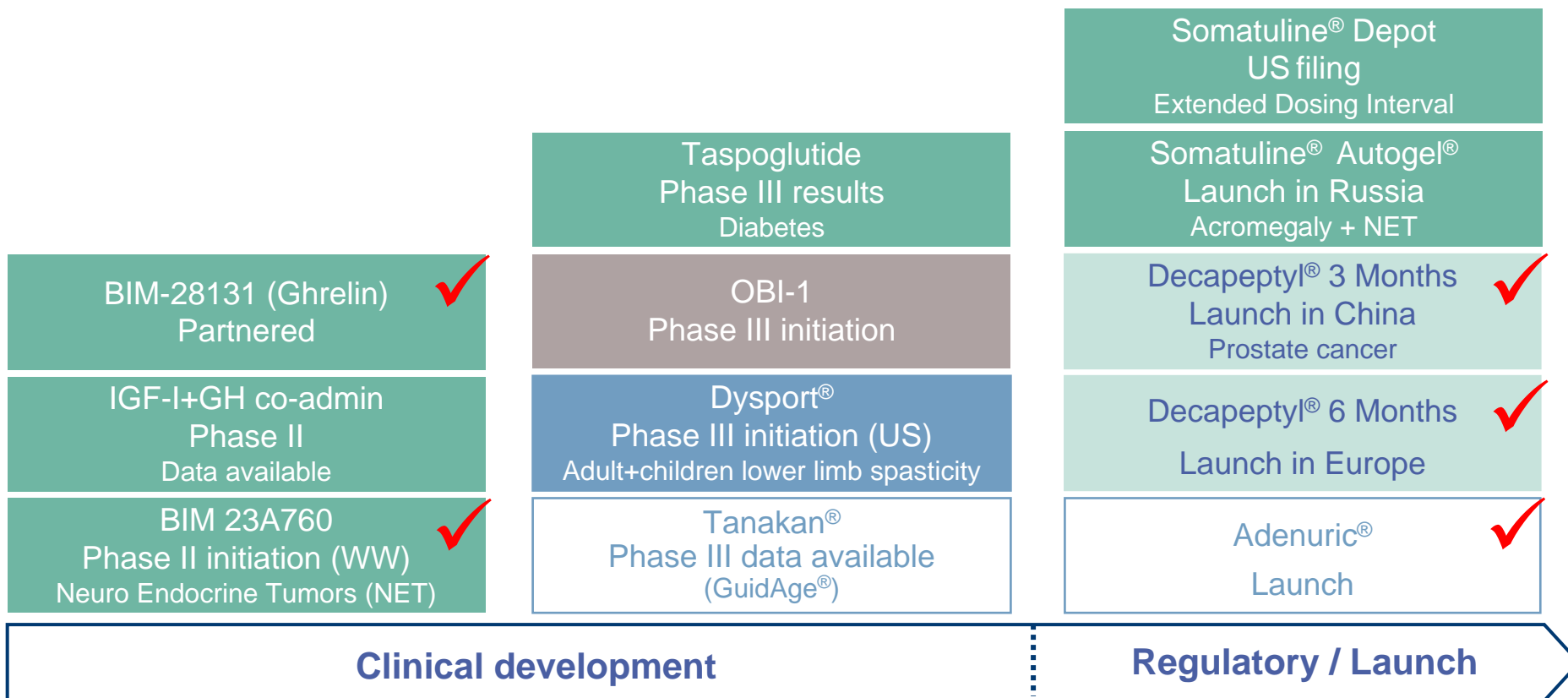
All key milestones delivered in 2009



All financial objectives have been met in 2009

	Financial objectives Q1-09	 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



Continuous and rigorous execution of Ipsen's strategy

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

→ **Primary care contribution optimization**

All financial objectives for 2010

	Financial objectives 2010	
Specialist Care - Drug sales	Close to double digit growth	3% to 5% growth*
Primary Care - Drug sales	(5)% to (7)% decrease*	
Other Revenues	Close to 50€ million	
Recurring Adjusted operating margin**	Approx. 15% growth*	
Recurring Adjusted EPS**	Relative stability with 2009	

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

** Margins expressed in % of sales*

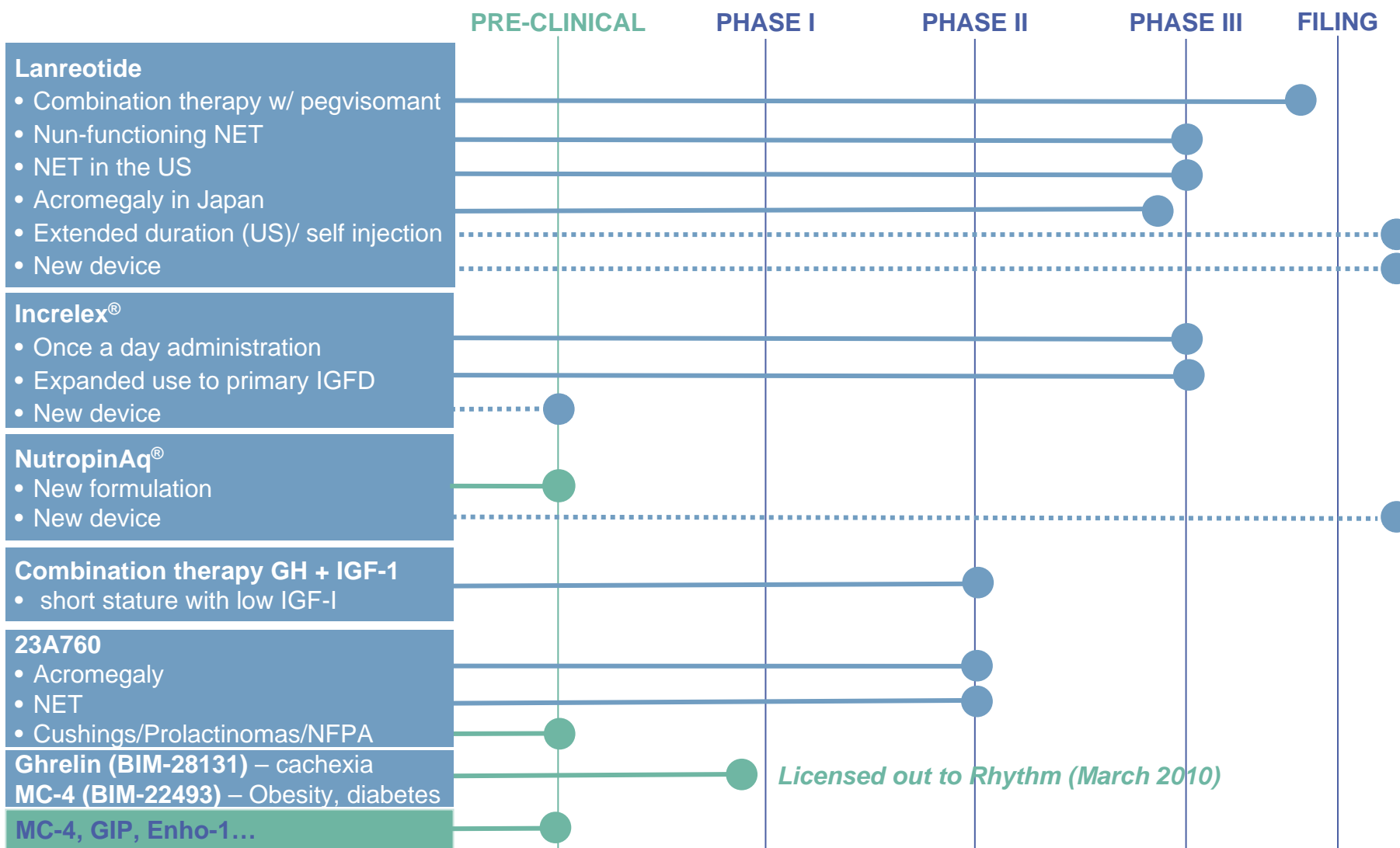
*** Prior to any accounting implications in connection with the purchase accounting of its acquisitions in North America and non recurring elements*

