Disclaimer

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

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

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

Evolution of Ipsen’s sales profile

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales Profile</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>France ~43%, Others ~50%, Main emerging ~7%</td>
</tr>
<tr>
<td>2010</td>
<td>France ~28%, Others ~51%, Main emerging &amp; North Am. ~21%</td>
</tr>
</tbody>
</table>

Ipsen is ideally positioned to benefit from current market trends.

New strategy aims at leveraging Ipsen’s core strengths to 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 by 2020

---

¹ 2020 projected figures include contribution of Inspiration portfolio and are set at constant foreign exchange rate
² prior to purchase accounting recordings and non recurring elements
An integrated R&D “push-pull” model to fulfill patient/commercial requirements

R&D Push

- Peptides
- Toxins
- External

PoC¹

Phase Ila

FRANCHISE pull

- Endocrinology/Somatuline®
- Uro-oncology/Decapeptyl®
- Neurology/Dysport®

Phase IIb

Other

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

Franchise focused on medical and marketing...

MEDICAL
- Medical input and narrative
- Lead Ph Iib and Ph III clinical trials
- Medical training

MARKETING
- Define and roll out global marketing strategy
- Product marketing expertise
- Define Target Product Profile (TPP)

Countries are responsible for P&L performance
...with differentiated focus along the value chain

<table>
<thead>
<tr>
<th>Research</th>
<th>Early dev. (end of PhIIa)</th>
<th>Late dev. (Philb &amp; PhilV)</th>
<th>Manufacturing</th>
<th>Operations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endocrinology/ Somatuline®</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Neurology/ Dysport®</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td>Uro-oncology/ Decapepty®</td>
<td>Ipsen or Partner</td>
<td>Ipsen or Partner</td>
<td>Ipsen or Partner</td>
<td>Ipsen or Partner</td>
</tr>
<tr>
<td>Hemophilla</td>
<td>Partner</td>
<td>Partner</td>
<td>Ipsen or Partner</td>
<td>Ipsen or Partner</td>
</tr>
</tbody>
</table>

Primary care and Short Stature in a commercial optimization strategy

Key decisions made

2020 strategy implies important choices

- Close R&D activities at **Barcelona** site
- **Terminate one third of R&D projects**
- Regions and countries to manage **Short Stature** in commercial optimization perspective
- Explore new commercial partnership opportunities in **French primary care**
- Ensure sustainable future to **Dreux** manufacturing site
Invest to grow: a rich Ph III program

Ipsen differentiated from 10 peers in terms of Ph III intensity

<table>
<thead>
<tr>
<th>Peer</th>
<th>Distribution</th>
<th>N° of Ph III programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 peers</td>
<td>4</td>
<td>1 peer</td>
</tr>
<tr>
<td>1 peer</td>
<td>5</td>
<td>3 peers</td>
</tr>
<tr>
<td>1 peer</td>
<td>7</td>
<td>1 peer</td>
</tr>
<tr>
<td>1 peer</td>
<td>8</td>
<td>1 peer</td>
</tr>
<tr>
<td>Ipsen</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

NOTE 1 : 10 peers selected with a criteria such as Sales, EBIT, R&D to sales ratio, PE, Headcount, Therapeutic Areas, Geographical reach...
Peers include: Lundbeck, Meda, Almirall, Shire, Biogen Idec, Allergan, Novo Nordisk, Merck Serono, Actelion and Orion

NOTE 2 : Based on available and disclosed information as of august 2011
Note 3 : Number of Ph III for a single indication
Leverage Ipsen’s extensive commercial reach as a major growth driver

Ipsen recorded sales in 115 countries in 2010

- Enhanced commercial efforts to Somatuline® and Dysport® to capture sales full potential
- Inspiration opportunity
- Move teams to the East Coast

Further leverage Ipsen’s profitable commercial reach

Implementation: main milestones to success

- Define strategy
- Merge R&D
- Reinforce Uro-oncology franchise
- Dysport® CD CTA1 filing in China
- Somatuline® Acromegaly CTA1 filing in China
- New extended Executive Committee staffed
- Franchise org. implemented
- IB1001 filed in Europe
- Sale of Apokyn®

