

Ipsen

Strategy Roadshow - Exane BNP Paribas

Paris – June 21st - 24th, 2011

Mr Marc de Garidel – Chairman and Chief Executive Officer

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The implementation of the strategy has to be submitted to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation.

Executive summary



Ipsen's 2020 aspiration: Become a global leader in targeted debilitating diseases

Increase Focus

Invest to Grow

Leverage Footprint

A market-oriented franchise model...

...driving an R&D patient centric organization focused on core platforms, peptides and toxins.

More than double revenues¹

...and more than triple EBIT²



Introduction



Quick overview of the pharma context



Over the past decade, the pharmaceutical environment has significantly toughened

Cross industry topline pressure...

- Increased primary care pressure
- Intensifying competition in specialty care globally
- Patent cliff 2010-2014

...fewer NMEs and higher R&D costs...

- R&D spend more than doubled since 1997² with lower R&D productivity
- 50% less New Molecular Entities approved per year vs.1997²
- Decrease to 50% from 70% of Ph III success rate¹

...and more complex market access

- Overall pressure on new drug prices
- Increasing hurdles
- In EU, regional decision making, tenders...

Increasing pressure across P&L

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1 Nature Review Drugs Discovery, Feb 2011
2 IMS

Growth potential lies in specialty care and global footprint

Rise of specialty care

- High unmet medical needs addressed by Specialty Care provide growth:
 - Global 2010 growth of 6.3%¹ (vs. 2.3%¹ for global primary care growth)
- Lower exposure to substitutable generics

Rise of emerging markets

- Steady development of emerging countries :
 - Improving healthcare coverage
 - Increasing drug purchasing power
- Pharmerging markets to grow ~15%¹ CAGR (2010-2015)

US to remain N°1 market

- US market to remain by far the largest market (with ~30%¹ of WW market in 2015)
- Expected contribution to global growth to remain important: 11%¹ between 2010 and 2015

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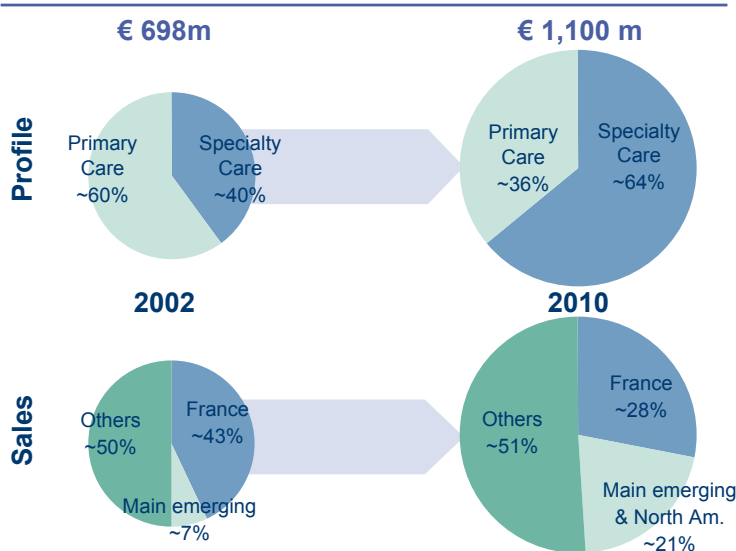
NOTE 1: IMS Health

First assessment



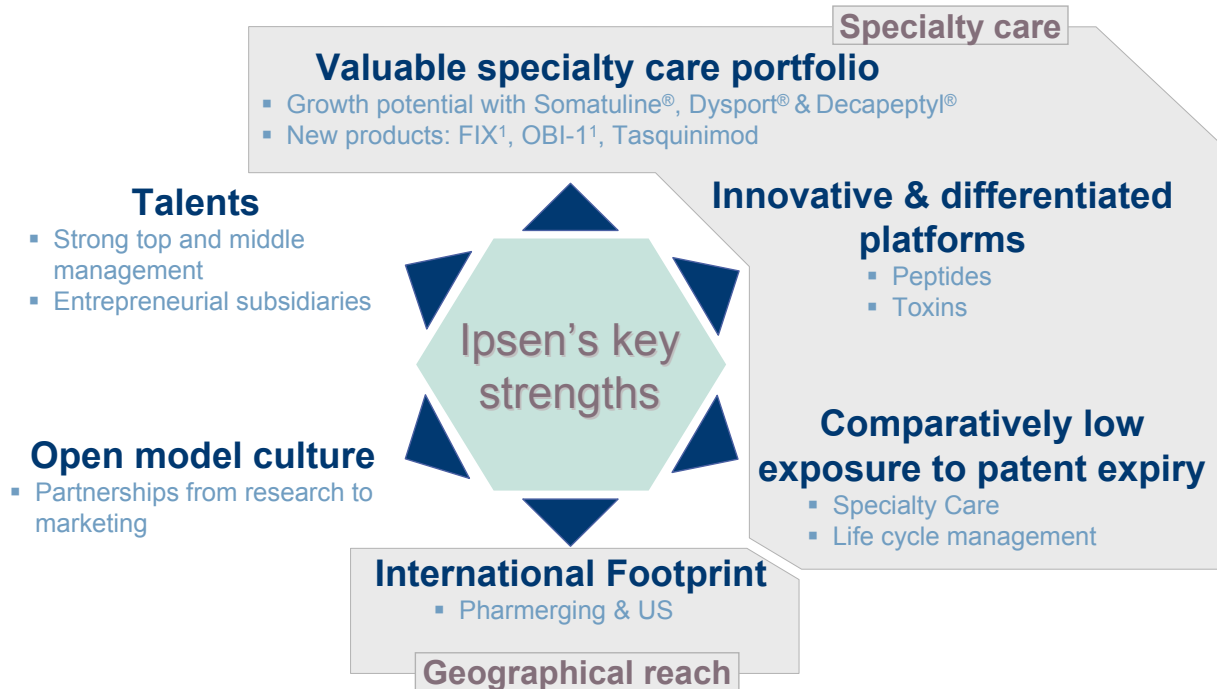
Over the last decade, Ipsen has succeeded in adapting to a fast changing environment...

Evolution of Ipsen's sales profile



Ipsen is ideally positioned to benefit from current market trends

... building key assets, creating a unique profile in 2011



During the strategic review, several key questions were identified...

Are we focused enough?

Have we fully leveraged our current portfolio's potential?

Is our early stage compound portfolio sufficient to sustain long term growth?

How do we improve return in the US?

How do we address the primary care situation?

... and answered

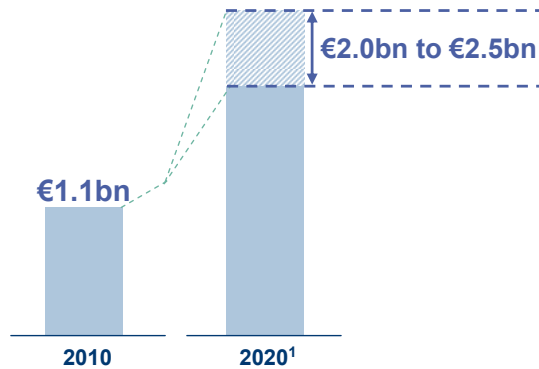
FOCUS	There is still significant scope to enhance focus
FULL POTENTIAL	We can further leverage the potential that lies in Dysport® and Somatuline®
PIPELINE	We need to replenish our early stage pipeline for the out years
US	Focus on our core products Dysport® and Somatuline®
FRENCH PC	All partnering opportunities are being assessed

Long term Ambition

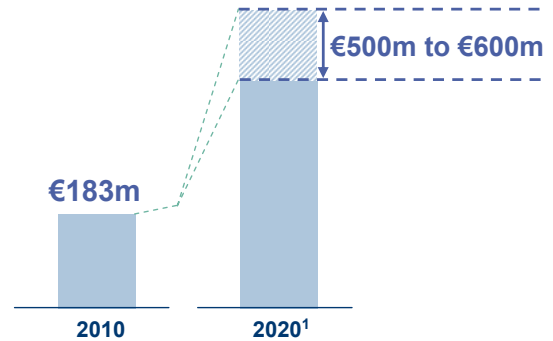
“To become a global leader in targeted debilitating diseases”

Ipsen's 2020 ambitions

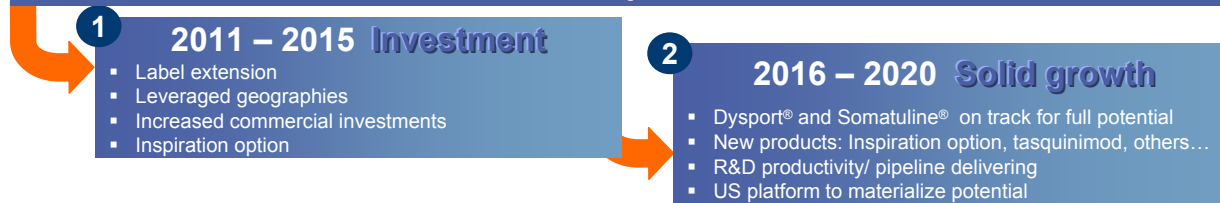
More than double total revenues...



..and more than triple EBIT²...



... over 2 periods:



15

NOTE 1 : 2020 figures include contribution of Inspiration portfolio and are set at constant FX
NOTE 2 : prior to purchase accounting recordings and non recurring elements

To achieve our ambition, we need to...

... Increase focus

- Capture Ipsen's assets full potential, on a limited number of:
 - technological platforms (R&D focus)
 - Disease areas (commercial focus)

... Invest to grow

- Enhance leadership in technological platforms (R&D and manufacturing)
- Grow market share in selected disease areas
- Build pipeline
- R&D productivity

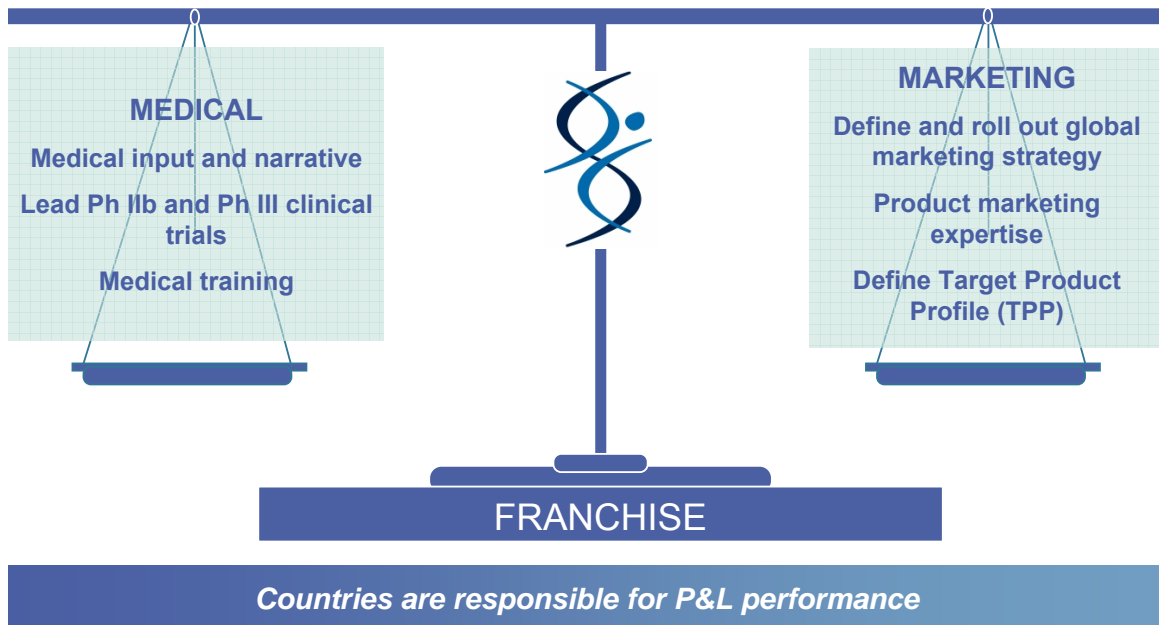
... Leverage footprint

- Leverage Ipsen's presence to broaden access to:
 - US specialty care growth reservoir
 - Accelerate Pharmerging market penetration in both primary and specialty care

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Franchise will bring commercial reality at the center of drug development

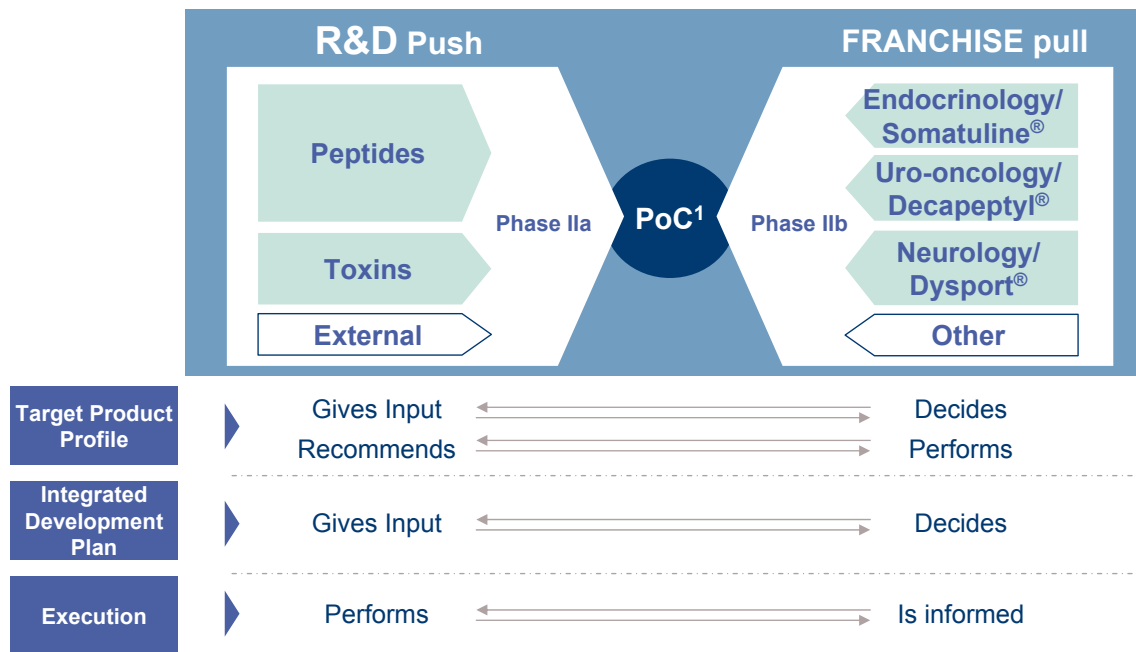


Increase market focus on 4 franchises, driving innovation

	Research	Early dev. (end of PhIIa)	Late dev. (PhIII & PhIV)	Manufacturing	Operations
Endocrinology/ Somatuline®	✓	✓	✓	✓	✓
Neurology/ Dysport®	✓	✓	✓	✓	✓
Uro-oncology/ Decapeptyl®	✓ Ipsen or Partner	✓ Ipsen or Partner	✓ Ipsen or Partner	✓ Ipsen or Partner	✓
Hemophilia	✓ Partner	✓ Partner	✓ Ipsen or Partner	✓ Ipsen or Partner	✓ Ipsen or Partner

Primary care and Short Stature in a commercial optimization strategy

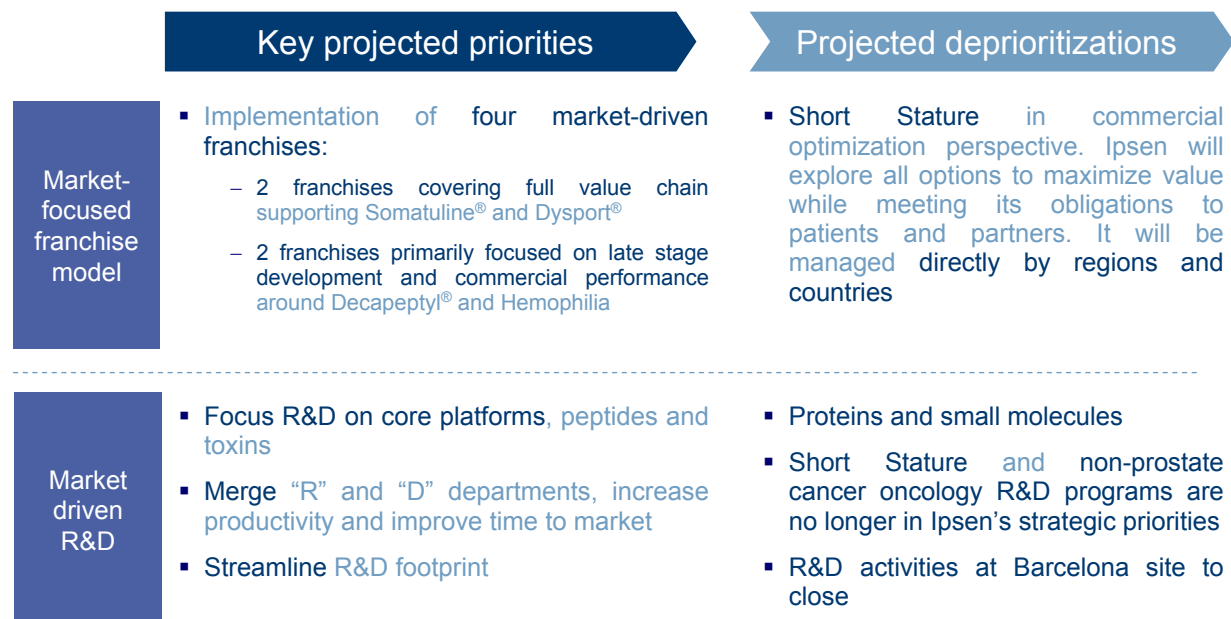
An integrated R&D “push-pull” model to fulfill patient/commercial requirements



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NOTE 1 : Proof of Concept is the evidence that a drug is safe and capable of treating a specific patient population

Ipsen’s path to INCREASED FOCUS



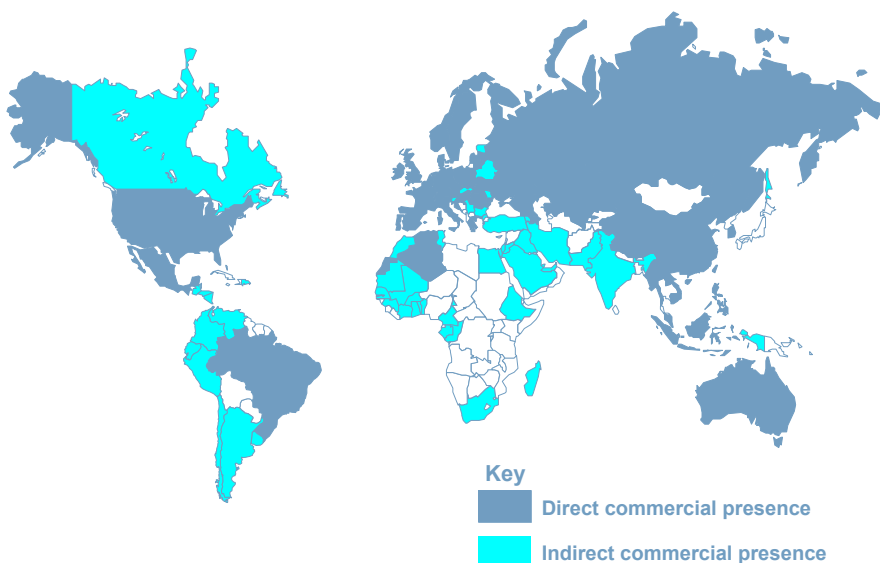
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INVEST TO GROW : Ipsen's way forward



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An already existing extensive commercial reach...