APPENDIX

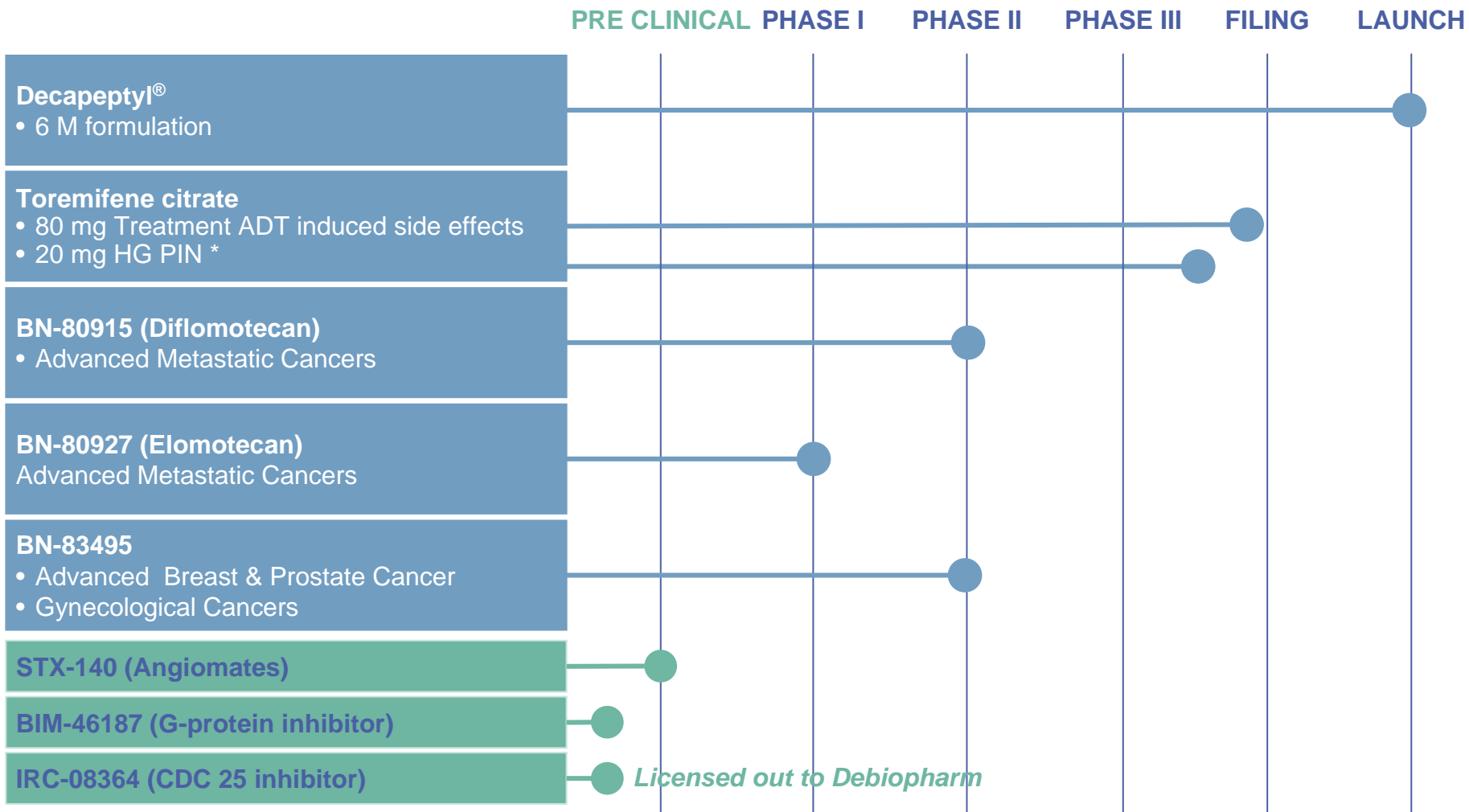
R&D Pipeline



A rich endocrinology pipeline



A promising Oncology pipeline



Taspoglutide : Potential Best-in-class profile

Reported

T-emerge programme :

- T-E 1:** Taspoglutide vs. placebo
- T-E 2:** Taspoglutide QW vs. exenatide BID
- T-E 4:** Taspoglutide vs. sitagliptin vs. placebo
- T-E 5:** Taspoglutide vs. insulin glargine
- T-E 7:** Taspoglutide vs. placebo (metformin failures [high BMI])

Toxicology data :

- Results of carcinogenicity studies support the ongoing clinical development of taspoglutide;**
- These results apply to mice as well**

Filling during 2011

To be reported

T-emerge programme :

- T-E 3:** Taspoglutide vs. placebo (pioglitazone + metformin failures)
- T-E 6:** Taspoglutide vs. pioglitazone

Full body of data (efficacy, safety, potential side effects) :

- American Diabetes Association, June 26- 29 2010**

APPENDIX

Financial objectives



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

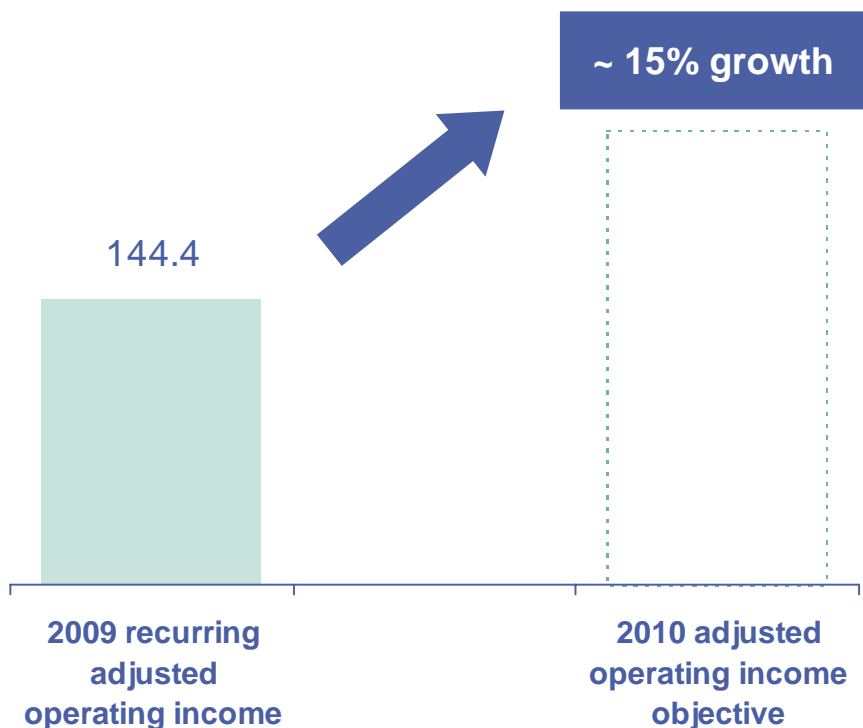
Group Drug Sales growth between 3.0 and 5.0% year-on-year



