

# Confirming Ipsen's biopharmaceuticals profile

Goldman Sachs – 31<sup>st</sup> Annual Global Healthcare Conference  
*Los Angeles, June 15<sup>th</sup> 2010*

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*Claude Bertrand – EVP – Chief Scientific Officer*  
*Pierre Kemula – Investor Relations Officer*



## Disclaimer

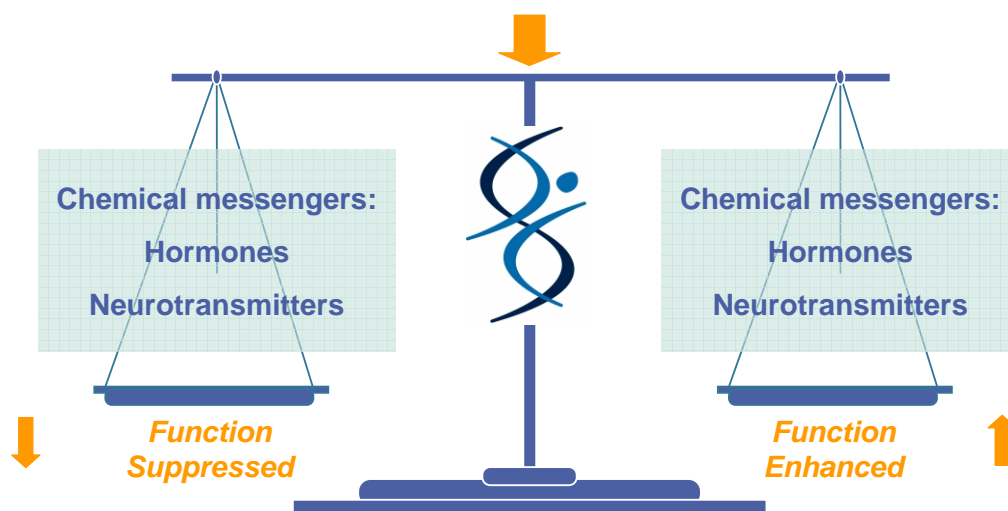
This presentation includes only summary information and does not purport to be comprehensive. Forward-looking statements, targets and estimates contained herein are for illustrative purposes only and are based on management's current views and assumptions. Such statements involve known and unknown risks 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.

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## Quick overview of some fundamentals

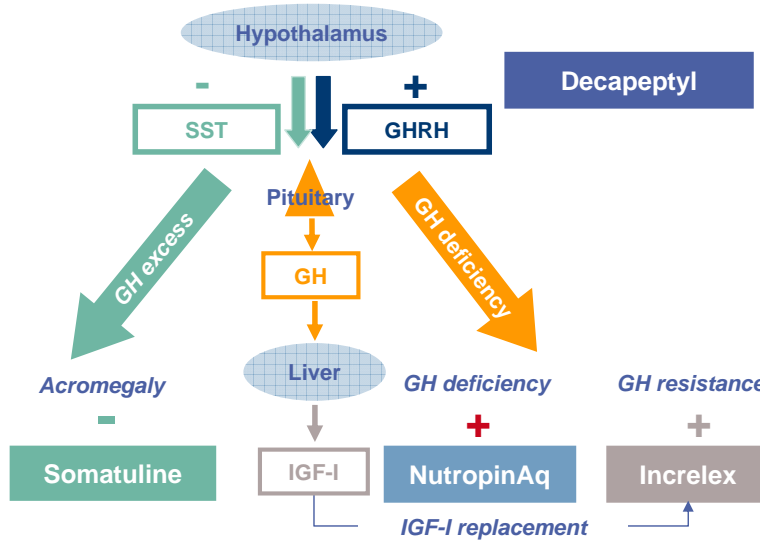


### The fundamentals : restoring physiological balance



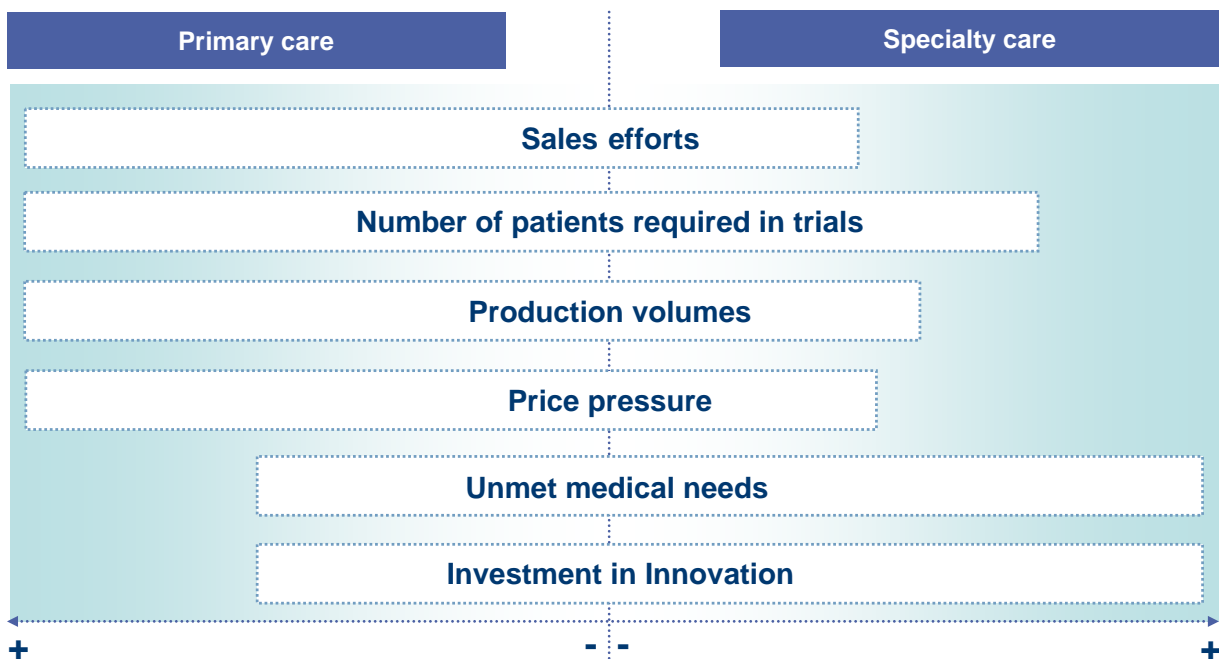
Therapeutic corollary : restore physiological levels, no more, no less

## The fundamentals : the hormonal pathway and cascade



Ipsen has a specific knowledge of pituitary disorders

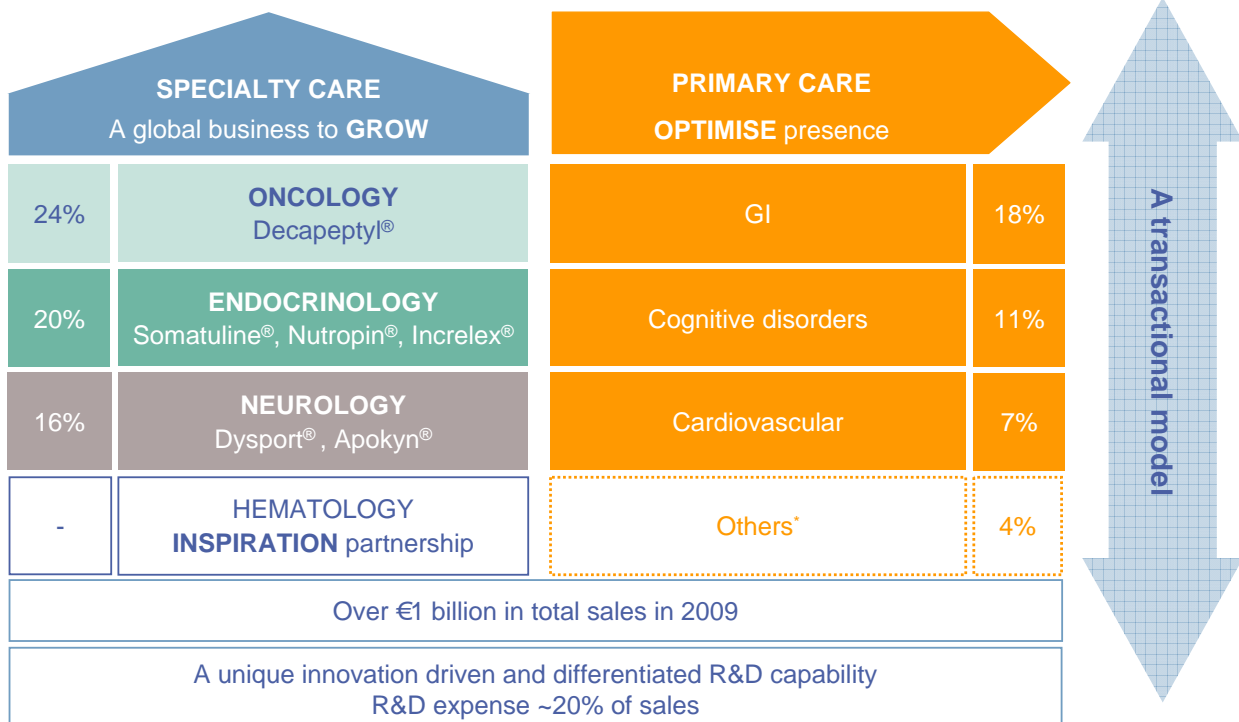
## The fundamentals: Ipsen's specialty care vs. primary care businesses