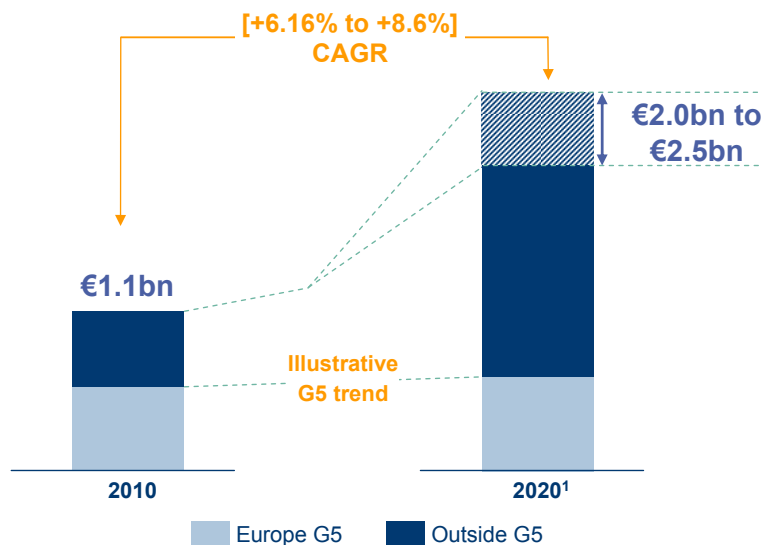


Sales recorded in 115 countries:

- Direct commercial presence in 49 countries
- Commercial presence through partners in 66 countries

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... that will provide most of the growth in the future



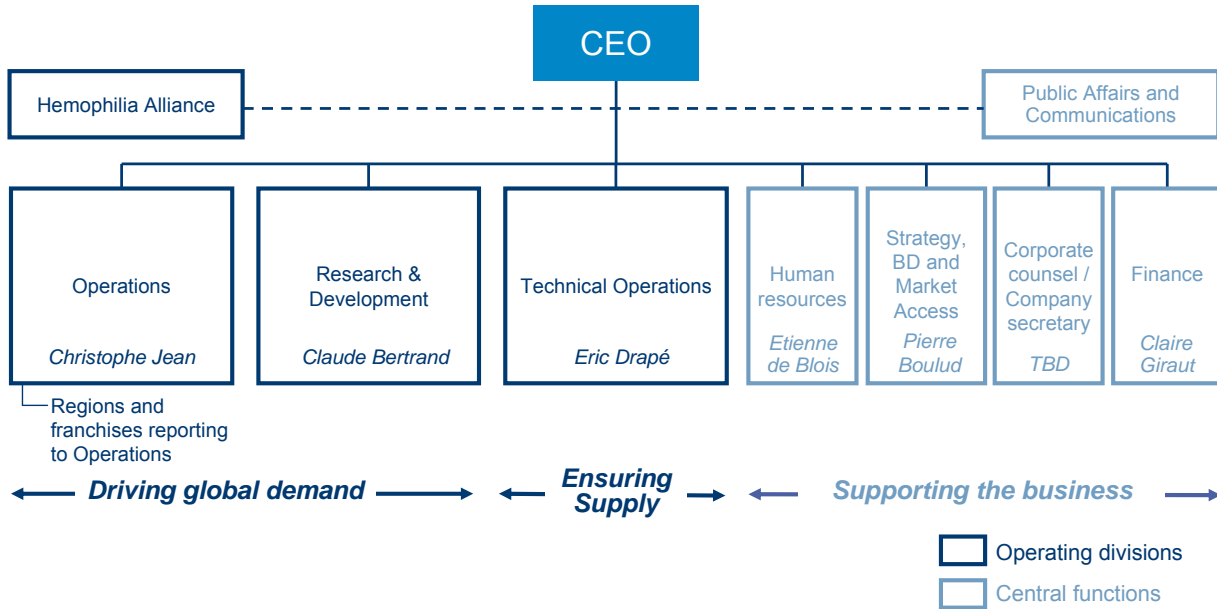
Evolution of Group sales outside G5

LEVERAGE FOOTPRINT as a major growth driver

	Leverage Footprint	Projected deprioritizations
US	<ul style="list-style-type: none"> Allocate additional commercial efforts to Somatuline® and Dysport® to capture sales full potential Inspiration opportunity Move teams to the East Coast 	<ul style="list-style-type: none"> Apokyn® and Increlex® are no longer in Ipsen's strategic priorities. The Group will explore all options to maximize value while meeting its obligations to patients and partners
Pharmerging	<ul style="list-style-type: none"> Further leverage Ipsen's profitable emerging market base : <ul style="list-style-type: none"> Leverage primary care portfolio Expand specialty care portfolio to most existing countries China : <ul style="list-style-type: none"> Support strong Decapeptyl® growth in China Register Dysport® and Somatuline® 	

Increase focus, Invest to grow, Leverage footprint...

...a renewed Executive Committee to serve our strategy



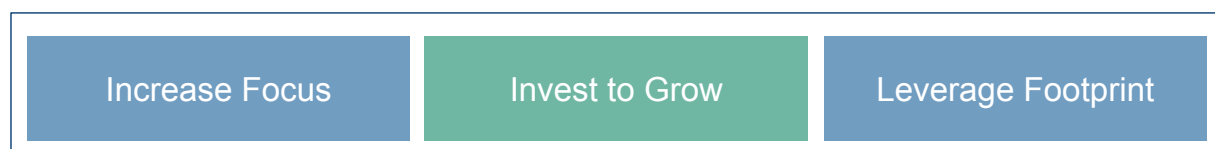
Enhance Ipsen's corporate culture



In short...



Become a global leader in targeted debilitating diseases



A market-oriented franchise model...

...driving an R&D patient centric organization focused on core platforms, peptides and toxins.

2020 ambition

More than double revenues¹

...and more than triple EBIT²

Endocrinology/ Somatuline®



Endocrinology/ Somatuline® franchise

Acromegaly

- Pituitary disorder triggering excess GH secretion and leading to gigantism and growth of soft tissues
- Prevalence: 60 per 1 million
- 5-10 years less life expectancy ¹
- North America: ~15,000 patients
- Europe: ~15,000 patients
- Ipsen geographies: Europe, RoW and North America



Neuro Endocrine Tumors (NET)

- Arise from cells with both neuronal and endocrine origins¹
- Prevalence: 25 to 50 per 1 million
- Prevalence x5 in 30 years² in the US
- Can arise from almost any organ, most commonly GI tract, pancreas, and lung
- 5 years of survival for carcinoid tumors in 60% of cases³
- Ipsen geographies : Europe, RoW ex North America

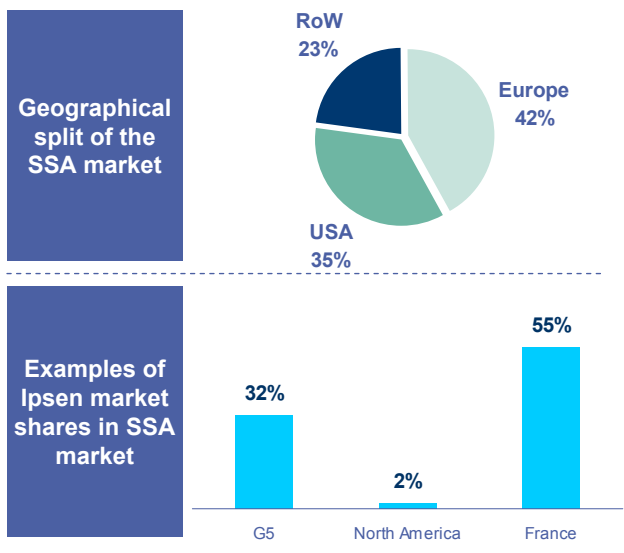
Franchise territory : Adult endocrinology, NET

1. US Surveillance Epidemiology and End Results (SEER) 2008

1. Buchanan KD. Gastroenterol Today 2003; 13: 2-3.
2. US Surveillance Epidemiology and End Results (SEER) 2008
3. Modlin and al, Lancet Vol 9, January 2008

Global Somatostatin Analog (SSA) market in 2010 : ~ 1.1 billion euros...

Q4, 2010 market figures



- 2010 SSA market: ~€ 1.1bn
- Solid SSA market growth (+9%¹ in 2009 and +18%¹ in 2010)
- A fairly balanced geographical split between Europe (42% of total sales), the US (35%) and the RoW (23%)
- Somatuline[®], an established product in Europe both in Acromegaly and in NET with 55% SSA market share in France and 32% SSA market Share in G5
- Ramping up acromegaly sales in the US with only 2.4% SSA long acting market share in 2010

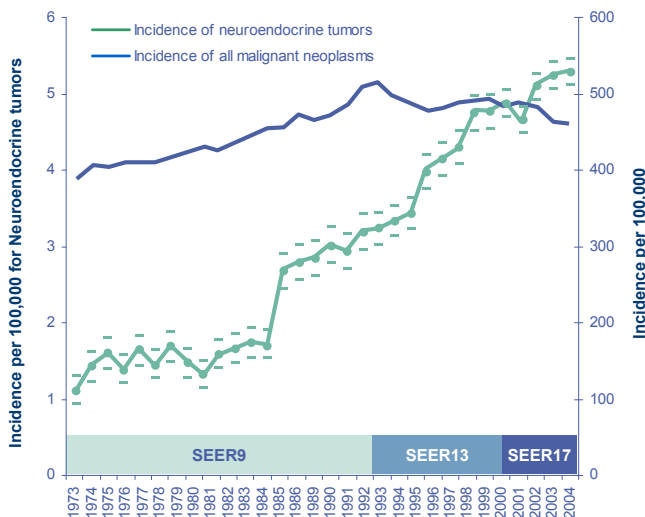
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Note 1: Actual (Somatuline[®] + Sandostatina) reported sales
Others : based on company reported sales ; IMS MIDAS MAT Q4 2010

... exceeding 1.6 billion euros in 2020, driven by NET

NET incidence over 30 years

Incidence per 100,000 for NET between 1973 - 2004²



Steady 3.8%¹ CAGR until 2020

- 2020 SSA market: ~€1.6bn¹ (+ 45% or 3.8% CAGR)

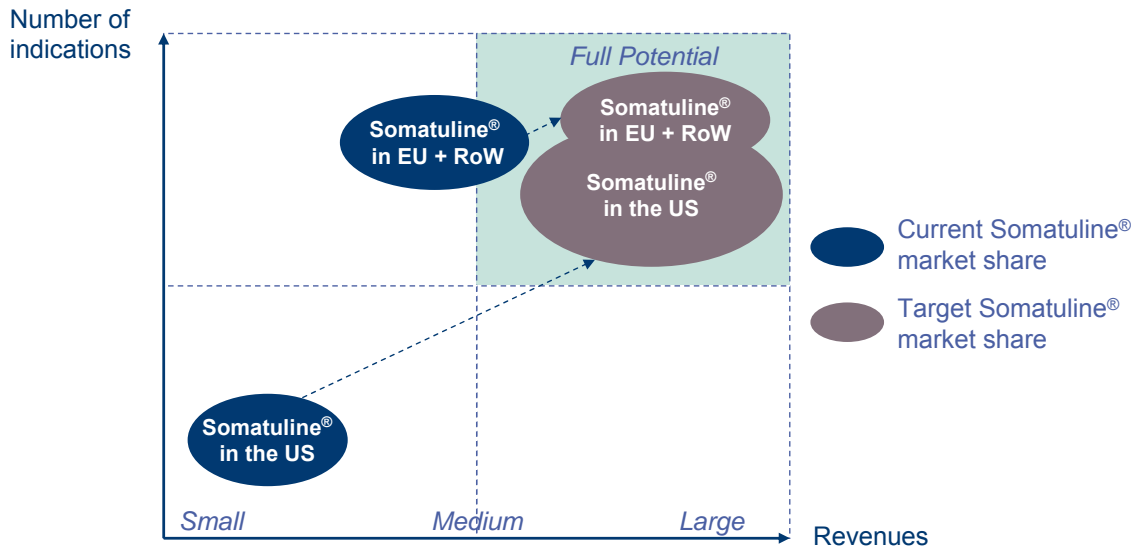
Growth in the SSA market mainly driven by:

- NET
 - Studies suggest that NET incidence has been growing rapidly over the past several decades, particularly in the US
 - Increased awareness of NETs results in a wider availability of improved diagnostic techniques
- The US
 - +4.6%¹ expected market growth in the US between 2010-2020 (world most solid growth)

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Note 1: Company's internal data
Note 2: US Surveillance Epidemiology and End Results (SEER) 2008

Great potential lies ahead for Somatuline® ...



... while SSA market is expected to grow 3.8% CAGR until 2020

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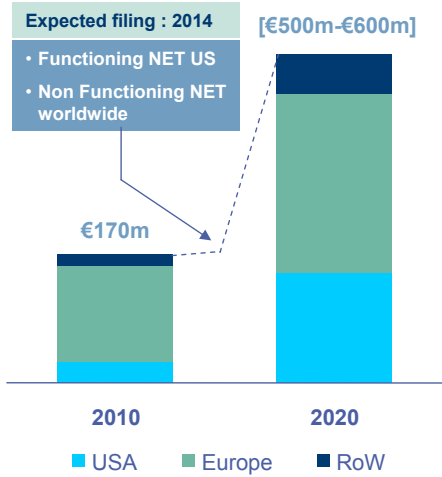
Commitment across the full value chain

	Competitive landscape			
	-	=	+	
Technological platform			✓	Core: peptides
Barrier to entry			✓	High – pre filled syringe & long acting peptide
Competition			✓	Well characterized – 1 major competitor, targeted combo therapies emerging
Market size/ Growth			✓	Large/ Solid – 3.8% CAGR until 2020 (€1.59bn)
Market share			✓	Room to grow : Somatuline® 2nd player
Geographies			✓	US + Pharmerging potential – solid growth in Europe
Somatuline® competitive adv.			✓	Significant – elements of differentiation to be further enhanced
Somatuline® growth potential			✓	Strong - 2 ongoing PhIII in NET (non functioning WW + functioning US)...

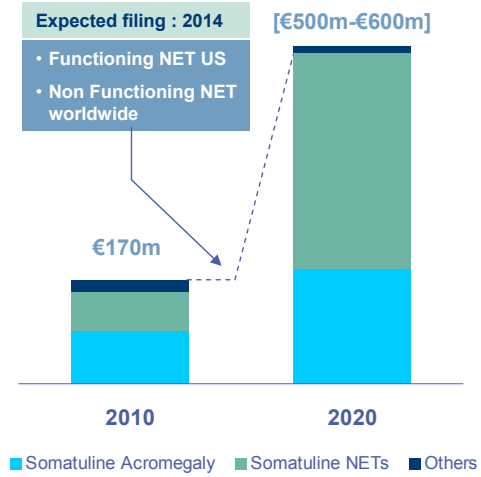
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Somatuline® ambition: 10% to 15% CAGR* until 2020

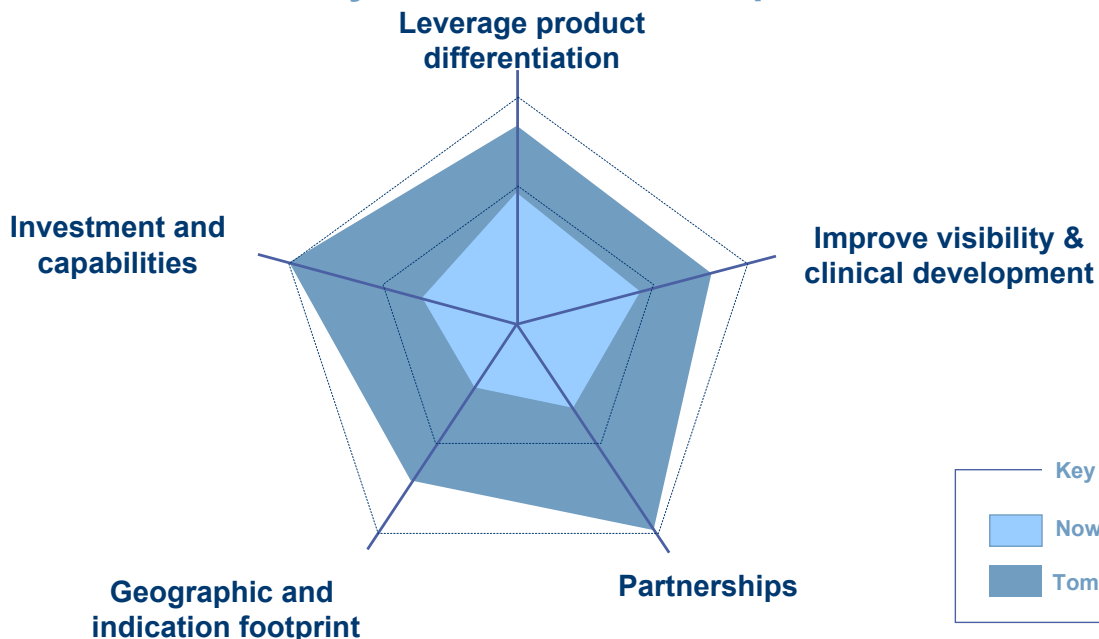
Balanced geographical growth...