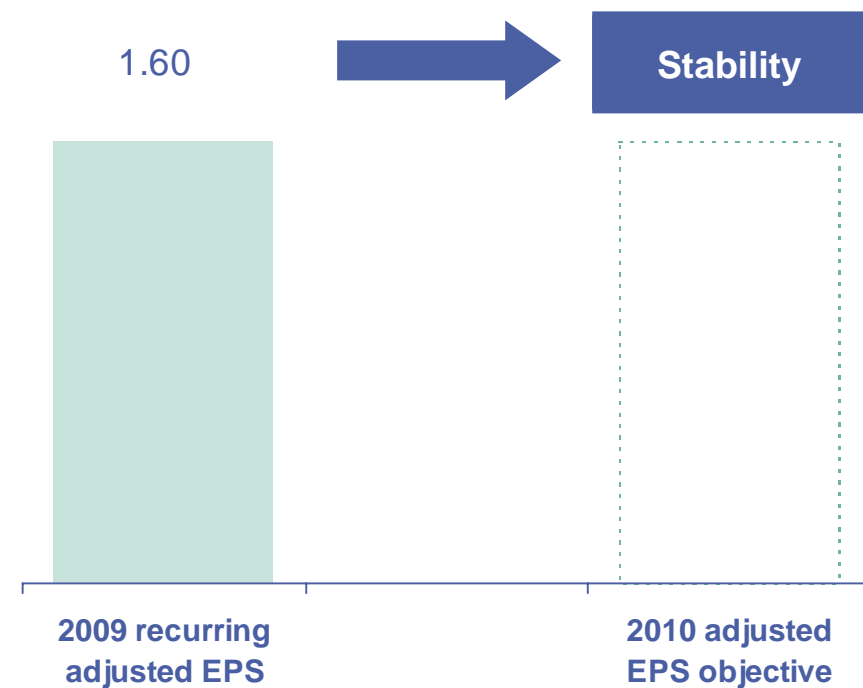
Other Revenues close to €50 million depending on the performance of the Group's partners

Profitability objectives for 2010

Recurring adjusted operating result

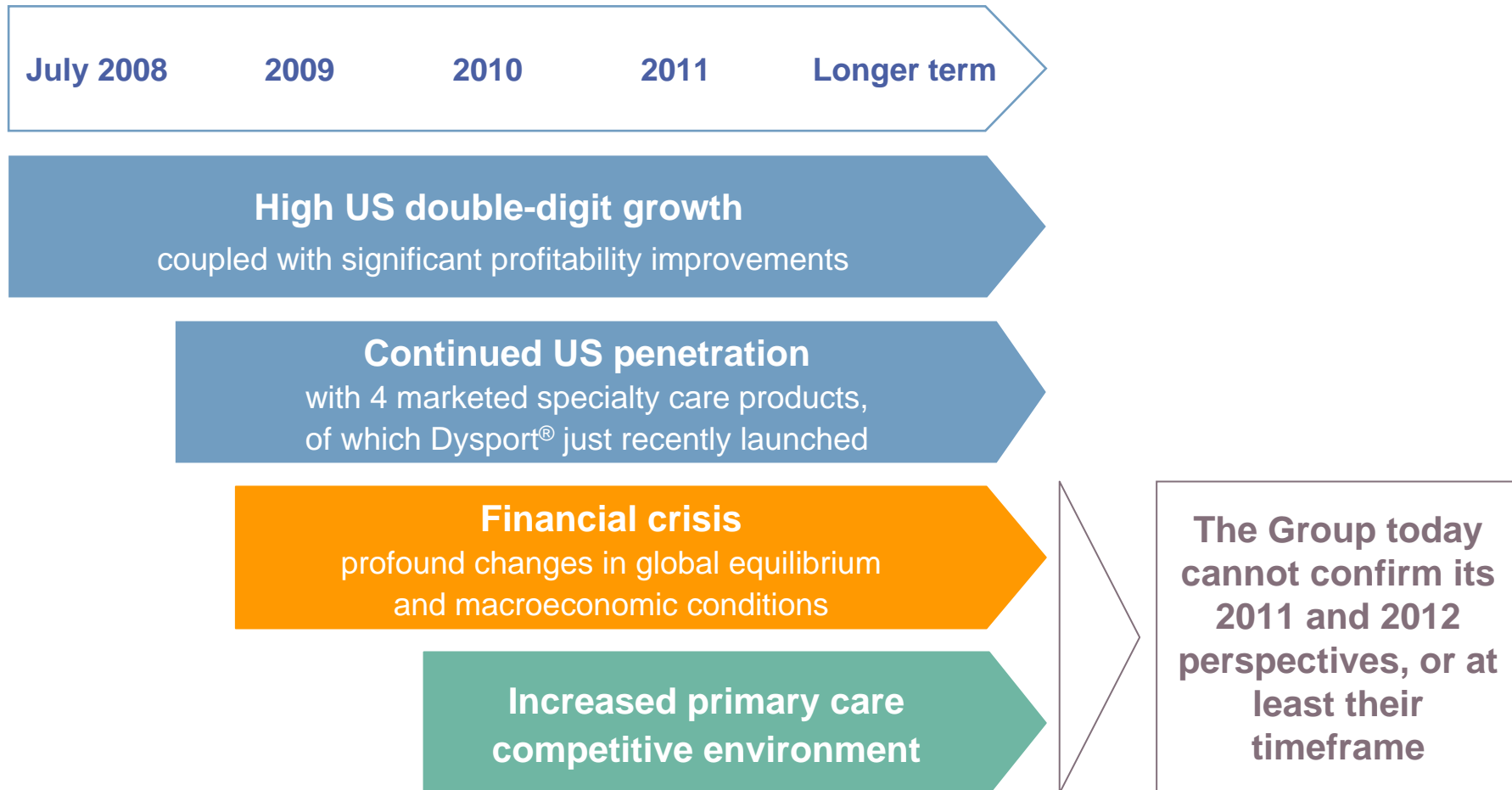


Fully diluted adjusted EPS



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...



APPENDIX

Full year 2009 detailed financial performance

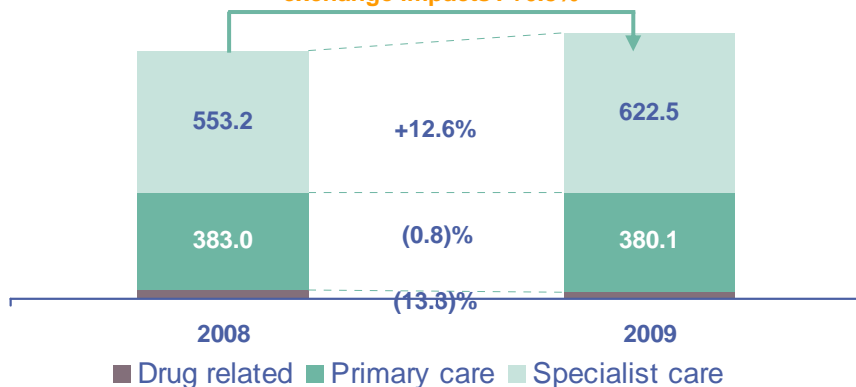


Top line evolution

Sales by therapeutic area

+6.4%

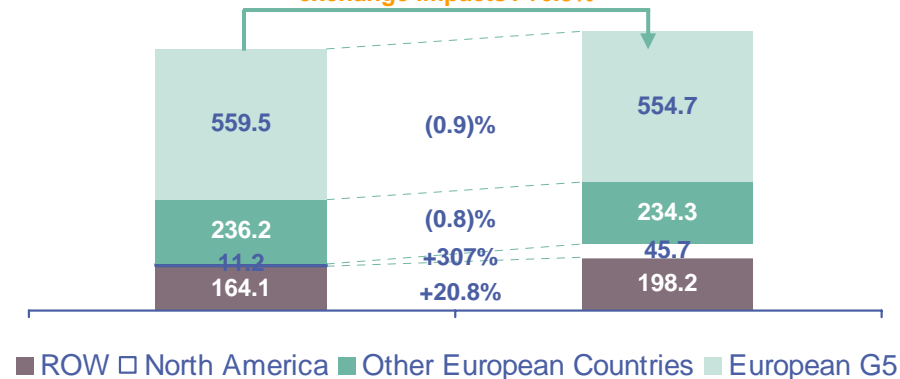
Growth excluding foreign exchange impacts : +6.8%