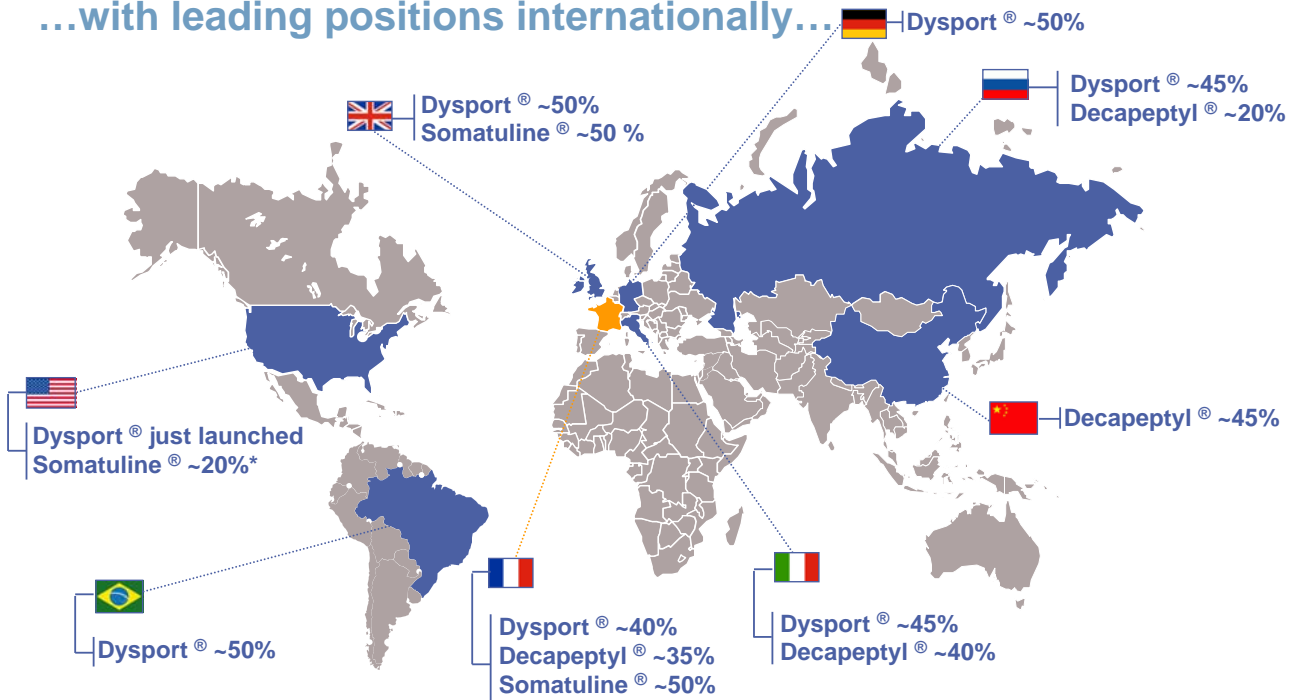
# Ipsen in short



## Ipsen today : a global biotech specialty pharma...

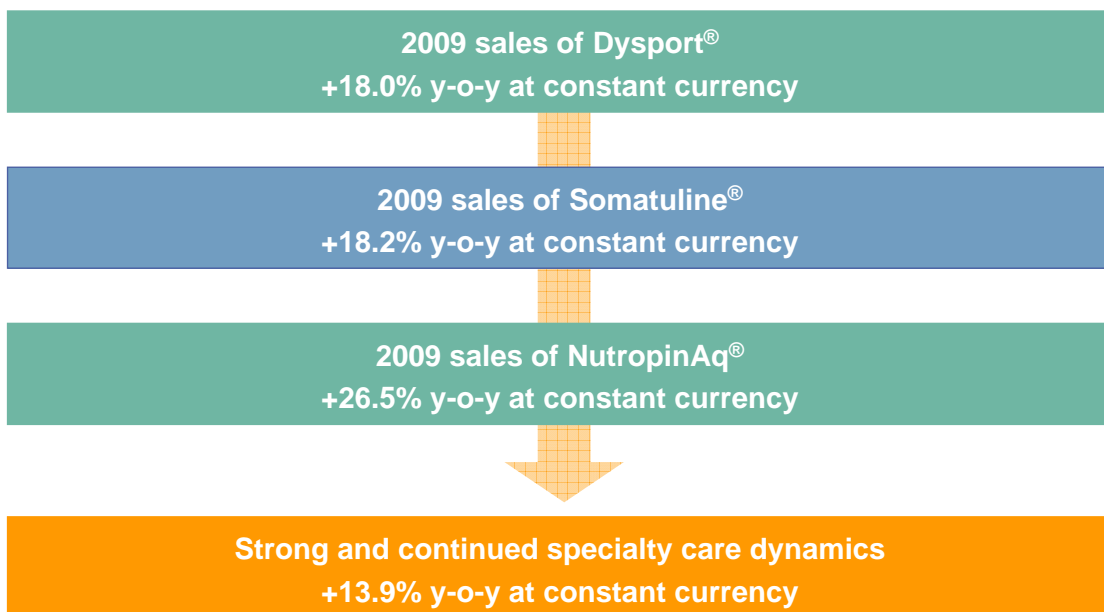


...with leading positions internationally...

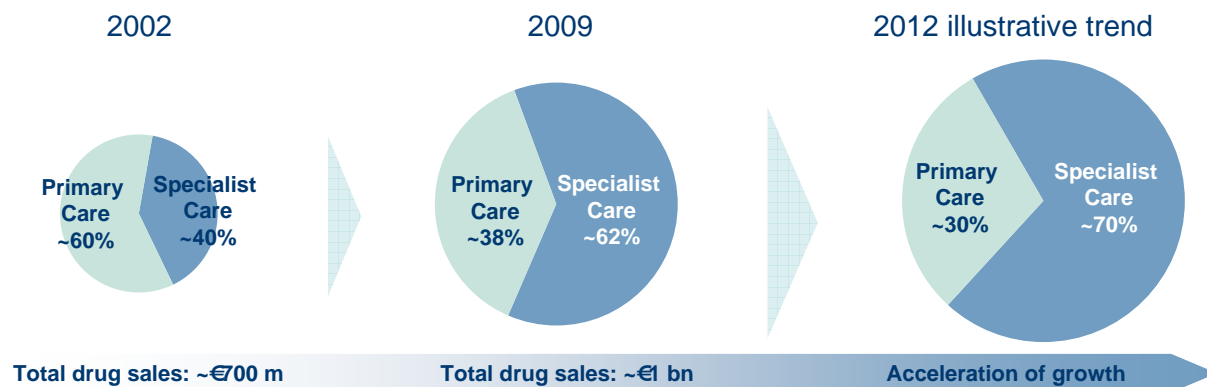


2008 rounded Market shares, except for Somatuline® in the US: 4Q09  
 Market shares are for (i) Dysport® in medical indications (ii) Decapeptyl in prostate cancer (China gynecology only) and (iii) Somatuline in Acromegaly only.  
 9 Goldman Sachs Conference – LA, 2010 \* In the US, market share in patients 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

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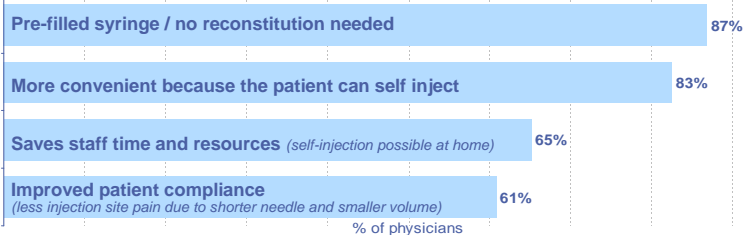
## Truly Differentiated R&D Capabilities

## 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**

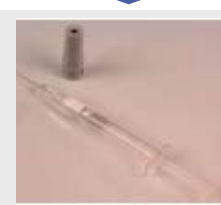
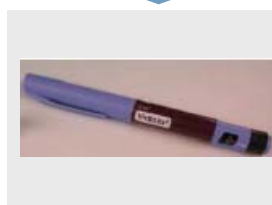
\* In selected countries

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\*\* 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**

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\* 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

BN83495  
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



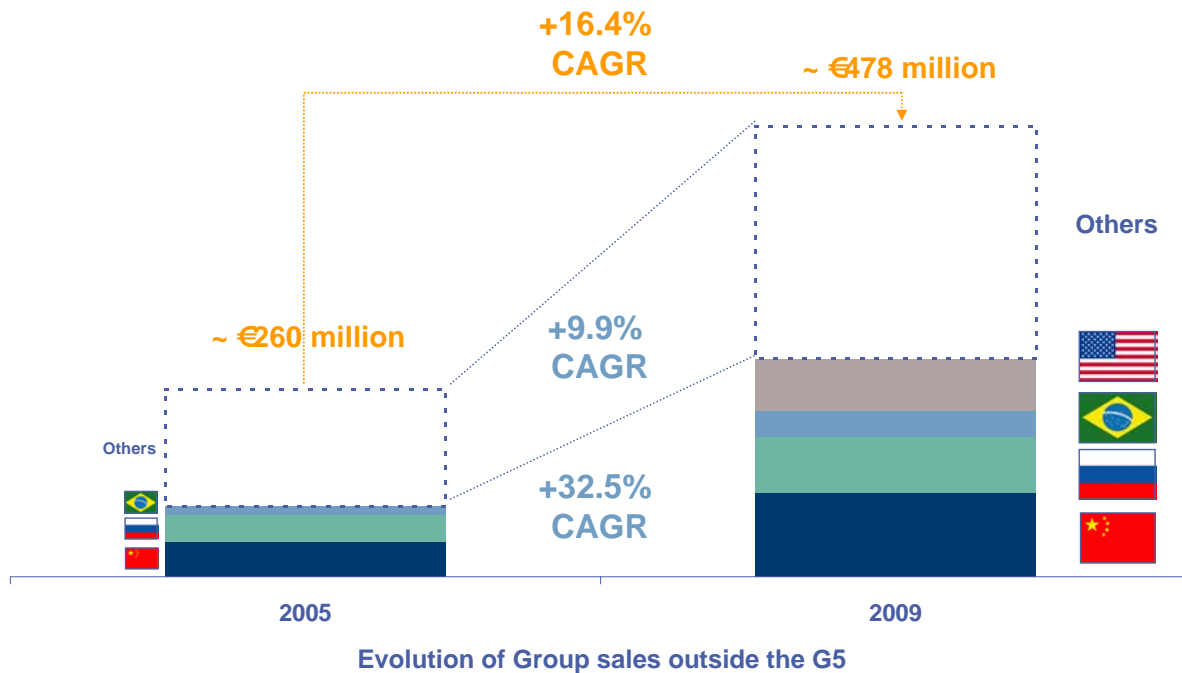
Longstanding and strong positions in one of the world's largest pharma market