...driven by NET



Ipsen to work on key levers to reach full potential



NET and the US : two main growth drivers

New additional elements of differentiation

<p>Increased extended dosing interval worldwide</p> <ul style="list-style-type: none"> Approved in the US in March 2011 From one injection every 4 weeks (60-90mg) to every 6-8 weeks (120mg) Increased comfort for the patients Economic benefit 	<p>New device</p> <ul style="list-style-type: none"> Retractable needle to ensure full dose release Optimal safety for hospital care practitioners/ patients Health economic benefits related to absence of clogging and no need for reconstitution
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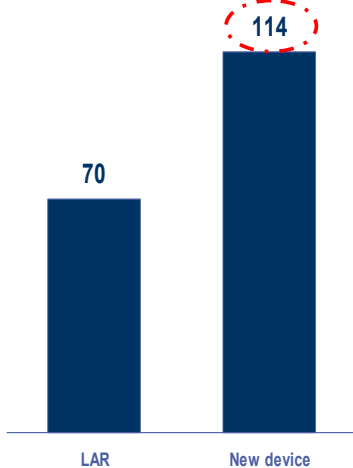


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Somatuline® New Device : preferred by Nurses

Somatostatin Analog Nurse Preference Study - 1st publication

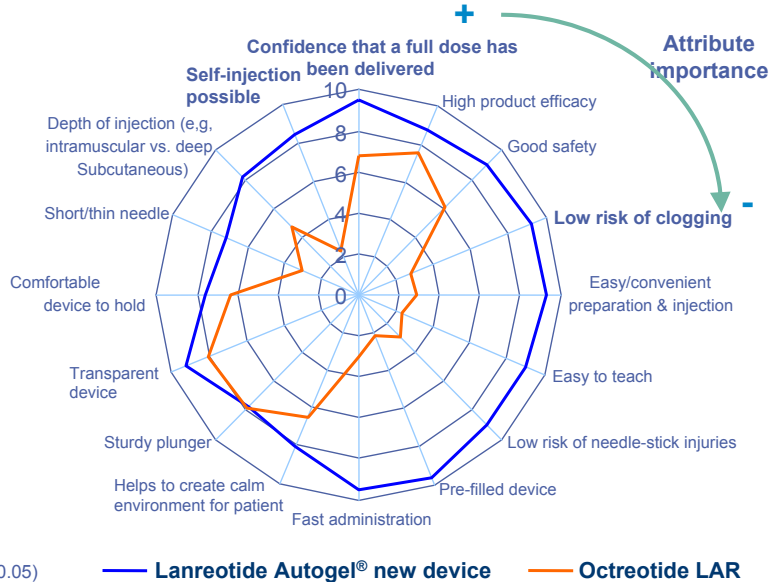
Global preference score



Global preference score = Added sum of each attribute's importance score/10 * Product Evaluation score

= significant difference compared to Octreotide LAR (p < 0.05)

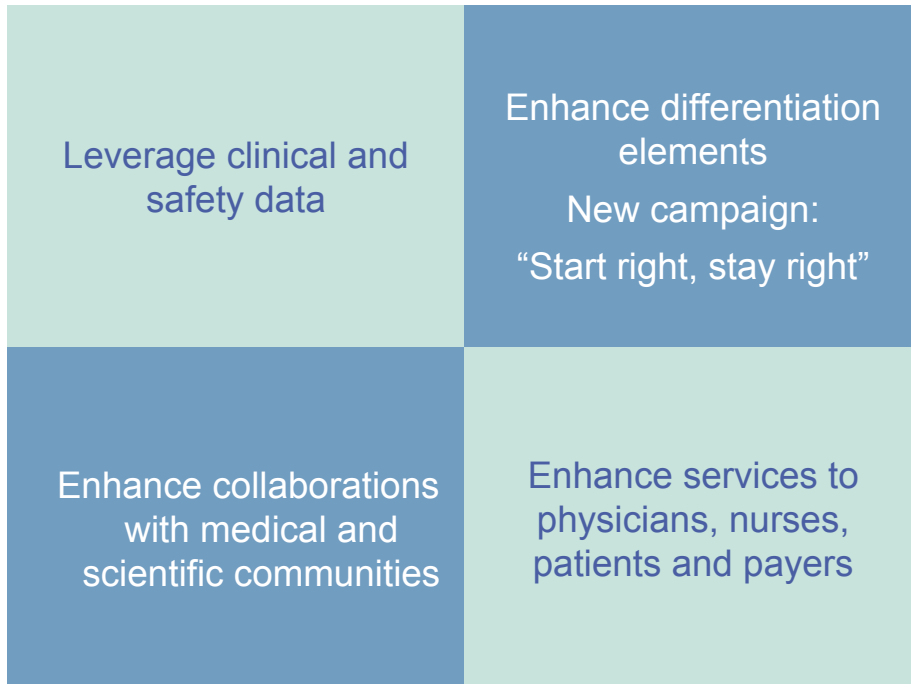
New device better on all attributes



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Improve share of voice & clinical development



Partnerships to explore new treatment paradigm

Innovative partnership with Pfizer Europe in Neuro Endocrine Tumors (NET)

Medical education initiative kicked off at ENETS
(joint symposium on March 11th 2011 in Lisbon)



Build upon respective best-in-class position to develop medical education on gastro-entero-pancreatic NET (GEP NET) management

Drive guidance on patients profiles who would benefit most from both agents

Partnerships to increase penetration in emerging markets

<p>Promotion agreement with Sanofi in Latin America</p>	<p>Promotion agreement with Invida¹ in Asia</p>	<ul style="list-style-type: none"> ▪ Accelerates penetration of Ipsen's products ▪ Leaves Ipsen's options open for the future
 <p>SANOFI</p> <p>Working together for patients</p> <ul style="list-style-type: none"> ▪ Long term agreement between Sanofi and Ipsen in emerging markets focused on Latin America ▪ Started in January 2009 ▪ Potential extension in other geographies 	 <p>INVIDA <i>Innovating Lives in Asia</i></p> <ul style="list-style-type: none"> ▪ New Geographical footprint for Ipsen's Specialty Care Portfolio in Endocrinology (and Oncology) ▪ Started in April 2010 	

New indications: Functioning NET in the US and Non Functioning NET worldwide

<p>Functioning NET for US label</p> <ul style="list-style-type: none"> ▪ Recruitment target: 100 patients ▪ Global recruitment status on target for completion end of 2012 ▪ Carcinoid syndrome initially slow to recruit due to trial design and ongoing competitive trials ▪ 12 countries planned (US + 11 ROW countries), 66 sites (56 Row + 10 US) 	<p>Non Functioning NET worldwide - CLARINET</p> <ul style="list-style-type: none"> ▪ RECRUITMENT COMPLETED end of April 2011 ▪ 200 patients accrued (45 centers in 14 countries) 						
<table border="1"> <tr> <td colspan="2"> <ul style="list-style-type: none"> ▪ USA </td> </tr> <tr> <td> <ul style="list-style-type: none"> ▪ Brazil ▪ Croatia ▪ Czech Rep. ▪ India ▪ Latvia ▪ Poland </td> <td> <ul style="list-style-type: none"> ▪ Russia ▪ Serbia ▪ South Africa ▪ Turkey ▪ Ukraine </td> </tr> </table>	<ul style="list-style-type: none"> ▪ USA 		<ul style="list-style-type: none"> ▪ Brazil ▪ Croatia ▪ Czech Rep. ▪ India ▪ Latvia ▪ Poland 	<ul style="list-style-type: none"> ▪ Russia ▪ Serbia ▪ South Africa ▪ Turkey ▪ Ukraine 	<table border="1"> <tr> <td> <ul style="list-style-type: none"> ▪ Austria ▪ Belgium ▪ Czech Rep. ▪ Denmark ▪ France ▪ Germany ▪ India </td> <td> <ul style="list-style-type: none"> ▪ Italy ▪ Poland ▪ Slovakia ▪ Spain ▪ Sweden ▪ UK ▪ US </td> </tr> </table>	<ul style="list-style-type: none"> ▪ Austria ▪ Belgium ▪ Czech Rep. ▪ Denmark ▪ France ▪ Germany ▪ India 	<ul style="list-style-type: none"> ▪ Italy ▪ Poland ▪ Slovakia ▪ Spain ▪ Sweden ▪ UK ▪ US
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Somatuline[®], potentially the only SSA with functioning and non-functioning NET label

Somatuline® Autogel 2010 footprint and indications

Geography/ Indication	Europe	US	China	Brazil	Russia
Acromegaly	✓	✓	-	✓ But no national reimbursement	✓ But no national reimbursement
Functioning NET	✓	-	-	✓ But no national reimbursement	✓ But no national reimbursement
Non functioning NET	-	-	-	-	-

✓ Ipsen presence

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Somatuline® Autogel 2020: a globalized reach

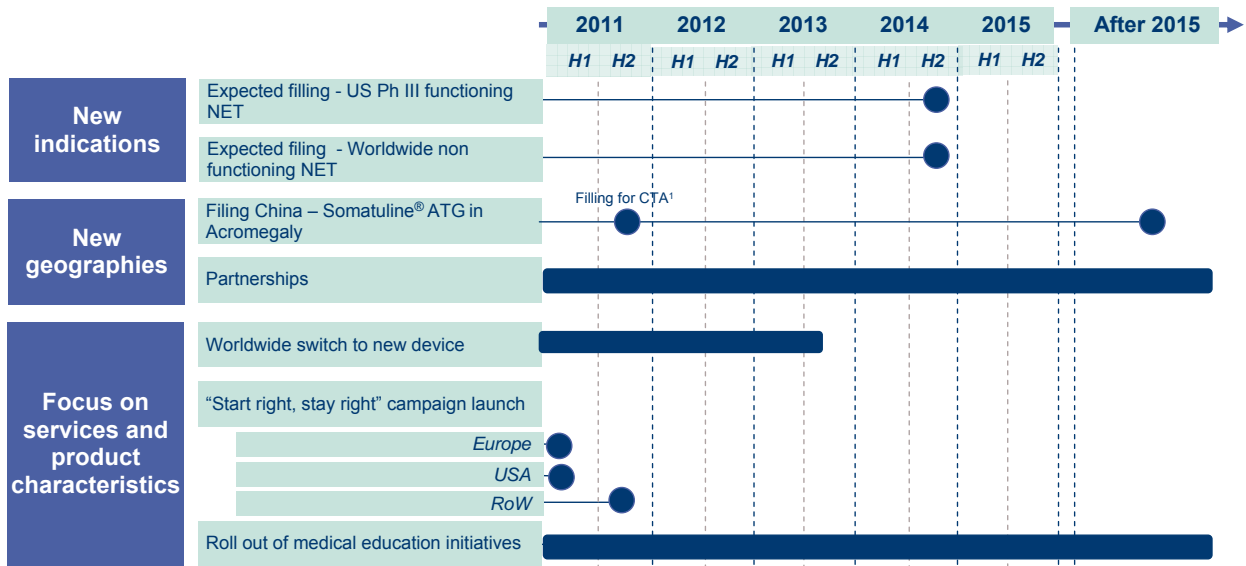
Geography/ Indication	Europe	US	China	Brazil	Russia
Acromegaly	✓	✓	✓	✓	✓
Functioning NET	✓	✓	-	✓	✓
Non functioning NET	✓	✓	-	✓	✓

✓ Ipsen presence

LatAm and Asia covered through partnerships

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Somatuline® milestones



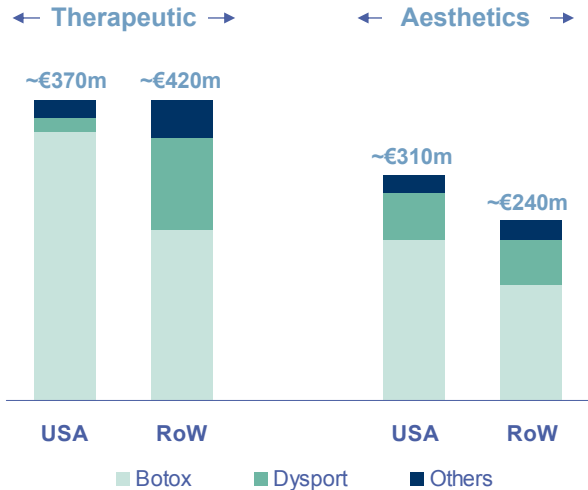
Neurology/ Dysport®

A 2010 botulinum toxin market in excess of 1.3 billion euros

Dysport® market metrics

- 2010 Botulinum toxin market : ~€1.35bn¹
- The US represent north of 50% of the market
- Therapeutic indications represent 58% of the market
- Dysport®, a solid second player
- Dysport® recently launched by Ipsen in the USA (November 2009) with a single medical indication (cervical dystonia) and by Medecis in aesthetics (Glabellar lines)

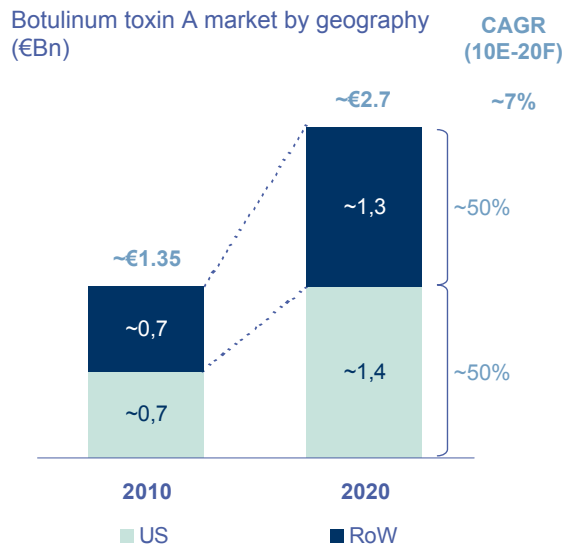
2010 BonTA market figures



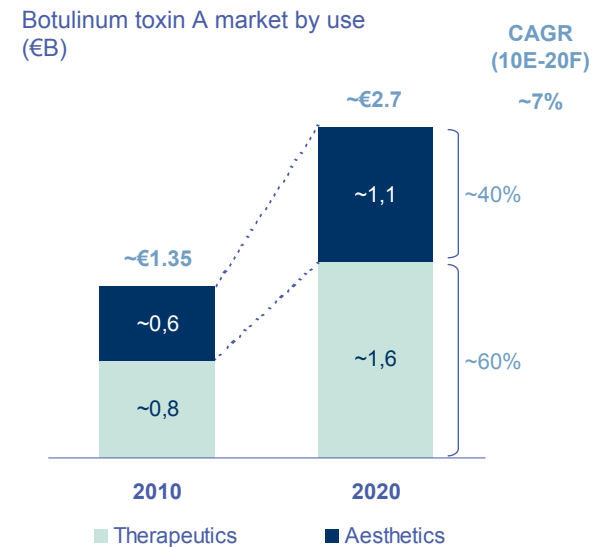
Note 1 : Internal company data

Botulinum toxin market expected to grow by ~7% p.a. to 2.7 billion euros in ten years

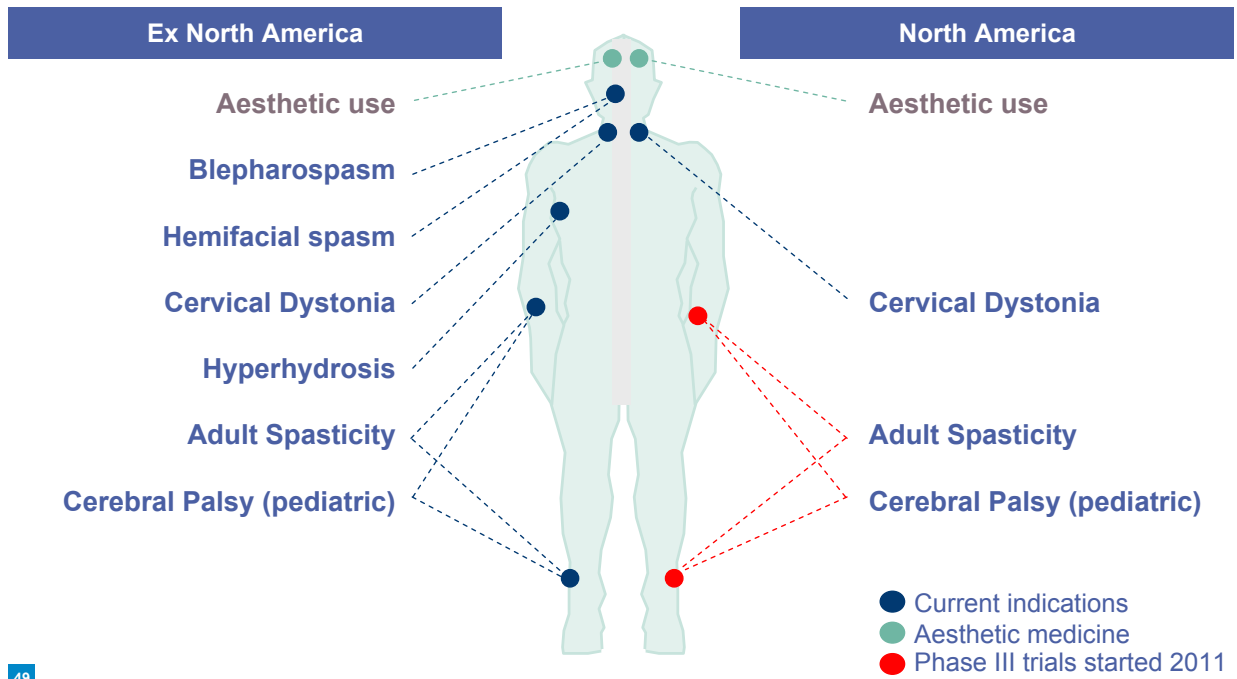
US to remain half of 2020 WW market ...



...with split between therapeutics and aesthetics remaining stable

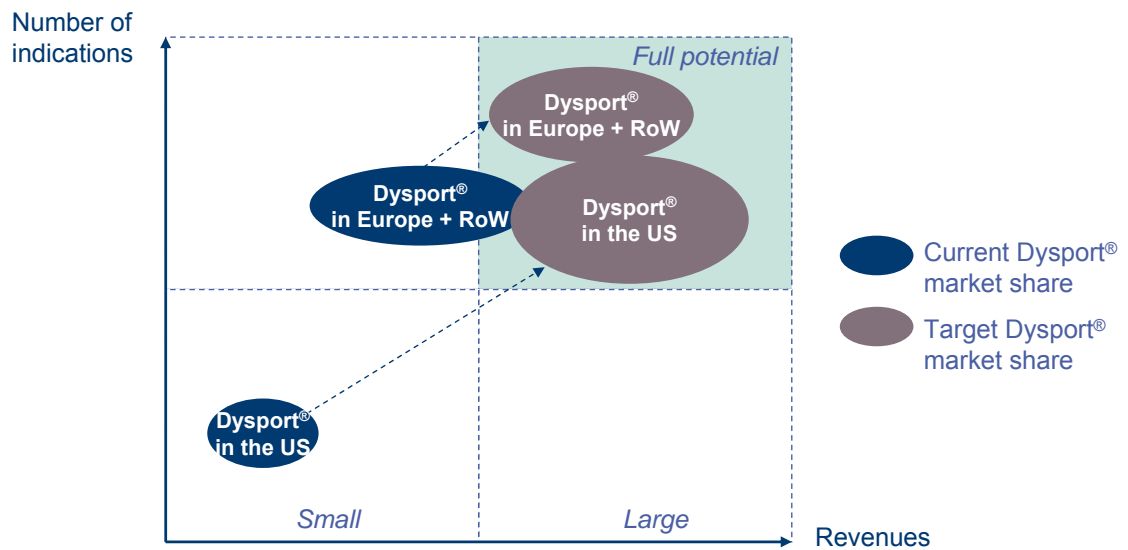


Room for new indications in North America



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Full potential of Dysport® lies ahead...



... and BonTA market is expected to grow 7% CAGR until 2020

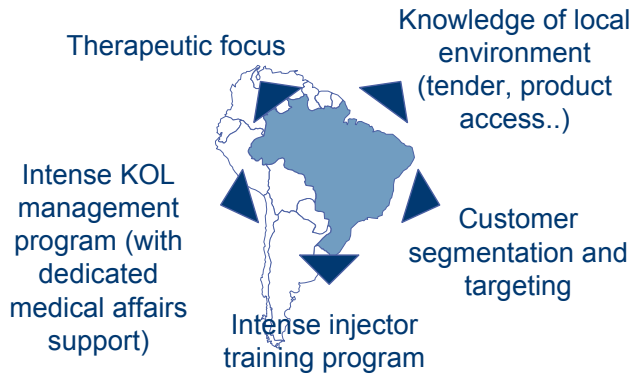
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Note: bubble size only for representation purposes

Brazil, success built on focus and strong selling fundamentals

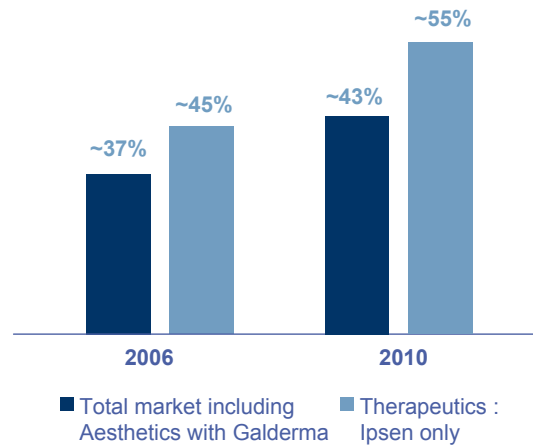
Focus and strong selling fundamentals...