Sales by region

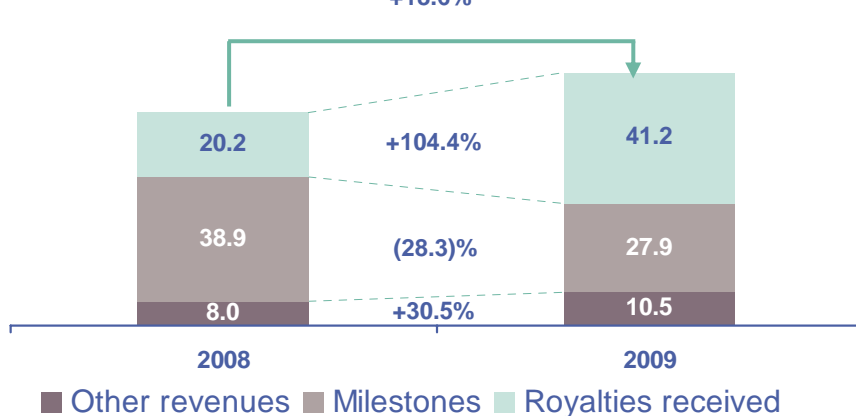
+6.4%

Growth excluding foreign exchange impacts : +6.8%



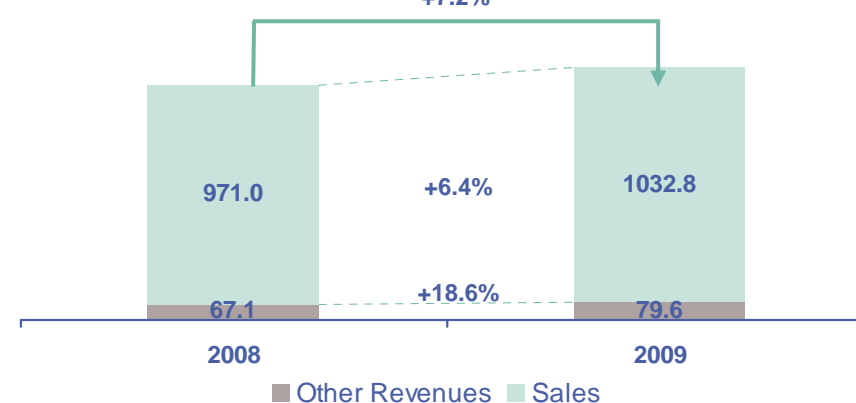
Other revenues evolution

+18.6%



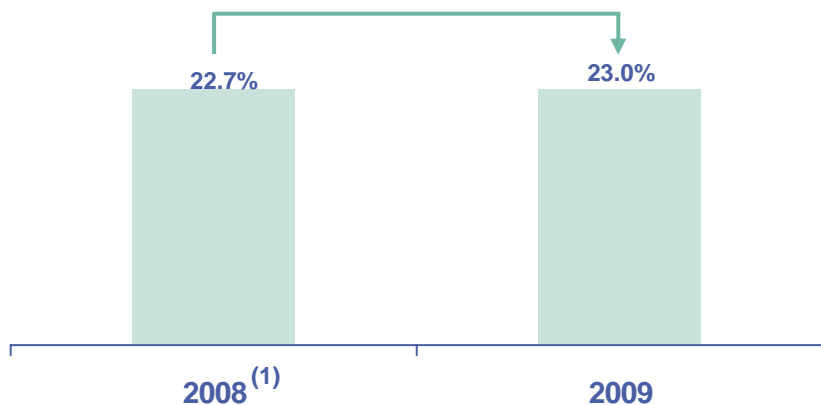
Total revenues evolution

+7.2%

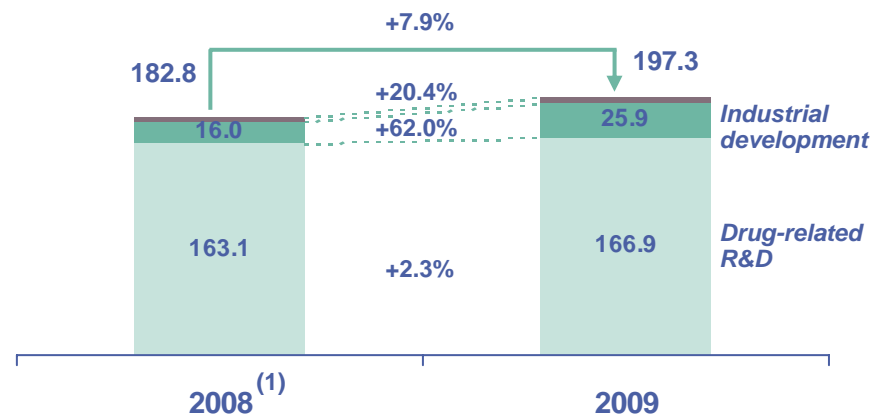


Evolution of main P&L expenses

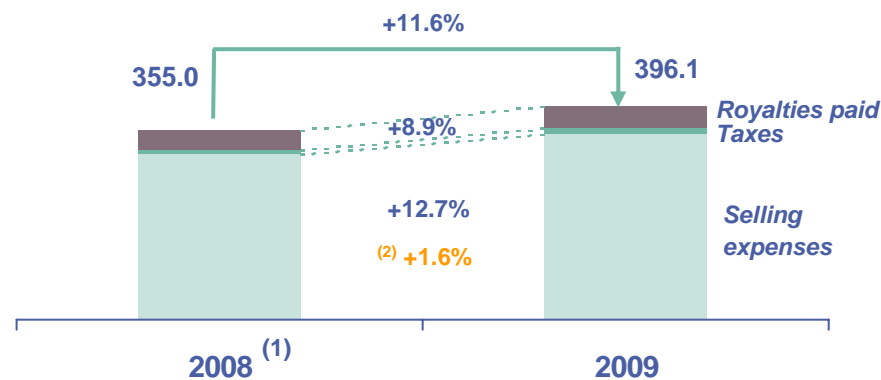
COGS (% of sales)



