

# Ipsen's growth, technology and R&D engines fully at work

## Roadshow Raymond James 2<sup>nd</sup> September - London

*Mr Stéphane Thiroloix – EVP – Corporate Development  
Mr Claude Bertrand – Chief Scientific Officer  
Mr David Schilansky – Vice President Finance  
Mr Pierre Kemula – Investor Relations Officer*



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## Agenda for today

1	Ipsen's commercial engine fully at work...		<b>Jean-Luc Bélingard</b> Chairman and CEO
	1a	...in the US	<b>Jean-Christophe Tellier</b> President – North America
	1b	...in emerging markets	<b>Jean Fabre</b> Vice President - Operations
2	Ipsen's partnerships fully at work		<b>Stéphane Thiroloix</b> EVP, Corporate Development
	A focus on Inspiration		<b>Andy Grethlein</b> COO – Inspiration Biopharmaceuticals
3	Ipsen's R&D engine fully at work		<b>Claude Bertrand</b> EVP, Chief Scientific Officer
4	Ipsen's first half 2010 financial performance in line with full-year objectives		<b>Claire Giraut</b> EVP, Chief Financial Officer
5	Concluding remarks		<b>Jean-Luc Bélingard</b> Chairman and CEO

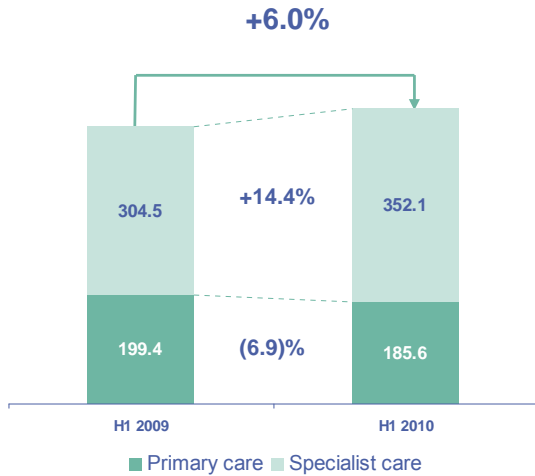
3 FIRST HALF 2010 RESULTS

## Ipsen's commercial growth engine fully at work

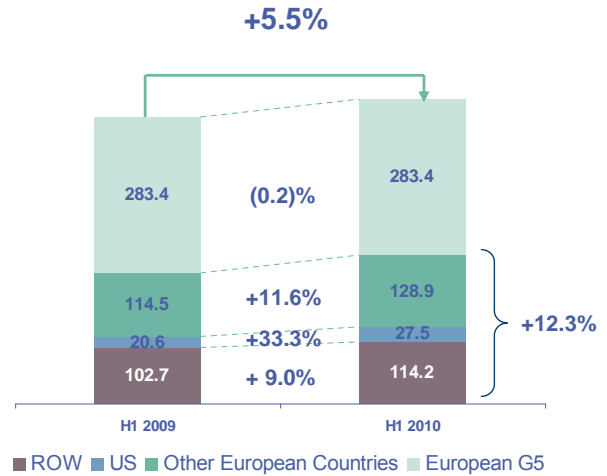
**Jean Luc Bélingard**  
Chairman & CEO

## Specialist care is driving dynamic growth...

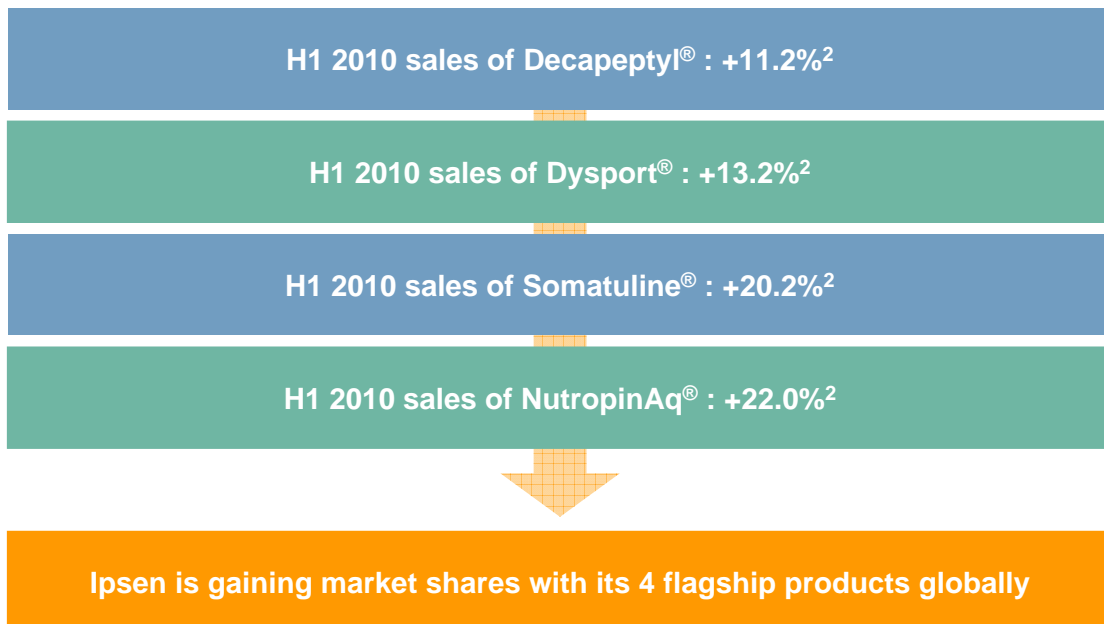
**DRUG SALES by therapeutic area**  
(excl. Drug related sales)



**GROUP SALES by region**  
(incl. Drug related sales)



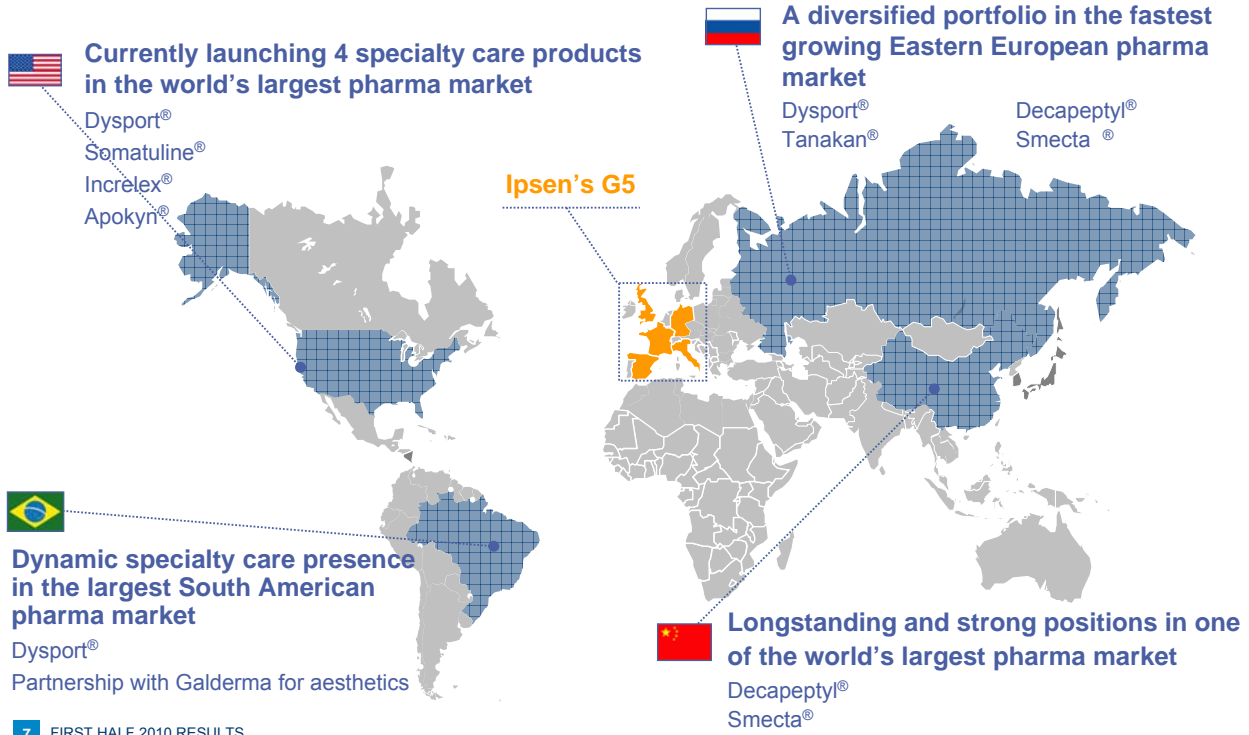
## ... and outgrowing its main competitors<sup>1</sup>



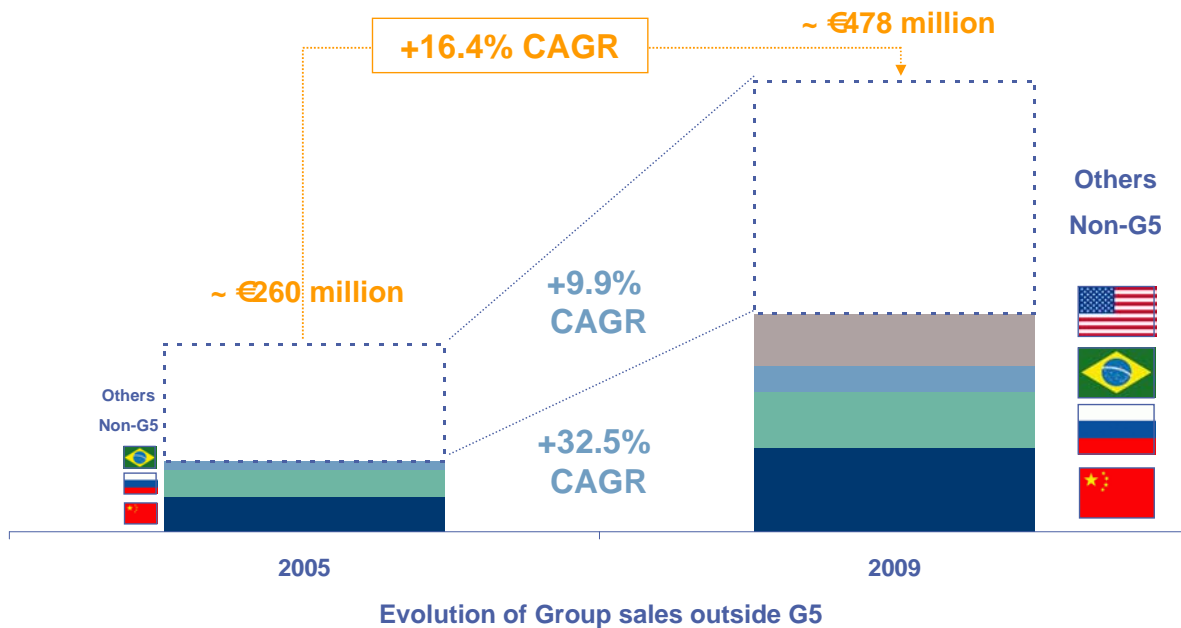
<sup>1</sup> Ipsen's main competitors to Decapeptyl®, Dysport®, Somatuline® and NutropinAq® respectively grew 2.0%, 2.9%, 12.0% and 4.0% over the same period