Dysport®: The Ipsen product in Brazil



... to become market leader

Dysport®'s market share in Brazil¹



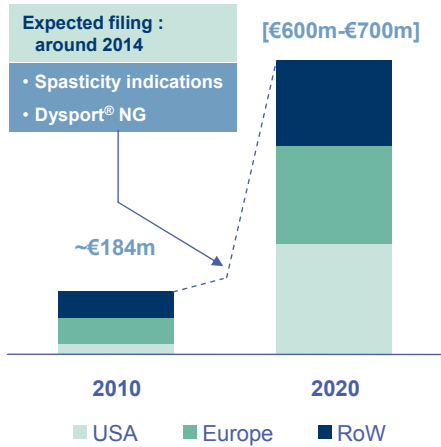
In Brazil, Dysport® gains market share and expands the market with a 2006-10 CAGR of 13% vs. 10% for the market (Botox®, Xeomin® and Prosigne®)

Commitment across the full value chain

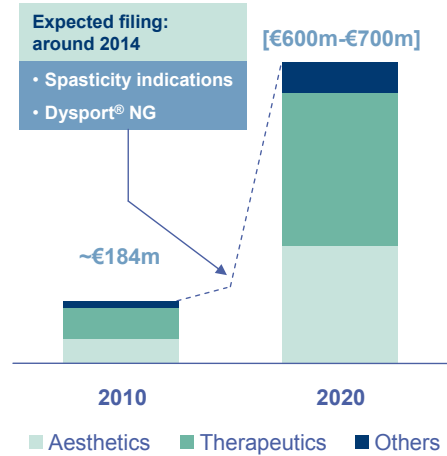
	Competitive landscape			
	-	=	+	
Toxin Technological platform			✓	Core to Ipsen
Barrier to entry			✓	High
Competition			✓	Well characterized – 2 major competitors, more to come – strong Aesthetics alliances
Market size/ Growth			✓	Large/ Solid – 7% CAGR until 2020
Dysport® Market share			✓	2nd after Botox® – room to grow
Geographies			✓	US and emerging markets potential
Dysport® competitive adv.		✓		At par with competitors
Dysport® NG competitive adv.			✓	Further differentiation with Next Generation
Dysport® growth potential			✓	4 ongoing PhIII in spasticity...

Dysport® ambition: 10% to 13% CAGR* until 2020

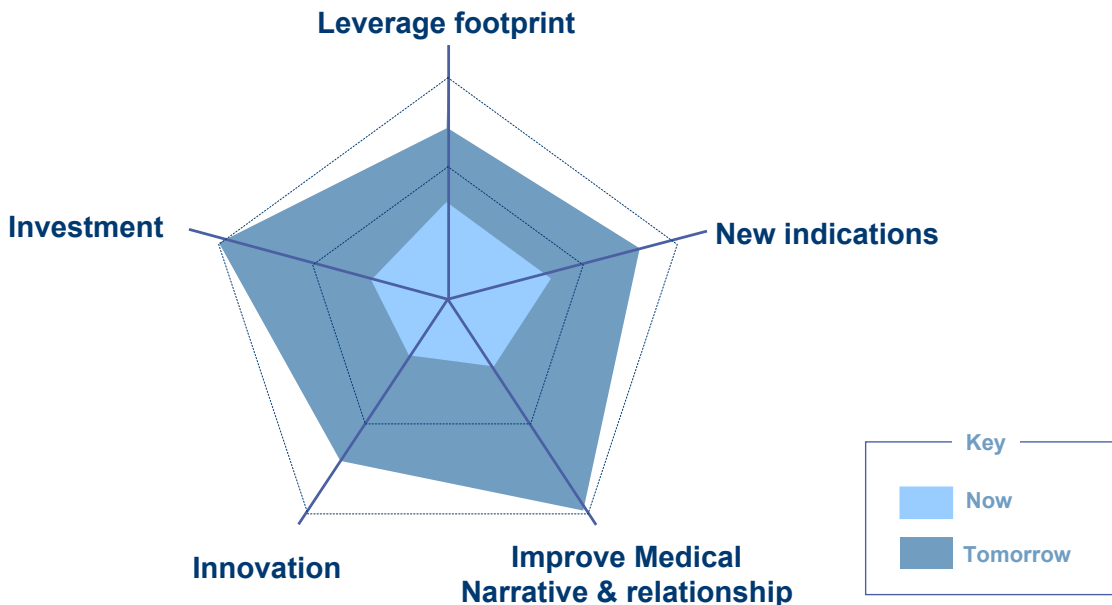
Driven mainly by US...



...and therapeutics



Ipsen to work on key levers to reach full potential



Spasticity and the US : two main growth drivers

Dysport® 2020 footprint aspiration : More geographies, more indications

Geography/ Therapeutic area	Europe	US	China	Brazil	Russia
Therapeutic	<ol style="list-style-type: none"> 1.Cervical Dystonia 2.Adult arm spasticity 3.Blepharospasm 4.Hemifacialspasm 5.Paediatric per equinus spasticity (Cerebral palsy) 6.Adult leg spasticity (in three EU markets) 7.Hyperhidrosis 8.Pediatric arm spasticity 9.Neurogenic Detrusor Over-activity 	<ol style="list-style-type: none"> 1.Cervical Dystonia 2.Adult Upper Limb 3.Adult Lower Limb 4.Pediatric Lower Limb 5.Pediatric Upper Limb 6.Neurogenic Detrusor Over-activity 	<ol style="list-style-type: none"> 1.Cervical Dystonia 2.Other indications under assessment 	<ol style="list-style-type: none"> 1.Cervical Dystonia 2.Adult arm spasticity 3.Blepharospasm 4.Hemifacialspasm 5.Paediatric per equinus spasticity (Cerebral palsy) 6.Adult leg spasticity 7.Hyperhidrosis 8.Pediatric Upper Limb 9.Neurogenic Detrusor Over-activity 	<ol style="list-style-type: none"> 1.Cervical Dystonia 2.Adult arm spasticity 3.Blepharospasm 4.Hemifacial spasm 5.Paediatric per equinus spasticity (Cerebral palsy) 6.Hyperhidrosis 7.Pediatric Lower Limb 8.Pediatric Upper Limb 9.Neurogenic Detrusor Over-activity
Aesthetic	<ol style="list-style-type: none"> 1.Glabellar Lines 2.Canthal Lines 	<ol style="list-style-type: none"> 1.Glabellar Lines 2.Canthal Lines 	<ol style="list-style-type: none"> 1.Glabellar Lines 	<ol style="list-style-type: none"> 1.Glabellar Lines 	<ol style="list-style-type: none"> 1.Glabellar Lines

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Dysport® in aesthetics

Through partnerships...

- Rationale: access the aesthetic market potential with partners offering a range of aesthetics products
- Successful partnerships with :
 - **Medicis** in North America



- **Galderma** in Europe and other selected geographies (e.g. Brazil)



... or solely as Ipsen

- In geographies not covered by partnerships...
- ... when it makes business and economic sense

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New indications: Focus on spasticity and urology indications

Focus on spasticity in the short term...

- **Current spasticity indications:**
 - Adult upper (ex-US) and lower limb (limited markets)
 - Pediatric lower limb (ex-US)
- **Spasticity, a major short-term growth opportunity:**
 - Stroke : 15 million people worldwide every year. 5 million are left permanently disabled¹
- **World-wide Adult and Pediatric Ph III program (4 trials):**
 - 4 new indications in the US
 - New and/ or Improved labeling ex-US

... and in urology in the longer term

- **Leverage current access to prescriber base:**
 - Clear synergies with Uro-oncology franchise in Europe
 - Clear WW synergies with neuro-rehabilitation environment
- **Neurogenic Detrusor Overactivity: Ph IIa started (NCT01357980):**
 - First patient screened in May 2011
 - Limited cost and high probability of success
- **Urology indications, a significant mid term growth potential**

Ipsen to improve medical narrative and prescriber relationship



Dysport® Next Generation: a potential new exciting opportunity

The first ready-to-use toxin A...

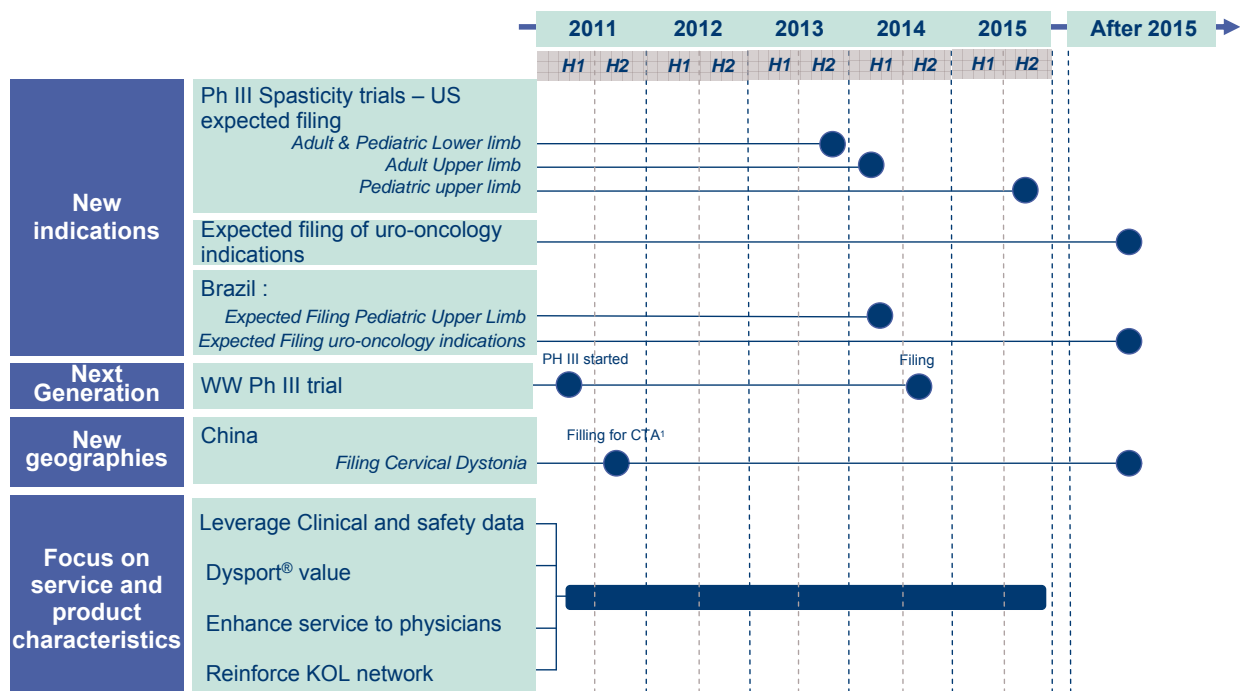
- ...is a breakthrough innovation bringing clear differentiation vs. competitors
- ...saves time by avoiding reconstitution
- ...improves safety (dilution/dosage, reconstitution, single use product ...)
- ...has very positive qualitative and quantitative market research results¹ (c. 500 participants) :
 - 83% of potential adopters on time saving and improved safety grounds

A potentially transforming project

- A WW Ph III program to assess safety and efficacy:
 - Indication : Cervical Dystonia
 - 350 patients
 - 71 sites (42 in Europe, 29 in the US)
 - First patients recruited in Europe
 - US recruitment pending feedback from FDA in Q3 2011
- A complex manufacturing process with technical hurdles to be addressed
- Ipsen team fully mobilized to bring R&D project to fruition

Potentially, a major change in market paradigm

Dysport® milestones:



Research & Development



A changing environment that calls for a dramatic change in the way of doing R&D

Tougher times for the Pharma Industry...

- Increased competition
- Generic/hybrid entry
- Persistent attrition rate
- Pressure of payers

... calls for

Scientific & medical excellence

Focus on patients (Patient centric)

Speed of execution across the value chain

Collaborative innovation

Ipsen's R&D has recognized strengths...



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... but still has room for improvement...

Ipsen's R&D has experienced setbacks...

- BIM23A760 (Phase IIb)
- Taspoglutide (Late Phase III)¹
- Difficulties to properly position GH-IGF-1 combo program in short stature
- Difficulty to derive value out of promising research compounds (CDC25, diflomotecan, elomotecan, angiomate...)
- Irosustat in monotherapy (Phase IIa)

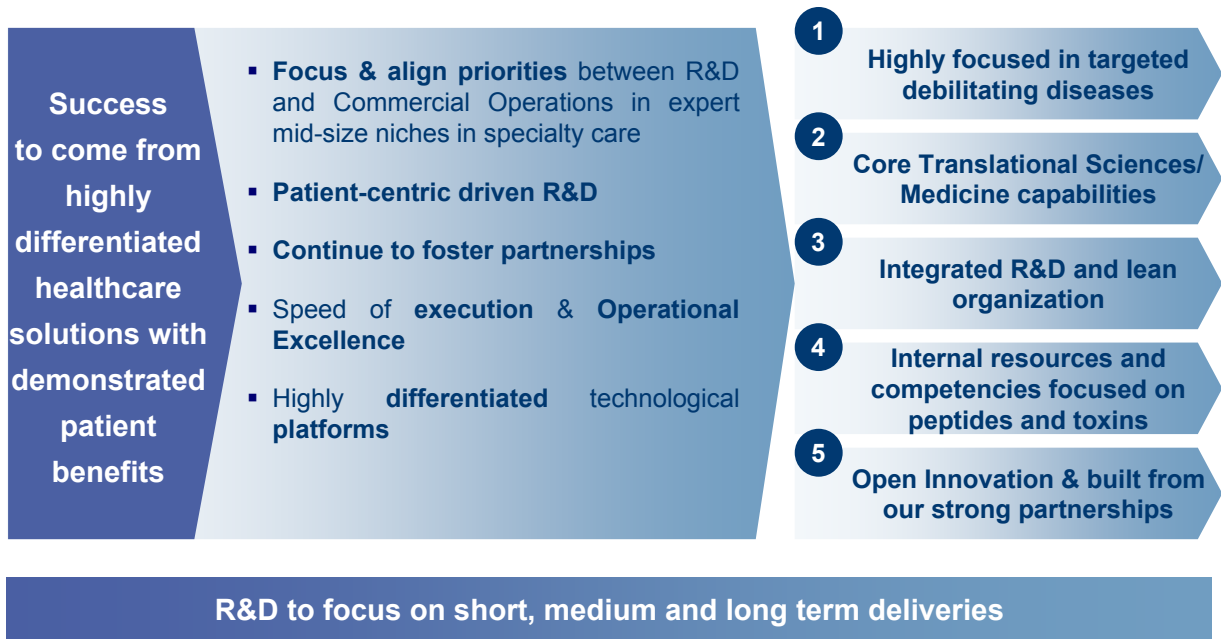
... push for greater focus across R&D

- Increase alignment between science & business analysis
- Focus resources on key projects and technological platforms
- Increase alignment in decision making
- Implement culture of decision and speed of execution

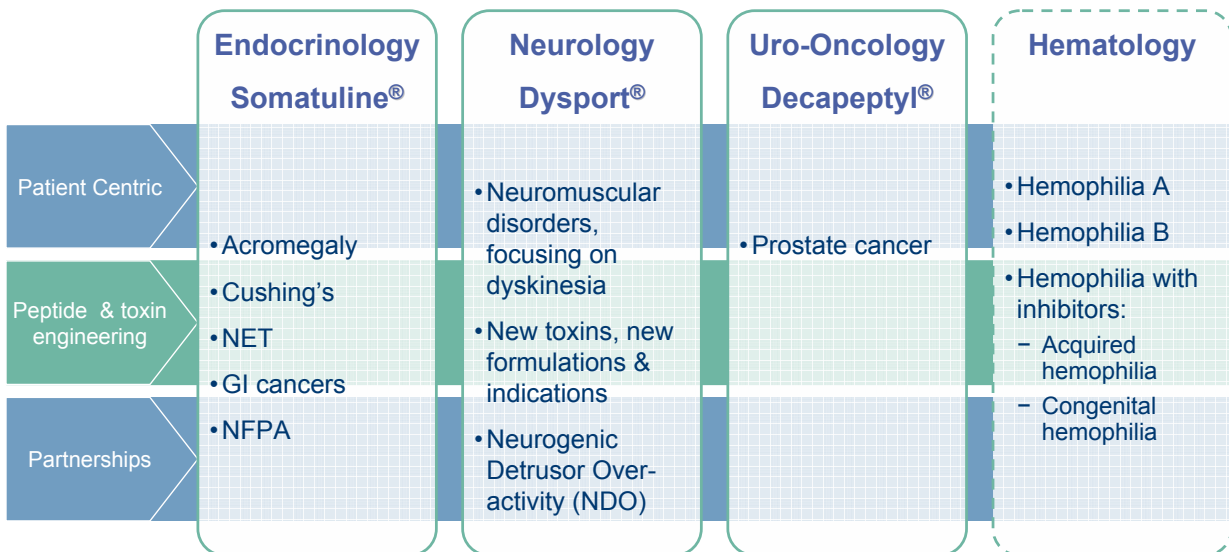
64

NOTE 1: developed in Ph III by Roche

... calling for an overhaul of our R&D engine...



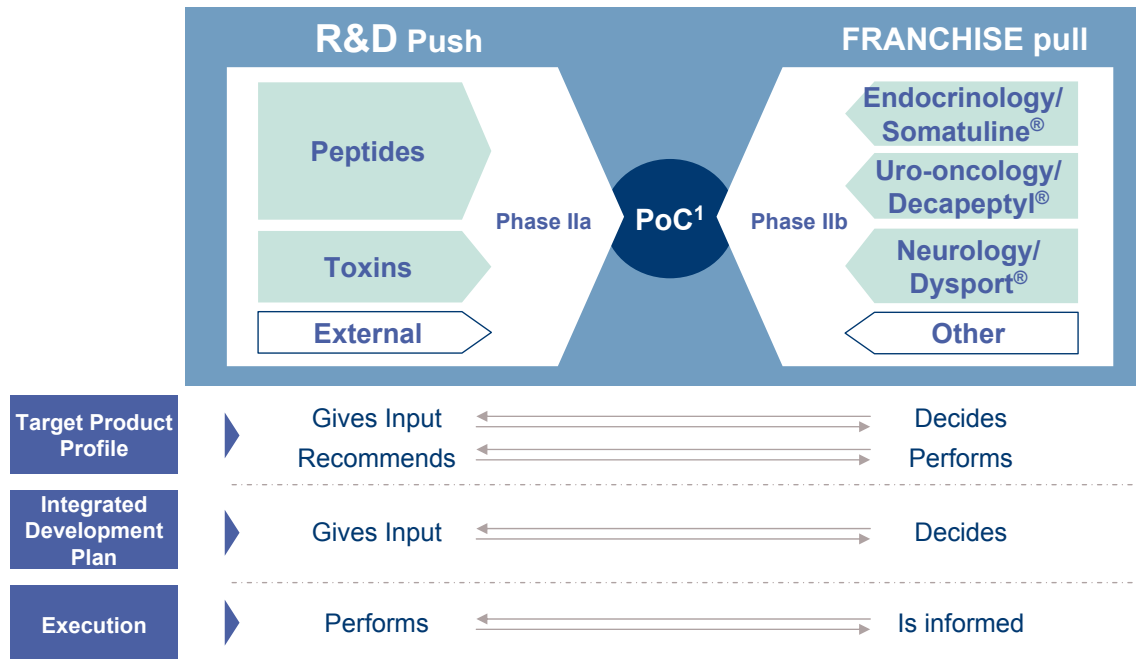
... applied to well defined disease areas and indications