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>R&amp;D « PoC » machine implemented</td>
</tr>
<tr>
<td>2012</td>
<td>Barcelona R&amp;D site closed</td>
</tr>
<tr>
<td>2013</td>
<td>Somatuline® New device rolled out globally</td>
</tr>
<tr>
<td>2014</td>
<td>TASQ filed in Europe</td>
</tr>
<tr>
<td>2015</td>
<td>Inspiration option assessment</td>
</tr>
</tbody>
</table>

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.
Group strategy – Execution on track

Executive Committee recruitment completed

CEO

Hemophilia Alliance

Operations
  Christophe Jean
  Claude Bertrand
  Regions and franchises reporting to Operations

Research & Development
  Eric Drapé

Technical Operations
  Etienne de Blois

Human resources
  Pierre Boulud

Strategy, BD and Market Access
  Nathalie Joannes
  Susheel Surpal

General counsel

Finance

Arriving on
October 1st, 2011

Date to be announced

Driving global demand

Ensuring Supply

Supporting the business
Progress update

Increase Focus R&D

- Barcelona R&D site: all administrative and employee-related procedures required to close the R&D are completed

- R&D programs being aligned with strategic priorities:
  - 5 programs stopped\(^1\)
  - 4 additional programs to be stopped before year-end

US

- Move to the east coast initiated
- Target completion date: January 1\(^{st}\), 2012
- Sale of Apokyn\(^\circ\)

Other

- Primary Care France:
  - On-going preliminary contacts with potential partners
- Organizational change:
  - Opinion from French works councils obtained to proceed with the merge of R&D and the implementation of the franchise-based organization

Leveraging Ipsen’s pan European infrastructure for hemophilia

European partnership signed with Inspiration for the commercialization of IB1001 and OBI-1

- IB1001 (recombinant Factor IX) filed in Europe
- Ipsen to act as Inspiration’s exclusive commercial agent (FIX and OBI-1)
- Business Unit leveraging Ipsen’s existing resources combined to Inspiration’s expertise
- Inspiration to:
  - Book sales
  - Bear all costs
- EBIT neutral for Ipsen:
  - Book SMM costs
  - Book corresponding Other Revenues (re-billing)

- Potentially attractive commercial opportunity:
  - 2008 FIX European market: c.$380m\(^{1}\) or c.44% of worldwide market
  - 2020 FIX European market: c.$680m\(^{1}\)

Exclusive commercial agent in a total of 53 countries

A plug-and-play commercial organization for Inspiration’s hemophilia products in Europe, increasing Ipsen’s hemophilia market knowledge and presence
# Hexvix, consolidation of the uro-oncology franchise

## Mode of action
- Pharmaceutical agent used by urologists during the Trans-Urethral Resection of the inner wall of the Bladder (TURB), which is preformed to detect and resect non muscle invasive bladder cancers under Blue Light cystoscopy

## Target
- Urologists working in hospitals

## Geographies
- World excluding the US and the Nordics
- Ipsen will focus on key EU countries

## Financials
- **Milestones**:
  - Upfront payment of €19 million to GEHC and Photocure
  - Additional up to €5 million manufacturing milestones to Photocure
  - Sales achievement milestones to Photocure
- Royalty rate: on net sales to Photocure in line with the industry benchmark
- Up to €3 million marketing support from Photocure in 2012 and 2013
- Royalty rate: on net sales to Photocure in line with the industry benchmark
- Up to €3 million marketing support from Photocure in 2012 and 2013

## Manufacturing
- Product manufacturing under Photocure’s responsibility

## Summary

2011 expected sales baseline: € 14 million

9M 2011 Sales
Group’s Sales driven by regions other than G5

GROUP SALES growth: +2.6% at constant currency
Excluding Russian 2010 stocking effect: 3.9%

- European G5
  Specially care sales growth offset by
tougher competitive environment,
notably in French Primary care and
government measures in Germany and
Spain

- Other European countries
  Excluding Russian 2010 stocking effect
c.$10m), sales up 7.8% y-o-y.
Sustained volume growth, particularly in
Switzerland, Austria and Ukraine.

- North America
  Continued penetration of Somatuline®
and Dysport®.
Q3: Quarter-to-quarter variability of the
supply of Dysport® to Medicis.