<sup>2</sup> Year-on-year first half growth at constant currency

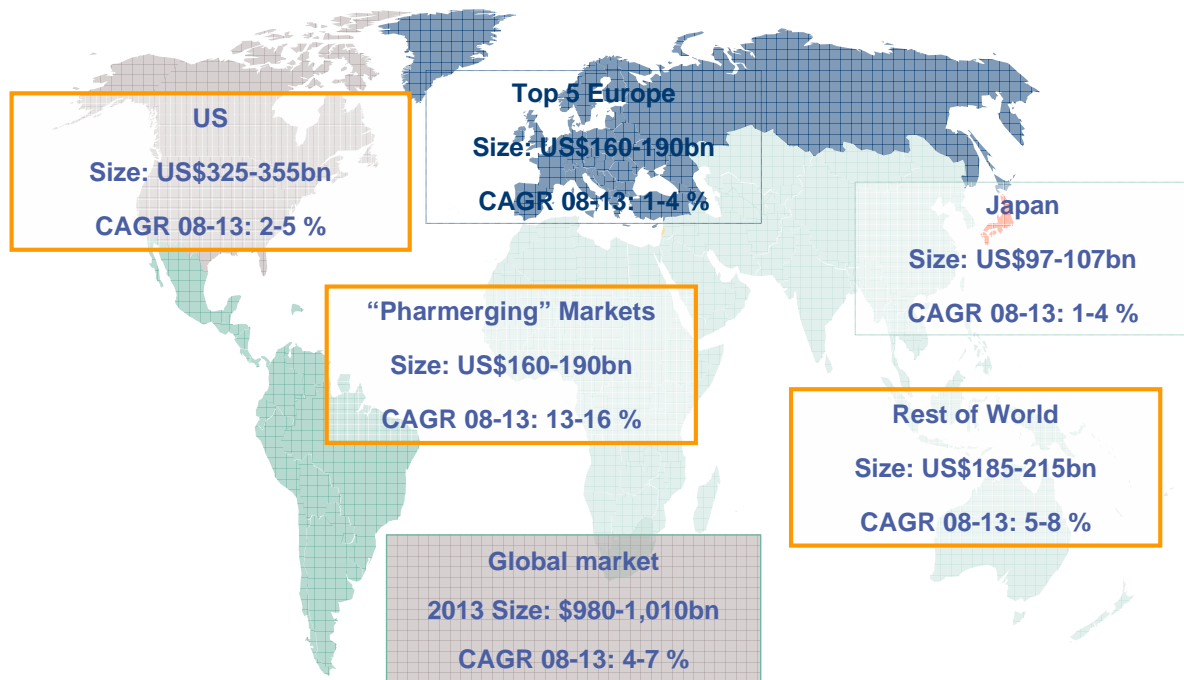
## Geographic expansion is part of Ipsen's DNA...



## ... leading to continuous, fast development outside historical G5



## Ipsen is positioned on fastest growing markets



## Ipsen's US operational engine fully at work

Jean-Christophe Tellier  
President and General Manager - Ipsen US

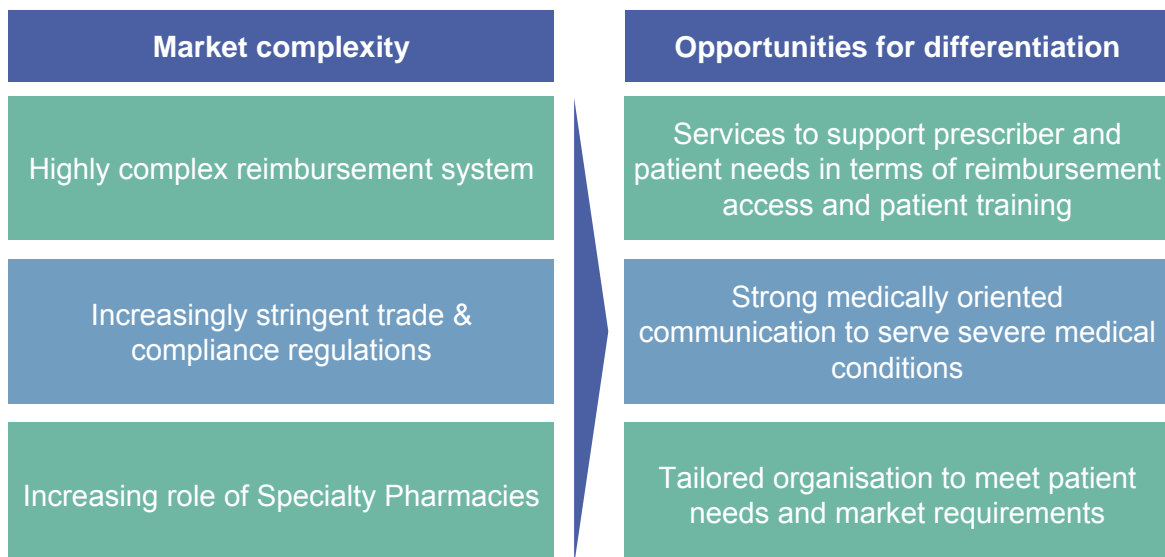


## Ipsen is deploying its product portfolio in the world's largest market...

- **Economically attractive U.S. market:** ~40% of WW pharma market and is characterized by **growing complexity**
- **Specialty products:** ~21%<sup>1</sup> of U.S. market value, **growing at a robust pace (c.7.5%)**, i.e. at least twice the average pharma market growth
- **Ipsen is a pure play in specialty care, with two flagship products marketed – Somatuline<sup>®</sup> Depot and Dysport<sup>®</sup> – along with 2 companion products – Increlex<sup>®</sup> and Apokyn<sup>®</sup>**

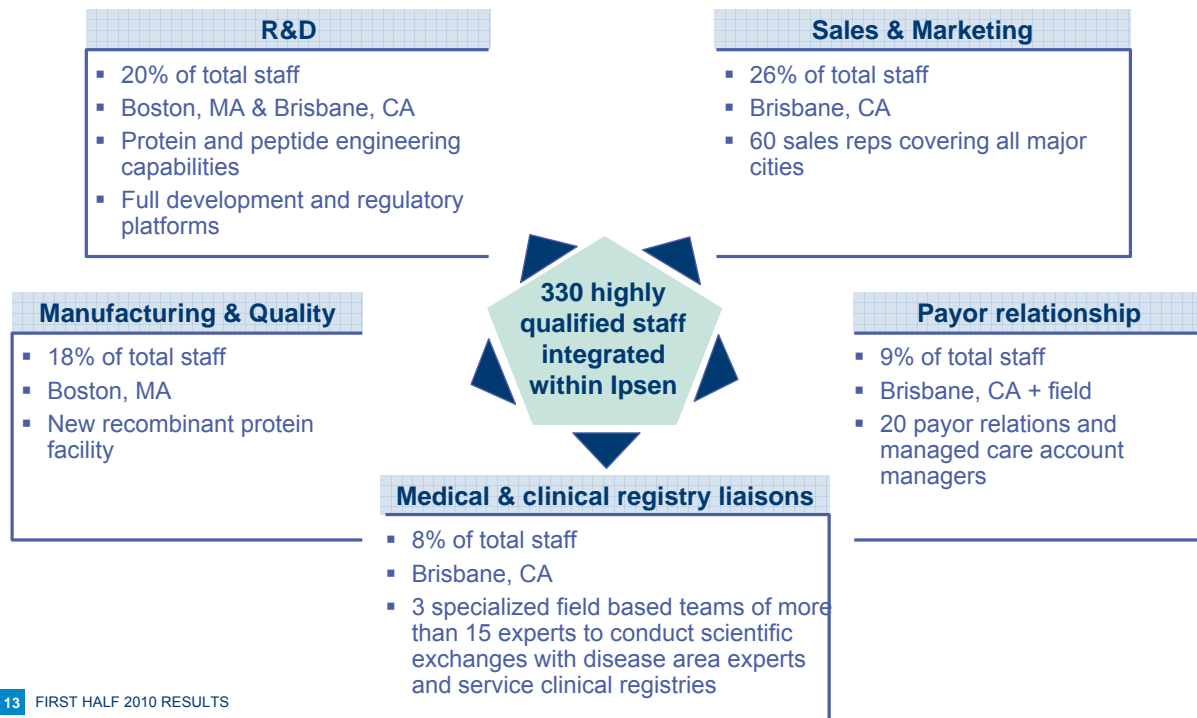


## ...in a complex and fast changing environment providing differentiation opportunities





## A tailor made, competitive and complete infrastructure...



## ...with significant achievements in less than two years

- 2009 sales of €45.7 million, growing 60%+ year-on-year
- H1 2010 sales of €27.5 million, growing 30%+ year-on-year
- Today, Ipsen's 6<sup>th</sup> largest affiliate





## Outcome 1: Somatuline<sup>®</sup> Depot is gaining share in Acromegaly

### Physician Quotes<sup>1</sup>

- **“LAR was in the past. But now the convenience of Somatuline Depot has made me change some of that. The convenience is better and the efficacy is the same”**
- **“Prefilled syringe: No need to mix ingredients. It is Sub Q rather than the IM that is uncomfortable. The injection volume is less”**
- **“Lately I have been doing only Somatuline Depot. I switched some patients and they really liked it”**
- **“Most patients want to try Somatuline Depot because of the convenience factor”**

15.8% growth in H2 over H1 2009 and 25.3% in H1 2010 over H2 2009

Growth largely driven by market share gains in a flat acromegaly market

Acromegaly retail market share now 21% vs. 17% a year ago<sup>2</sup>

Co-pay assistance program launched in May 2010

Level and breadth of customer perception of reimbursement services at least as good as for main competitor



## Outcome 2: all signals positive for Dysport<sup>®</sup>'s launch

Launched Nov 2009 with >85% commercial insurance coverage and 100% coverage from national payors

14/15 Medicare Administrative Contractors cover Dysport<sup>®</sup>

Customers view reimbursement service platform as superior to competitor's<sup>1</sup>

Customers perceive sample program as unique and easy to use affording them the opportunity to try Dysport<sup>®</sup>

More than 325 unique accounts have ordered





## North America is at the heart of Ipsen's global deployment

Ipsen's fully fledged infrastructure is 100% operational, and is built around market complexity and requirements

Being a biotech player in the US with full R&D, manufacturing, medical and sales & marketing capabilities further increases the Group's business and scientific opportunities

Ipsen's staged entry in the US allowed for smooth and swift execution

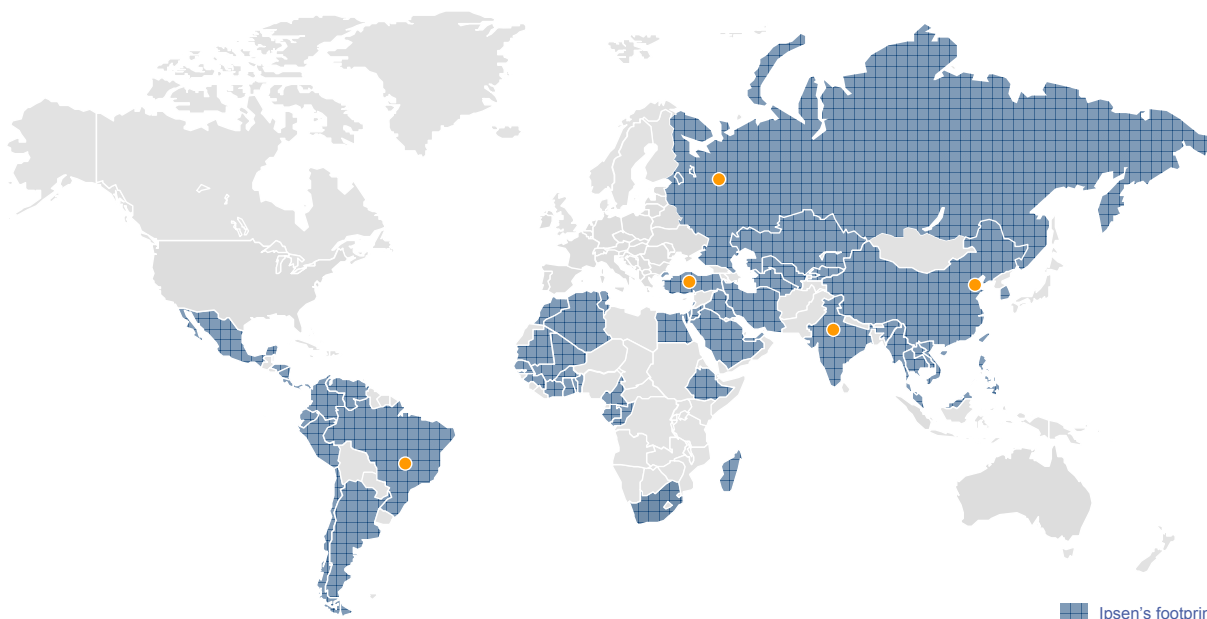
A new platform for potential further value creation opportunities