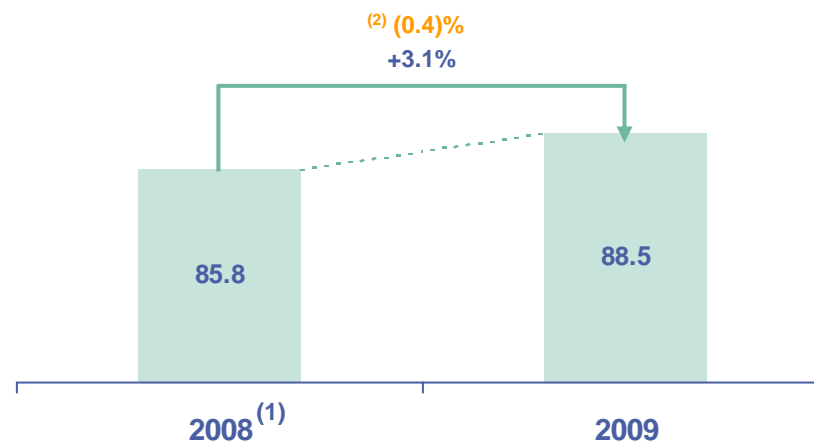
Research & Development



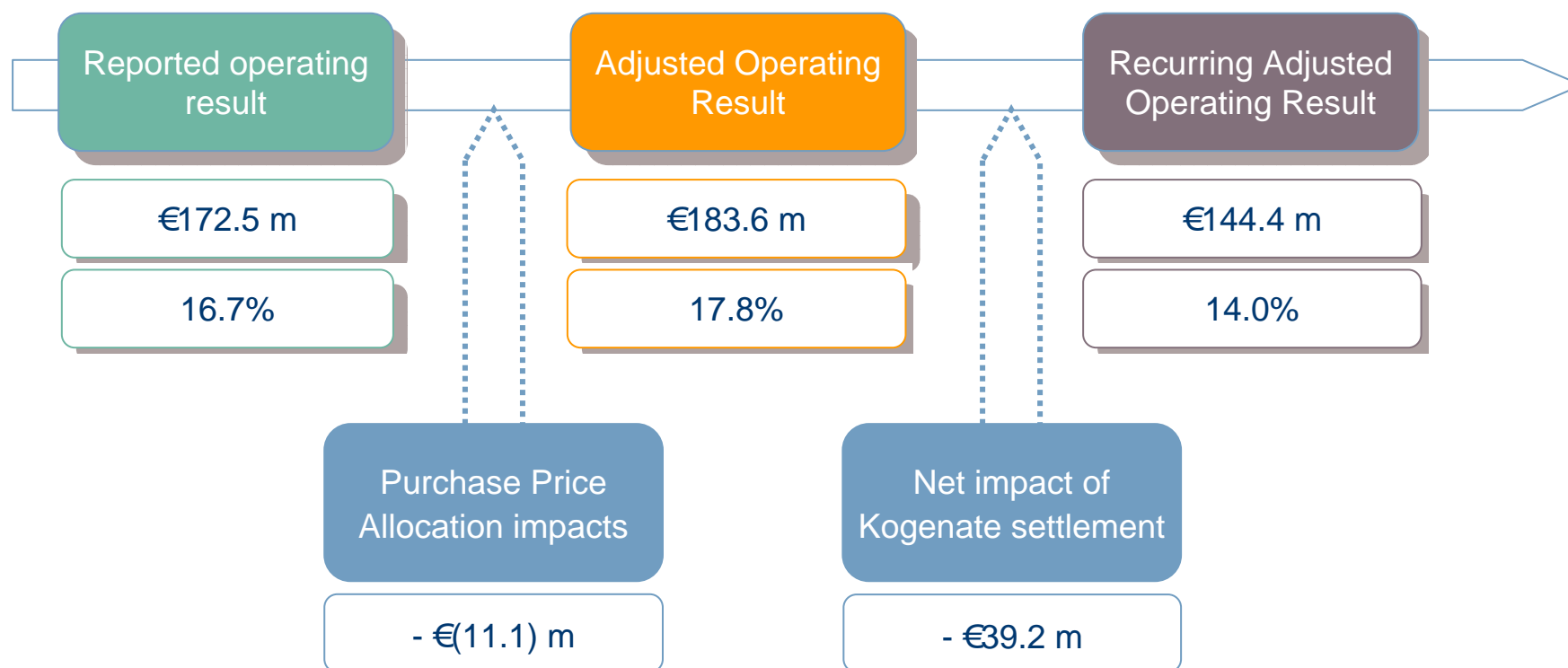
Sales & Marketing



G&A

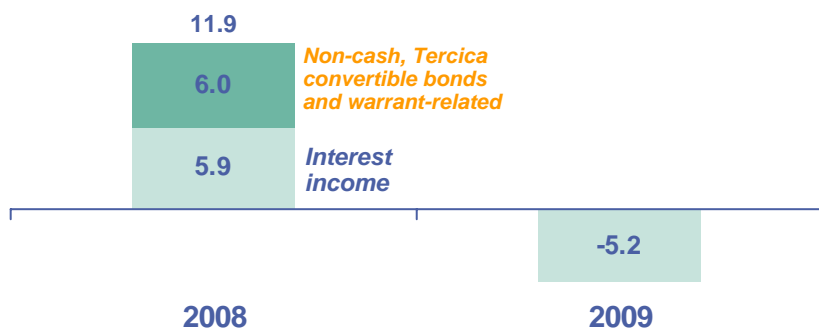


P&L – 2009 operating result and margin

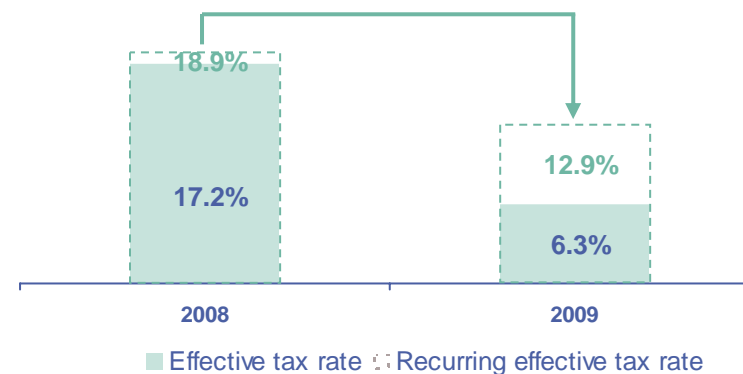


P&L – below EBIT

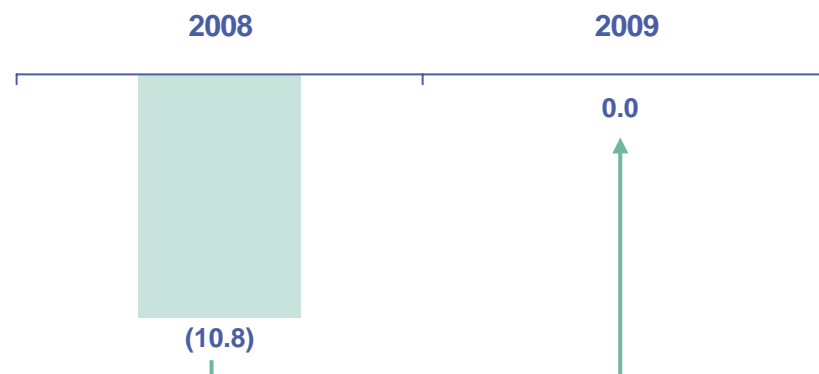
Financial result (€m)



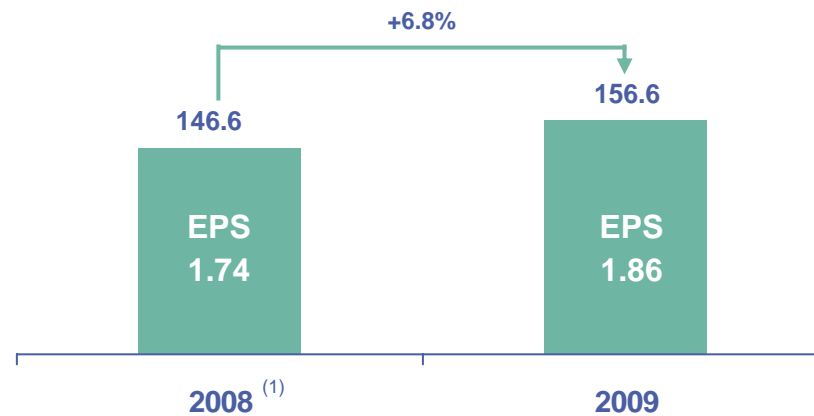
Effective tax rate



Income from Associates (€m)



Consolidated result (€m - group share)