- Decapeptyl®
- Smecta®

Ipsen's G5

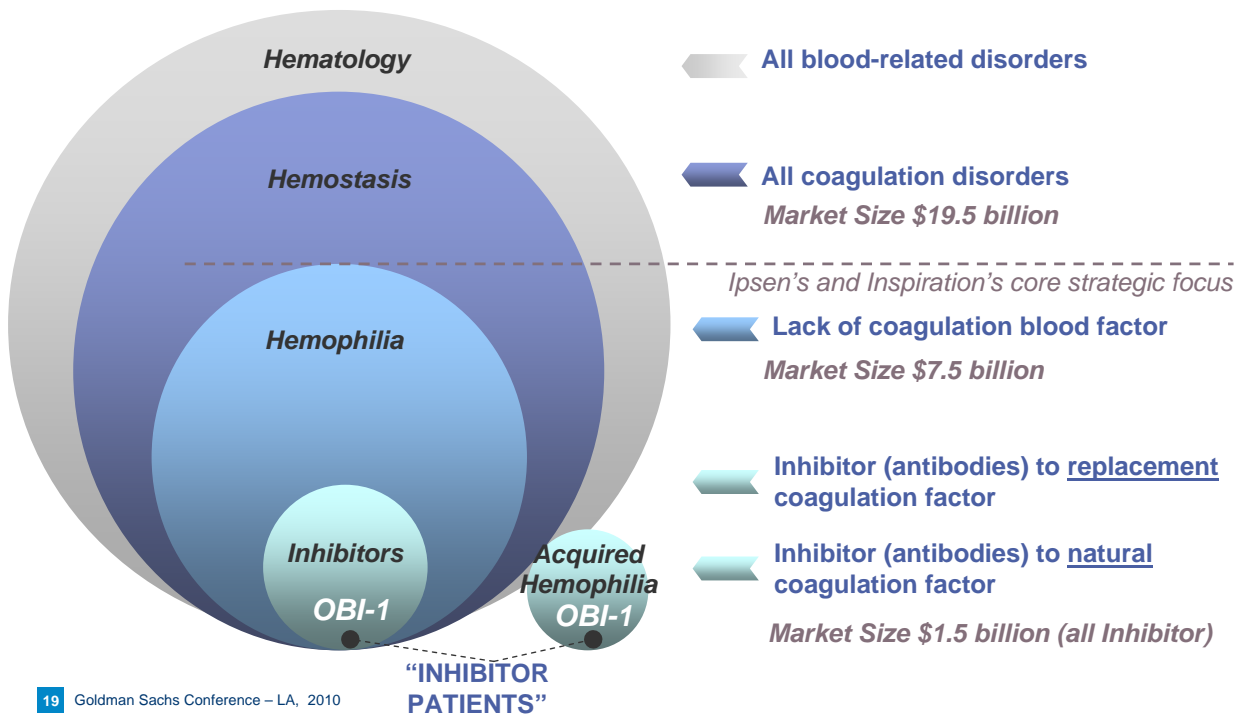


## ...translating into rapid expansion

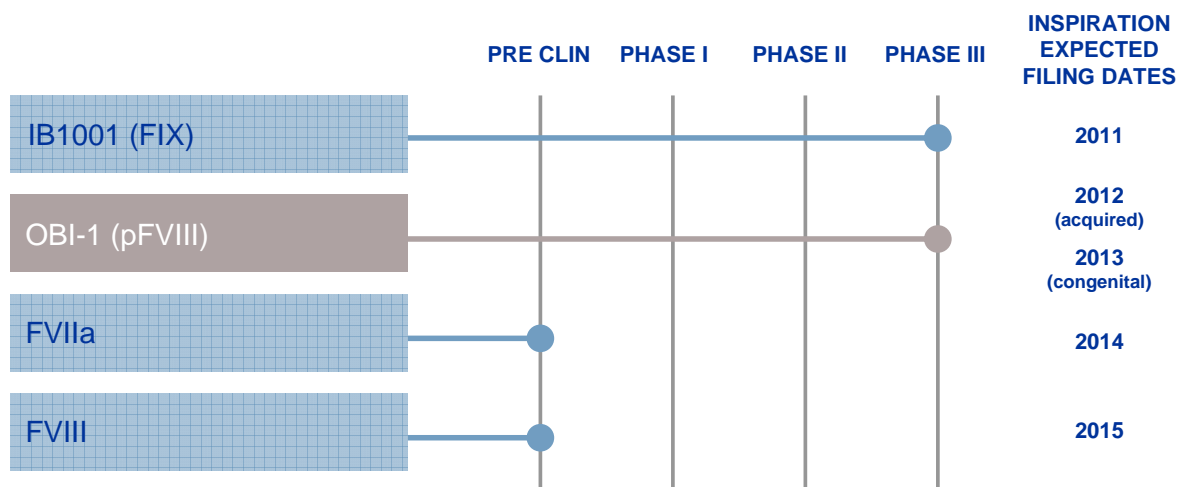




## Capitalizing on OBI-1 with the Inspiration partnership...



## ...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

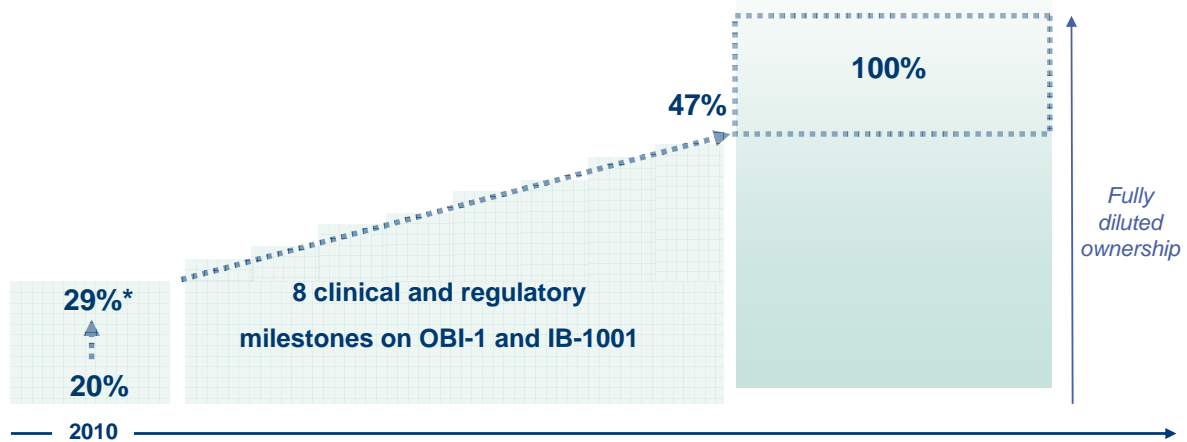
	Inspiration	Wyeth	Baxter	CSL Behring	Bayer	Novo Nordisk	Biogen Idec and Biovitrum
FIX	Phase III	BeneFIX	Phase I	Mononine plasma derived	-	Phase I	Phase III (fusion protein)
OBI-1	Phase III	-	-	-	-	-	-
FVIIa	Preclinical	Preclinical	-	Preclinical	Phase I	Novoseven	-
FVIII	Preclinical	Refacto Xyntha	Advate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



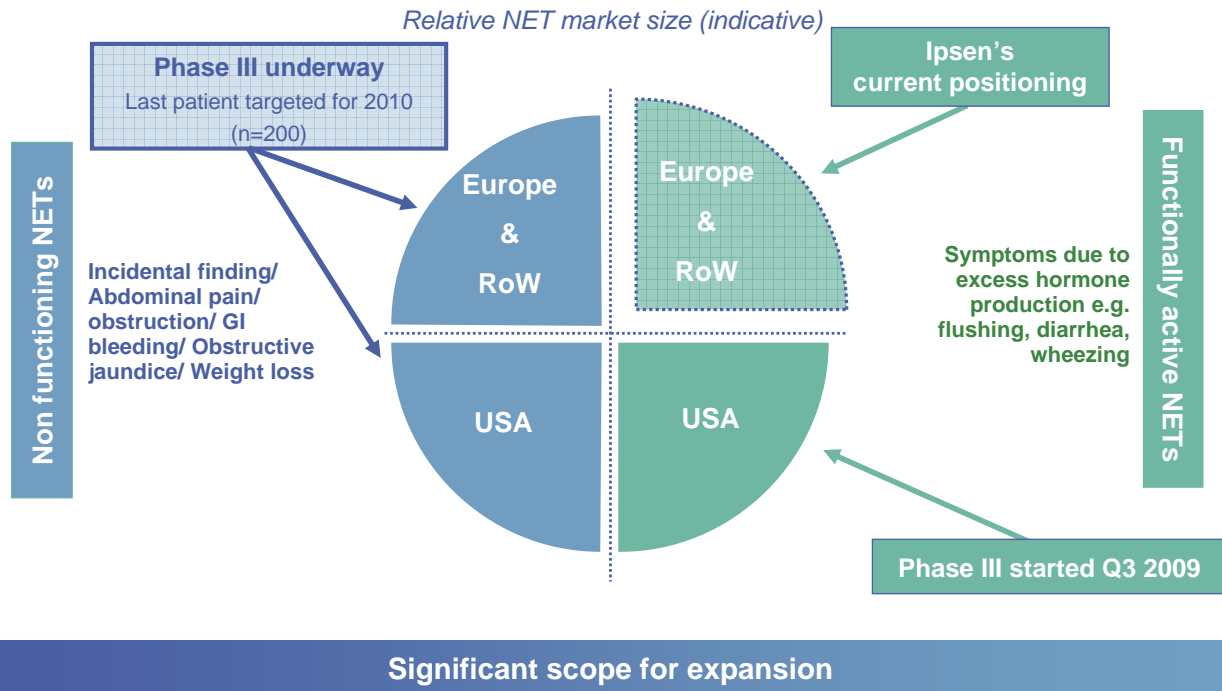
Initial equity stake: \$85 m  
+ OBI-1  
upfront: \$50 m  
+ 27.5% royalty  
rate on OBI-1

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

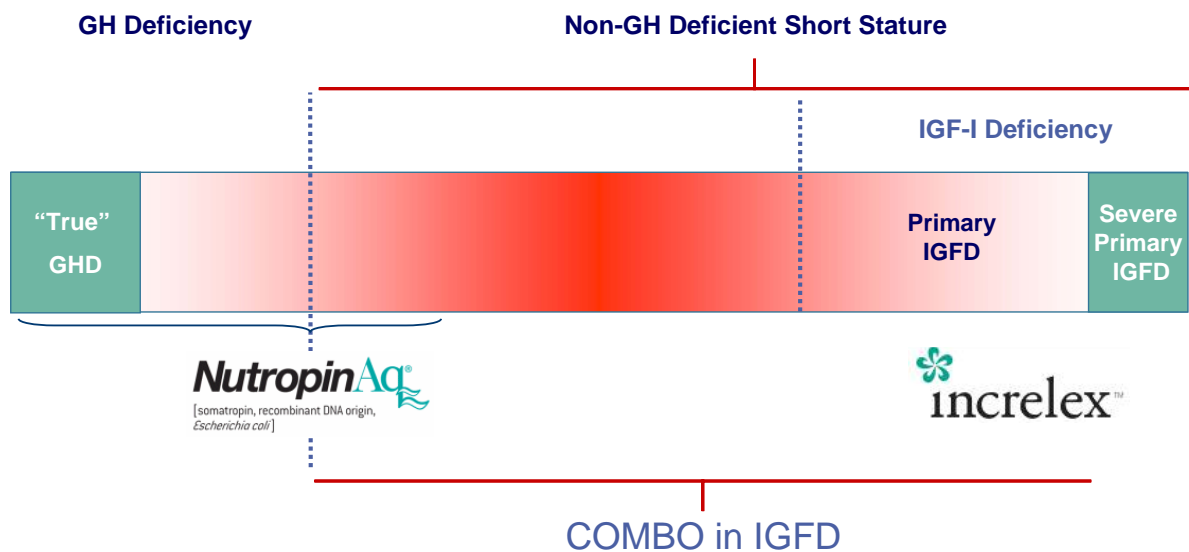
Call at market value exercisable on triggering events expiring at the latest in 2019



## Somatuline® offers significant life cycle growth opportunities



## Redefining the treatment of short stature

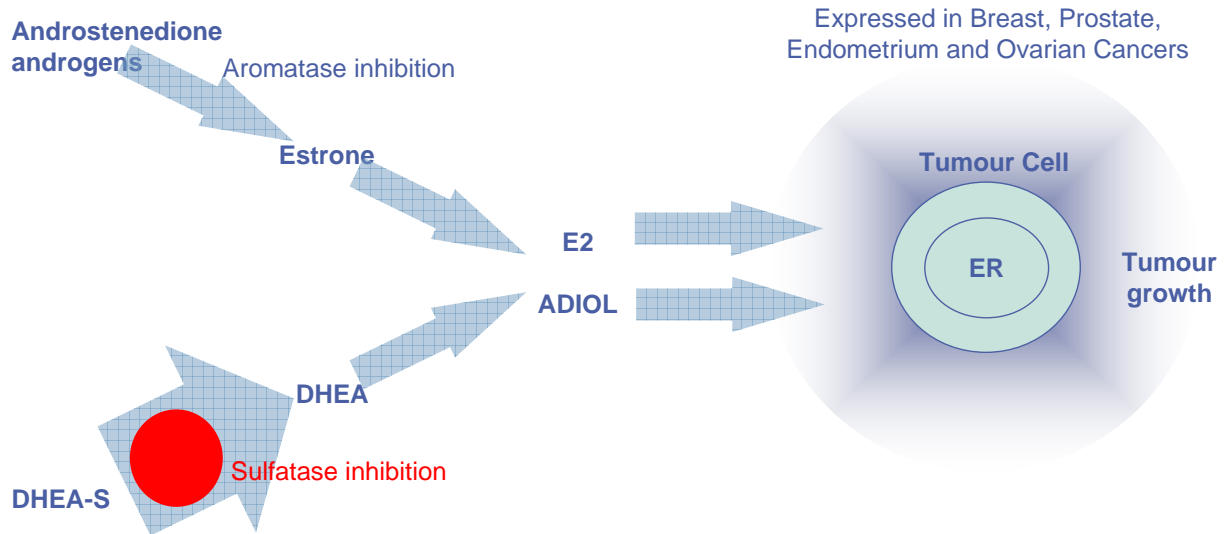


- MS316: Ph II dose titration study recruitment completed in Q2 '09
  - Interim results announced in September 09
    - Complete results available in H2 '10