## Ipsen's growth engine fully at work in pharmerging markets...

**Jean Fabre**

**VP Intercontinental Operations**

## Ipsen is present in all key fast-growing markets



2009 sales above €245 million - Staff of close to 900  
Strong and lasting double digit growth



## A strong and longstanding presence in China ...

- Established in 1992
- HQ in Tianjin. Total staff of ~ 450 employees
- ~€75 m 2009 sales
- Today, Ipsen's 2<sup>nd</sup> largest affiliate
- **Regional sales force teams** focused on key coastal cities, now spreading towards the west into lower tier cities. **>100 cities covered** including all T1 & T2<sup>1</sup>
- **Dedicated market access team** to manage complexity of 31 regions
- Experienced **medico-regulatory team** to conduct **local clinical and registration trials**
- World class **manufacturing site** since 2000 currently producing >20 million units of Smecta<sup>®</sup> for domestic Chinese market



Ipsen, a well established, with a longstanding expertise,  
Chinese Pharmaceutical company

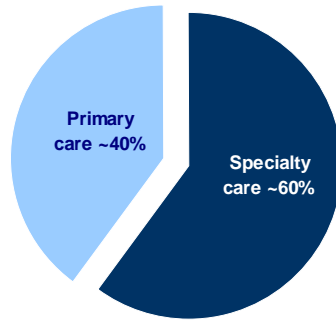


## ...delivering ~25% sales CAGR over the past 5 years



- Sales force ~200
- Covering top tier 1 & 2 cities and entering T3<sup>2</sup>
- ~15%<sup>3</sup> market share
- Non EDL<sup>4</sup> market (T1 & T2) growth slowing down
- EDL<sup>2</sup> segment (T3) to grow > 50% in volume

Main products



2009 sales split



- Specialized Sales Force ~90
- Covering >100 top tier cities
- Endometriosis:
  - Launched in 1999
  - Market CAGR 10-14 > 20%<sup>3</sup>
  - Achieved leadership
- Prostate cancer:
  - 3-month launched in Q1 2010
  - First in market
  - Market CAGR 10-14 > 25%<sup>3</sup>

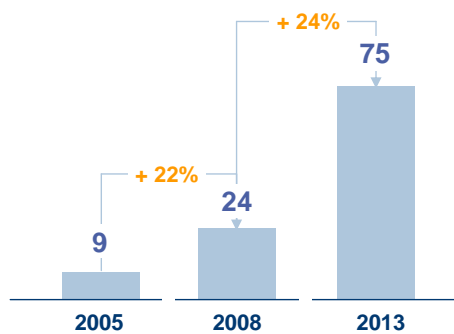
**A portfolio built on solid historical gastroenterology pillar, now boosted by fast growing specialty care franchise**



## China is a key market...

**China is on the way to #3 in the world...**

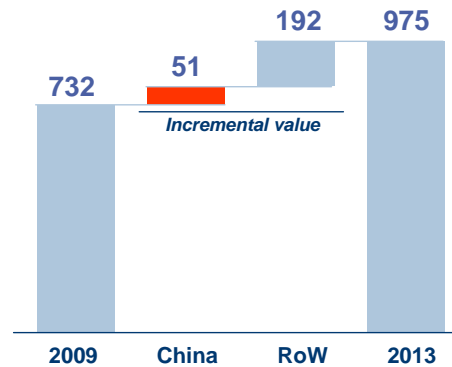
China pharmaceutical Market 2005-15 (US\$ Bn)



Rank : 9 5 3

**... contributing to over 20% of the expected global value growth by 2013**

WW pharmaceutical market 2009-15



CAGR : 24% 6%



## ... structurally fast growing

### 1 Urban employees

- On average 8% of payroll contributed
- **\$42bn** of funds collected for insurance in 2008
- From 150 to 490 rmb/ capita on average (i.e. €15 to €49)

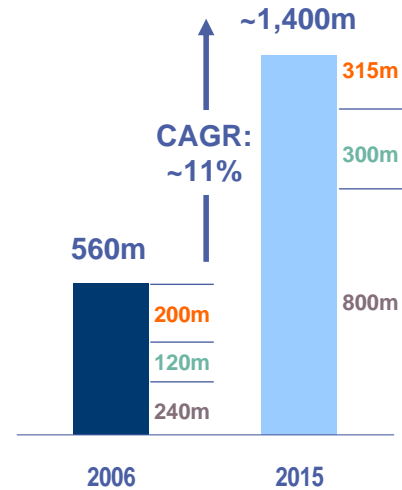
### 2 Urban residents (not covered by "Urban employees")

- Subsidised by government
- Covers elderly, children...
- **\$2bn** of funds collected for insurance in 2008
- From 0 to 80 rmb/ capita on average (i.e. €0 to €8)

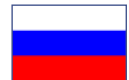
### 3 Rural residence

- Subsidised by government
- Covers rural families
- **\$12bn** of funds collected from insurance in 2008
- From 8 to 50 rmb/ capita on average (i.e. €0.8 to €5)

Estimated covered population



Sources : MOH, China Infobank, Literature research



## A strong presence in Russia, the fastest growing Eastern European market...

- Presence since **1993**
- HQ in Moscow. Total staff of **~200 employees**
- ~€50 m 2009 sales
- Today, Ipsen's **7<sup>th</sup> largest affiliate**
- Sales force regional teams focused on **30+ major cities**
- **Strong franchises** among neurologists, gynecologists, onco-urologists, pediatricians
- **Solid expertise in distribution management**, a key success factor in a highly complex and fragmented market





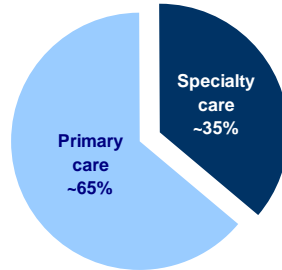
... delivering ~20% sales CAGR over the past 5 years...



- ~5% market growth <sup>1</sup>
- ~5% market share



- ~15% market growth <sup>1</sup>
- ~7% market share



2009 sales split, %

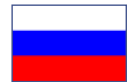


- Leader in neurology indications growing >25% <sup>1</sup>
- ~40% market share in the aesthetic market growing 20%+ <sup>1</sup>



- ~15% market share in both prostate cancer and endometriosis
- Prostate cancer: 35% market growth <sup>1</sup>
- Endometriosis 15% market growth <sup>1</sup>

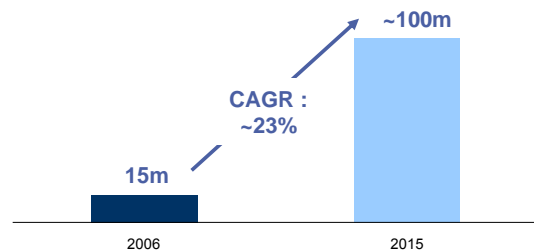
A balanced portfolio with solid foundation of Primary Care franchise and fast-growing Specialty Care sales



...with healthcare reform driving additional coverage

- Potential introduction of co-payment
- Special focus on government state tenders
- Local production of selected EDL<sup>1</sup> products
- Enforcement of GMPs<sup>2</sup> for production

Population covered by regulated healthcare system



**Acromegaly**

- Access to a €25+ million market



**Urology/ Gynecology**

- Benefit from development of Regional Program sales (tender process, reimbursement)



**Medical**

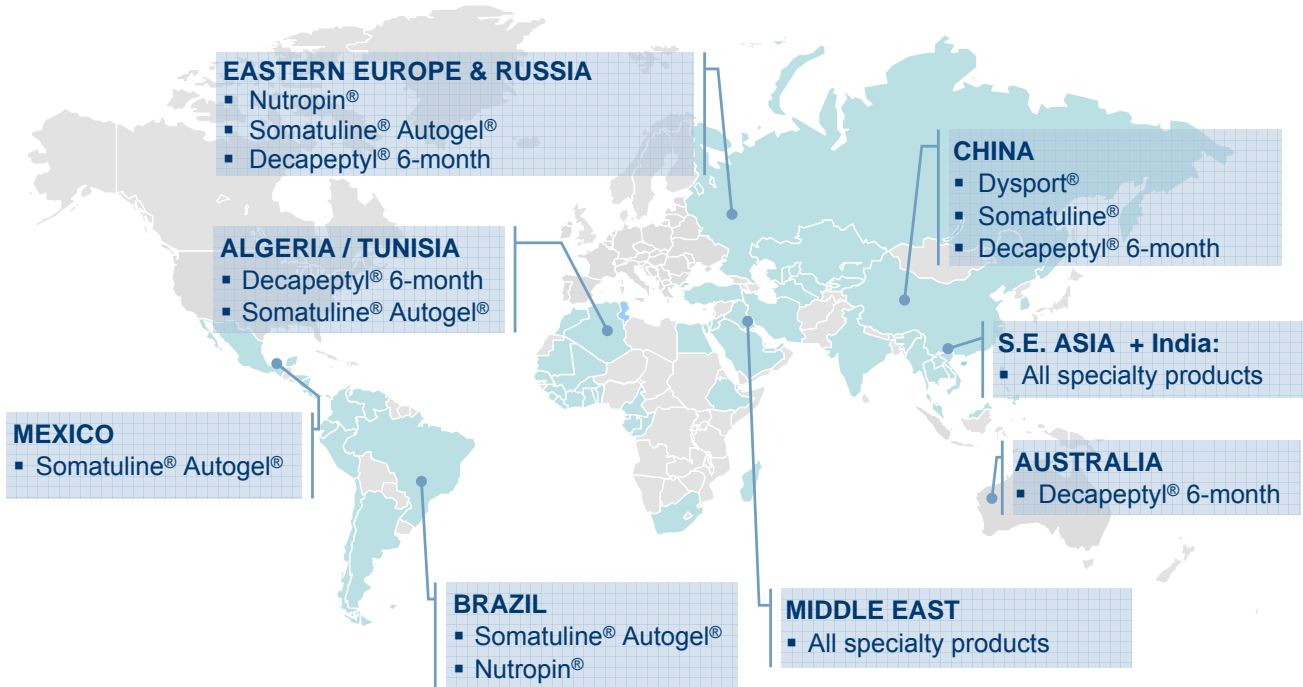


**Aesthetics**

- Benefit from dynamic consumption

A strong population coverage expansion in a improved regulated market

## Ipsern will continue to expand geographic reach by developing its specialty care products for international markets...