Focused. Aligned. Synergies across therapeutic areas



An integrated R&D “push-pull” model to fulfill patient/commercial requirements

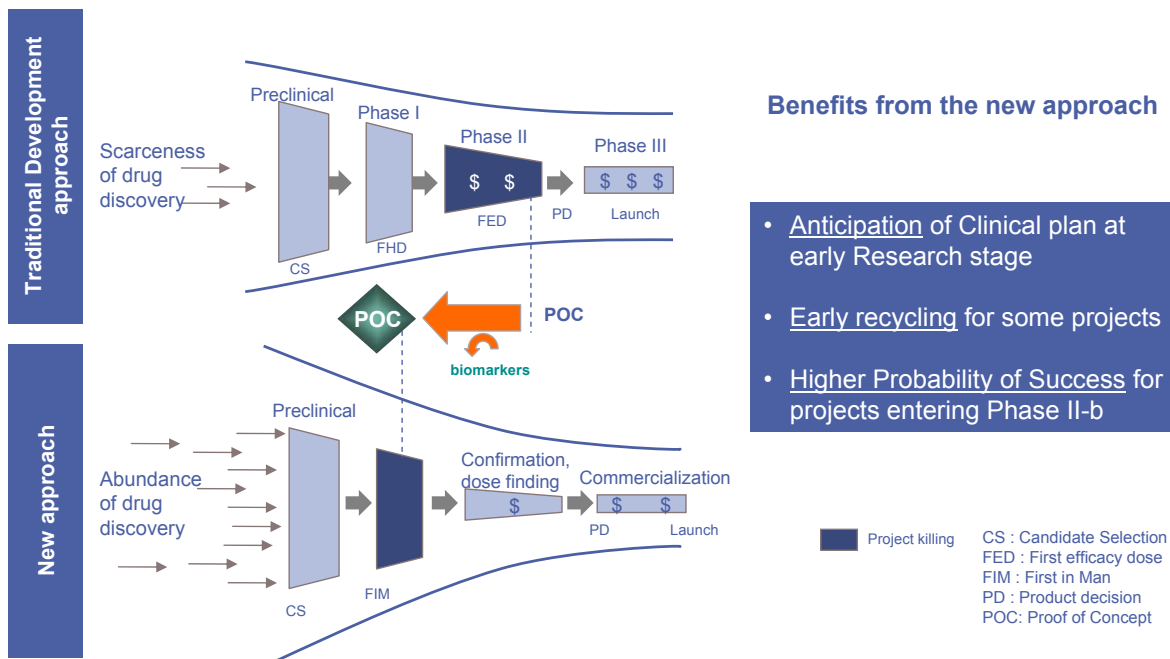


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NOTE 1 : Proof of Concept is the evidence that a drug is safe and capable of treating a specific patient population



Biomarkers help compounds move to POC quicker while reducing failure rate in late development stages

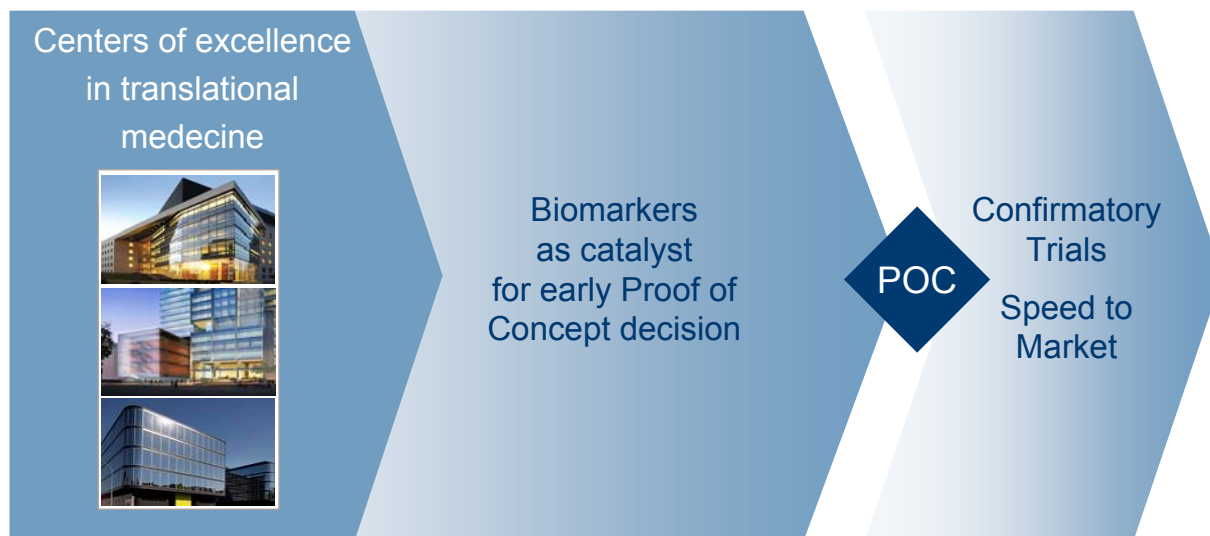


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Source : Nat.Reviews Drug Discovery 2010



Ipsen partnerships in personalized medicine

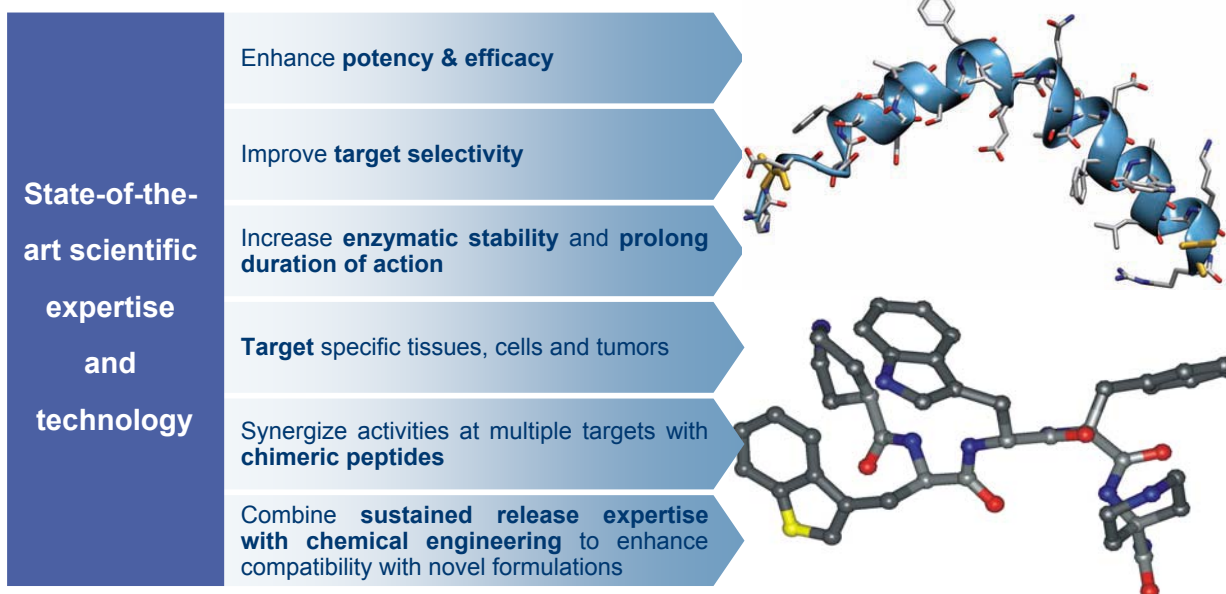


Current partnerships : Centers of Translational Medicine & BioMérieux

Focus on two core technologies...



Ipsen has built a state-of-the-art peptide engineering platform...



Ipsen has a proven peptide track record with marketed drugs and drug candidates



... and will continue to invest in emerging technologies

Current
state-of-the-
art peptide
platform

Emerging peptide-based technologies have potential to further expand applications of peptide-based agents

- Cell-penetrating peptides, “stapled” peptides
- Peptides used as targeting agents to deliver therapeutic “war heads”
- Oral delivery technologies
- Chimeric peptides
- Phage display technology
- Cytotoxic-peptide and toxin-peptide conjugates, peptide-siRNA chimeras
- Peptide toxins & protein mimetics, inhibiting protein-protein interactions

Ipsen to expand and reinforce its peptide platform, in-house and with selected partners

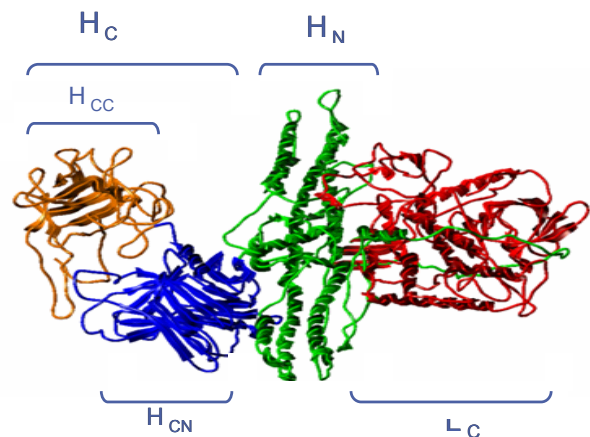
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Botulinum toxin: Recombinant technology offers promise of development well beyond current marketed products

New opportunities with recombinant technology

- Design of novel targeted toxins
- Design of toxins with different characteristics (onset of action, duration)
- Platform versatility based on feasible modification(s) of the functional domains of native Botulinum toxin :
 - Binding domain
 - Translocation domain
 - SNARE cleavage domain
- Possibilities to improve the properties of the current available toxin formulation
- Clear and measurable clinical effects



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Ipsen is ideally placed to become a key player in “the toxin of the future”

Track record expertise in botulinum toxin with Dysport®

Pharmacological, preclinical and clinical expertise in Botulinum Toxin in neuromuscular diseases

State-of-the-art facilities: research, scale up, development and manufacturing



Valuable partnerships synergize with Ipsen

Established network of Toxin experts



Partnerships at the Heart of Ipsen’s Innovation



2003 - 2005

2006- 2011

Our key drivers entail major decisions

Summary of major R&D decisions

- **Merge** Research and Development departments
- **Close** R&D activities at Barcelona site
- **Stop** internal non toxin and non peptide research*
- **Build** project management excellence

Key decisions on Ipsen's Ph II pipeline

Assets no longer in strategic focus

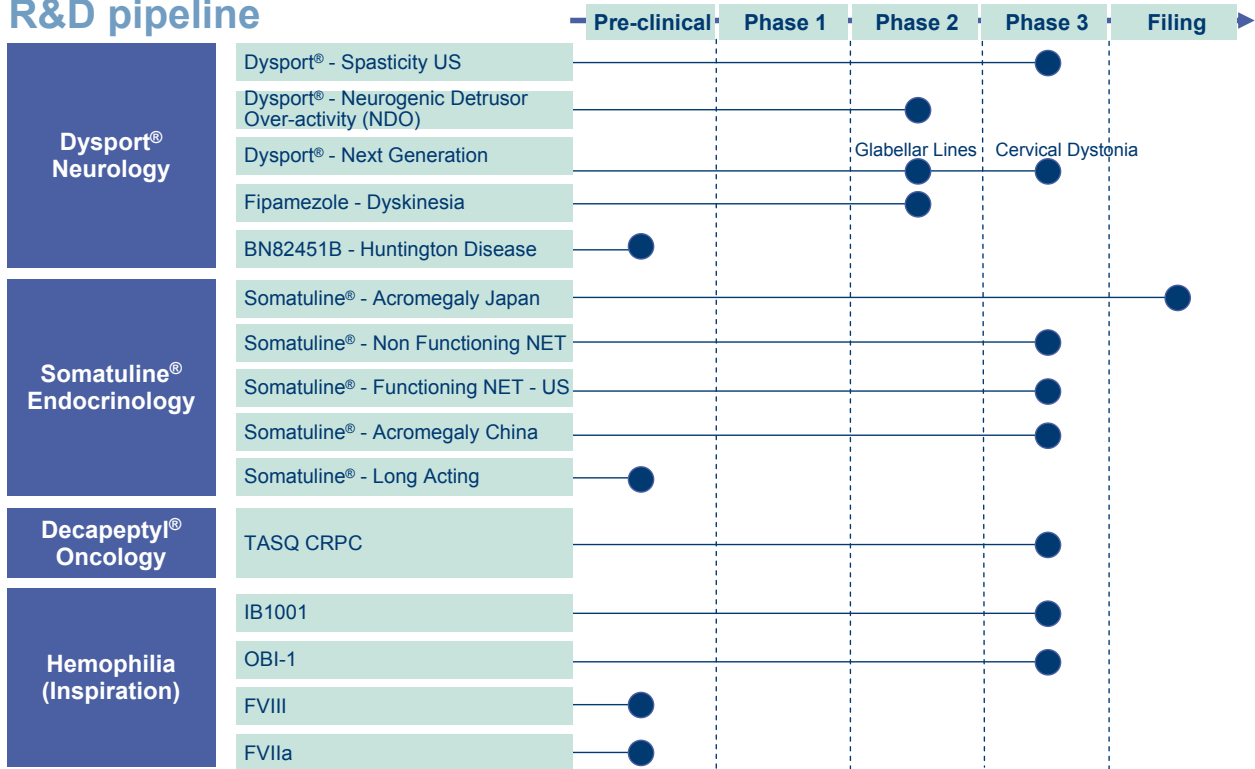
Oncology

- Discontinuation of the development of Irosustat as a single agent (monotherapy) in all indications
- Seeking partnership

Endocrinology

- GH- IGF-1 Combo and all IGF-1 programs are deprioritized
Ipsen to explore all options to maximize value while meeting its obligations to patients and partners

R&D pipeline



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Ipsen “new” R&D ambition

5 novel pre-clinical candidates...

...out of which 3 will reach POC decision by end of 2015...

...while all life cycle initiatives are achieved on time

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Uro-Oncology/ Decapeptyl®



A franchise with renewed growth opportunities

Tasquinimod

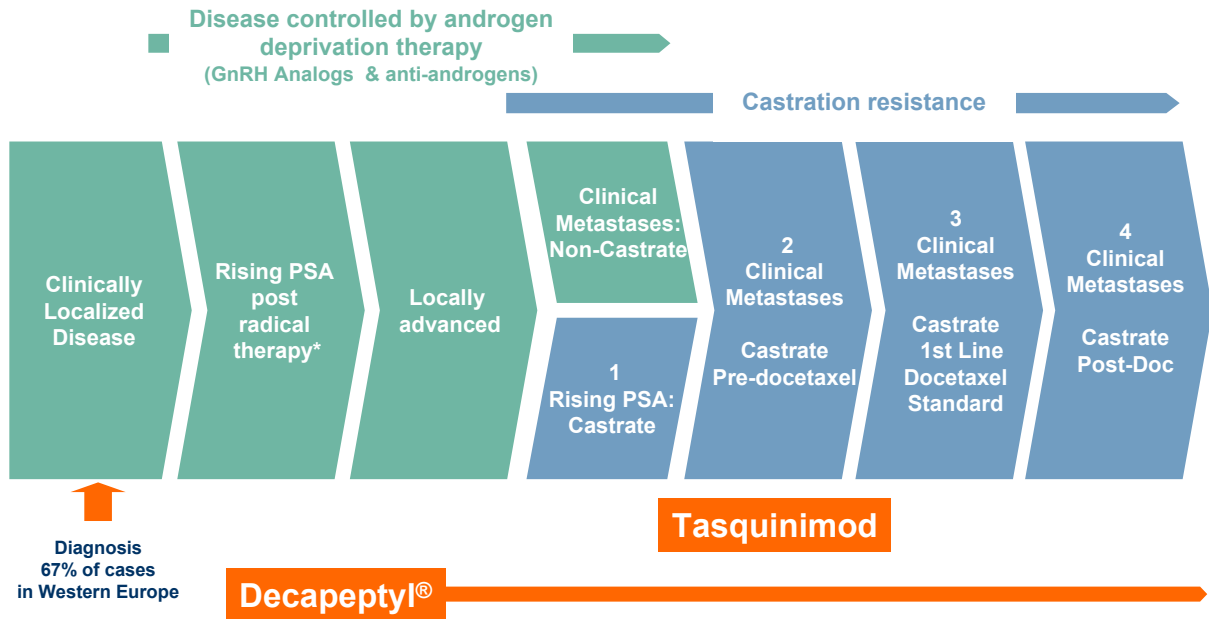
for castrate resistant tumors

Once a day oral formulation in PhIII

Decapeptyl®

for hormone-sensitive tumors

Prostate cancer: disease evolution towards castration resistance



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*Radical treatment : prostatectomy or radiotherapy

Decapeptyl®: a solid basis to develop a Uro-Oncology franchise

A 20-year growth story...

- Marketed in over 60 countries (Excl. the Americas and Japan)
- Indications:
 - Prostate Cancer (more than 70% of sales)
 - Gynaecology
 - Precocious puberty
 - IVF
- Formulations: Daily, 1 month, 3 months and 6 months
- No true generics of GnRH analogs anticipated

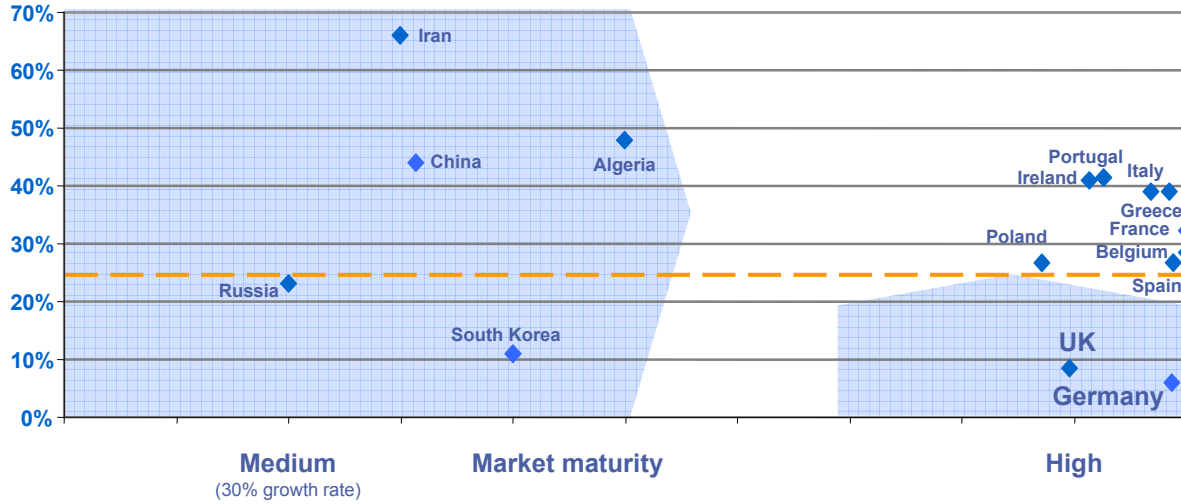
... and still poised to grow

- GnRH analogs remain mainstay of first line hormonal manipulation in PCa
- 6 month formulation enables market share gain in key EU countries
- Emerging countries, and in particular China, provide a long term growth
 - In 2010, emerging markets contributed to ~65% of Decapeptyl®'s growth
- European sales affected by increased competition and price pressure

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Decapeptyl®: strong market shares throughout the world, and room to grow

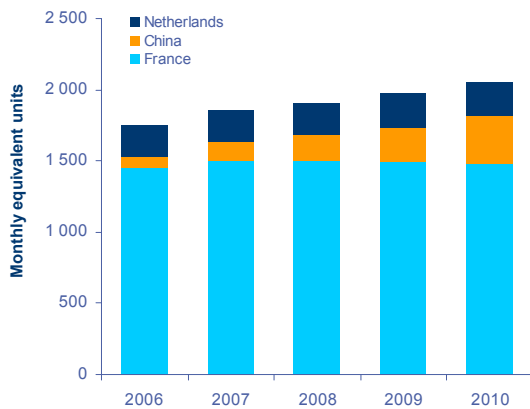
Current market share (in units)



Market share in the UK and Germany (~40% of G5 GnRH Analogs sales) has doubled in the past 3 years