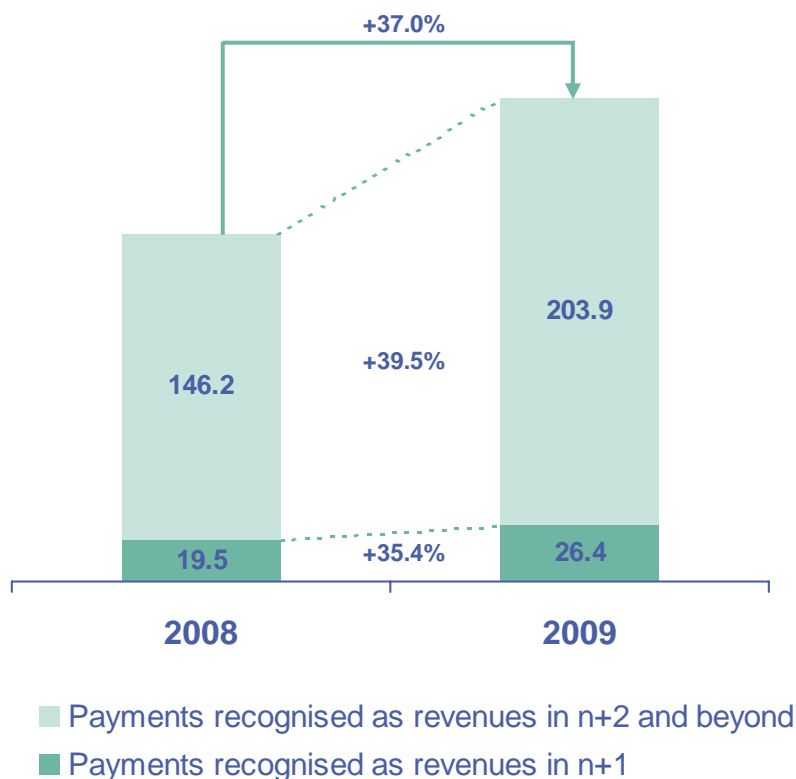
Balance Sheet evolution

(€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



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

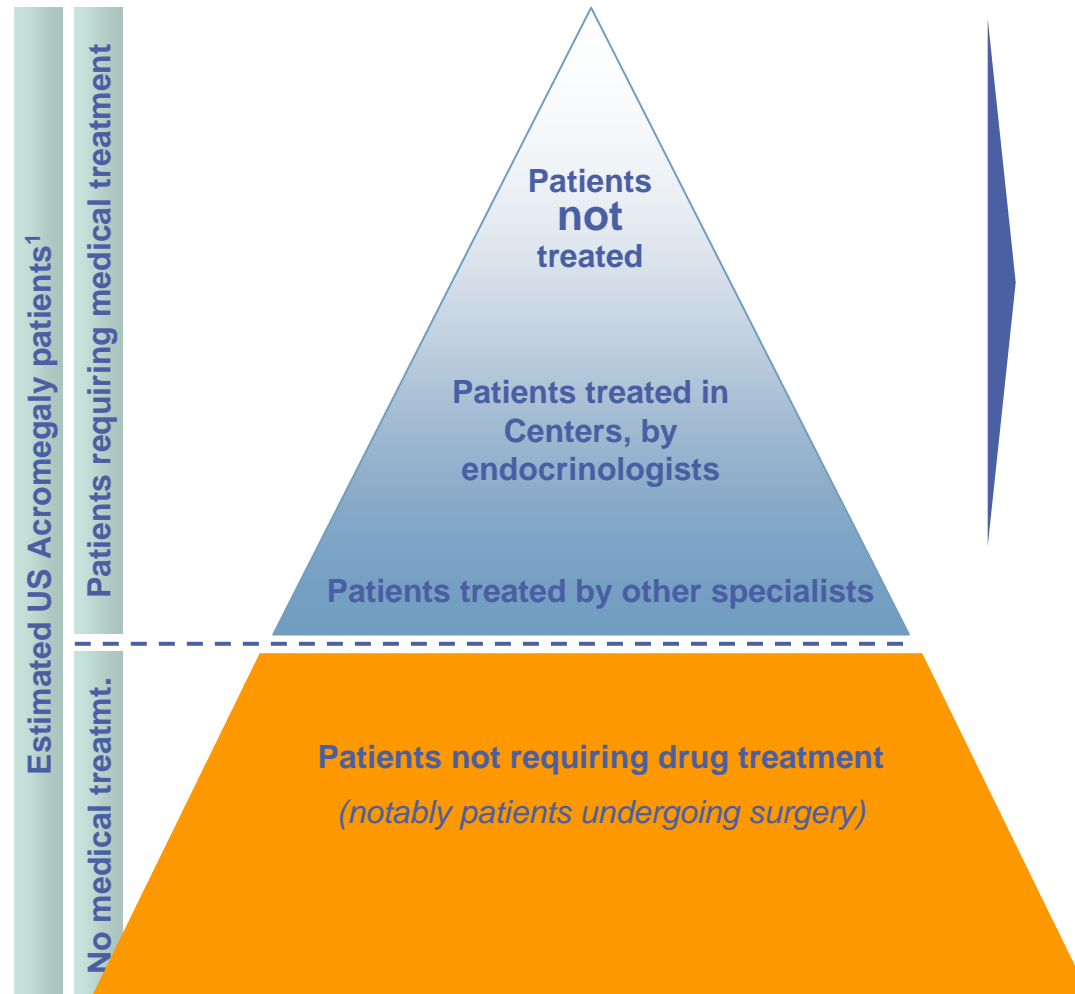
**Customer support programs in place, essential to US success
Implementing PACE program (Patient assistance, Access to services, Continuity of care, Education) for each product**

**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

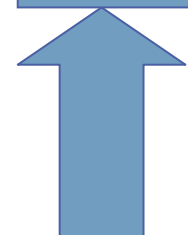
Snapshot on Increlex[®] and Dysport[®]

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

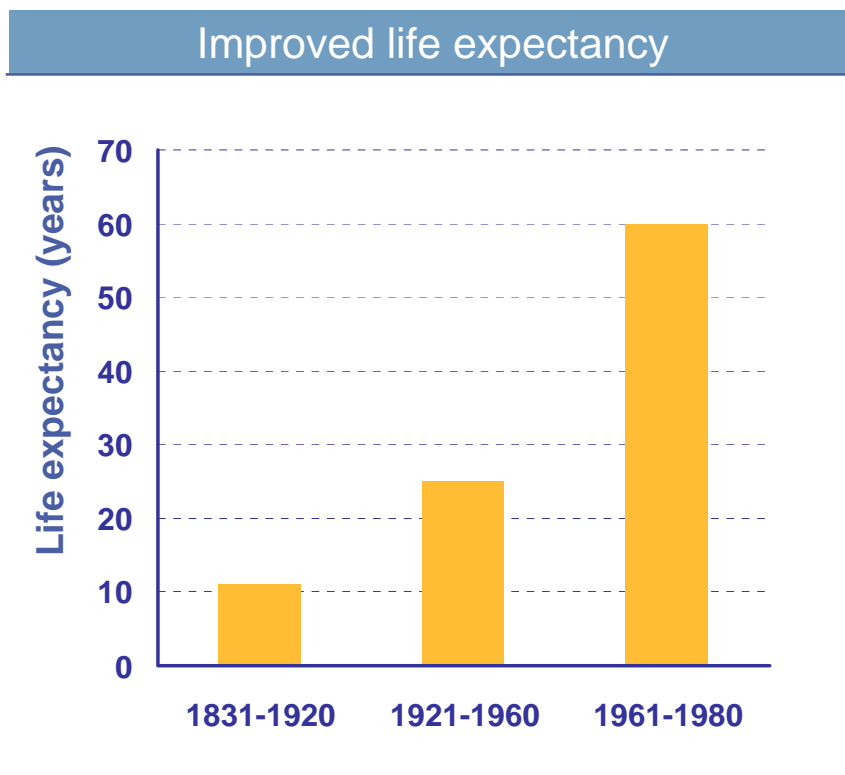


Appendix

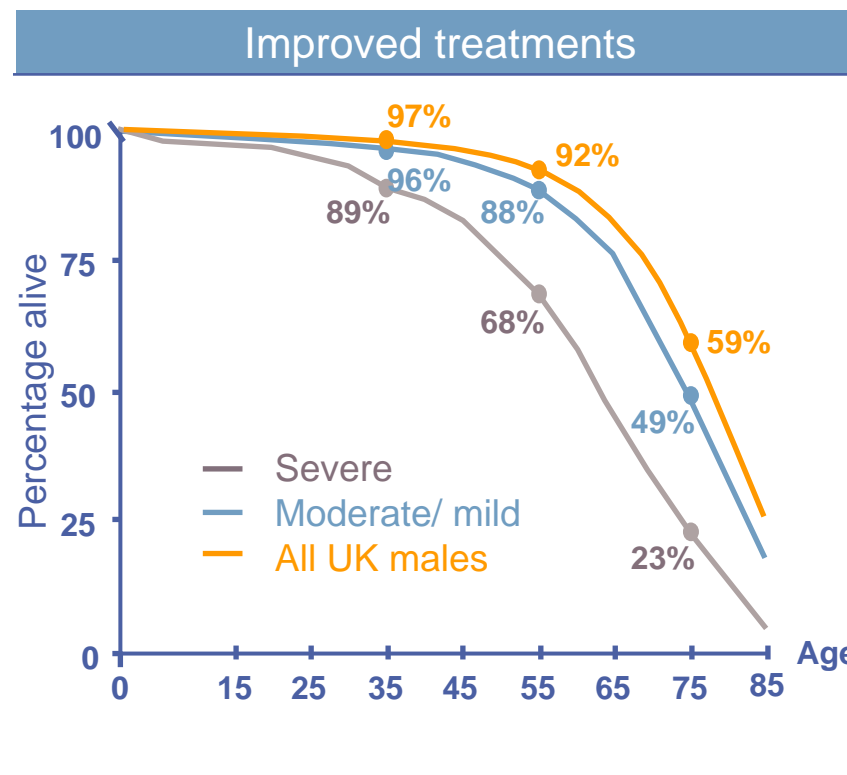
Partnership with Inspiration in Hematology