## ... and is poised to benefit from pharmerging market growth

A highly competitive established infrastructure and strong expertise in key fast-growing markets

Primary Care to benefit from expanding access to medical care

Specialty Care to benefit from improving quality of care, increased coverage & reimbursement

Ipsern's product portfolio is adapted to local market needs

# Ipsen's partnerships fully at work

Stéphane Thiroloix

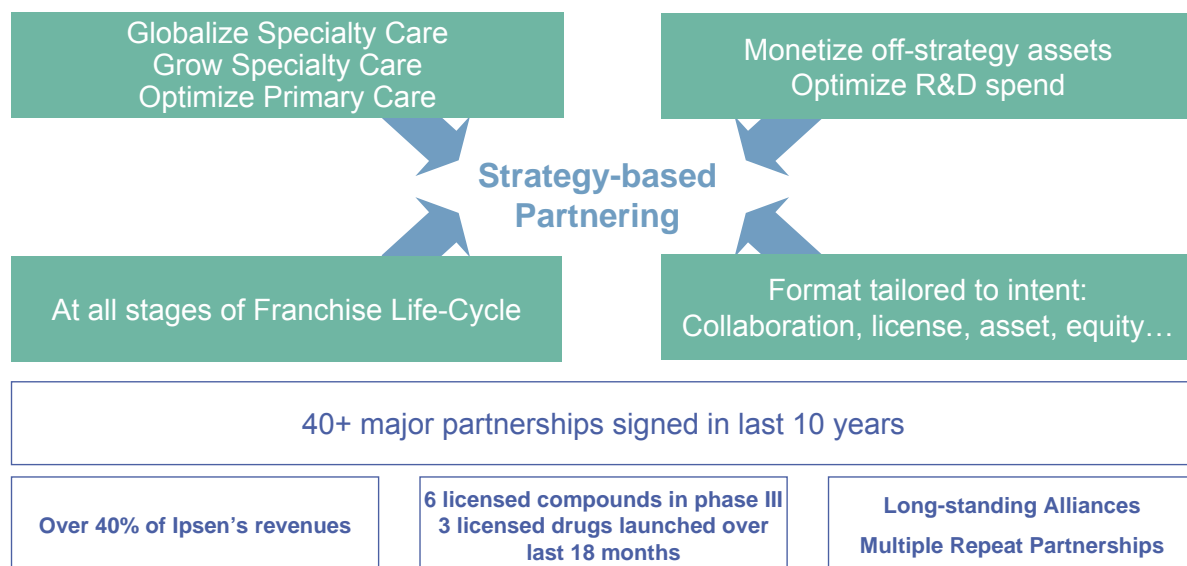
EVP, Corporate Development - Ipsen

Andrew Grethlein

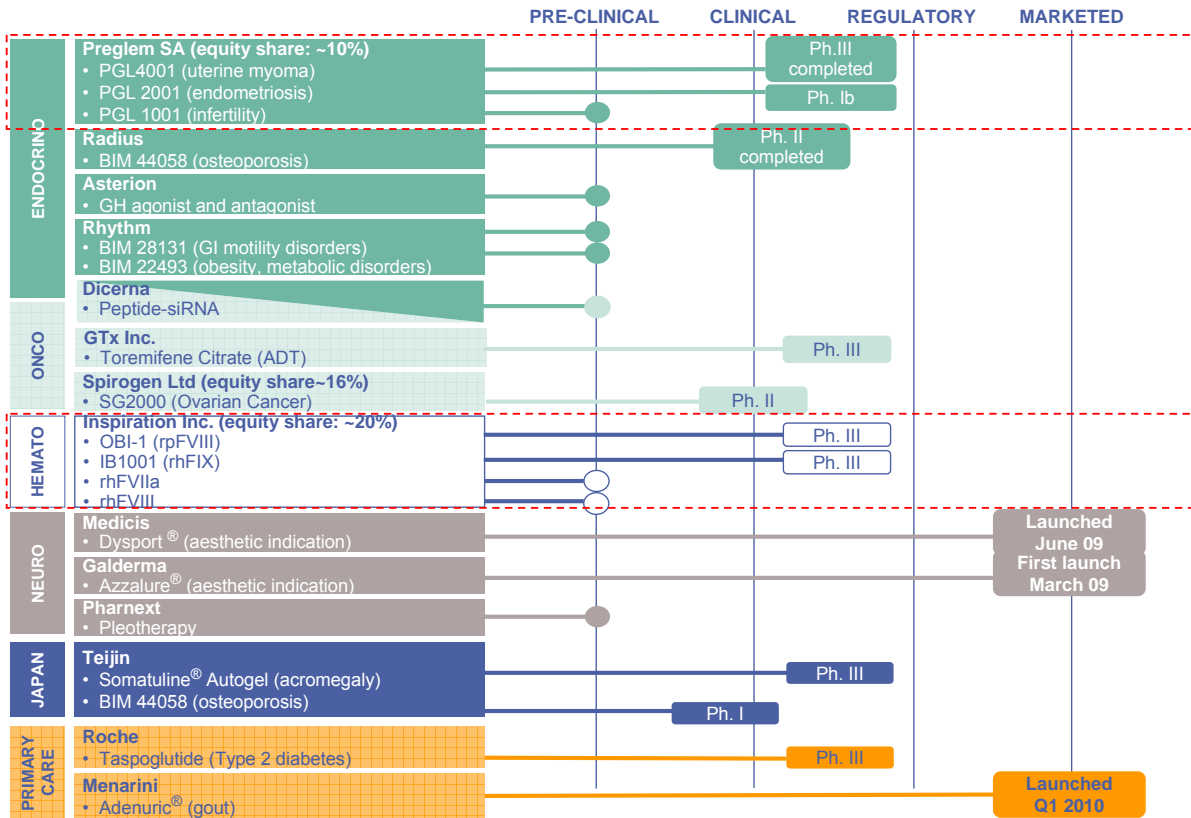
COO – Inspiration Biopharmaceuticals



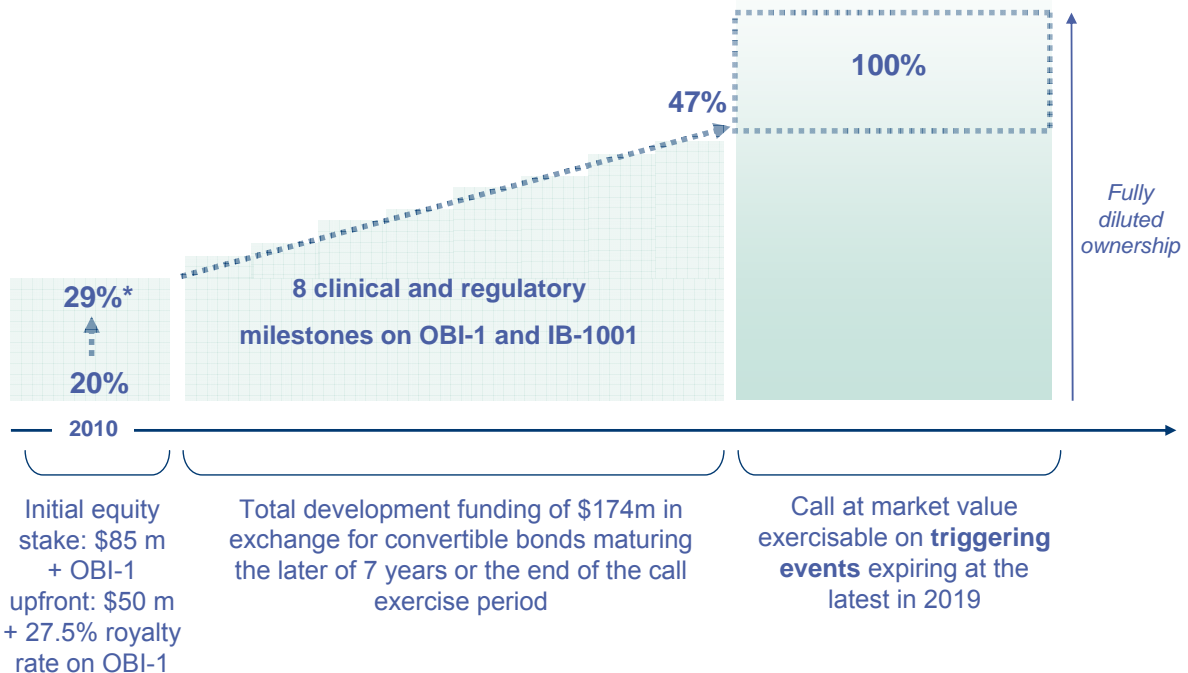
## Partnering is at the core of Ipsen's strategy



Significant value creation, synergistic with internal R&D and Operations



## A progressive path to control of Inspiration





## Inspiration Biopharmaceuticals Update

Andrew Grethlein  
Chief Operating Officer

### Inspiration is Building a Compelling Hemophilia Franchise ...

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A comprehensive portfolio of products covering well-established, clinically proven indications for hemophilia disorders and complications

OBI-1, an innovative therapeutic approach to treating patients with inhibitors

#### STRATEGIC GOALS

- Increase product SUPPLY
- Leverage COST-effective manufacturing
- Enhance ACCESS to treatment
- Create VALUE for patients

Novel, proprietary recombinant protein manufacturing technologies with the potential for high productivity

Shared Inspiration infrastructure across portfolio leveraging development, manufacturing, medical, and commercial expertise

*Inspiration's goal is to improve access to care and meet the needs of hemophilia patients and treaters worldwide - a leading presence in hemophilia*

## ...Dedicated Exclusively to Hemophilia Care

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*Inspiration's founders, two fathers with sons who have hemophilia B, established a team of seasoned hemophilia industry executives and experts to build a company that would address significant unmet needs in hemophilia:*

- Broaden access to care with proprietary, high-value recombinant products
  - Novel, proprietary recombinant protein manufacturing technologies with the potential for cost-effective, high yield manufacturing
  - Expand supply in developed markets, supporting greater prophylactic use
  - Introduce recombinant products in underserved markets, to augment or replace plasma-derived products, and to increase both the number of patients treated and the amount of product used per patient
- Improving the treatment of inhibitor complications
  - Provide new FVIII replacement therapy options for patients and caregivers

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## A Low Risk Strategy towards Commercialization...

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- Portfolio of recombinant products, which are therapeutically equivalent to well-established, FDA and EMA approved products
- Clinical safety & efficacy proven with marketed products in same indications
- Regulatory requirements are well understood
- Clinical demand for all products exists, and is 70% unmet (worldwide)

### **THE OPPORTUNITY**

**Expand the size of the market for hemophilia products by**

***- Increasing the number of patients who are treated***

***- Increasing the amount of product used per patient (prophylaxis)***

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## ...Leveraging a Well-Positioned Portfolio

- Advanced-stage clinical programs:
  - IB1001 (recombinant FIX)
  - OBI-1 (recombinant porcine FVIII)
- Preclinical stage programs for rFVIIa and rFVIII products
- Novel, proprietary recombinant protein manufacturing technologies with the potential for high productivity
  - High quality, cost-effective products designed for full compliance with FDA and EMA guidelines
  - Goal is to increase the supply of hemophilia products in all markets

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## A Strong, Late Stage Competitive Position in Recombinant Protein Therapies

Clinical Need	Therapy	Inspiration	Competition (Phase 2 or Phase 3)		
			Approved Products	Native Compounds	Modified Compounds
Hemophilia B	FIX Replacement	Phase III (IB1001)	BeneFIX® (Pfizer)	Phase 1/3 (Baxter)	Phase 2b/3 (Biogen Idec)
Hemophilia A w/Inhibitors	FVIII Replacement	Phase III (OBI-1)	-	-	-
	FVIIa Bypass	Preclinical	NovoSeven® (Novo Nordisk)	-	Phase 2 (Novo Nordisk) Phase 1/2 (Baxter)

***Inspiration's portfolio is strategically positioned as late stage and lower risk, compared to modified compounds in development***

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## An Experienced Organization Designed for Success

- Extensive executive and middle management expertise in hemophilia product development, biologics manufacturing, regulatory approval, and global commercialization
- Management team directly responsible for development and commercialization of the majority of hemophilia products currently on the market
- Able to leverage core experience in advancing the product portfolio
- Inspiration has 40+ dedicated employees, personally accountable for over 400 expert personnel within strategic business partnerships
- Inspiration has full responsibility for product development, regulatory, and implementation of a commercialization strategy for the entire portfolio

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## A Growing Market Opportunity in Hemophilia B...

### Current market

- 90% recombinant in developed markets
- 40% recombinant and growing in underserved markets

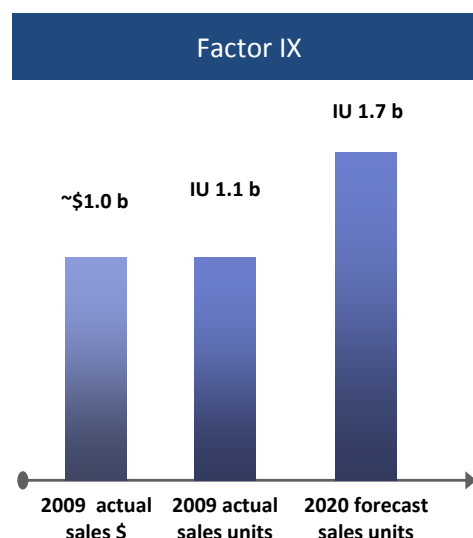
### Long term growth prospects

- 2% to 6% CAGR until 2020
- Driven by prophylaxis in developed markets
- Driven by more patients treated in underserved markets

### Critical unmet medical need: access to treatment for more patients

- **70-75% of hemophilia patients WW receive little or no treatment with clotting factors**
- **Market potential of 6.5 billion IU's**

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## ...with IB1001 Expanding Choice and Increasing Competition Worldwide

- One approved, recombinant product on market for hemophilia B
  - High treatment cost with limited supply worldwide
- Proprietary manufacturing technology, with the potential for cost-effective, high yield manufacturing, to increase supply of recombinant Factor IX, which can lead to:
  - More prophylactic therapy in developed markets
  - Availability of recombinant products in underserved markets
  - Greater numbers of individuals receiving treatment in underserved markets
- IB1001 in late-stage clinical development
  - Ongoing Phase III clinical trial in Europe, U.S. and Israel
  - Regulatory submissions for marketing approval in EU and U.S. expected in 2011

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## An Unmet Need for More Effective Treatments of Inhibitors in a Growing Market...