## Rationale for Sulfatase inhibitor development

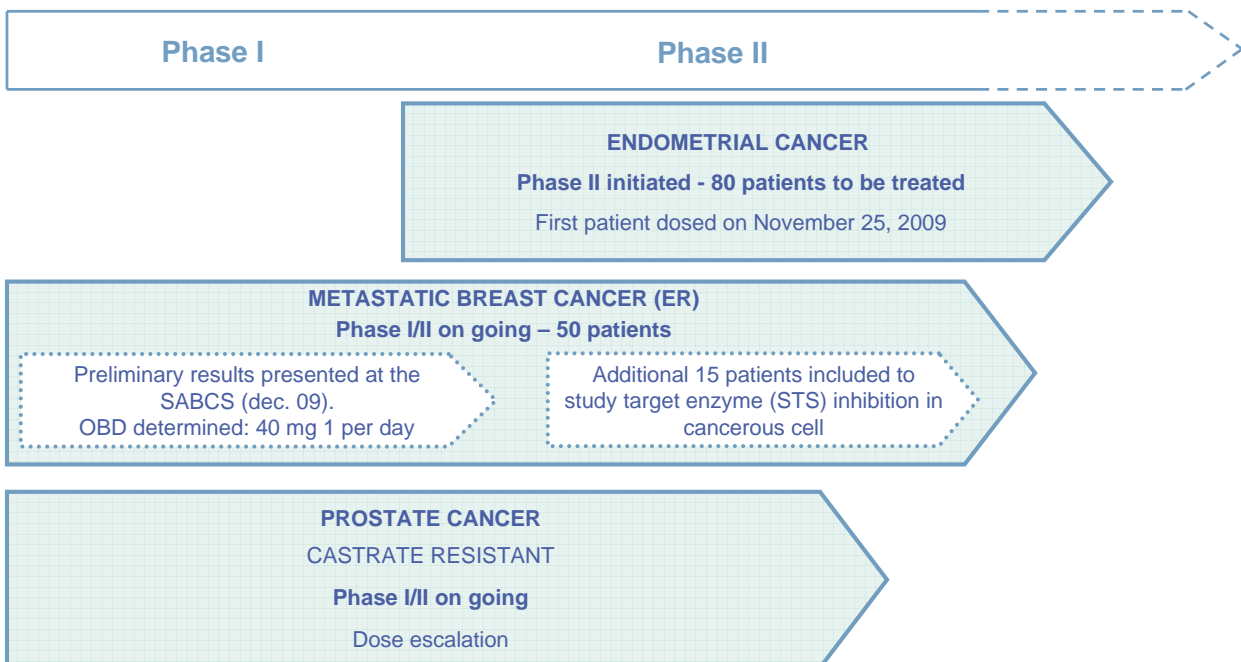
*Inhibition of Androstenediol synthesis from DHEA-S*



**After encouraging phase I results, BN83495 is now in phase II clinical trial**



## BN83495 : 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



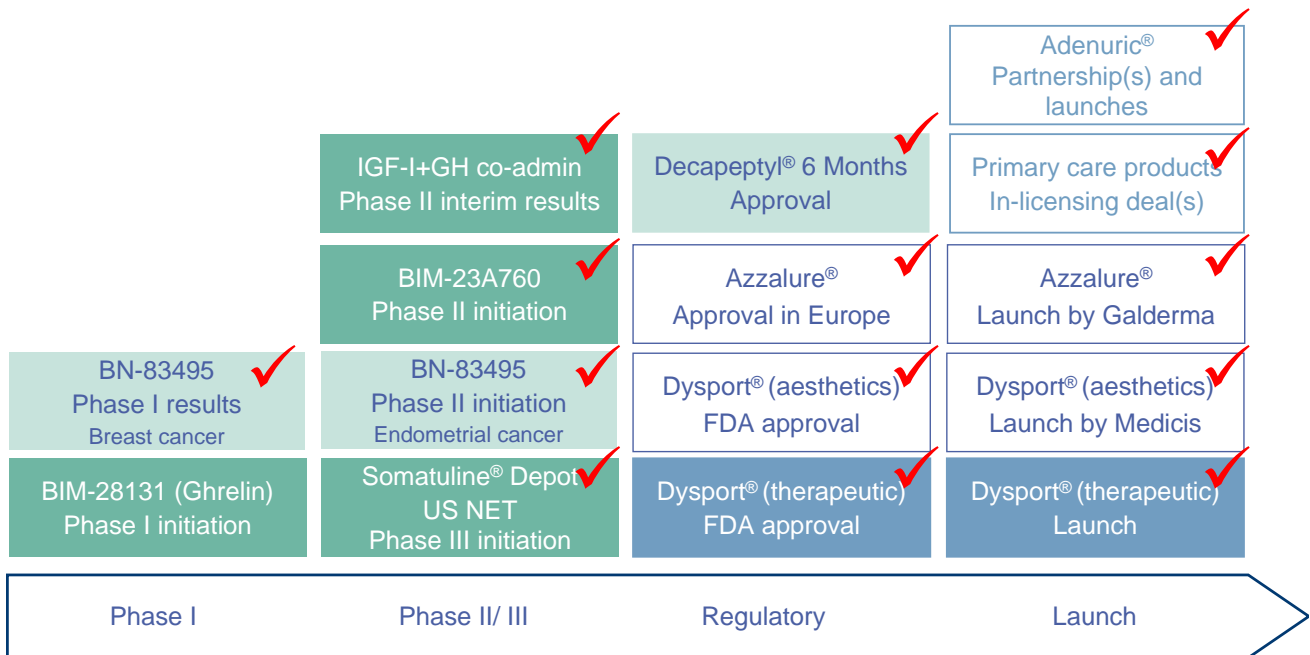
### Optimize Ipsen's *primary care* business

Rich deal with Menarini on  
Adenuric®

Promising headline results for  
taspoglutide (Roche)

BLI-800 (Braintree)

## All key milestones delivered in 2009



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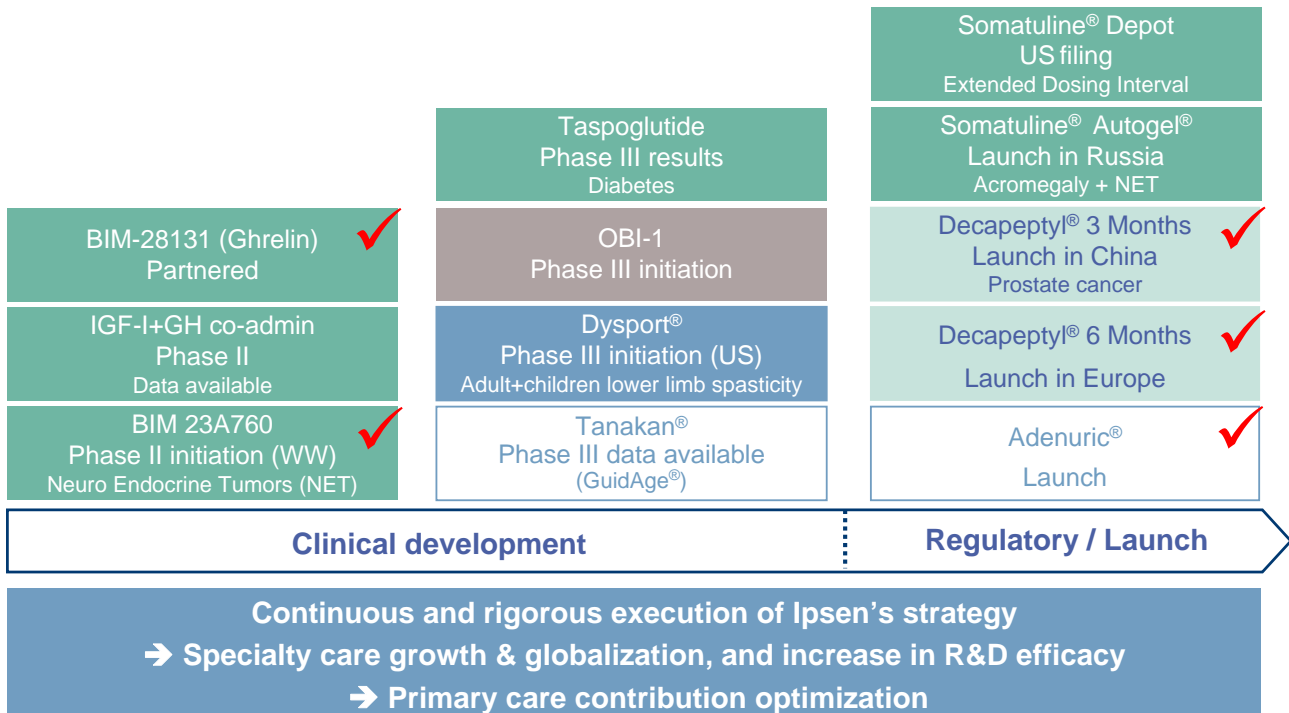
## All financial objectives have been met in 2009

	Financial objectives Q1-09	Financial objectives Q3-09	2009 performance
Drug sales	+ 7.0 – 9.0%		+ 7.6% ✓
Other Revenues	Around €45m	Approx. €30m	€79.6 millions ✓
Adjusted operating margin <sup>1</sup>	14.0%	17.0 – 17.5%	17.8% ✓
Normative Tax rate	18.0 - 20.0%		6.3% ✓

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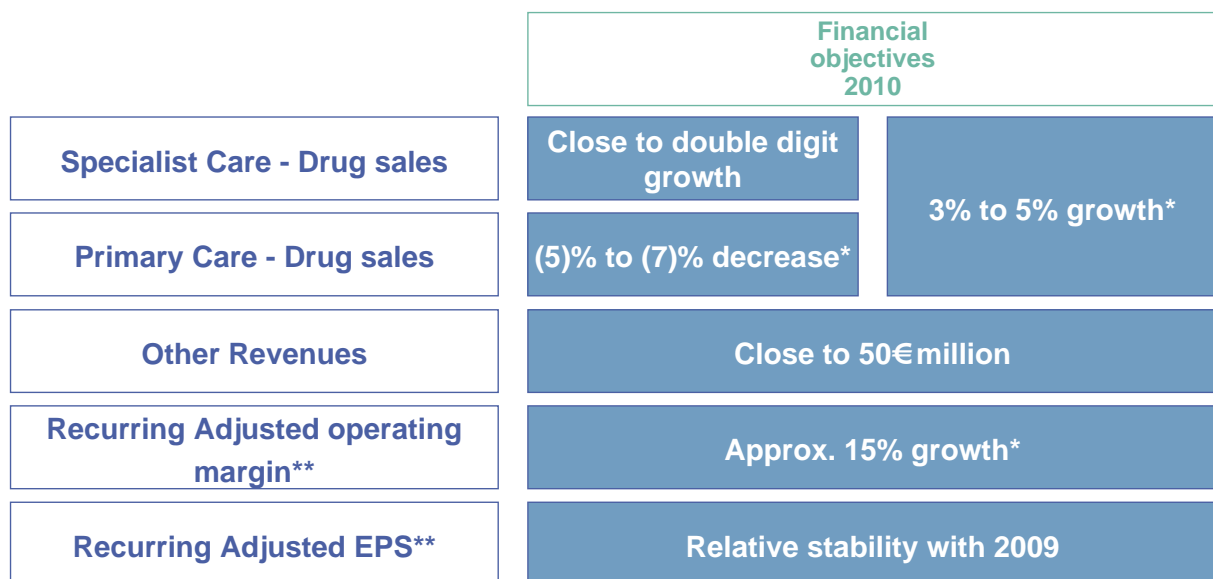
NOTE 1: in percentage of sales, prior to any accounting implications in connection with the purchase accounting of its acquisitions in North America

## A rich newsflow in 2010, already initiated



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## 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