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



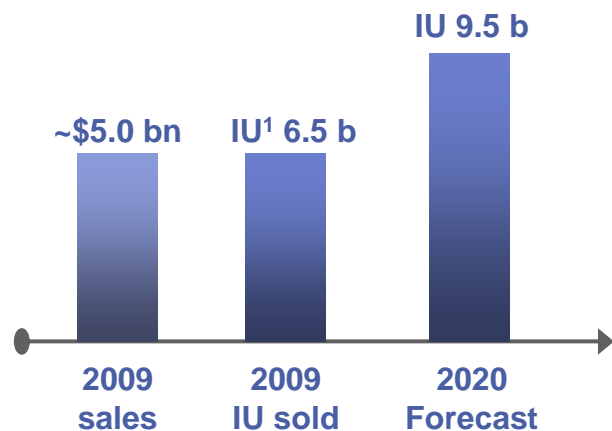
SOURCE: Larsson SA, et al. *Br J Haematol* 1985;59:593-602



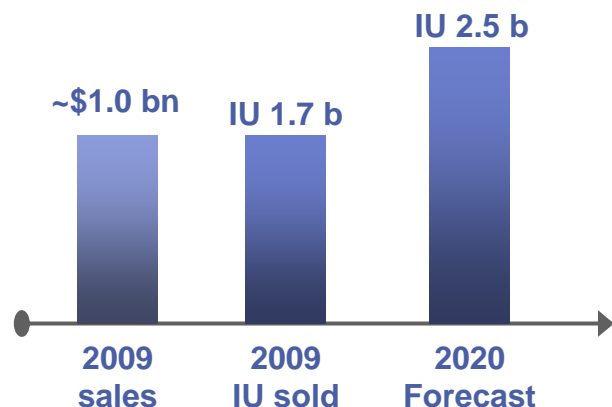
Survival in men in the UK with hemophilia who were not infected with HIV and in the general male population of the UK in 1999
SOURCE: Darby SC, et al. *Blood* 2007;110:815-825

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

Factor VIII



Factor IX



Low penetration

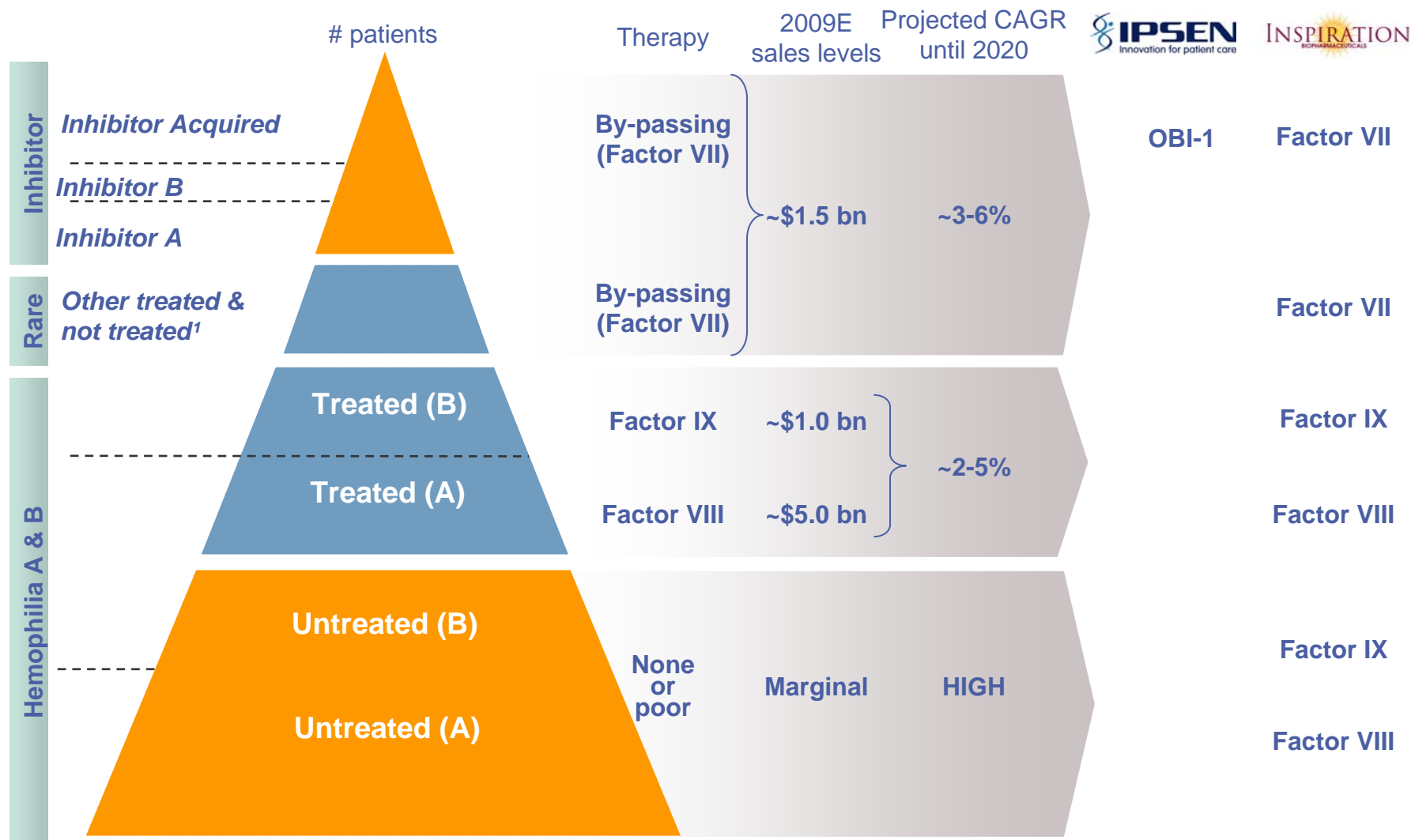
- 70% of hemophilia patients worldwide do not have access to factors