- ROW
  Strong volume growth in Brazil,
Australia, Columbia and China
Q3: destocking in China (DKP) and
negative timing of supplies to Algeria

9M sales: Robust restated Specialty care, resilient Primary care

<table>
<thead>
<tr>
<th>Specialty care</th>
<th>9M sales in million euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decapeptyl</td>
<td>211.5</td>
</tr>
<tr>
<td>Dysport</td>
<td>149.4</td>
</tr>
<tr>
<td>Somatuline</td>
<td>142.9</td>
</tr>
<tr>
<td>Nutropin</td>
<td>38.6</td>
</tr>
<tr>
<td>Increlex</td>
<td>19.4</td>
</tr>
<tr>
<td>Apokyn</td>
<td>4.0</td>
</tr>
<tr>
<td>Smecta</td>
<td>76.5</td>
</tr>
<tr>
<td>Tanakan</td>
<td>70.6</td>
</tr>
<tr>
<td>Nisis/co</td>
<td>36.3</td>
</tr>
<tr>
<td>Forlax</td>
<td>30.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Primary care</th>
<th>9M sales in million euros</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialty care</td>
<td>$565.9m (+5.0%)</td>
</tr>
<tr>
<td>Total Drugs</td>
<td>$840.0m (+2.9%)</td>
</tr>
</tbody>
</table>

%: Growth at constant currency (official Fx)

(*) Excluding Russian stocking effect in Q3 2010
One-off costs related to the preparation and implementation of the strategy

One-off costs linked to the new strategy announced on June 9

A total of €80m to €100m before tax over 2011 and 2012

Booked in H1 2011

- USA transfer costs to east coast (€8.7m)
- Closing of R&D activities of Barcelona site (€18.4m)
- Other one-off costs related to the implementation of the strategy and of new organization (€11.6m)

- A total of €38.7m\(^1\) of one-off costs booked in H1 2011
- The balance to be booked over H2 2011 and 2012

FY 2011 Outlook and Newsflow
Revised 2011 financial objectives

| March 2011 | Specialist Care Drug sales | Drug Sales growth close to + 8.0% year-on-year |
| August 2011 | Specialist Care Drug sales | Drug Sales growth close to + 8.0% year-on-year |
| August 2011 | Primary Care Drug sales | Drug sales decrease of (3.0%) to (5.0%) year-on-year |
| August 2011 | Recurring Adjusted\(^1\) operating income | Upper range of 190 million euros to 200 million euros |

The above objectives are set at constant currency
2011 objective excludes any potential non recurring items

NOTE 1: before non recurring elements particularly related to the preparation and implementation of the Group’s strategy.

News flow – upcoming catalysts

- Filing of IB1001 in the US (H1 2012)
- New future for Primary Care France and Dreux manufacturing plant
- After the sale of Apokyn\(^{®}\), maximize the value of Increlex\(^{®}\) in the US while meeting the obligations to patients and partners
- New US platform fully operational

NOTE 1: subject to workers’ council opinion
Appendices

Zoom on

Endocrinology/ Somatuline®
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

Geographical split of the SSA market

Examples of Ipsen market shares in SSA market

- RoW 23%
- Europe 42%
- USA 35%
- G5 32%
- North America 2%
- France 55%

Note 1: Actual (Somatuline® + Sandostatin) 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

- 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)
Great potential lies ahead for Somatuline®...

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

Ipsen to work on key levers to reach full potential

NET and the US: two main growth drivers
New additional elements of differentiation

**Increased extended dosing interval worldwide**
- 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

**New device**
- 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

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

Functioning NET for US label
- 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)

Non Functioning NET worldwide - CLARINET
- RECRUITMENT COMPLETED end of April 2011
- 200 patients accrued (45 centers in 14 countries)

Somatuline®, potentially the only SSA with functioning and non-functioning NET label

Note 1: WHO The Atlas of Heart Disease and Stroke, Dr Judith MacKay and Dr George A. Mensah

Somatuline® Autogel 2020: a globalized reach

<table>
<thead>
<tr>
<th>Geography/Indication</th>
<th>Europe</th>
<th>US</th>
<th>China</th>
<th>Brazil</th>
<th>Russia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acromegaly</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Functioning NET</td>
<td>✔</td>
<td>✔</td>
<td>-</td>
<td>✔</td>
<td>✔</td>
</tr>
<tr>
<td>Non functioning NET</td>
<td>✔</td>
<td>✔</td>
<td>-</td>
<td>✔</td>
<td>✔</td>
</tr>
</tbody>
</table>