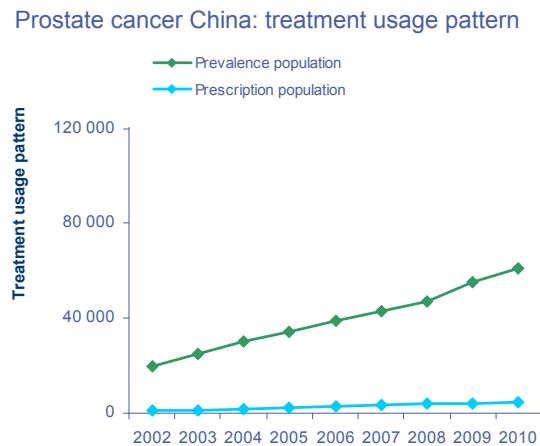
Emerging countries, and in particular China, as growth engine

China, limited GnRh analog market but poised to grow (2006-2010)



Source : IMS health

Increasing access of patients to medicines (2002-2017)



Source : GBI research 2010

China expected to become 2nd country in terms of Decapeptyl® sales in 2011

Decapeptyl® 6 month formulation: a differentiated product profile, enabling market share gain

Decapeptyl 6 month formulation

Efficacy

- Sustained low level of testosterone, without breakthrough*
- Similar efficacy on PSA control and Testosterone across all formulations**

Local Tolerance

- Limited local side effects (6.7% of patients)
- No nodule or abscess at site of injection

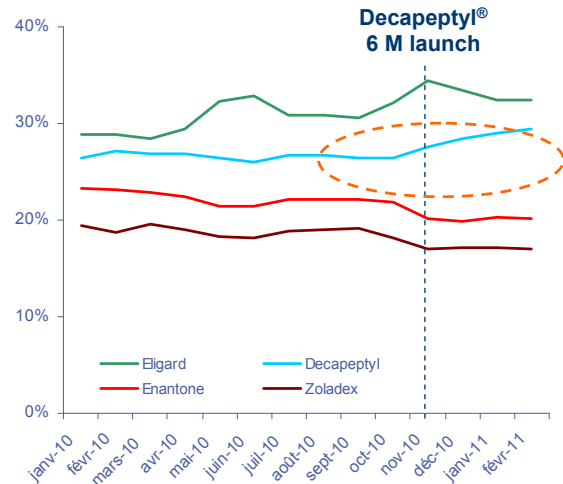
Formulation reconstitution

- Lyophilized slow release formulation
- Easy to reconstitute with no product loss

*Lundstrom E & Al, , *ClunDrug Invest* 2009; 29(12):757-765
**Mounedji N & al, *J clin Oncol* 29: 2011 (suppl 7; abstr 162)

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e.g. Impact on market shares in Spain



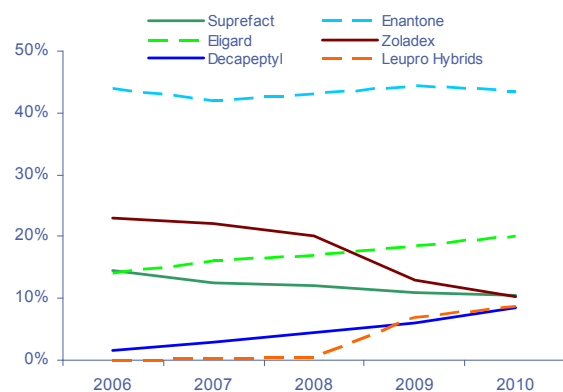
Source: IMS sales data

No true generics of GnRH analogs anticipated, only Hybrids

Hybrids rather than true generics

- Risk of true long acting GnRH analogs generics entry expected to be low
- Only hybrids of leuprorelin are available today¹
- Hybrids are currently not substitutable and priced 20-25% below original products
- In Germany, the 2 leuprorelin hybrids have reached less than 10% MS in 3 years² with no impact on class price yet

Impact of hybrids on market shares MEU (*) in Germany



(*) MEU = Monthly equivalent units
Source: Insight Health, OdV data - Germany

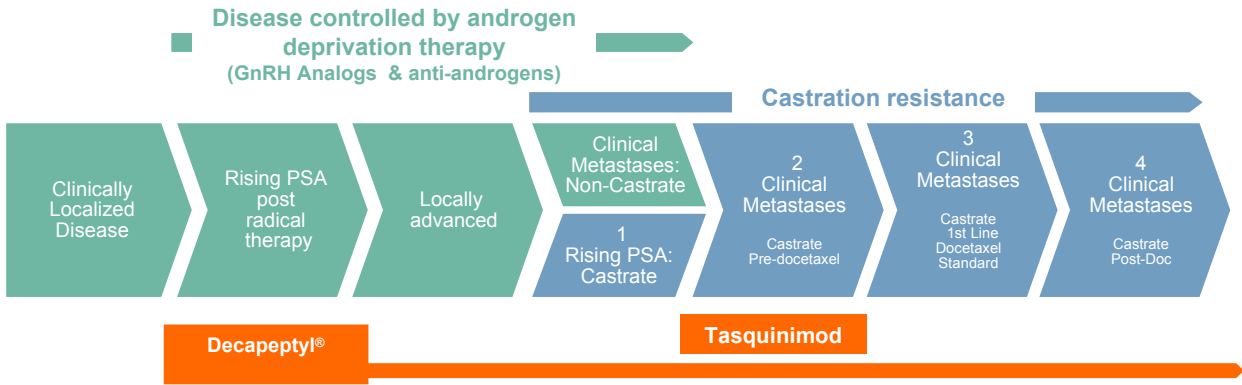
Hybrids represent a moderate threat to GnRH established brands compared to true generics

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Note 1 : goserelin hybrid has been withdrawn from the 2 markets where they were launched (UK and GER)

Note 2 : despite promotional investments and push from payers

Tasquinimod: a perfect strategic fit



Population Incidence in G5*	149 000 Stage I & II	111 000 Stage III & IV	153 000 CRPC
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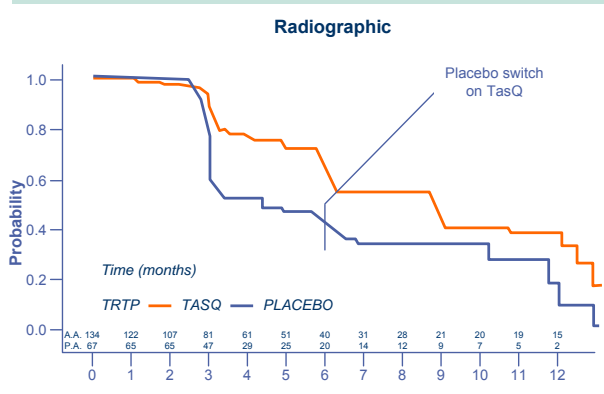
- Leverage the Group's current leadership position in prostate cancer
- Expand to medical oncology
- Access to significant sales potential
- Beyond prostate, tasquinimod has potential in other cancers (such as GI)

* Oncos Da Vinci, 2008

Tasquinimod, promising phase II results

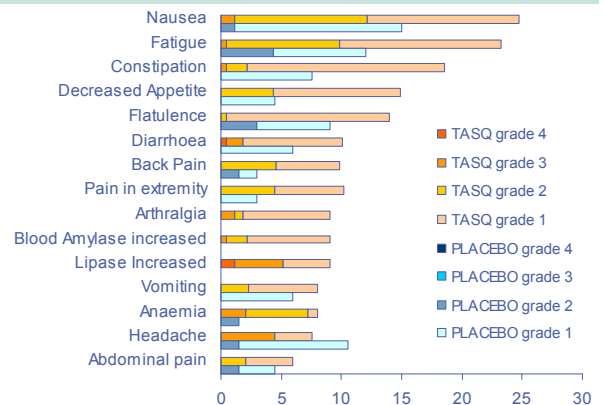
Safety and efficacy analysis* of Phase II study of Tasquinimod in chemotherapy naïve patients with asymptomatic metastatic castrate-resistant prostate cancer (CRPC) (n=201)

Primary end point
Proportion of patients with progression at 6 months:
n=134/67 31% in Tasquinimod group vs. 66% in placebo group



Tasquinimod improves Radiographic Progression Free survival vs. placebo (8.8 months vs. 4.4 months)

Most common AE-s and percent of patients with grade 1-4 in Double-blind phase



Side effects are manageable

* ASCO-GU, 2011, J. Armstrong¹, M. Haggman², W. M. Stadler³, J. R. Gingrich⁴, V. J. Assikis⁵, O. Nordle⁶, G. Forsberg⁶, M. A. Carducci⁷, R. Pili⁸



Tasquinimod, Phase III program ongoing

A Phase III randomized, double-blind, placebo-controlled study of Tasquinimod in men with asymptomatic/mildly asymptomatic Metastatic Castrate Resistant Prostate Cancer

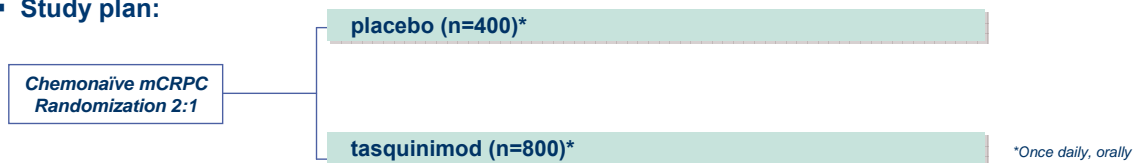
▪ **Objectives**

- TASQ in chemo-naïve patients with metastatic castrate-resistant prostate cancer
- Effect of Tasquinimod on delaying disease progression compared with placebo

▪ **Endpoints**

- Primary: Radiological progression-free survival (PFS)
- Secondary Endpoint: Overall Survival (OS) – Study powered for OS

▪ **Study plan:**



▪ **Principal investigators:**

- America : Michael A Carducci, Johns Hopkins Kimmel Cancer Center, Baltimore, USA
- Europe : Cora N Sternberg, San Camillo and Forlanini Hospitals – Rome, Italy

International Pivotal Phase III opened 1Q 2011...

... filing expected in 2014



Tasquinimod, deal terms for Ipsen

Geographies

- World excluding Japan and the Americas

Execution

- Active Biotech: Pivotal registration PhIII
- Ipsen: Supportive study

Financials

- **Milestones :**
 - Upfront payment of €25 million
 - Additional payments of €175 million contingent upon progress/ achievement of clinical, regulatory and commercial milestones
- **Royalty rate:** progressive on the level of sales starting in the low teens

Expected peak sales: in excess of €250m

Hemophilia



Ipsen and Inspiration are aiming at all levels of the coagulation cascade for the treatment of hemophilia

A full fledged hemophilia franchise, with potentially 4 products

...with a broad potential inhibitor therapy offering (OBI-1, FVIIa)...

...and the first recombinant competitor in hemophilia B therapy, IB1001

...differentiated with OBI-1, the only recombinant porcine FVIII product...

- An \$8bn market
- A high margin market
- 2 products in Ph III:
 - OBI-1: a highly innovative porcine recombinant Factor VIII (orphan drug)
 - IB1001: first rFIX biosimilar in an underserved, fast growing market

Growing Market Opportunity in Hemophilia B

Current market

- FIX market overlooked – primary focus FVIII
- 90% recombinant in developed markets
- 40% recombinant and growing in underserved markets

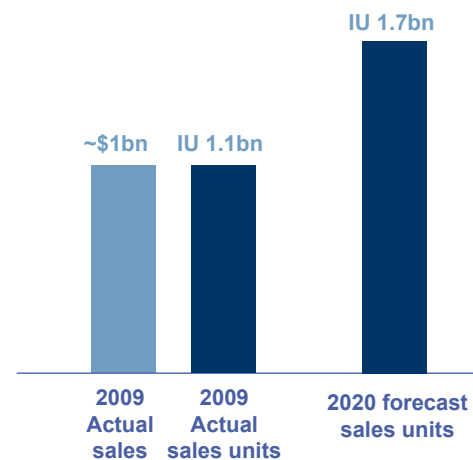
Long-term growth prospects

- 2% to 6% CAGR until 2020
- Broadening access to care grows overall market :
 - Driven by prophylaxis in developed markets
 - Driven by more patients treated in underserved markets

Critical unmet medical need: access to treatment for more patients

- Hemophilia B market potential of 6.5 billion International units (IU), based on population

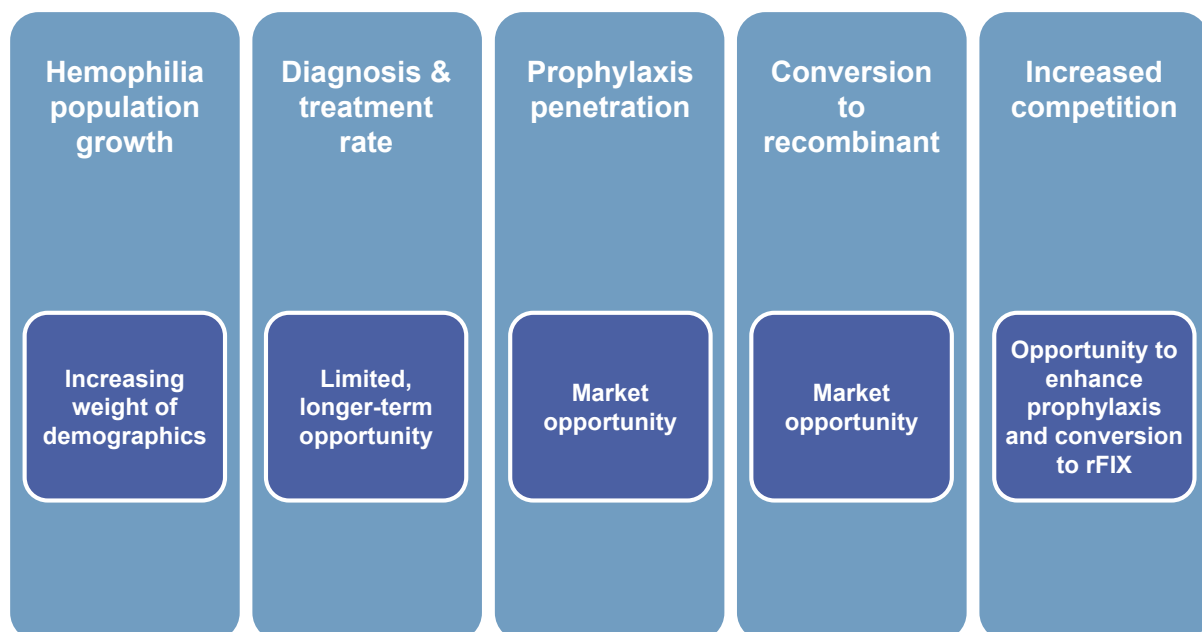
Factor IX



Recombinant FIX sales of \$700m in 2009; plasma sales of \$300 million

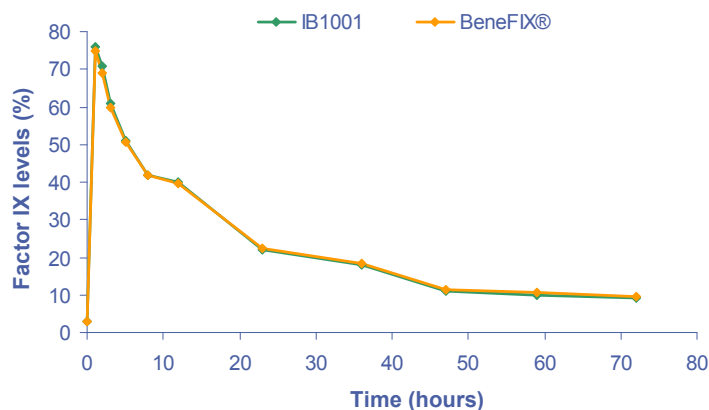
Significant market opportunity for IB1001, a recombinant FIX currently in Phase III

Historical and projected hemophilia market growth drivers



IB 1001 demonstrated non-inferiority to BeneFIX®

Mean FIX activity by time and treatment



The preliminary safety data collected during the PK study phase indicate that IB1001 has an acceptable safety profile and is well tolerated

Study IB1001-01 is ongoing and further analyses on safety and efficacy will be available in 2011.

Growing Market for More Effective Inhibitor Treatments

Current market

- 1/3 of hemophilia A patients will require inhibitor therapy during their lifetime:
 - Inhibitor therapy (IT) 70% recombinant in developed markets
 - IT <10% recombinant in underserved markets
 - Current therapies are FVIIa bypassing agents

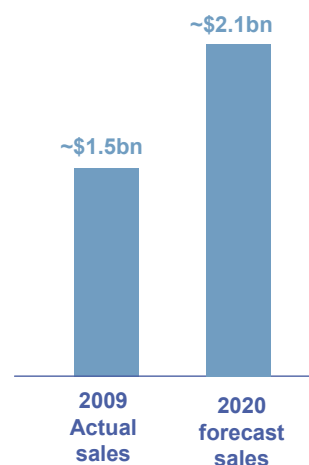
Long-term growth prospects

- 3% to 6% CAGR until 2016, 0-1% thereafter (due to increased competition, downward pricing pressure):
 - Driven by prophylaxis in developed markets
 - Driven by more patients treated in underserved markets
- Opportunities in treating inhibitors to human FVIII and acquired hemophilia

Most important unmet need: Additional inhibitor therapy options

- Current inhibitor therapies are expensive; not always effective
- Lack of biomarkers to predict efficacy