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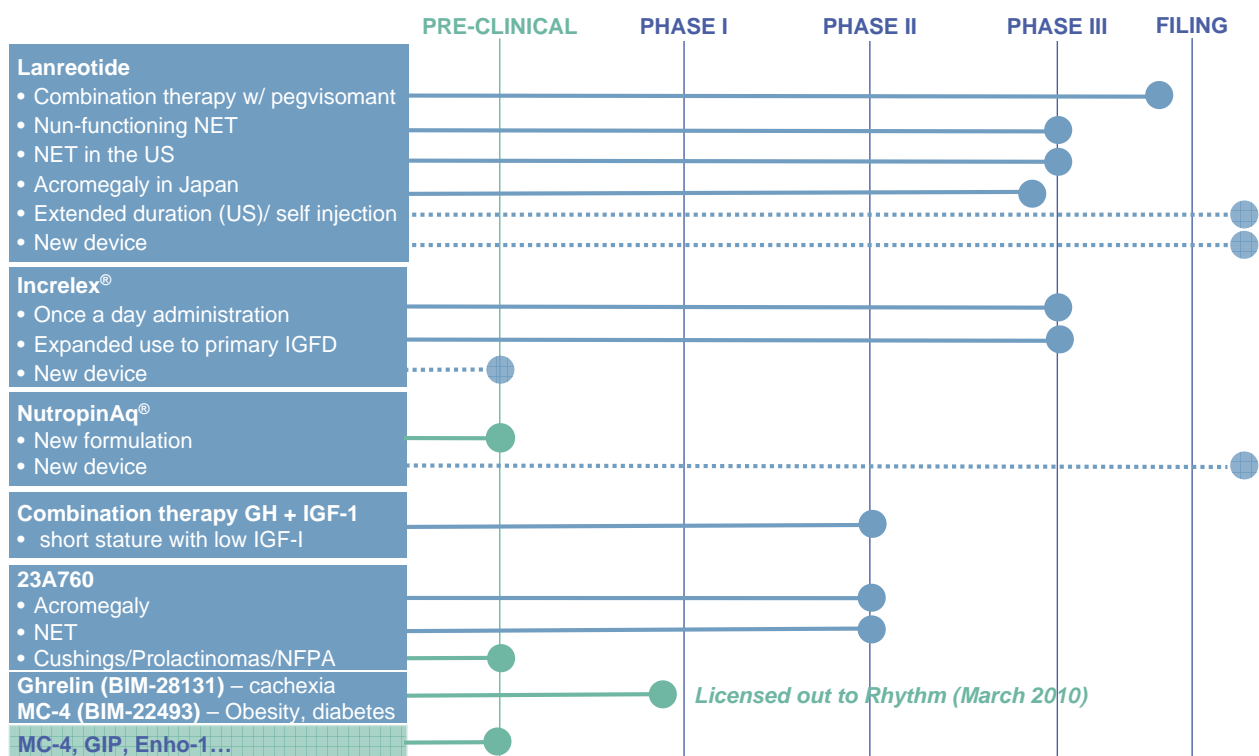