LatAm and Asia covered through partnerships
**Zoom on**

**Neurology/ Dysport®**

---

**A 2010 botulinum toxin market in excess of 1.3 billion euros**

### Dysport® market metrics
- 2010 Botulinum toxin market: ~€1.35bn$^1$
- 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

<table>
<thead>
<tr>
<th>Therapeutic</th>
<th>Aesthetics</th>
</tr>
</thead>
<tbody>
<tr>
<td>~€370m</td>
<td>~€420m</td>
</tr>
<tr>
<td>~€310m</td>
<td>~€240m</td>
</tr>
</tbody>
</table>

#### Notes:
- $^1$ Internal company data

---

Source: Ipsen analysis
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 ...

Botulinum toxin A market by geography (€Bn)

<table>
<thead>
<tr>
<th>Year</th>
<th>US</th>
<th>RoW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>~€1.35</td>
<td>~€0.7</td>
</tr>
<tr>
<td>2020</td>
<td>~€2.7</td>
<td>~€1.3</td>
</tr>
</tbody>
</table>

CAGR (10E-20F)

- 50%
- ~7%

...with split between therapeutics and aesthetics remaining stable

Botulinum toxin A market by use (€B)

<table>
<thead>
<tr>
<th>Year</th>
<th>Therapeutics</th>
<th>Aesthetics</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>~€1.35</td>
<td>~€0.6</td>
</tr>
<tr>
<td>2020</td>
<td>~€2.7</td>
<td>~€1.1</td>
</tr>
</tbody>
</table>

CAGR (10E-20F)

- 40%
- ~7%

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

Room for new indications in North America

- Ex North America
  - Aesthetic use
  - Blepharospasm
  - Hemifacial spasm
  - Cervical Dystonia
  - Hyperhidrosis
  - Adult Spasticity
  - Cerebral Palsy (pediatric)

- North America
  - Aesthetic use
  - Cervical Dystonia
  - Adult Spasticity
  - Cerebral Palsy (pediatric)

- Current indications
- Aesthetic medicine
- Phase III trials started 2011

Source: Ipsen analysis
Full potential of Dysport® lies ahead…

… and BotTA market is expected to grow 7% CAGR until 2020

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

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 disabled

- 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

Note 1: WHO The Atlas of Heart Disease and Stroke, Dr Judith MacKay and Dr George A. Mensah
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

¹ Note: with Neurologists and Neuro–rehabilitators

Zoom on

Uro-Oncology/ Decapeptyl®
A franchise with renewed growth opportunities

Hexvix®
for bladder cancer detection

Tasquinimod
for castrate resistant tumors
Once a day oral formulation in PhIII

Decapeptyl®
for hormone-sensitive tumors

Risk of true long acting GnRH analogs generics entry expected to be low

Only hybrids of leuprorelin are available today

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 years with no impact on class price yet

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

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

- 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)

Population Incidence in G5*

<table>
<thead>
<tr>
<th>Stage</th>
<th>Incidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stage I &amp; II</td>
<td>149,000</td>
</tr>
<tr>
<td>Stage III &amp; IV</td>
<td>111,000</td>
</tr>
<tr>
<td>CRPC</td>
<td>153,000</td>
</tr>
</tbody>
</table>

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:

- 31% in Taquinimod group vs. 66% in placebo group

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

- Nausea
- Fatigue
- Constipation
- Decreased Appetite
- Flatulence
- Diarrhea
- Back Pain
- Pain in extremity
- Arthralgia
- Blood Amylase increased
- Lipase Increased
- Vomiting
- Anemia
- Headache
- Abdominal pain

Side effects are manageable


Ipsen – Road Show November 2011
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 chemonaive 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:**

  - **Chemonaive mCRPC Randomization 2:1**
    - placebo (n=400)*
    - tasquinimod (n=800)*

  *Once daily, orally

- **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**
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...

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

⇒ 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
⇒ IB1001 filed in Europe
IB 1001 demonstrated non-inferiority to BeneFIX®

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.