### Current market

- 1/3 of hemophilia patients will require inhibitor therapy during their lifetime
- 70% recombinant in developed markets
- <10% recombinant in underserved markets

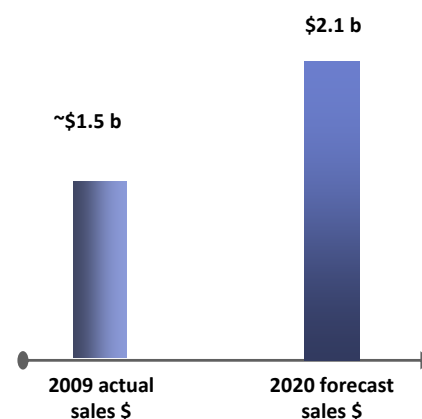
### Long term growth prospects

- 3% to 6% CAGR until 2016, 0-1% thereafter
- Driven by prophylaxis in developed markets
- Driven by more patients treated in underserved markets
- Opportunities in treating inhibitors to human recombinant FVIII and acquired hemophilia

### Most important unmet need: Additional inhibitor therapy options

- ***Current inhibitor therapies are not always effective***

### Inhibitor Therapy



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## ...with OBI-1 Fulfilling the Unmet Market Need in Treating Inhibitors

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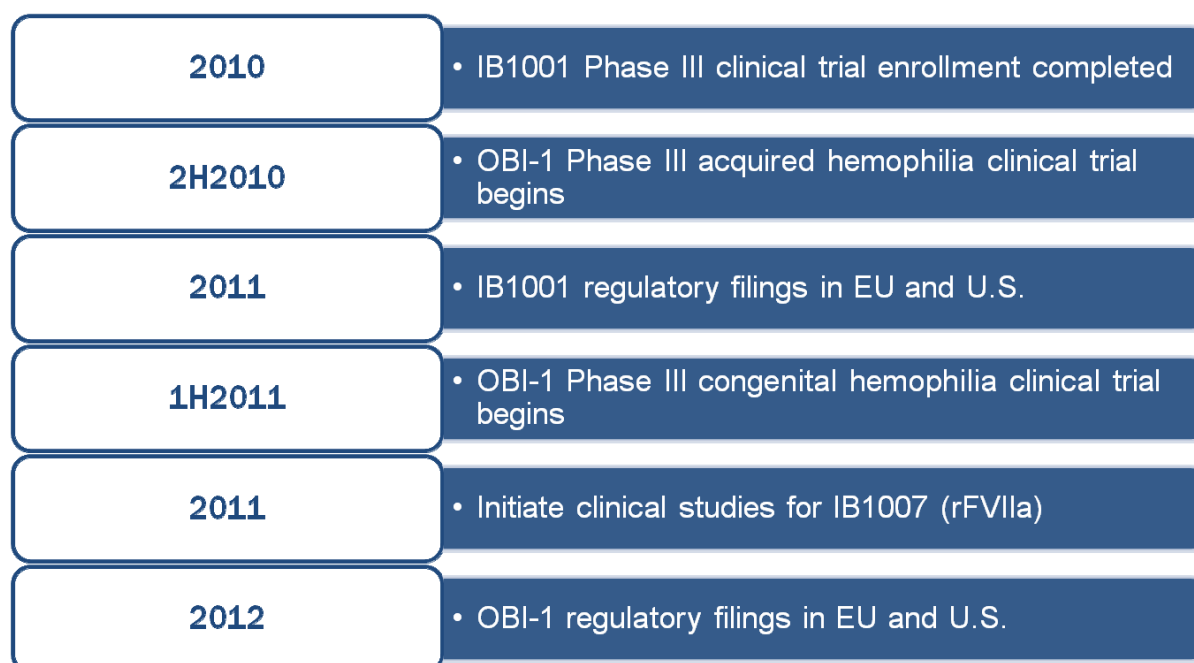
- Current void in marketplace
  - Bypassing agents now used by approximately 1/3 of people with hemophilia A who develop an immune reaction to human forms of FVIII
  - Current therapies are frequently not effective in treating inhibitors
  - Proven therapeutic agent, porcine plasma-derived inhibitor product, Hyate C, no longer on the market
  - Alternative approach to meet this critical unmet need is highly desired by medical and patient communities
- OBI-1 represents a unique approach to treating inhibitor patients
  - Recombinant form of porcine plasma FVIII
  - Activates the natural hemostatic pathway – FVIII replacement therapy
- OBI-1 approved to enter Phase III clinical testing for patients with acquired hemophilia A
  - Pivotal study expected to begin 2H2010
  - Pivotal study in congenital hemophilia A with inhibitors expected to begin 1H11
  - Regulatory submissions for marketing approval in EU and U.S. expected in 2012

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## Pipeline is Rapidly Advancing Towards Key Value Milestones

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## Company Summary

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- Only company focused exclusively on hemophilia, with a potential for the broadest product portfolio
- Comprehensive portfolio of recombinant hemophilia products allows optimized utilization of assets, infrastructure and expertise
- Ability to leverage commercial franchise across common customer base
- Cost-effective manufacturing technology to enhance access to product
- Strategy targeting aggressive penetration in underserved markets
- Compelling product portfolio
  - **Factor IX** – Second to market, offering choice of product in developed markets and expanded access in underserved markets
  - **OBI-1** – First to market, with a unique and highly differentiated proprietary inhibitor therapy product, provides platform for clinical trial access
  - **Factor VIIa** – Second to market with well-characterized molecule; high-yield, low-cost manufacturing allowing pricing flexibility and market competition
  - **Factor VIII** – Late market entrant, advantage in high-yield, low-cost manufacturing technologies addressing underserved markets

***Inspiration is targeting peak sales in excess of \$1 billion***

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BIOPHARMACEUTICALS



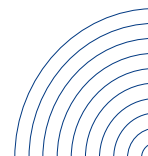
## Ipsen's R&D engine: Building tomorrow on today's foundations

**Claude Bertrand**

**EVP, Chief Scientific Officer**



**IPSEN**  
Innovation for patient care



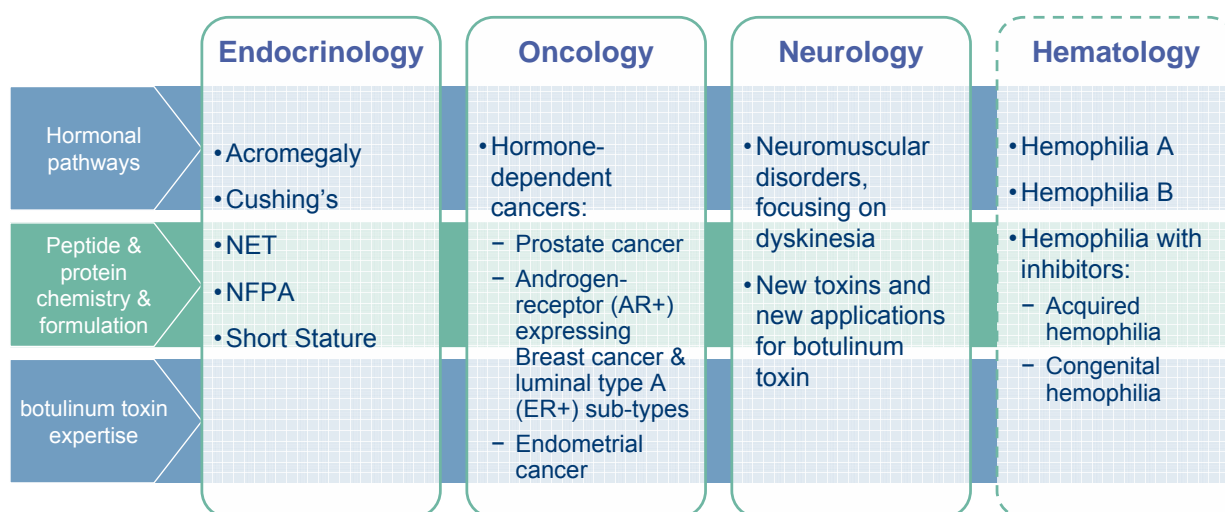
## Ipsen's R&D key strengths...

Extensive knowledge of hormonal pathways

Peptide & protein chemistry & formulation

Fully integrated expertise on botulinum toxin

## ... applied to well defined disease areas and indications

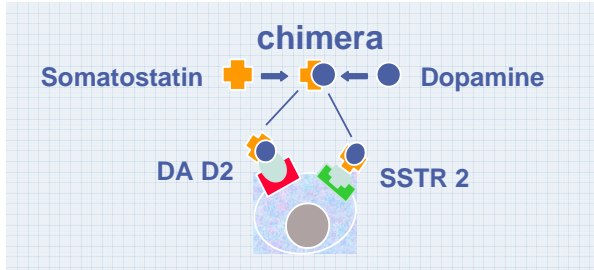


Focused, aligned, synergies across therapeutic areas

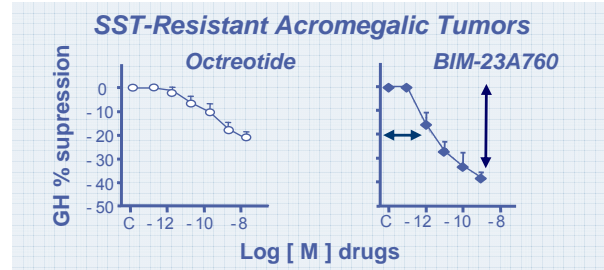


## Endocrinology: building on our peptide engineering expertise

### BIM23A760, beyond somatostatin analogs



#### Inhibition of secretion



#### Target indications:

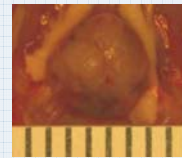
- Acromegaly
- NET
- NFPA

#### Project stage:

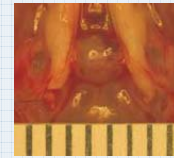
- Phase 2
- POC in acromegaly expected in 2011

#### Inhibition of proliferation

##### Inhibition of mouse pituitary tumor growth



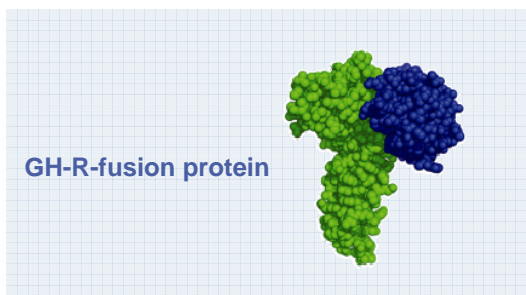
Vehicle-Treated



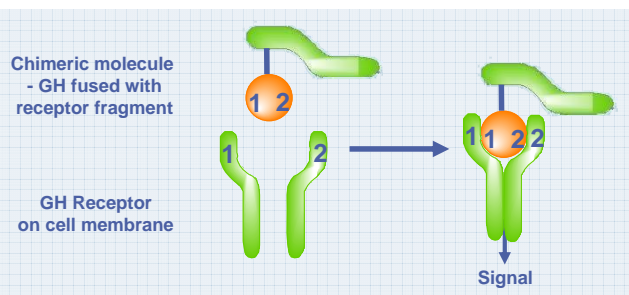
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## Endocrinology: building on our protein engineering expertise