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

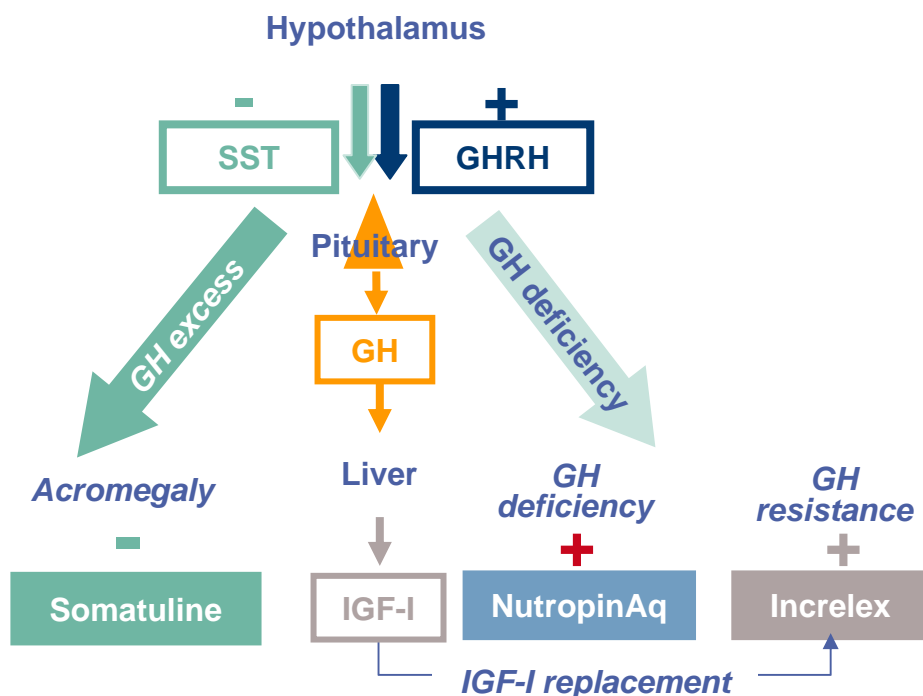


BACK UP SLIDES

Endocrinology



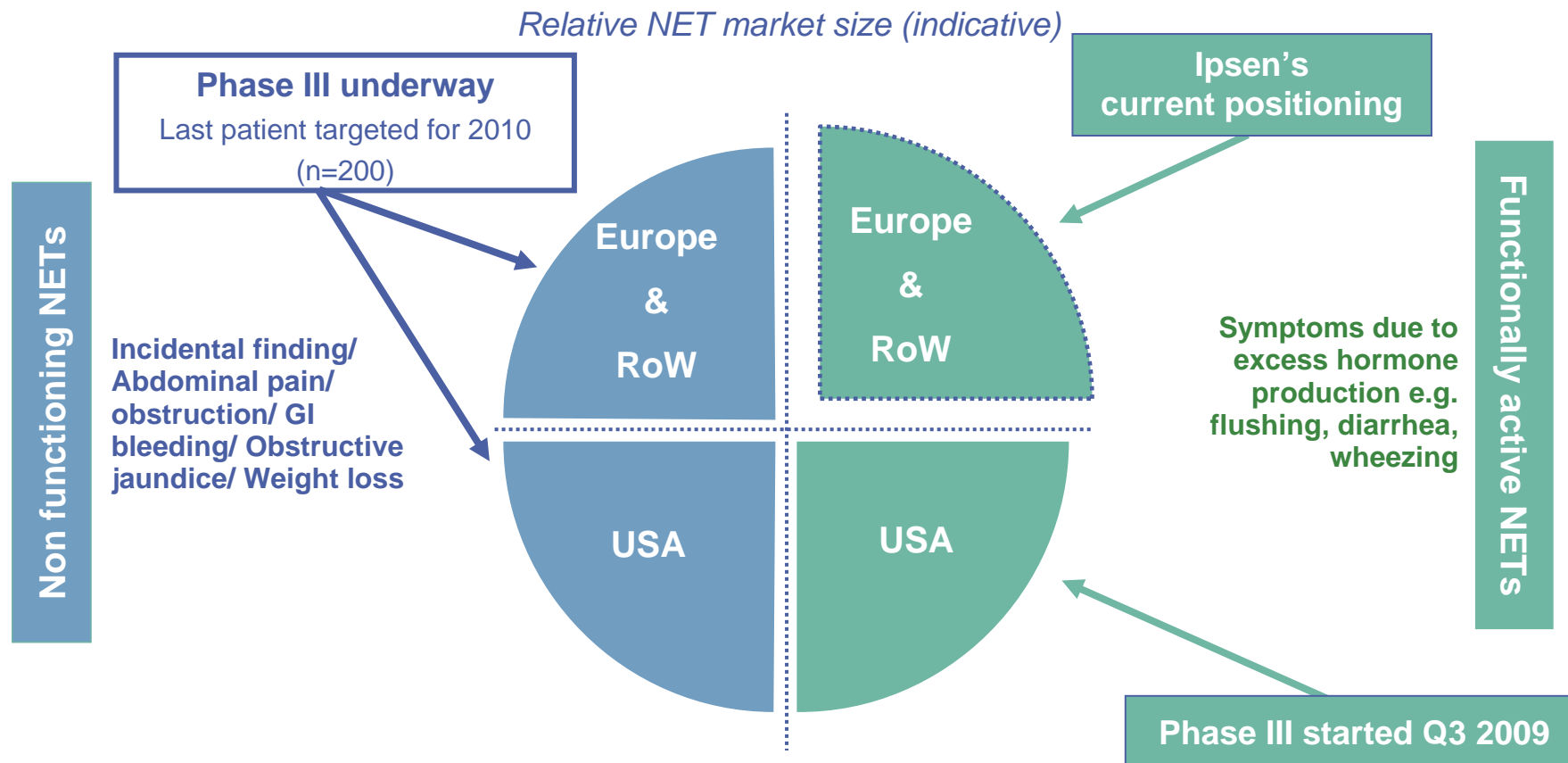
A unique focus on pituitary disorders and hormone dependent diseases



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

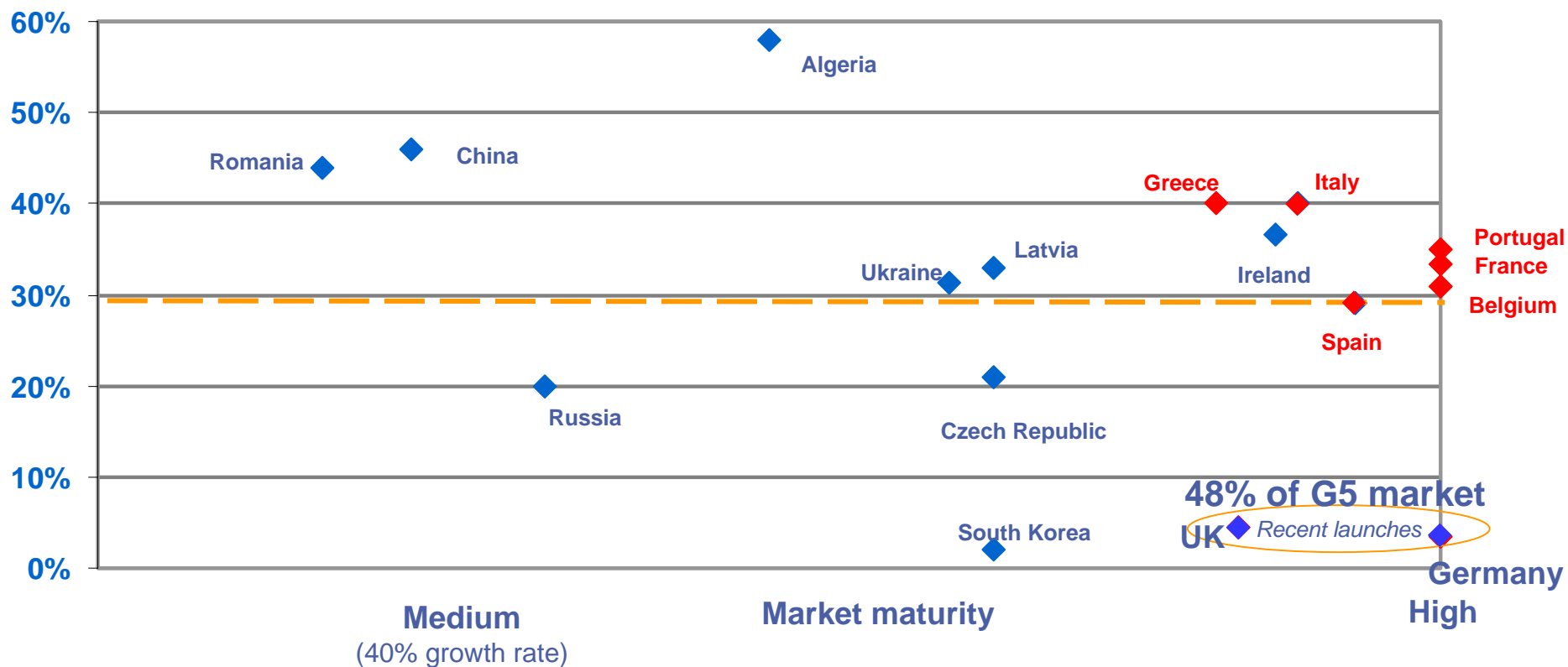
BACK UP SLIDES

Oncology



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

Current market share



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

BACK UP SLIDES

Neurology



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

Market share in medical indications



An increasingly transactional model