# APPENDIX

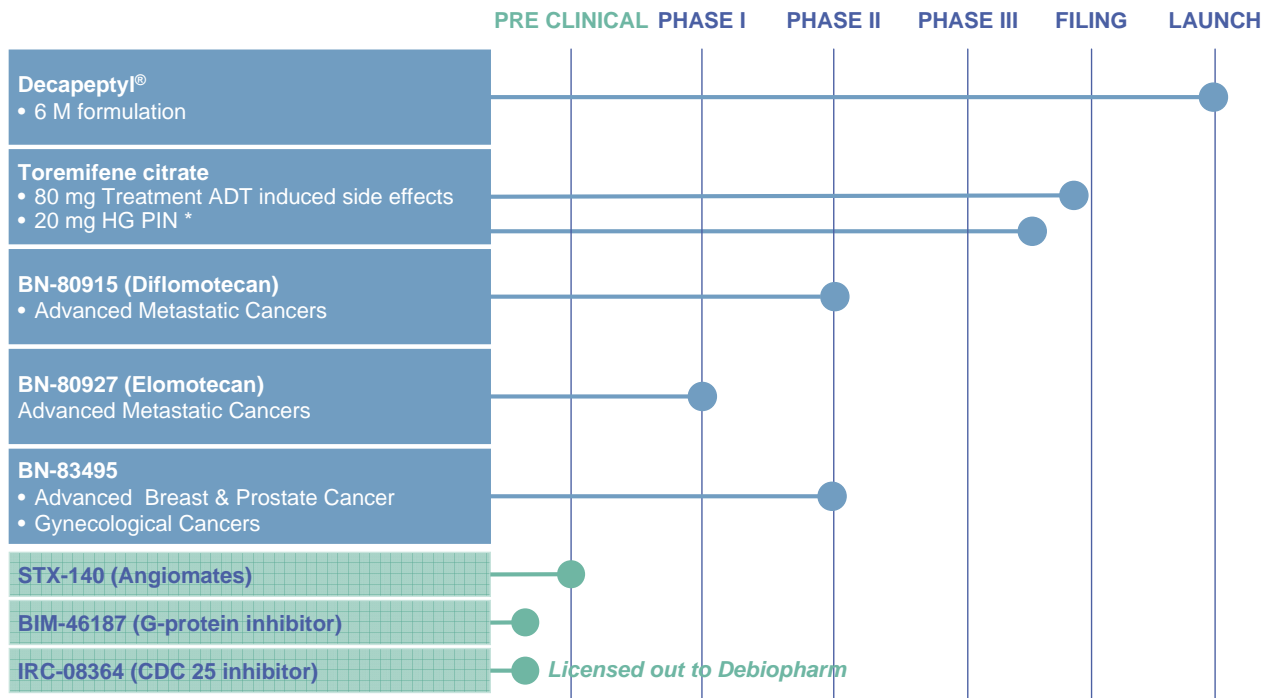
## R&D Pipeline



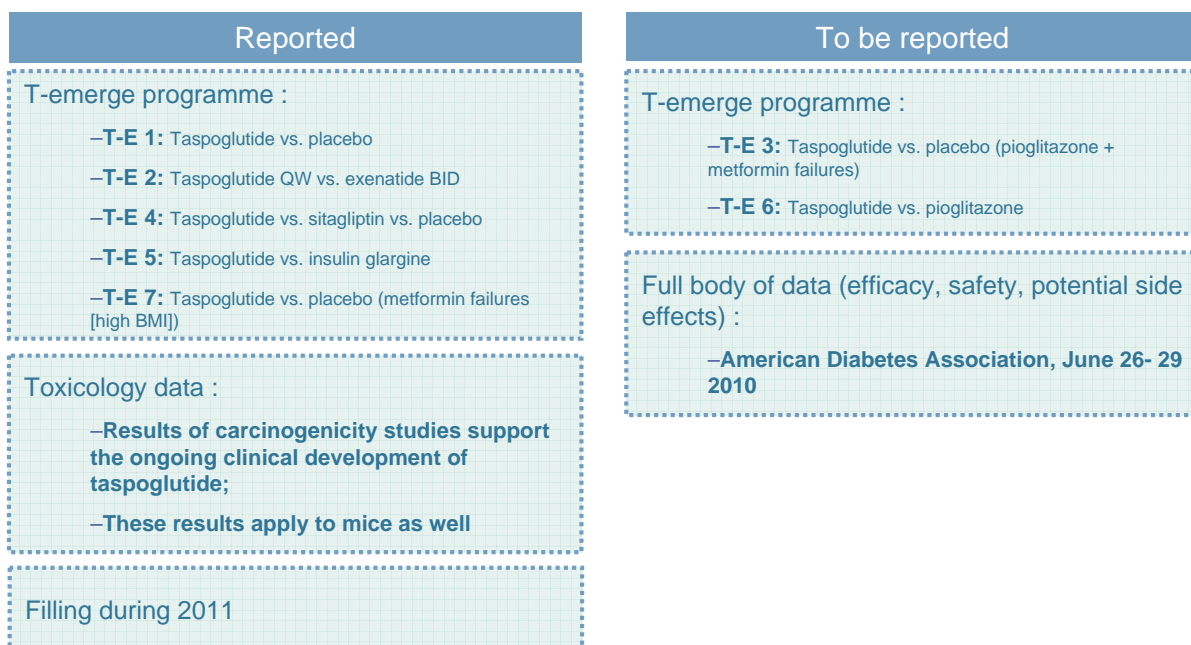
### A rich endocrinology pipeline



## A promising Oncology pipeline



## Taspoglutide : Potential Best-in-class profile

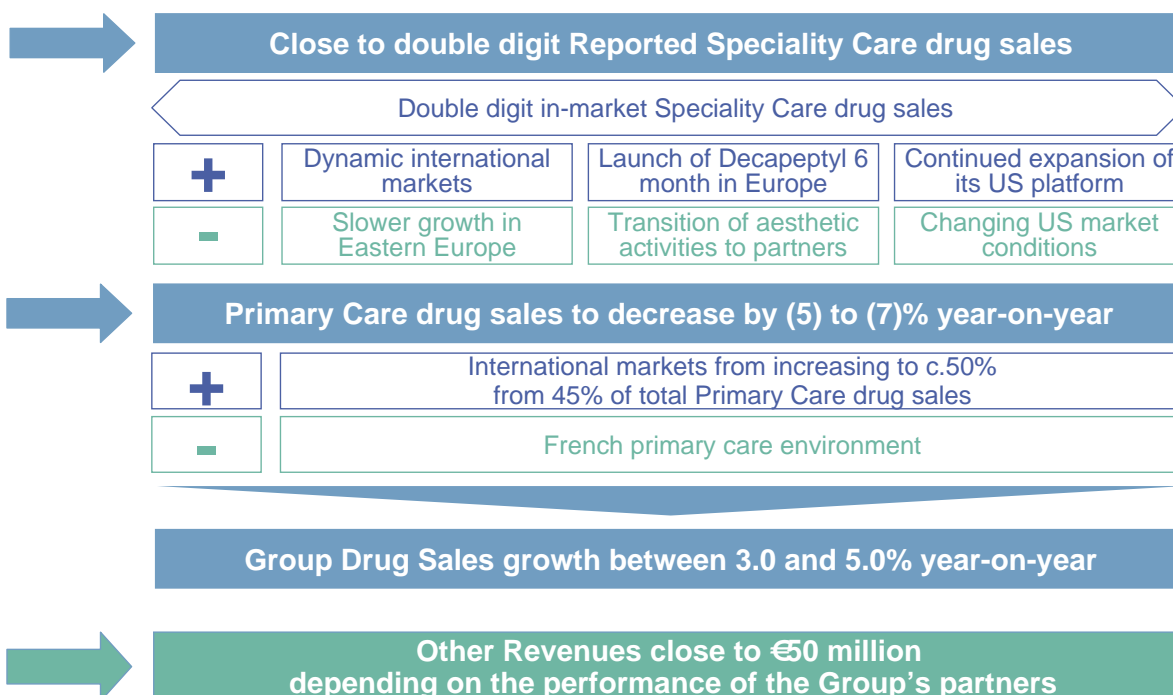


# APPENDIX

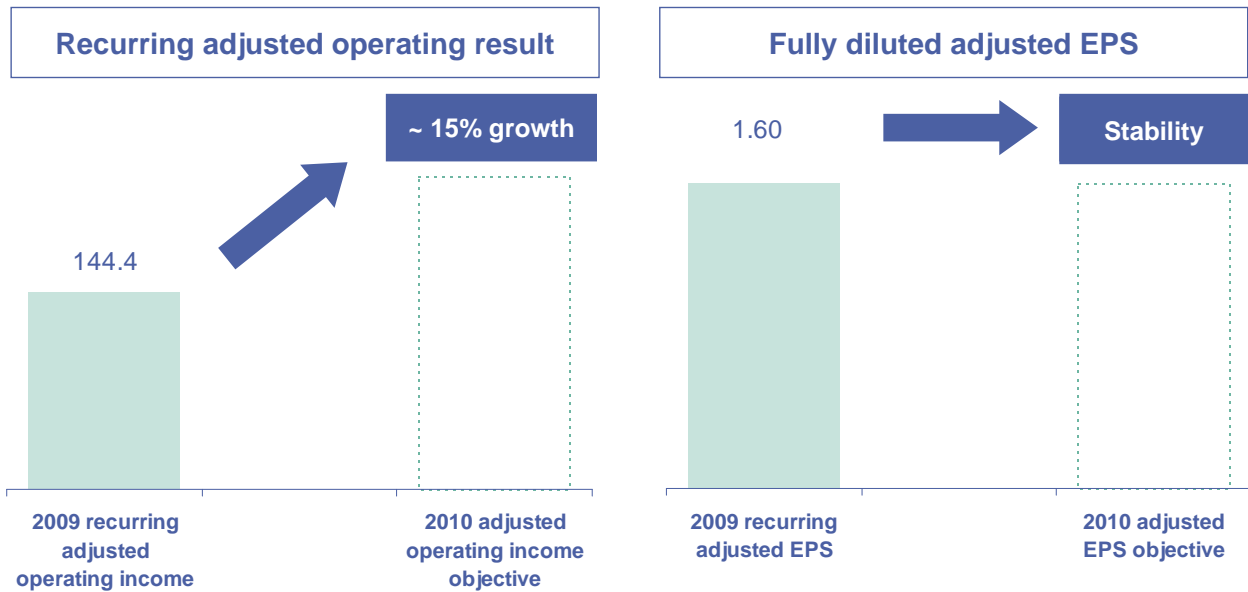
## Financial objectives



### Top line objectives for 2010

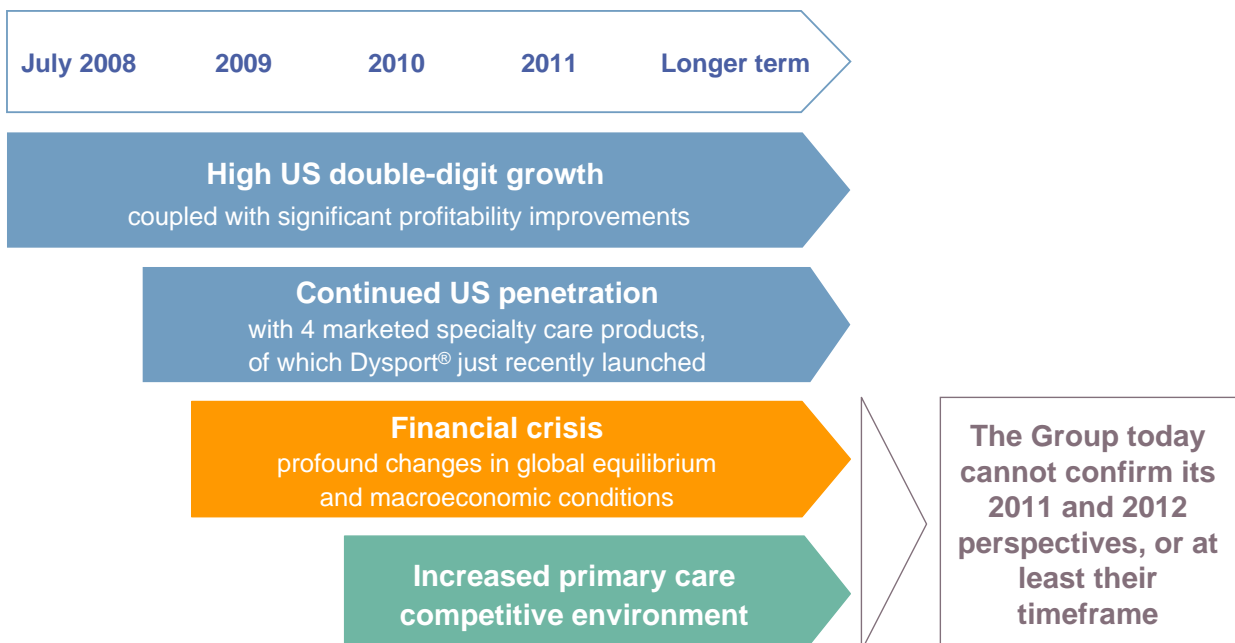


## Profitability objectives for 2010



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...



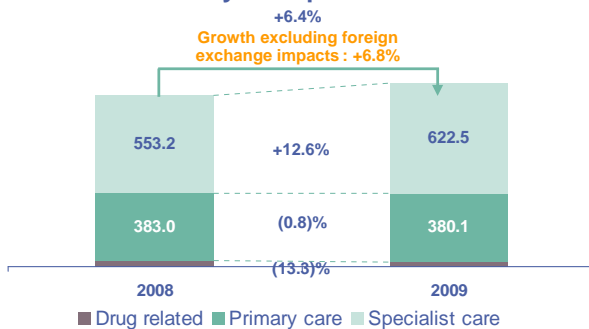
# APPENDIX

## Full year 2009 detailed financial performance

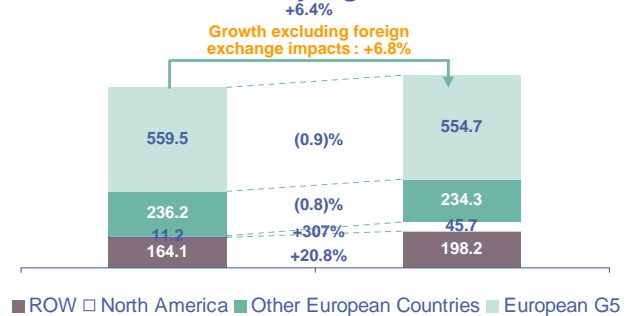


### Top line evolution

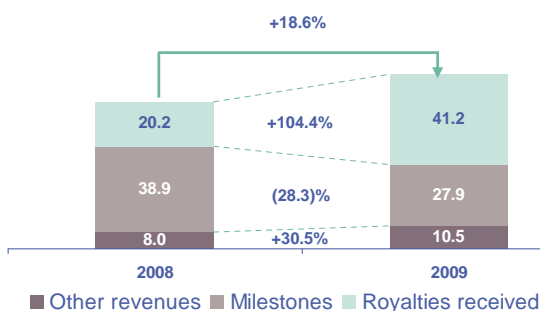
Sales by therapeutic area



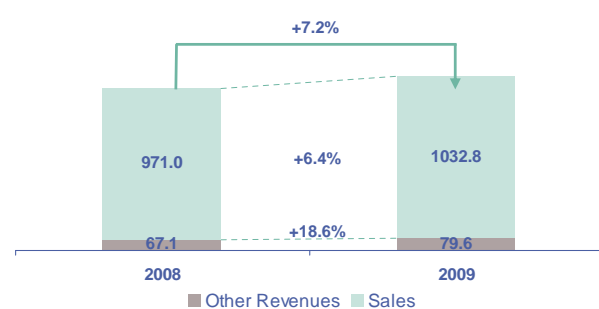
Sales by region



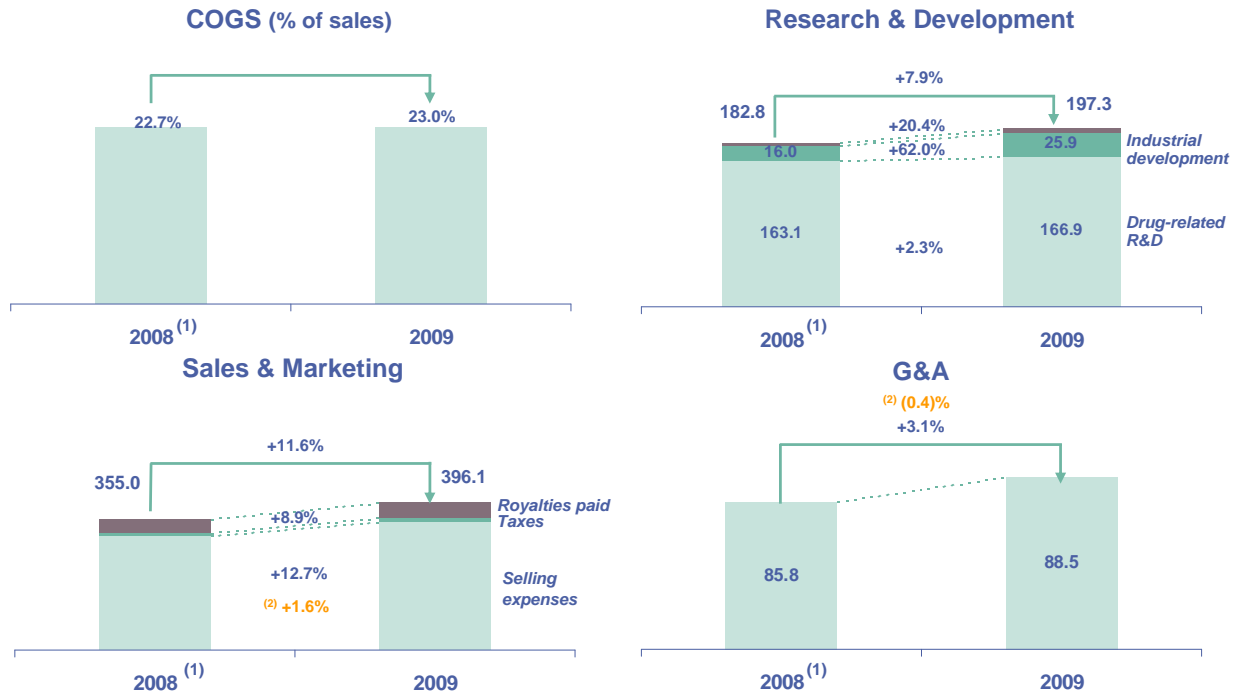
Other revenues evolution



Total revenues evolution



## Evolution of main P&L expenses

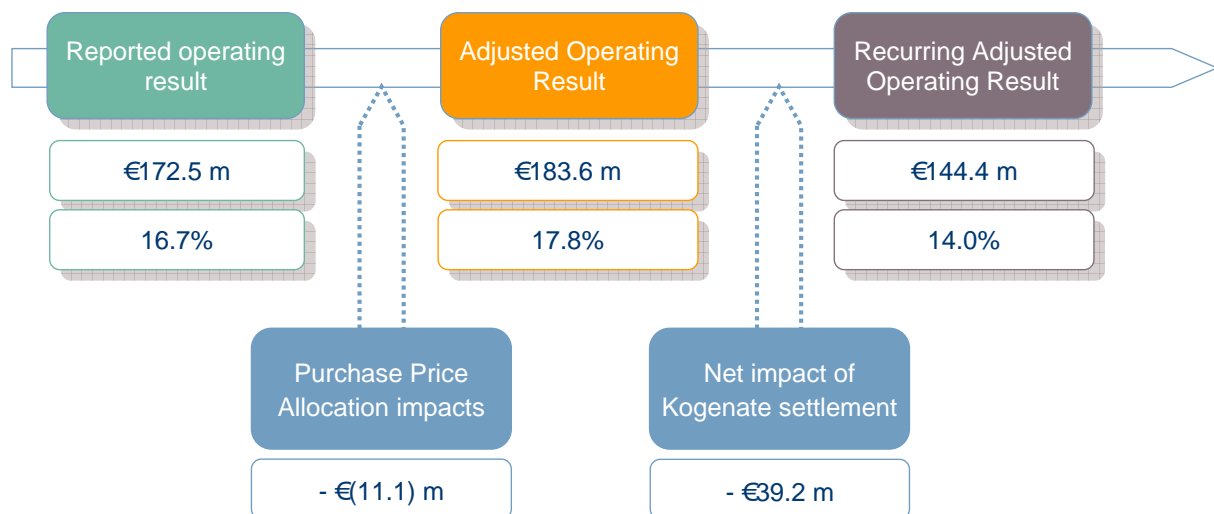


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NOTE 1 : Adjusted for the impacts related to purchase price accounting in connection with the Group's acquisitions