### LRGH, a novel concept of ligand-receptor fusion protein to greatly enhance GH circulating half-life



GH-R-fusion protein



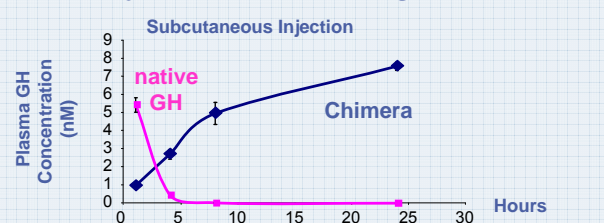
#### Target indications:

- PGHD
- AGHD

#### Project stage:

- Moving to pre-clinical development before year end

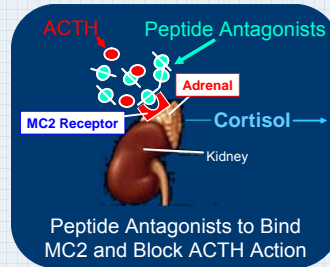
#### Greatly Enhanced Circulating Half-life



## Endocrinology: building on our peptide engineering expertise

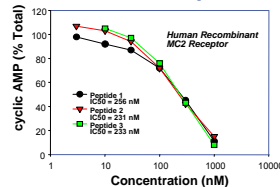
### ACTH antagonist, a potential breakthrough to meet key medical need in Cushing's disease

- **Target indication:**
  - Cushing's disease
- **Project stage:**
  - Lead identification



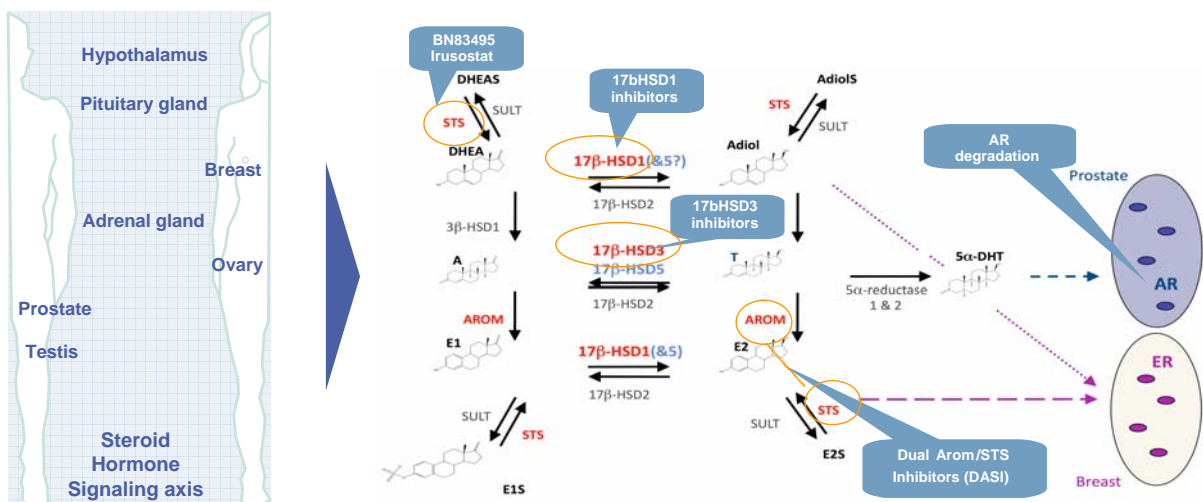
MC2, a key receptor involved in ACTH stimulated excess cortisol production in Cushing's

#### Inhibition of ACTH activation of MC2 Receptor



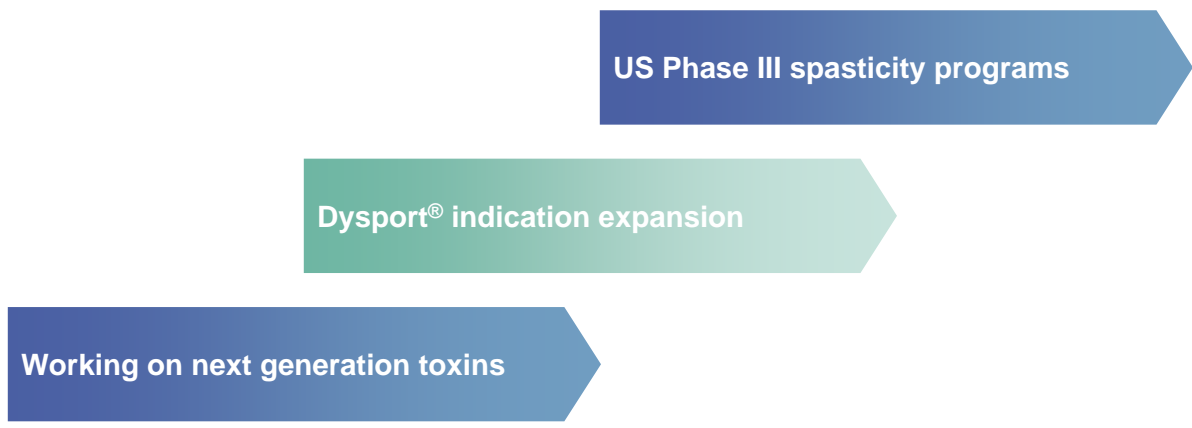
Prototype antagonists block ACTH mediated activation of the MC2 receptor in cultured cells *in vitro*

## Oncology: steroidogenesis and hormone receptor blockade to target prostate & gynecological tumours

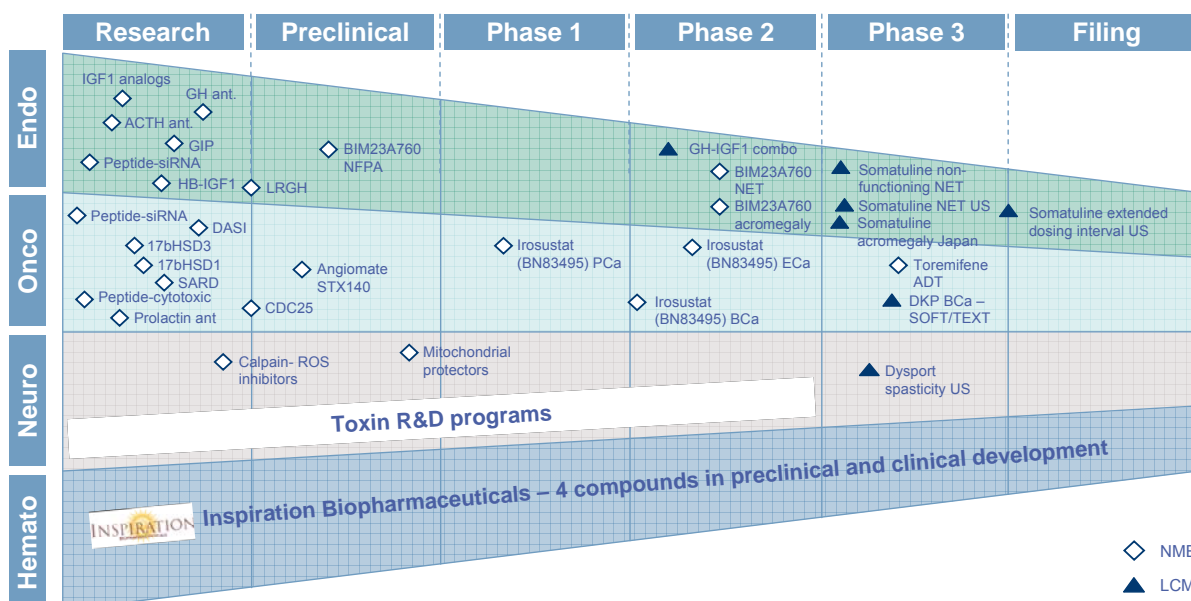


A unique portfolio of NMEs providing a strong opportunity for therapeutic innovation and differentiation as a leader in the therapy of hormone-dependent tumours

## Neurology: keeping our competitive edge in Botulinum toxin



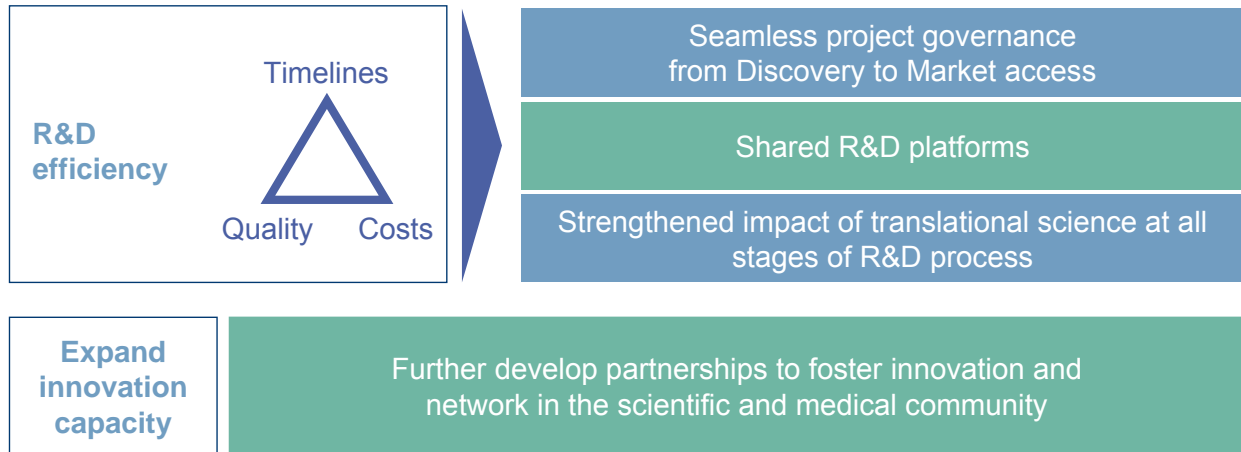
## A rich and balanced R&D portfolio...



**POC expected in 2011 for BIM23A760 acromegaly and BN83495 endometrial cancer**

## ...delivered by an efficient R&D organization...

Higher competitive pressure in R&D, requiring greater commitment to innovation



## ...to serve an ambitious vision

Strong resident technology platforms and scientific excellence...

...to support...

...translating unmet patient needs into innovative care solutions,  
transforming disease outcome