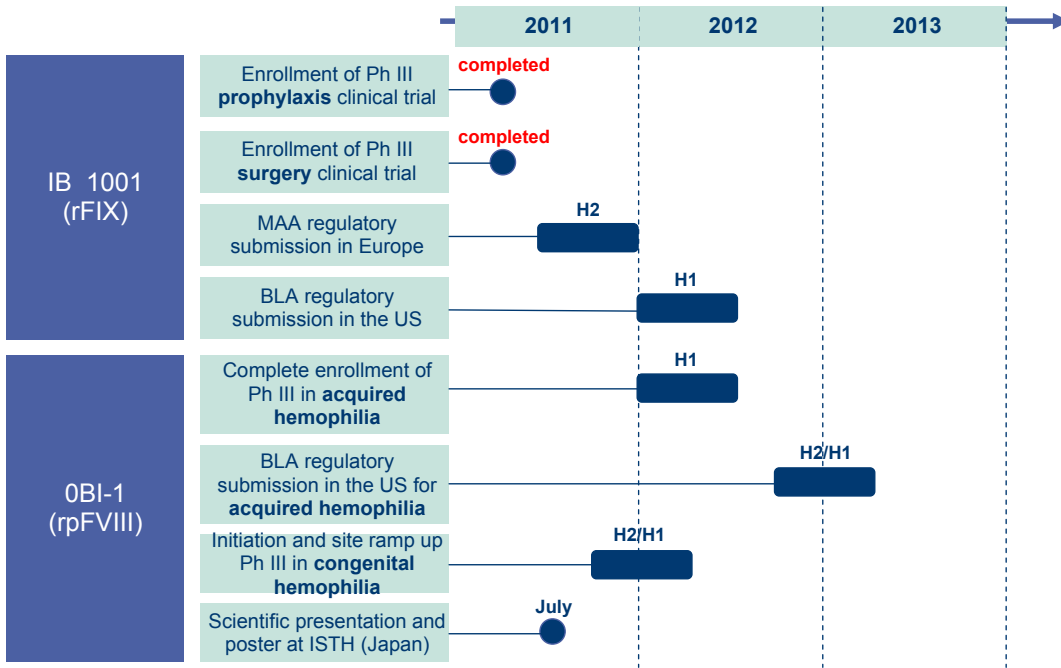
Inhibitor Therapy



Recombinant FVIIa sales of \$1.1bn in 2009; plasma sales of \$400m

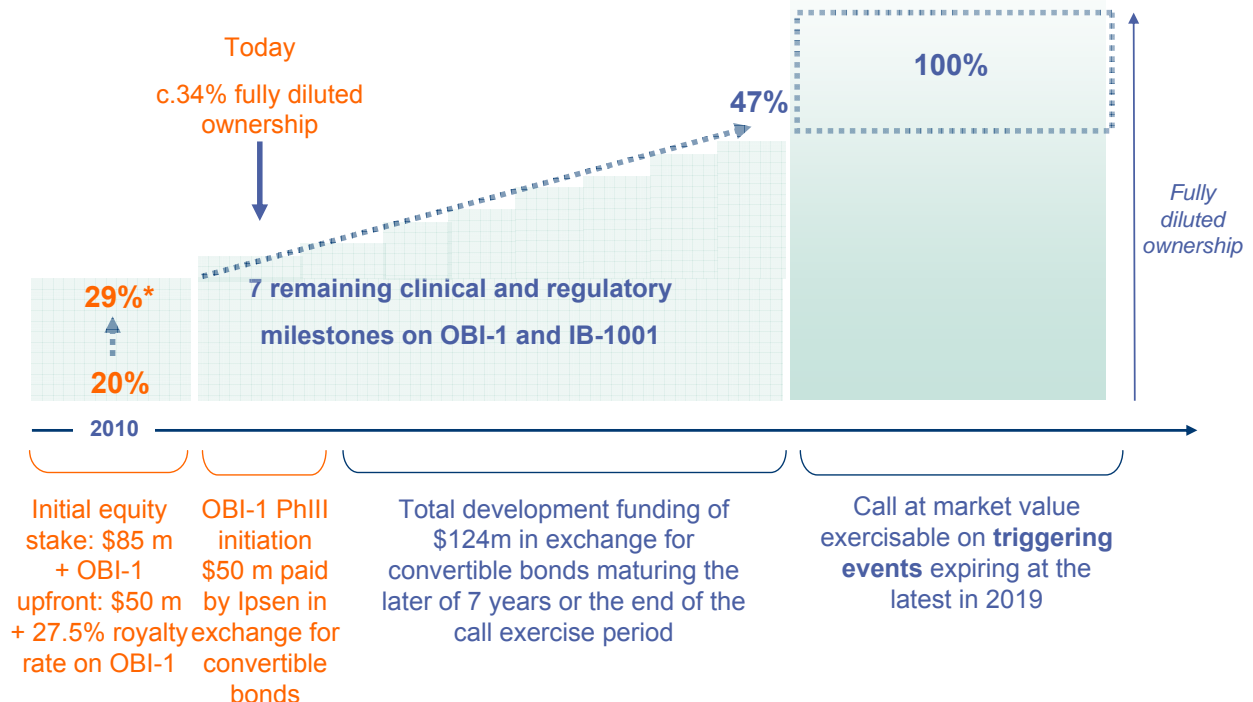
Unique positioning for OBI-1, a differentiated porcine recombinant FVIII currently in Phase III

Inspiration hemophilia product portfolio – short term timeline



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Ipsen now has ~34% of fully diluted ownership of Inspiration



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* O/W 20% of outstanding shares

US platform



Ipsen has completed a comprehensive assessment of global operations and reaffirms its commitment to the US market

**Significant upside potential for new indications for
Dysport® and Somatuline Depot®**

Significant market opportunity for hemophilia portfolio

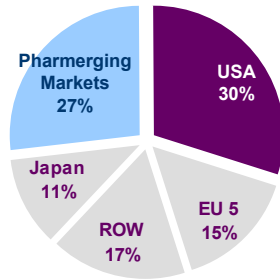
**Significant value in further developing Ipsen's presence
and insight into the US market**



The U.S. will continue to lead the global marketplace and remains an important pillar in Ipsen's global strategy

In 2015, the U.S. market will represent ~30% of the global pharmaceutical market...

2015 Global Pharmaceutical Market Share (Sales)¹



The US will contribute to 11%¹ of the 2010-15 global pharma market growth and specialty products are anticipated to grow faster than the overall market...

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...with significant opportunity for Dysport® and Somatuline®

Dysport®

- Global therapeutic botulinum toxin market expected to grow at 7.4%² CAGR to €1.6bn in 2020
- US botulinum toxin market to grow at 7.4%² CAGR to €1.4bn in 2020 (50% of total market)

Somatuline®

- Global SSA³ market expected to grow at 3.8% CAGR to ~€1.6bn²
- World most solid growth in the US with a SSA³ market expected market growth 4.6%² CACG in the US

SOURCE: (1) IMS Health 2011
(2) Company estimates
(3) SSA: Somatostatin Analogs



To ensure we maximize the opportunity, there will be four key changes to the U.S. Organization

Focus investment and resources to drive Dysport® and Somatuline Depot® growth in current and future indications

Restructure the US organization to increase focus and align US operations with the new global franchise structure

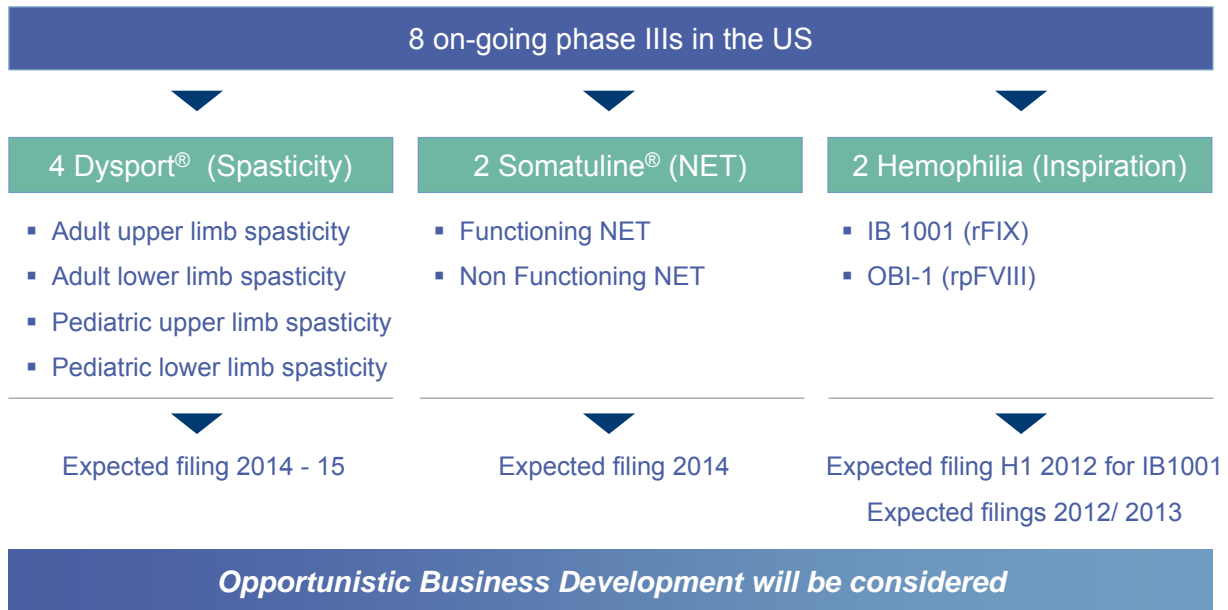
Better integrate the US business with the global organization and move US commercial operations to the East Coast

Allocate internal effort to activities that drive differentiation and focus and form outsourcing partnerships to support other activities

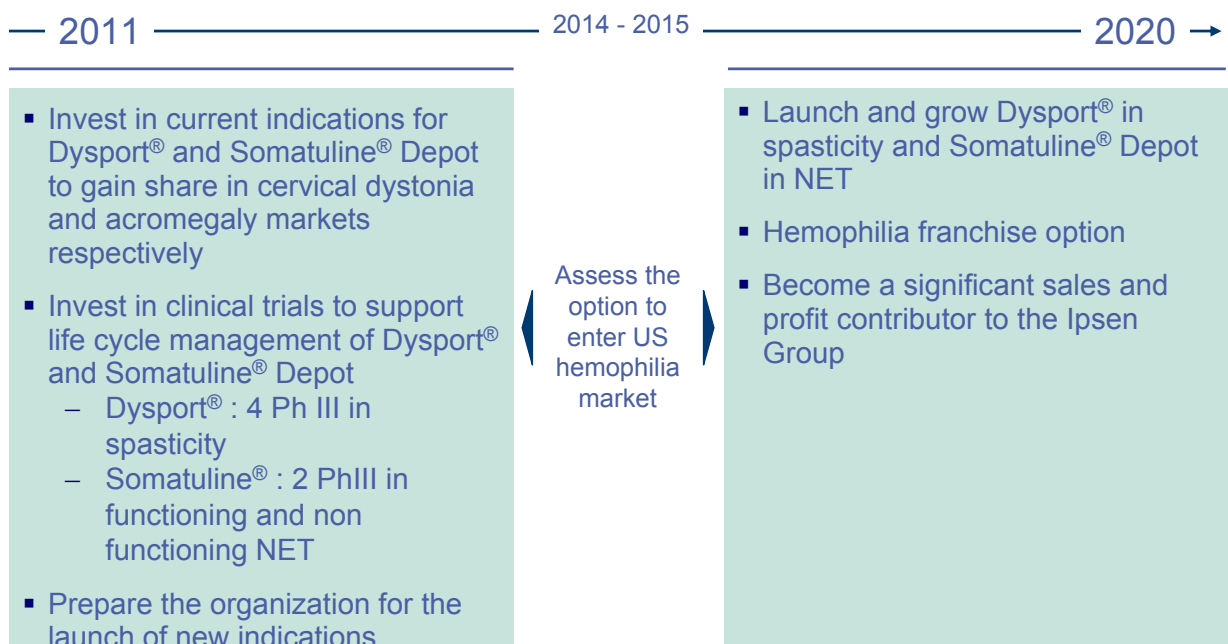
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U.S. growth also will be fueled by life-cycle management and new products



A two-phased US strategy supports short- and long-term growth objectives



A new President and General Manager for Ipsen North America

Sean McKercher

- **30 years of experience** in the healthcare industry, working in many different locations including **Canada, Asia, Africa, US and most recently Europe.**
- **Joined Ipsen in 2007:** instrumental in the 2008 acquisitions of Vernalis US, Tercica and the product OBI-1.
- Since 2009, **head of Ipsen's business development and alliance management organization** completing over 20 different transactions including the creative relationship with Inspiration.
- In 2010, named the **Business Development Executive of the Year by the UK Pharmaceutical Licensing Group.**
- Recently named **President and General Manager for Ipsen North America**

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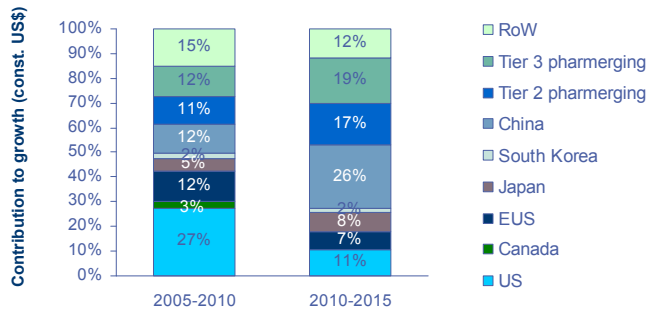
***China focus:
Invest to accelerate value growth to harvest the full
benefit of 20 years experience***



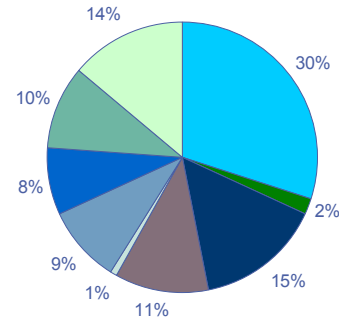
China amongst top pharma markets...

2010 rank			2015 rank			2016 rank		
1	United States		1	United States		1	United States	
2	Japan		2	Japan		2	China	
3	China		3	China		3	Japan	

Region contribution to global growth



Region market share of global sales 2015



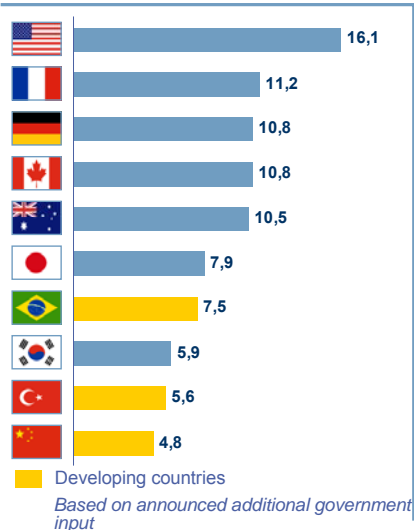
* 2015 sales estimated using 2011-2014 CAGR sept. 2010 for Egypt & Ukraine in Tier 3 and RoW
Source : IMS Health Market Prognosis, March 2011

In 2010, China became the world's second largest economy ahead of Japan

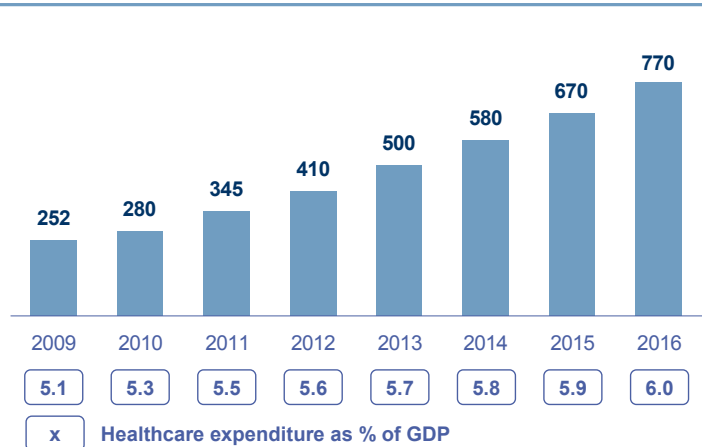


...and more Healthcare potential to come

Healthcare expenditure as percent of GDP [percent, 2008]



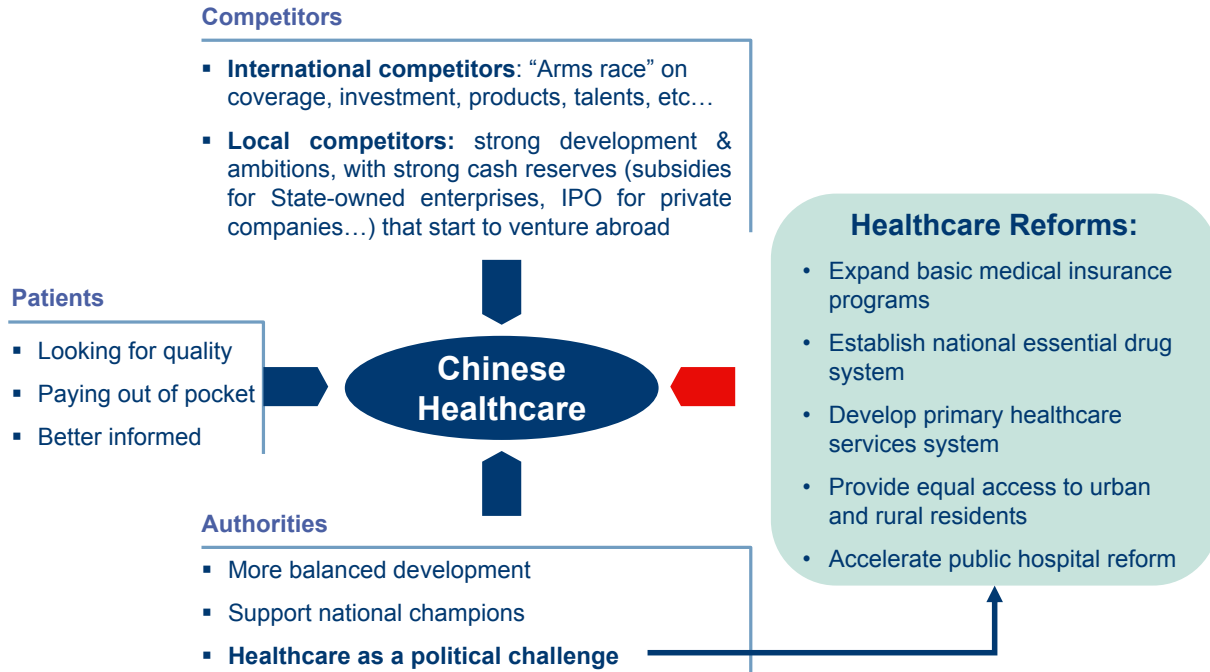
China healthcare expenditure – projected spend [USD billions]



A US\$ 600 billion market by 2015, trending towards \$1 trillion by 2020



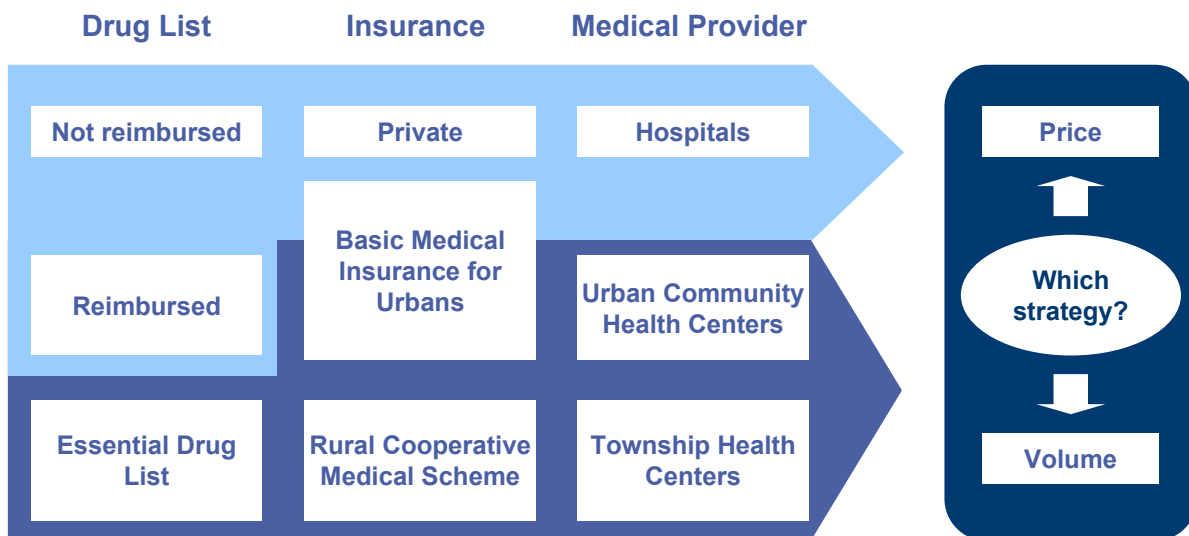
China a bursting market place



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Essential Drug System may reconfigure Chinese healthcare modus operandi



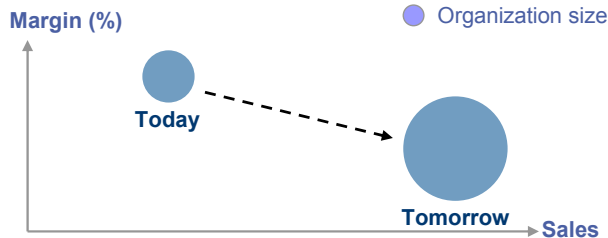
➔ x 31 provinces

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China today, a tougher place for new comers...