NOTE 2 : in orange: outside North America

## P&L – 2009 operating result and margin

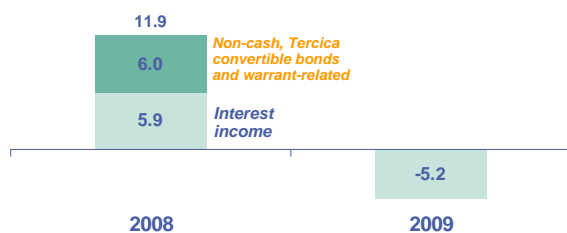


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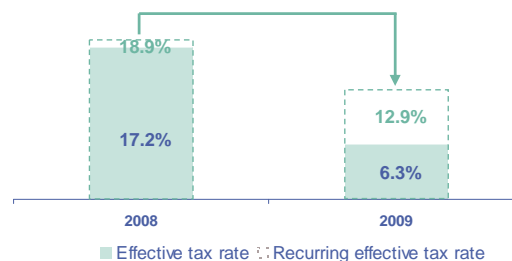
Margins expressed in % of sales

## P&L – below EBIT

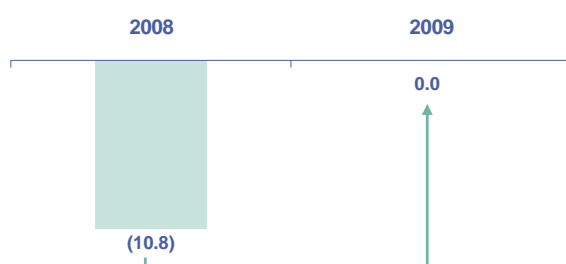
### Financial result (€m)



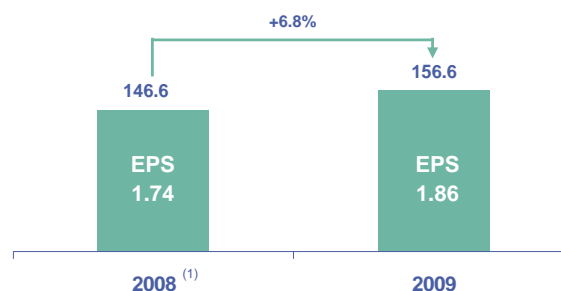
### Effective tax rate



### Income from Associates (€m)



### Consolidated result (€m - group share)



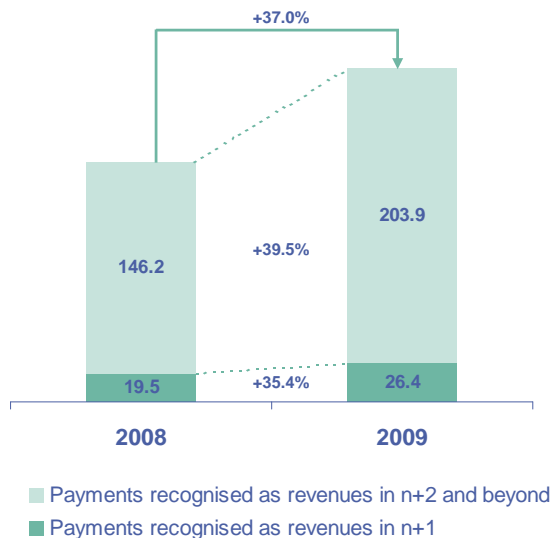
## Balance Sheet evolution

(€m)

	Assets		Liabilities		
	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	
<b>Goodwill</b>	290.8	290.2	<b>Equity</b>	885.0	982.6
<b>Property, plans &amp; equipments</b>	237.9	251.8	<b>Minority interests</b>	1.6	1.7
<b>Intangible assets</b>	232.9	237.0	<b>Total equity</b>	886.6	984.3
<b>Other non-current assets</b>	112.9	145.5	<b>Long-term financial debts</b>	162.7	12.2
<b>Total non-current assets</b>	874.5	924.5	<b>Other non-current liabilities</b>	194.2	270.3
<b>Total current assets</b>	688.6	652.4	<b>Short-term debts</b>	10.6	21.4
<i>Incl. cash and cash equivalents</i>	239.6	218.6	<b>Other current liabilities</b>	305.4	286.7
<b>Discontinued operations</b>	1.3	0.0	<b>Discontinued operations</b>	4.9	2.0
<b>Total assets</b>	1,564.4	1,576.9	<b>Total Liabilities</b>	1,564.4	1,576.9
<b>Net Cash</b>	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
<b>Cash Flow before change in working capital</b>	<b>196.3</b>	<b>192.7</b>
- Increase/ Decrease in working capital	7.4	64.9
<b>Net cash flow generated by operating activities</b>	<b>203.7</b>	<b>257.6</b>
Investment in tangible assets	(61.4)	(40.3)
Investment in Intangible assets	(33.8)	(24.7)
Others	(190.3)	(6.3)
<b>Net cash flow used in investing activities</b>	<b>(285.5)</b>	<b>(71.3)</b>
Net change in borrowings	141.0	(151.3)
Dividends paid	(55.0)	(58.0)
Others	(7.0)	(5.4)
<b>Net cash flow used in financing activities</b>	<b>79.0</b>	<b>(214.8)</b>
Discontinued operations	0.7	(1.0)
<b>Change in cash and cash equivalent</b>	<b>(2.1)</b>	<b>(29.5)</b>
Impact of exchange rate fluctuations	(1.5)	(2.4)
<b>Closing cash &amp; cash equivalents</b>	<b>237.3</b>	<b>205.4</b>
<b>Closing Net Cash</b>	<b>66.2</b>	<b>185.6</b>

■ 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**

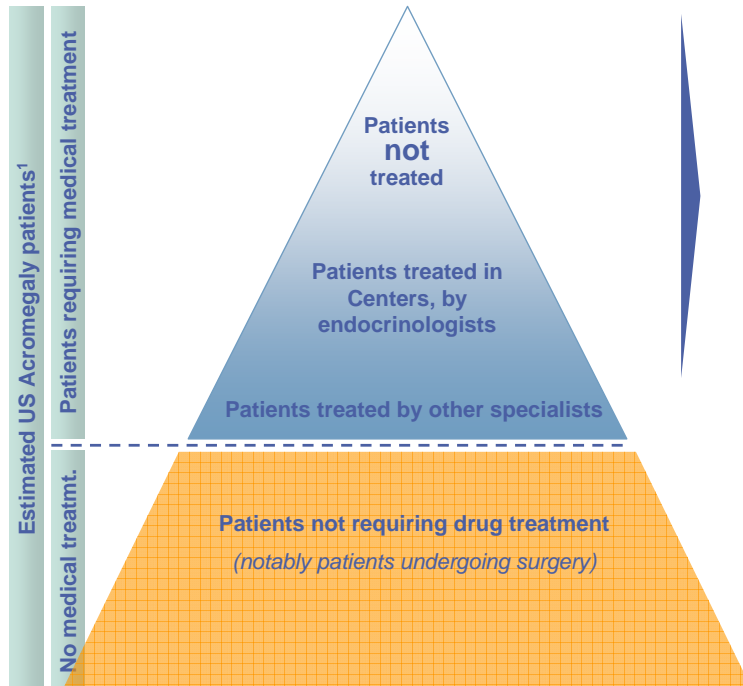
**Customer support programs in place, essential to US success**  
Implementing PACE program (Patient assistance, Access to services, Continuity of care, Education) for each product

**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% share<sup>2</sup> of endocrinologists prescriptions
  - 40% market share<sup>2</sup> in pituitary centers
- **Significant pool of untreated patients**
- **Relatively low compliance compared to Europe**

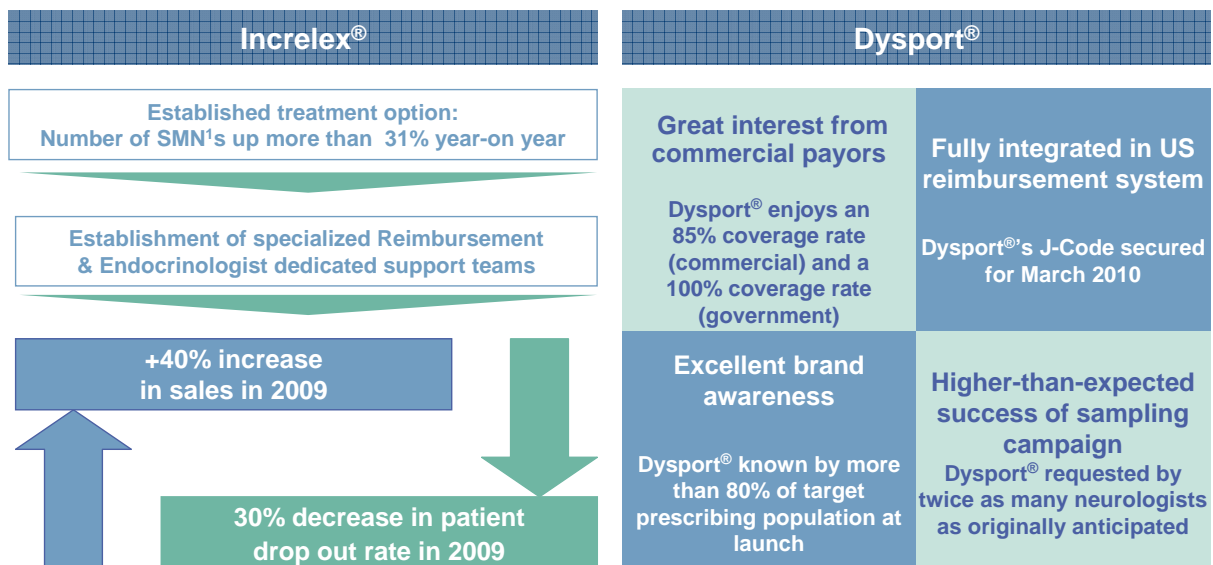
Drive Somatuline® Depot as first line recommendation in Pituitary centers and Endocrinologists

Drive Somatuline® Depot access and persistence

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NOTE 1 : Prevalence of 60 per million  
NOTE 2 : Q409 market share established by Wolters Kluwer

## Snapshot on Increlex® and Dysport®



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NOTE 1: Statement of Medical Necessity



## A change in US context

Difficult economic situation impacting finances of patients

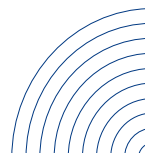
Increased pressure from commercial payers with tougher reimbursement criteria

Enforcement of strict compliance environment



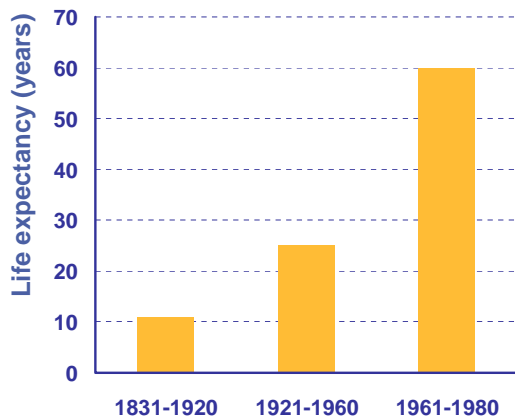
## Appendix

### Partnership with Inspiration in Hematology



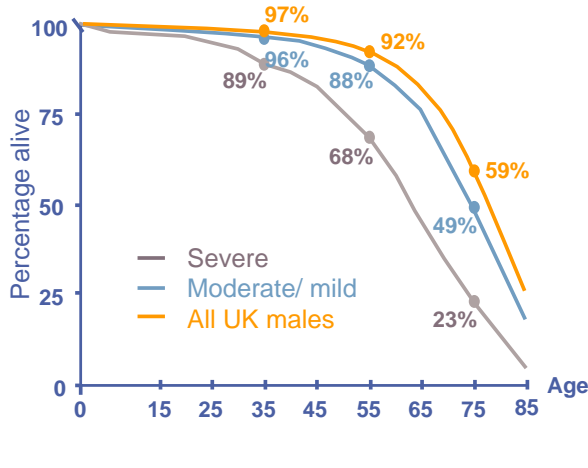
## Despite improved life expectancy and treatment of patients with hemophilia...