# Half-year 2010 financial performance in line with full year objectives

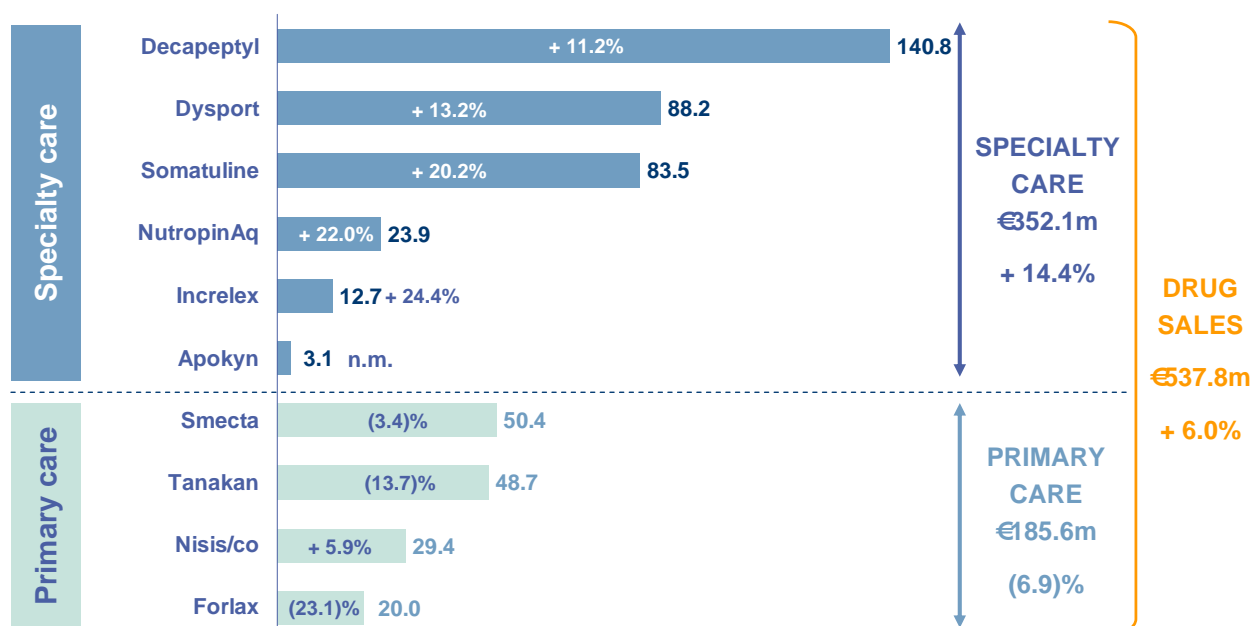
Claire Giraut

EVP, Chief Financial Officer

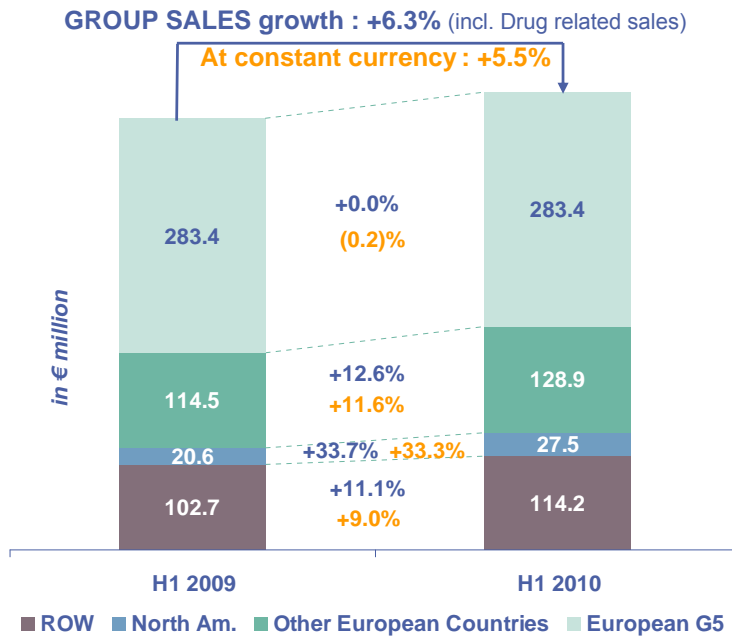


## Specialty care strongly drives sales growth in H1 2010

Sales in € million

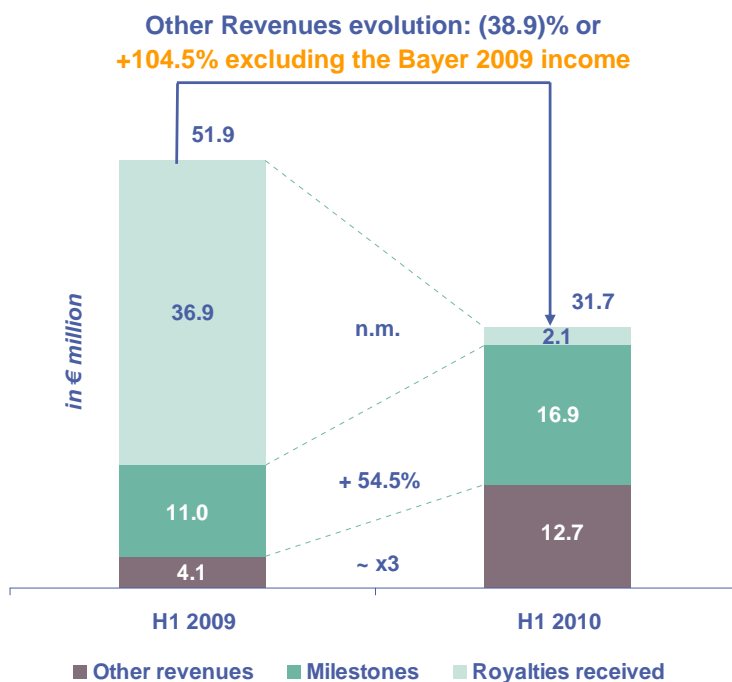


## Sales are driven by regions beyond G5



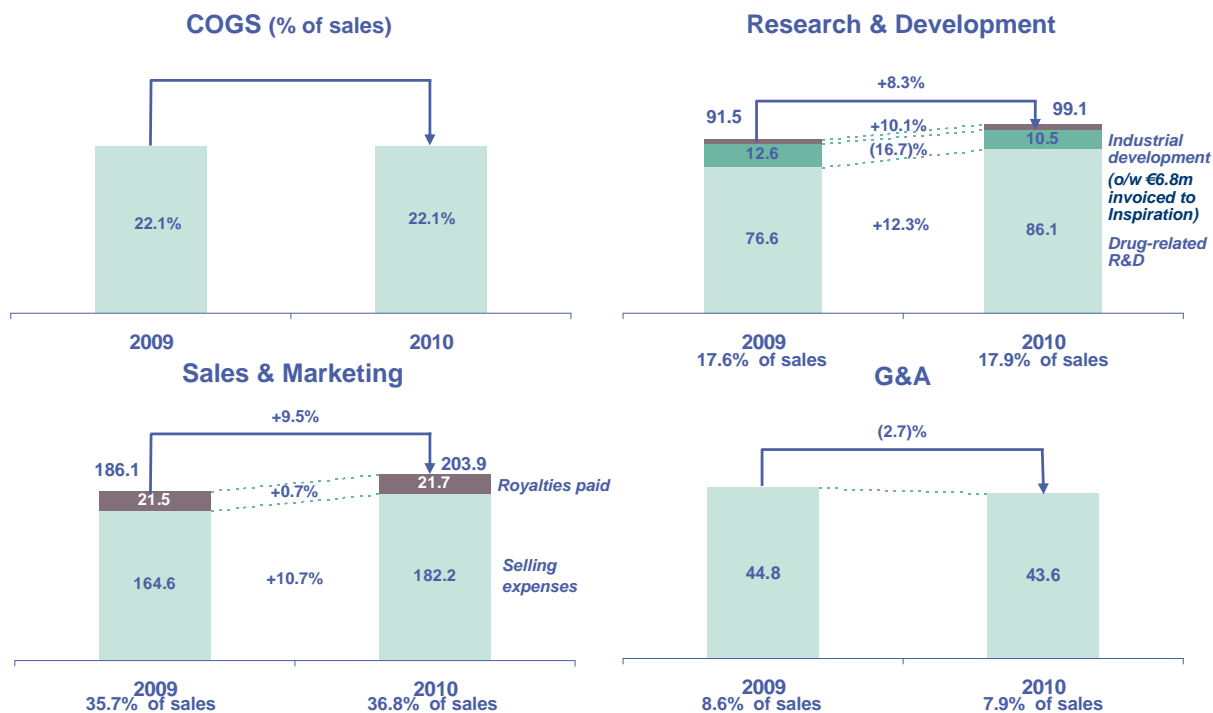
- **European G5**  
Specialty care sales growth offset by tougher competitive environment, notably in French Primary care
- **Other European countries**  
Dynamic growth throughout with favourable 2009 basis (Eastern Europe crisis)
- **North America**  
Strong growth driven by the penetration of 4 products
- **ROW**  
Strong growth, notably in China with the launch of Decapeptyl® 3M in the treatment of prostate cancer

## Other Revenues evolution



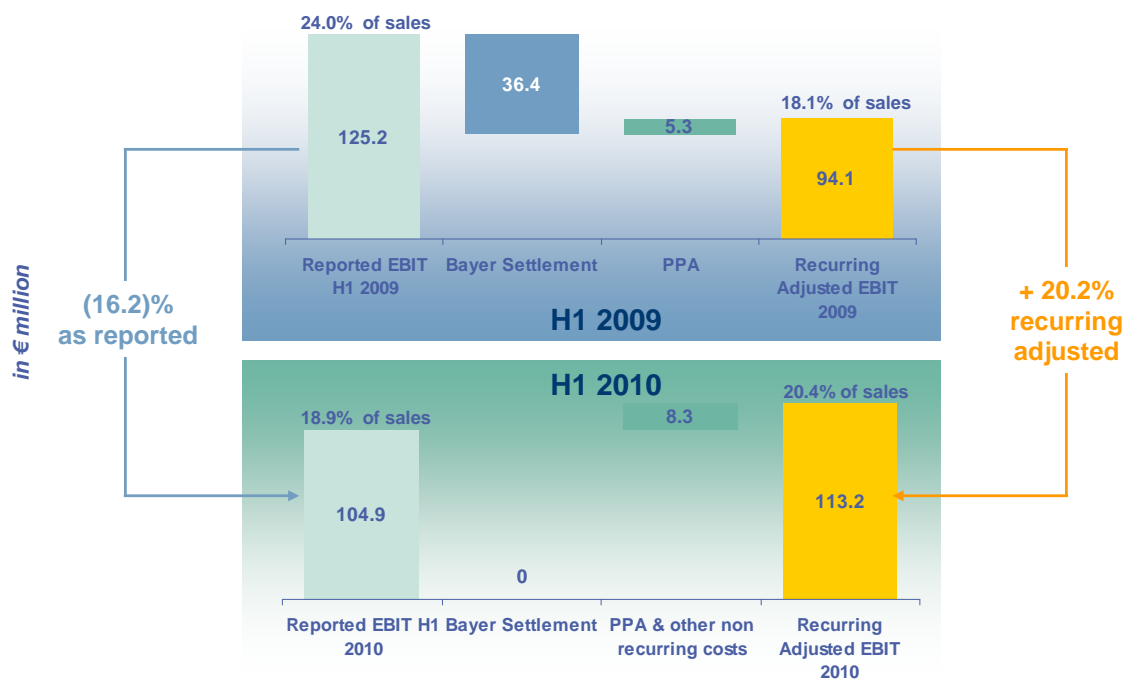
- **Royalties Received**  
Excluding the proceeds of the Bayer settlement, royalties received in H1 2010 grew 4x to €2.1m from €0.5m
- **Milestones**  
Primarily income from the agreements with Medicis, Galderma, Recordati and Roche.  
Additional income from Menarini (Adenuric®) and Inspiration Biopharmaceuticals (OBI-1)
- **Other revenues**  
invoicing of OBI-1's development costs to Inspiration Inc. (€6.8 m) and income from the Group's Co-promotion contracts in France

## Evolution of main P&L expenses for H1 2010



61 FIRST HALF 2010 RESULTS

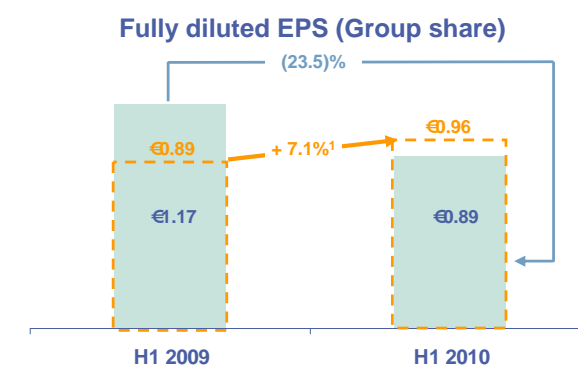
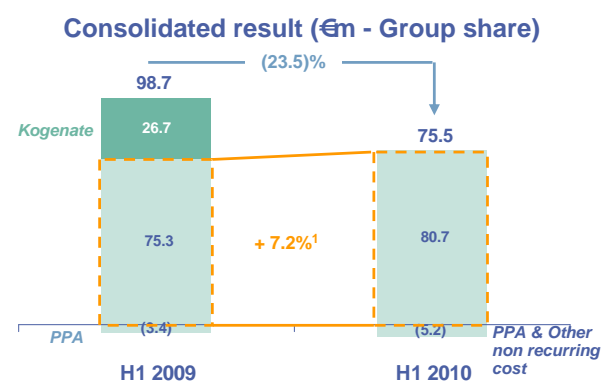
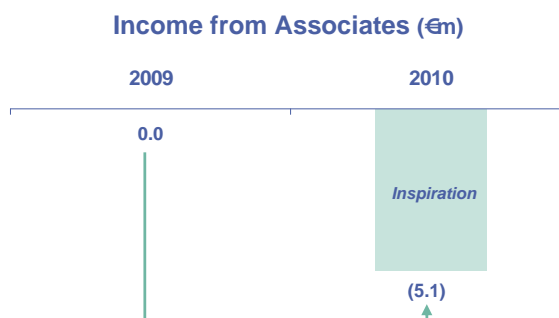
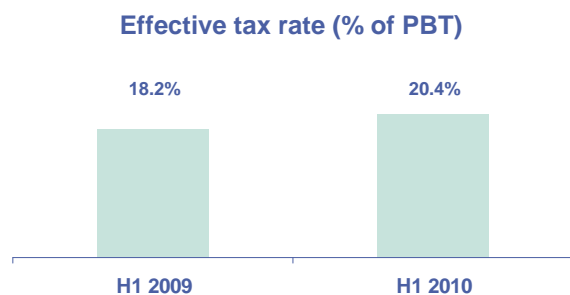
## Recurring adjusted Operating Income<sup>1</sup> has improved by 20.2%



62 FIRST HALF 2010 RESULTS

NOTE 1 : Defined as reported operating income before any impacts related to purchase price accounting in connection with the Group's acquisitions and before any potential non-recurring items.