Increasing cost of doing business



China is more and more costly:

- + Salaries
- + Taxes and employer contributions
- + Regulatory requirements
- + Inflation

- X Strong headcounts increase for better coverage

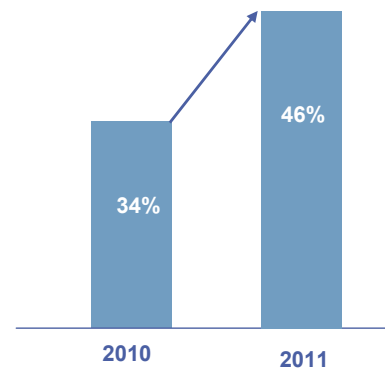
- = Decreased overall profitability

with price cuts

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China is increasingly discriminant

Perception of governmental policies as discriminating against Foreign-Invested Companies for the next 2 years



Source : European Union Chamber of Commerce, Business Confidence Survey, May 2011



Ipsen benefits from a longstanding presence in China, now its 2nd affiliate

- Established in **1992**
- HQ in Tianjin. Total staff of ~ **500 employees**
- ~**€90m 2010 sales**
- **A truly Chinese organisation** with a local JV partner and 2 expatriates
- **Regional sales force teams** focused on key coastal cities, now spreading towards the west into lower tier cities
- Excellent **National & Provincial market access team** (patent, pricing, reimbursement, bidding ,etc.)
- Experienced **medico-regulatory team** to conduct **local clinical and registration trials**
- World class **manufacturing site** since 2000

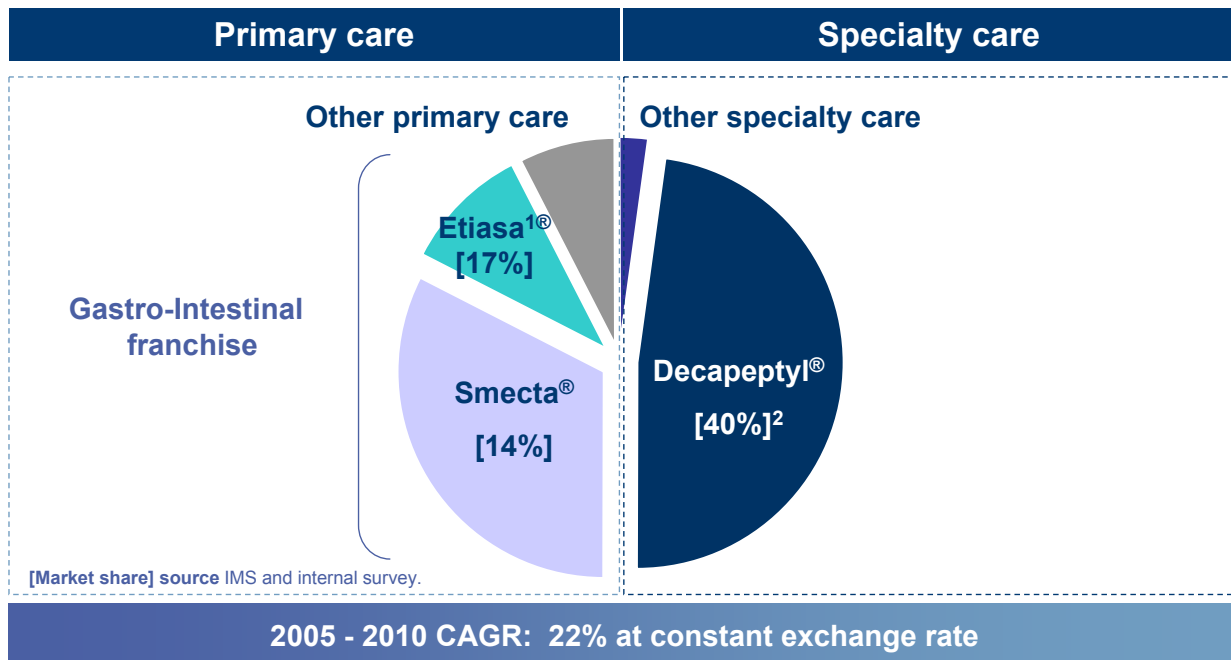


Proven track record of building brand value and leadership in targeted therapeutic areas

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Solidly anchored on two pillars, with three market leader products



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NOTE 1: Etiasa[®] in-licensed from Ethypharm
NOTE 2 : 40% market share over all indications (Gynecology, prostate cancer, IVF, ...)

Primary care



Strengthening our Gastro Intestinal Franchise



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Developing our Specialty care franchise

Currently promoted portfolio

Decapeptyl® with a complete range of formulations:

- Prostate Cancer
- Gynecology
- ...

- Consolidate gynecology leadership position while developing prostate cancer indication with launch 3M formulation
- Prostate Cancer extension
 - Tasquinimod
 - Additional licensing projects under discussion
- Introduction of 2 major Ipsen products
 - Somatuline® CTA¹ filling 2011; regulatory approval expected in 2016
 - Dysport® in Cervical Dystonia and aesthetic indications: CTA¹ filling 2011; regulatory approval expected in 2016 and 2017 respectively

2020
ambition

Current coverage and sales force

- 120 cities
- 120 Medical and Trade representatives
- Highly focused and trained teams

- Increase medicalization :
 - Already ongoing with 4 studies in 60 centers and more than 1500 patients in 2011 (against none in 2009)
 - 2012: Creation of a Clinical trial platform in Beijing
- Extend and deepen coverage
 - Triple sales force team by 2020

2020
ambition

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NOTE1 : CTA filing for Clinical Trial Authorization

Focusing to secure long term growth

Shorten time-to-market

- Strengthen medical development capabilities
- Creation of a clinical trial platform in Beijing in 2012
- Earlier integration of China in global product development

Anticipate healthcare reform and implementation

- Constantly adapt to the changing market conditions
- In every province: Local Government Affairs to be close to local decisions makers

Execute the plan

- High turnover in whole pharmaceutical industry with new competitors local / state companies
- Recruit / retain / develop in a talent war context

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In summary, Ipsen in China is...

...well
positioned for
its size...

...in this market of unique magnitude and growth opportunities, with a solid portfolio and a highly competitive infrastructure

...well aware
and vigilant...

...about market fragmentation, dynamics and complexity and has become a “market mover” in its selected therapeutic areas

...committed...

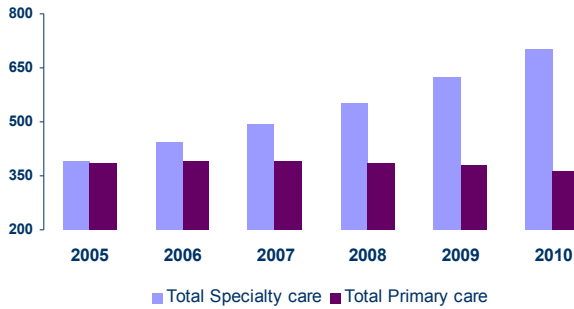
...with a professional and motivated team dedicated to gaining market share and delivering sales and profit growth

Primary Care France

Contrasted primary care dynamics

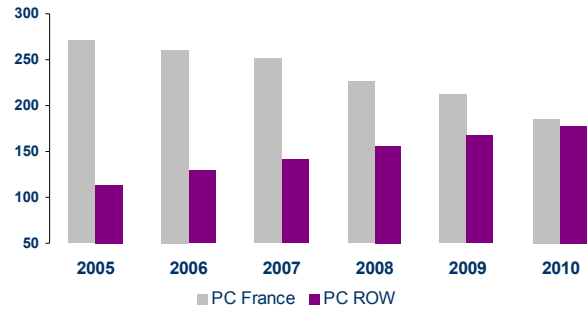
Total primary care vs. specialty care sales

In €m



French vs. RoW primary care sales

In €m



Pressure on Ipsen's French primary care

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A European-wide pharmaceutical industry situation

Large, mid and small Pharma situation in Europe

Average price for daily treatment cost has declined and will continue to decline

R&D productivity lower in GP products

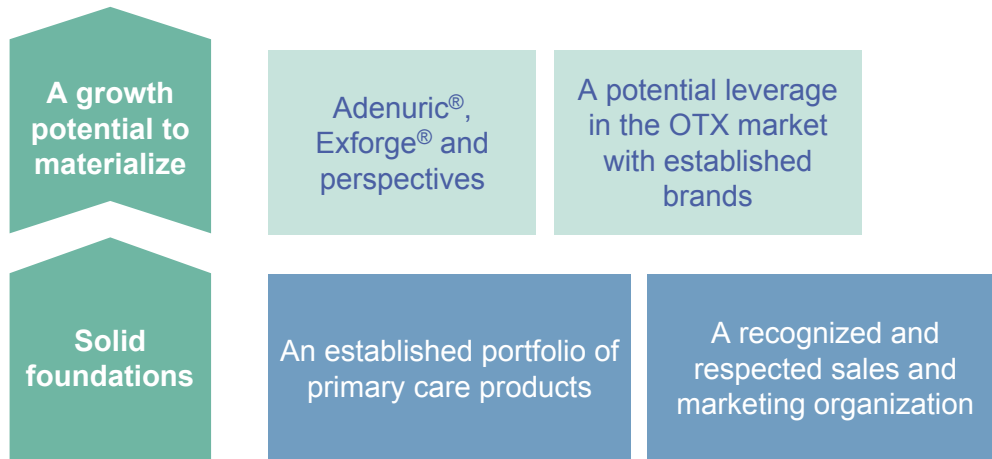
Increased restriction on promotion

Mature products are still responsive to promotion but may not justify a large dedicated sales network

Potential solutions : add products and/or work the cost base

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Ipsen's French PC remains an efficient platform ready for further commercial leverage



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Today, optimization is no longer sufficient for French PC

Straight forward co-marketing and co-promotion optimization deals will not remain sufficiently financially attractive

We need to explore more engaging partnership models

- Enlarge the portfolio of promoted products :
 - Usual co-promotion and co-marketing in-licensing agreement
 - Combine Ipsen's portfolio with other companies' primary care products, including "mature" products
- Have access to OTC/ OTX know-how and capabilities, including pharmacy sales force
- Mutually optimize the cost bases

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Primary care France – Manufacturing

A well established manufacturing facility in Dreux...

- Drug manufacturing and packaging activity for finished products including Smecta[®], Forlax[®], Tanakan[®]
- Specific expertise and high volumes in Sachet manufacturing
- While French related volumes are expected to decline, international activity will provide a favorable basis for partnering discussions

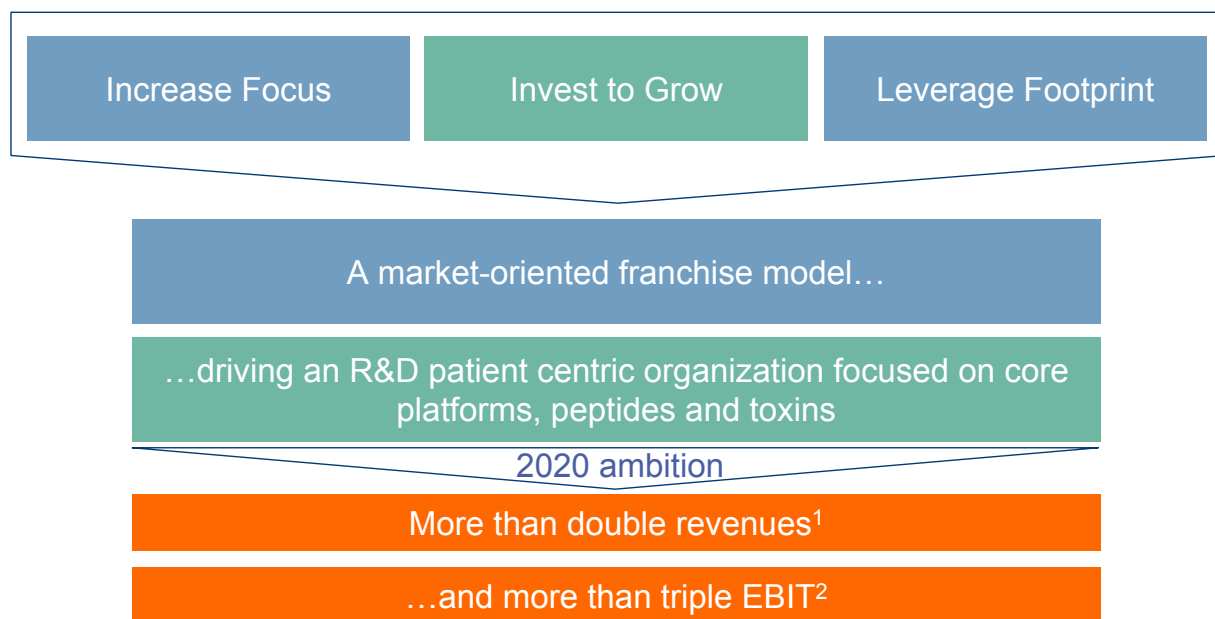
Other industry actors like CMOs...

...could ensure a sustainable future and add value to Dreux manufacturing site...

...better than Ipsen

Conclusion

Become a global leader in targeted debilitating diseases



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NOTE 1 : 2020 figures include contribution of Inspiration portfolio and are set at constant foreign exchange rate

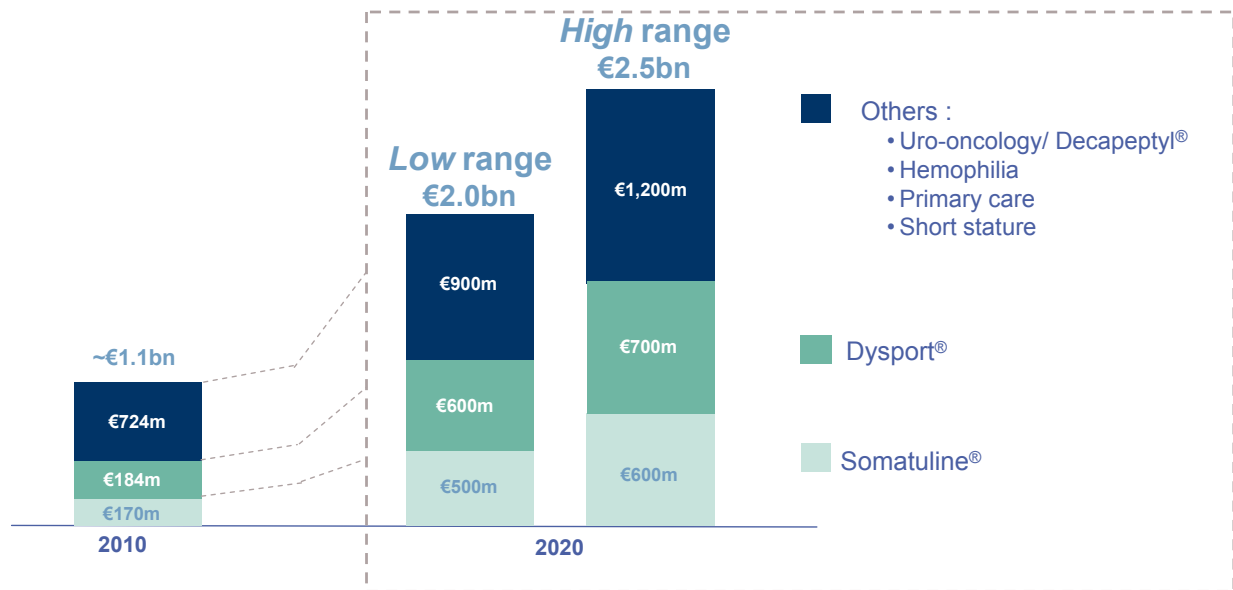
NOTE 2: prior to purchase accounting recordings and non recurring elements

One-off costs associated with the new organization



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A significant contribution of Dysport® and Somatuline® to 2020 sales aspiration



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Requiring an initial investment phase



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NOTE 1: prior to (i) purchase accounting impacts related to the Group's acquisitions on North America and (ii) non recurring elements

Implementation: main milestones to success

2011	2012	2013	2014	2015
<input checked="" type="checkbox"/> Define strategy	<input type="checkbox"/> R&D « PoC » machine implemented	<input type="checkbox"/> Somatuline® New device rolled out globally	<input type="checkbox"/> TASQ filed in Europe	<input type="checkbox"/> Inspiration option assessment
<input type="checkbox"/> Merge R&D	<input type="checkbox"/> Barcelona R&D site closed	<input type="checkbox"/> Dysport® A. & P. L.L spasticity filed	<input type="checkbox"/> Somatuline® F. NET filed in the US	<input type="checkbox"/> Dysport® P.U.L filed in the US
<input checked="" type="checkbox"/> Reinforce Uro-oncology franchise (TASQ)	<input type="checkbox"/> French primary care commercial activities partnered	<input type="checkbox"/> Dysport® NDO Ph III initiated	<input type="checkbox"/> Somatuline® NF NET filed WW	<input type="checkbox"/> 5 new Pre clinical candidates (vs. June 2011) O/W 3 reach POC
<input checked="" type="checkbox"/> Dysport® CD CTA ¹ filing in China	<input type="checkbox"/> IB1001 filed in the USA	<input type="checkbox"/> Smecta® EDL assessment (China)	<input type="checkbox"/> Dysport® A.U.L filed	<input type="checkbox"/> Smecta® EDL assessment (China)
<input checked="" type="checkbox"/> Somatuline® Acromegaly CTA ¹ filing in China	<input type="checkbox"/> OBI-1 PhIII (Acquired H) enrollment completed	<input type="checkbox"/> OBI-1 Acquired H. filed in the US	<input type="checkbox"/> Dysport® NG filed	
<input type="checkbox"/> New extended Executive Committee staffed	<input type="checkbox"/> OB-1 PhIII Congenital H. initiated		<input type="checkbox"/> Dysport® P.U.L filed in Brazil	
<input type="checkbox"/> Franchise org. implemented	<input type="checkbox"/> US platform reorganized		<input type="checkbox"/> Inspiration option assessment	
<input type="checkbox"/> IB1001 filed in Europe			<input type="checkbox"/> Smecta® EDL assessment (China)	

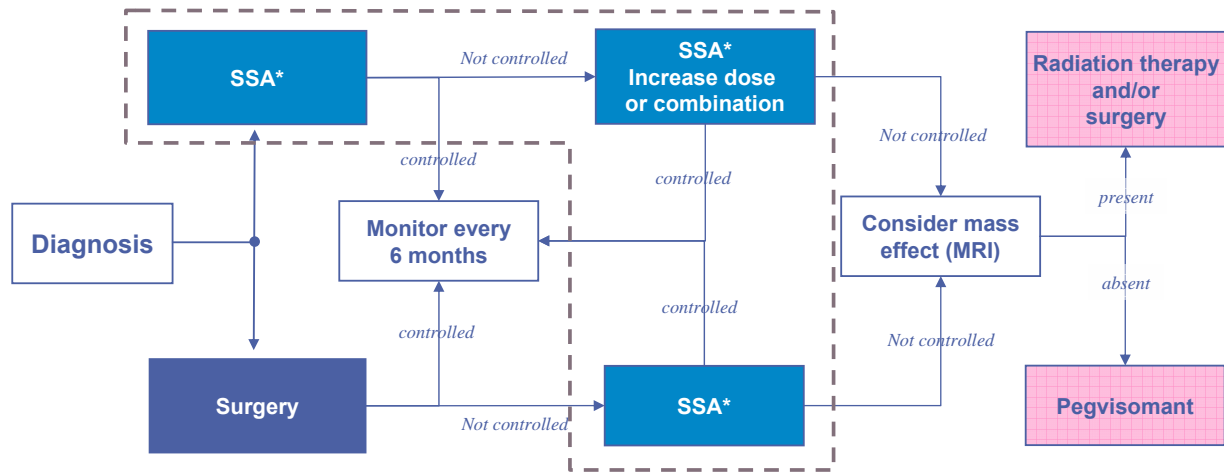
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NOTE 1: CTA or filing for Clinical Trial Authorization

Subject to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation

Appendices

Acromegaly: current therapy algorithm



*SSA = Somatostatin Analogs

Neuro Endocrine tumors (NET): Current Therapy Algorithm