### Improved life expectancy



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

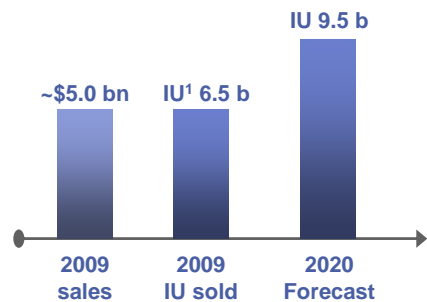
### Improved treatments



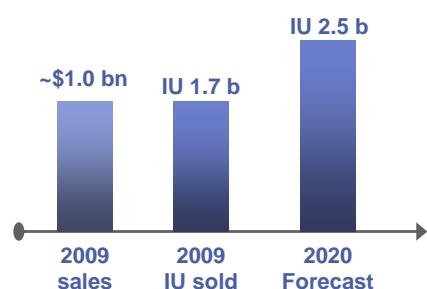
Survival in men in the UK with hemophilia who were not infected with HIV and in the general male population of the UK in 1999  
SOURCE: Darby SC, et al. *Blood* 2007;110:815-825

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

### Factor VIII



### Factor IX



### Low penetration

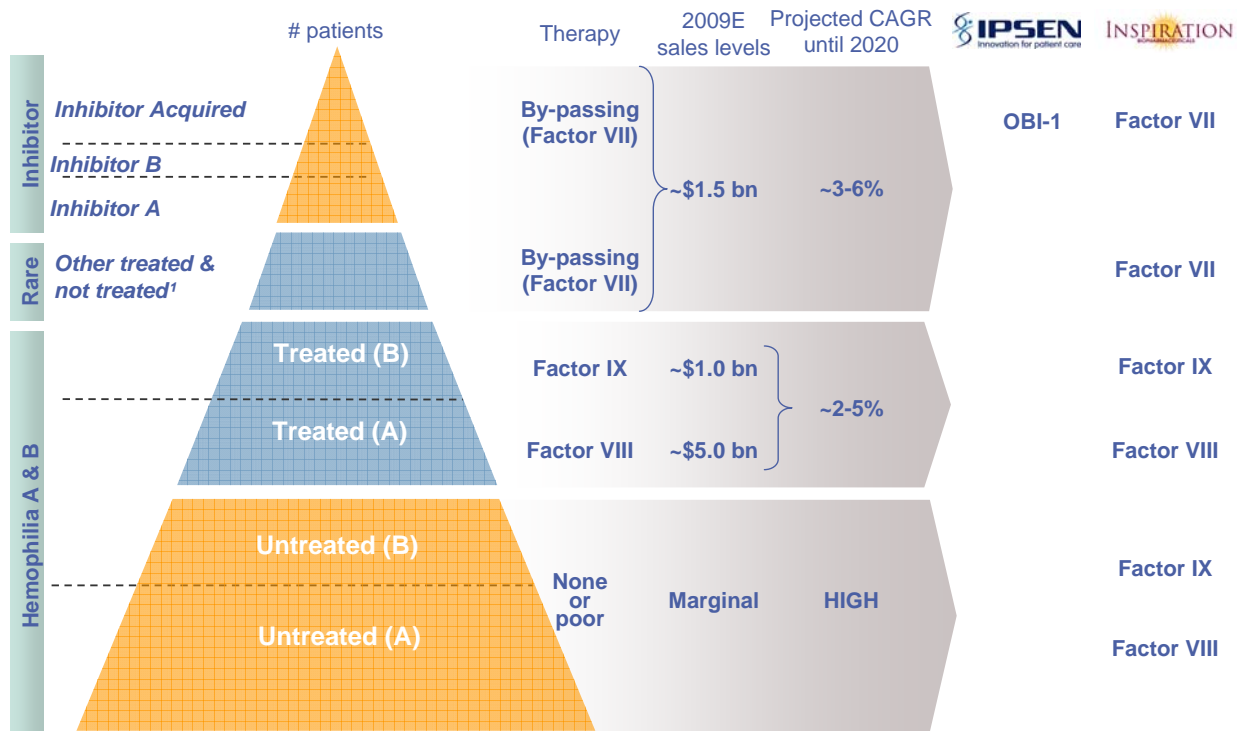
- 70% of hemophilia patients worldwide do not have access to factors

### 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**

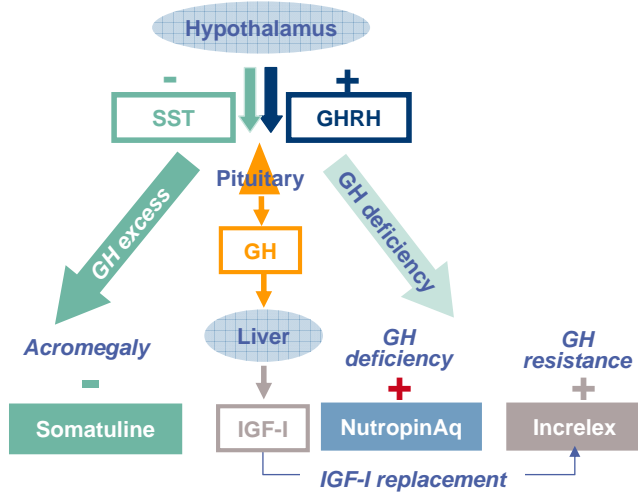
## ...resulting in high unmet medical needs in all segment of hemophilia



**BACK UP SLIDES**

**Endocrinology**

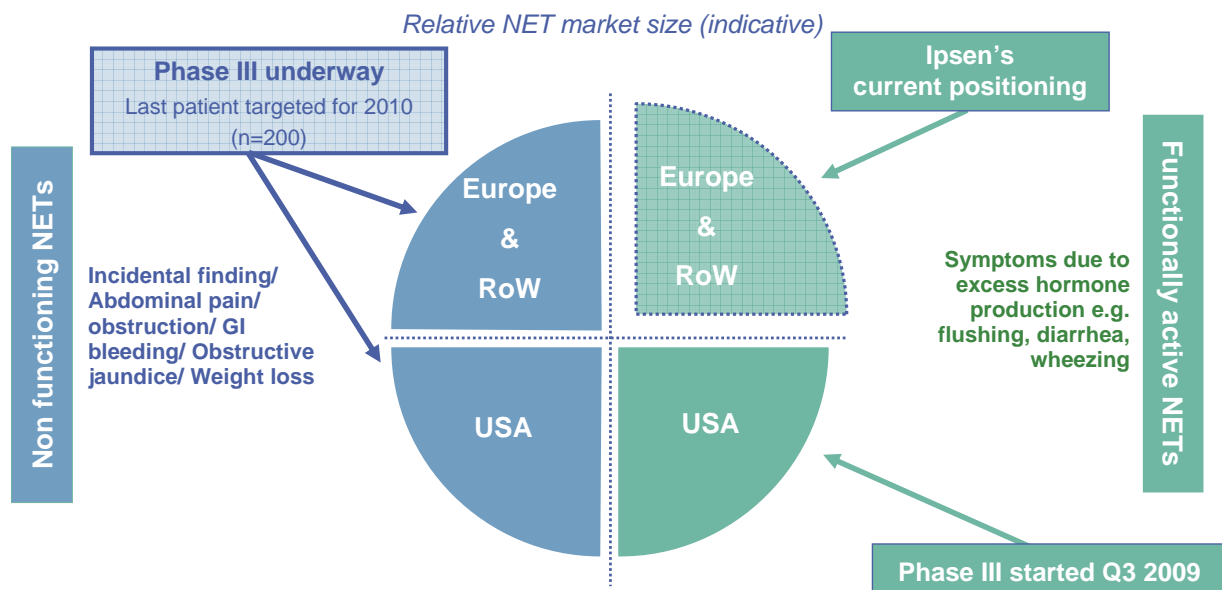
## A unique focus on pituitary disorders and hormone dependent diseases



### 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



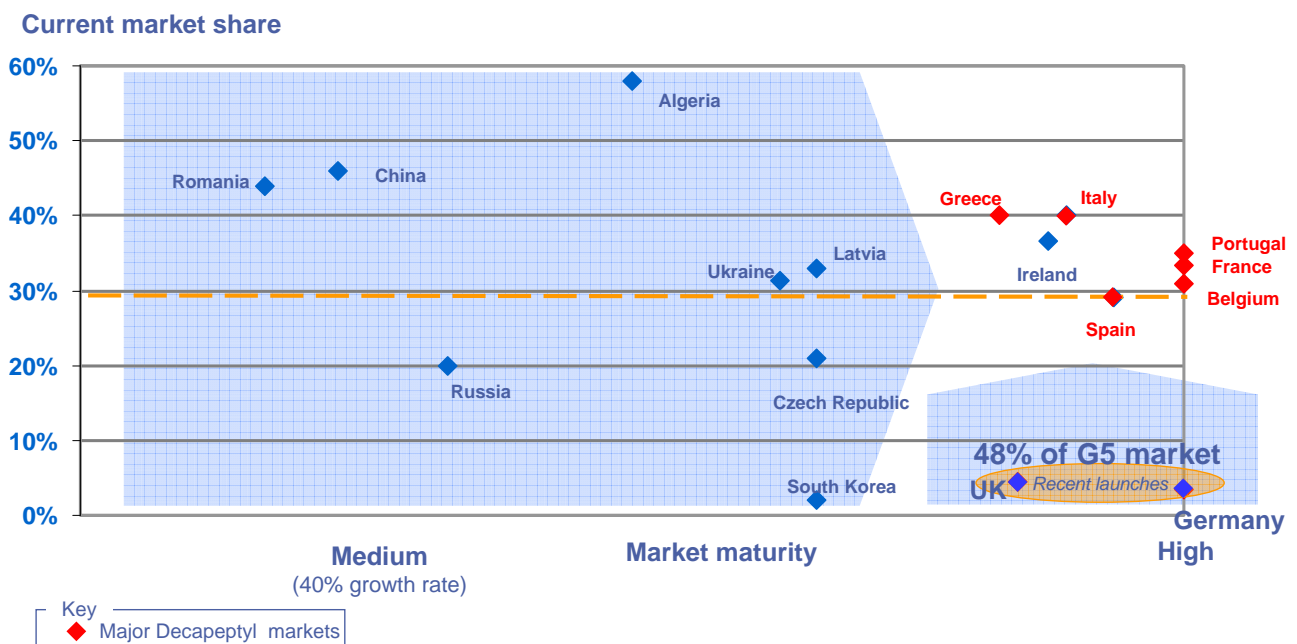
### Significant scope for expansion

# BACK UP SLIDES

## Oncology



### Decapeptyl®: strong positions, and poised to grow



## Decapeptyl® 6 month formulation: a more differentiated product profile

Efficacy	<ul style="list-style-type: none"> <li>▪ Comparable efficacy to 1 and 3 months formulation               <ul style="list-style-type: none"> <li>• Castration levels (testosterone)</li> <li>• Disease control (PSA)</li> </ul> </li> </ul>	
Local Tolerance	<ul style="list-style-type: none"> <li>▪ Limited local side effects (6.7% of patients )</li> </ul>	
Storage and reconstitution	<ul style="list-style-type: none"> <li>▪ Storage at room temperature (no need to heat up before reconstitution)</li> <li>▪ 5 Steps to reconstitute, change needle, and inject - IM route</li> </ul>	
Formulation/ Efficacy	6 month competitor 1	6 month competitor 2
	<ul style="list-style-type: none"> <li>▪ 80% of patients castrated after 6M <sup>2</sup></li> <li>▪ Testosterone <u>to be tested</u> every 6M* <sup>1</sup></li> <li>▪ Formation of Nodules or abscess <sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>▪ Slow release formulation dependent on manual 60 mixture<sup>1</sup> step</li> <li>▪ Storage at 2-4°: need to heat up for reconstitution <sup>1</sup></li> </ul>

## BACK UP SLIDES

### Neurology



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

Market share in medical indications



## An increasingly transactional model