## P&L – below EBIT



63 FIRST HALF 2010 RESULTS

NOTE 1 : before any impacts related to purchase price accounting in connection with the Group's acquisitions and before any potential non-recurring items.

## Balance sheet evolution

Assets		
- In million euros	31 Dec 09	30 Jun 10
<b>Goodwill</b>	290.2	306.5
<b>Investment in associated companies</b> (Incl. Goodwill Inspiration Inc.)		68.4
<b>Property, plans &amp; equipments</b>	251.8	264.2
<b>Intangible assets</b>	237.0	264.1
<b>Other non-current assets</b>	145.5	191.7
<b>Total non-current assets</b>	<b>924.5</b>	<b>1094.9</b>
<b>Total current assets</b>	<b>652.4</b>	<b>610.6</b>
<i>Incl. cash and cash equivalents</i>	218.6	167.3
<b>Assets / discontinued operations</b>	0.0	0.0
<b>Total assets</b>	<b>1 576.9</b>	<b>1 705.5</b>
<b>Net Cash <sup>(1)</sup></b>	<b>185.6</b>	<b>142.1</b>

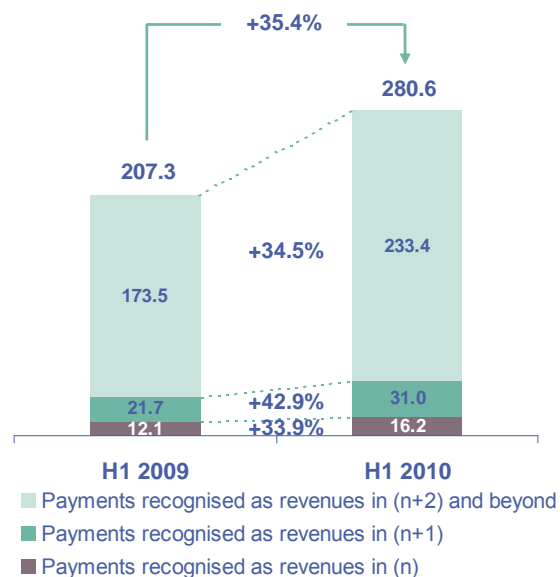
Liabilities		
- In million euros	31 Dec 09	30 Jun 10
<b>Equity</b>	982.6	1 075.0
<b>Minority interests</b>	1.7	1.7
<b>Total equity</b>	<b>984.3</b>	<b>1 076.7</b>
<b>Long-term financial debts</b>	12.2	15.7
<b>Other non-current liabilities</b>	270.3	315.2
<b>Other current liabilities</b>	308.1	295.9
<i>Incl. Short-term debts</i>	21.4	10.0
<b>Liabilities / discontinued operations</b>	2.0	2.0
<b>Total Liabilities</b>	<b>1 576.9</b>	<b>1 705.5</b>

64 FIRST HALF 2010 RESULTS

(1) Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities plus or minus derivative financial instruments



## Significant increase of partnership related deferred revenues



### Main milestones cashed-in over the period

H2 2009  
Galderma: €14m upon MA and launch for Azzalure®

October 2009  
Menarini: €20m upon signing of partnership for Adenuric®

January 2010  
Inspiration: \$50m upon agreement on OBI-1 licence (non cash)

March 2010  
Menarini: €18m upon launch of Adenuric®

## Cash flow statement

- In million euros

	30 Jun 09	30 Jun 10	
<b>Cash Flow before change in working capital</b>	<b>121.5</b>	<b>98.6</b>	
- Deferred revenue from Inspiration (non cash)		35.5	
- Increase / Decrease in working capital (except non cash deferred revenue from Inspiration)	25.7	0.6	
<b>Net cash flow generated by operating activities</b>	<b>147.2</b>	<b>134.7</b>	
Investment in Tangible and Intangible assets	(25.1)	(25.3)	
Investments in associated companies (Inspiration)	-	(57.7)	
Convertible note subscriptions (Inspiration)	-	(35.5)	
Others	(7.3)	(5.8)	
<b>Net cash flow used in investing activities</b>	<b>(32.4)</b>	<b>(124.3)</b>	
Net change in borrowings	(159.4)	(0.2)	
Dividends paid	(58.2)	(62.3)	
Others	-	(0.9)	
<b>Net cash flow used in financing activities</b>	<b>(217.6)</b>	<b>(63.4)</b>	
Discontinued operations	(0.2)	-	
<b>Change in cash and cash equivalent</b>	<b>(103.0)</b>	<b>(53.0)</b>	
Impact of exchange rate fluctuations	4.8	11.7	
<b>Closing cash &amp; cash equivalents</b>	<b>139.1</b>	<b>164.1</b>	
<b>Closing Net Cash<sup>(1)</sup></b>	<b>118.9</b>	<b>142.1</b>	

- Receivable : - €37.8m
- Payables : - €5.1m
- Income tax : + €52.7m
- Others : - €8.3m

- Tangible assets : - €14.6m
- Intangible assets : - €10.9m

## In summary

Strong performance of Specialty Care sales: +14.4%<sup>1</sup> y-o-y

Recurring adjusted<sup>2</sup> Operating income up 20.2% y-o-y

Recurring adjusted<sup>3</sup> fully diluted EPS (Group share) up 7.1% y-o-y

Good cash generation: €134.7m generated by operating activities during H1 2010

Solid balance sheet : €142.1m positive net cash position at June 30, 2010

*NOTE 1 : at constant exchange currency*

*NOTE 2 : Defined as reported operating income before any impacts related to purchase price accounting in connection with the Group's acquisitions and before any potential non-recurring items.*

*NOTE 3 : Reported Diluted Earnings Per Share excluding (i) any non recurring impacts and (ii) the net impacts of the purchase price accounting related to the Group's acquisitions*

## Concluding remarks

**Jean Luc Bélingard**  
Chairman & CEO

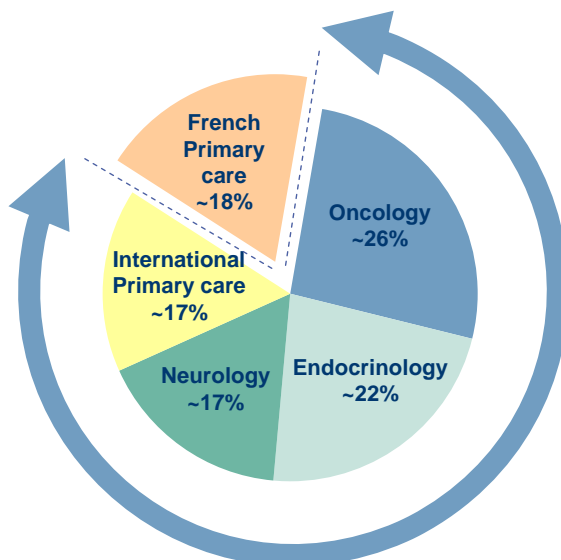
## 2010 financial objectives confirmed

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 vs. 2009	

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

## Today, Ipsen has a well balanced therapeutic footprint

H1 2010 Drug Sales by therapeutic area



Specialty care and international primary care, a more immune footprint



## Ipsen's growth, commercial and R&D engines are fully at work

A strong operational platform in North America, ready for further leverage and growth

A longstanding presence in key pharmerging markets, generating fast growth, with multiple product roll outs

Partnership policy potentially enabling significant value creation while derisking R&D portfolio, optimizing time-to-market and focusing on Ipsen's core therapeutic areas

One of Ipsen's key partners, Inspiration, can potentially become a leading player in the hemophilia space

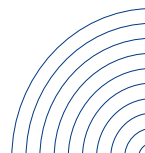
Ipsen benefits from a rich R&D portfolio, with more than 30 programs ongoing, of which close to 50% are in clinical stage

A solid financial performance, and a solid balance sheet

**Ipsen is poised for further growth, through its unique positioning and its potentially game-changing partnerships**



## Q&A session



# Back-up



- In million of euros	H1 2009 Actuals		H1 2010 Actuals	
	Value	% Sales	Value	% Sales
Sales	521.2	100.0%	553.9	100.0%
Other revenues	51.9	10.0%	31.7	5.7%
<b>Total revenues</b>	<b>573.1</b>	<b>110%</b>	<b>585.7</b>	<b>105.7%</b>
Cost of goods sold	-115.3	-22.1%	-122.6	-22.1%
Research & Development expenses	-91.5	-17.6%	-99.1	-17.9%
Selling expenses	-186.1	-35.7%	-203.9	-36.8%
General and administrative expenses	-44.8	-8.6%	-43.6	-7.9%
Other operating income and expenses	-4.8	-0.9%	-4.7	-0.9%
Amortizations of intangible fixed assets	-5.5	-1.1%	-6.0	-1.1%
Restructuring costs	-	-	-0.9	-0.2%
<b>Operating income</b>	<b>125.2</b>	<b>24.0%</b>	<b>104.9</b>	<b>18.9%</b>
<b>Recurring adjusted operating income <sup>(1)</sup></b>	<b>94.1</b>	<b>18.1%</b>	<b>113.2</b>	<b>20.4%</b>

Recurring

Adjusted

OBI-1 costs /rebillings

Non-recurring revenues

- 2009 : €36,4m
- 2010 : -

OBI-1 rebilling (Inspiration)

- 2009 : -
- 2010 : €6,8m

PPA adjustments

- 2009 : €-0,7m
- 2010 : -

OBI-1 development costs

- 2009 : €0m
- 2010 : €-6,8m

Non-recurring costs

- 2009 : -
- 2010 : €-2,7m

PPA adjustments

- 2009 : €-4,6m
- 2010 : €-4,6m

Non-recurring costs

- 2009 : -
- 2010 : €-0,9m

- In million of euros	H12009 Actuals		H1 2010 Actuals	
	Value	% Sales	Value	% Sales
Operating income	125.2	24.0%	104.9	18.9%
Operating income adjusted recurring <sup>(1)</sup>	94.1	18.1%	113.2	20.4%
<b>Net finance cost and other expenses</b>	-4.7	-0.9%	-3.8	-0.7%
Income tax	-22.0	-4.2%	-20.7	-3.7%
<i>Effective tax of continuing operations</i>	18.2%		20.4%	
Share of - loss/profit of associated companies	-	-	-5.1	-0.9%
Revenues from continuing operations	98.5	18.9%	75.4	13.6%
Revenues from discontinued operations	0.5	0.1%	0.2	0.0%
Consolidated net profit	99.1	19.0%	75.6	13.6%
<b>Consolidated net profit - Group share</b>	<b>98.7</b>		<b>75.5</b>	
<b>Earning per share - fully diluted</b>	<b>1.17</b>		<b>0,89</b>	
<b>Recurring adjusted consolidated result</b>	<b>75.7</b>		<b>80,8</b>	
<b>Recurring adjusted earning per share - fully diluted</b>	<b>0,90</b>		<b>0.96</b>	

Kogenate royalty stream tax rate: 27%

PPA tax rate: 40%