Ipsen now has ~38% of fully diluted ownership of Inspiration

Today

c.38% fully diluted ownership

47%

29%*

20%

100%

Fully
diluted
ownership

2010

2010

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

OBI-1 PhIII initiation: $50m paid by Ipsen in exchange for convertible bonds

Filing of IB1001 in Europe: $35m paid by Ipsen in exchange for convertible bonds

Total development funding of $89m in exchange for convertible bonds maturing the later of 7 years or the end of the call exercise period

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

* O/W 20% of outstanding shares
Detailed H1 2011 Financial Results

H1 2011 sales: robust specialty care, resilient primary care

<table>
<thead>
<tr>
<th>Specialty Care</th>
<th>Sales in € million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decapeptyl</td>
<td>139.2</td>
</tr>
<tr>
<td>Dysport</td>
<td>+17.4%</td>
</tr>
<tr>
<td>Somatuline</td>
<td>+13.3%</td>
</tr>
<tr>
<td>Nutropin</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Increlex</td>
<td>+5.6%</td>
</tr>
<tr>
<td>Apokyn</td>
<td>2.9 (0.5)%</td>
</tr>
<tr>
<td>Smecta</td>
<td>+3.4%</td>
</tr>
<tr>
<td>Tanakan</td>
<td>(7.3)%</td>
</tr>
<tr>
<td>Nisis/co</td>
<td>(16.0)%</td>
</tr>
<tr>
<td>Forlax</td>
<td>+8.0%</td>
</tr>
</tbody>
</table>

Sales in € million:
- Specialty Care: €381.0m, +7.9%
- Primary Care: €185.6m, +0.1%

Drug Sales: €566.6m, +5.2%

% : sales growth at constant currency
Group’s Sales driven by regions other than G5

GROUP SALES growth : +5.3% (incl. Drug related sales)
At constant currency : +4.9%

- European G5
  Specialty care sales growth offset by tougher competitive environment, notably in French Primary care and government measures in Germany and Spain

- Other European countries
  Sustained volume growth, particularly in Switzerland, Russia, Austria and Ukraine

- North America
  Continued penetration of Somatuline® and Dysport®

- ROW
  Strong volume growth in Algeria, Australia, Columbia and China

H1 2010 in € million

<table>
<thead>
<tr>
<th>ROW</th>
<th>North Am.</th>
<th>Other European Countries</th>
<th>European G5</th>
</tr>
</thead>
<tbody>
<tr>
<td>128.9</td>
<td>27.5</td>
<td>114.2</td>
<td>283.4</td>
</tr>
<tr>
<td>144.4</td>
<td>33.1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>131.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>+14.4%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

H1 2011 in € million

<table>
<thead>
<tr>
<th>ROW</th>
<th>North Am.</th>
<th>Other European Countries</th>
<th>European G5</th>
</tr>
</thead>
<tbody>
<tr>
<td>144.4</td>
<td>33.1</td>
<td></td>
<td>273.7</td>
</tr>
<tr>
<td>131.9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Summary of H1 2011 P&L and evolution

<table>
<thead>
<tr>
<th>In million euros</th>
<th>H1 2011</th>
<th>H1 2010</th>
<th>Growth (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>583.1</td>
<td>553.9</td>
<td>+5.3%</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>619.4</td>
<td>585.7</td>
<td>+5.8%</td>
</tr>
<tr>
<td>Operating Income</td>
<td>120.8</td>
<td>104.9</td>
<td>+15.1%</td>
</tr>
<tr>
<td>Margin1</td>
<td>20.7%</td>
<td>18.9%</td>
<td></td>
</tr>
<tr>
<td>Recurring adjusted² operating income</td>
<td>143.9</td>
<td>113.2</td>
<td>+27.1%</td>
</tr>
<tr>
<td>Margin²</td>
<td>24.7%</td>
<td>20.4%</td>
<td></td>
</tr>
<tr>
<td>Consolidated Net Profit (attributable to Ipsen shareholders)</td>
<td>91.7</td>
<td>75.5</td>
<td>+21.4%</td>
</tr>
<tr>
<td>Fully diluted EPS</td>
<td>€1.09</td>
<td>€0.90</td>
<td>+21.1%</td>
</tr>
<tr>
<td>Fully diluted recurring adjusted¹ EPS</td>
<td>€1.27</td>
<td>€0.96</td>
<td>+32.3%</td>
</tr>
</tbody>
</table>

NOTE 1: in % of sales
NOTE 2: before non recurring elements particularly related to the preparation and implementation of the Group’s strategy
**Other revenues evolution**

Other Revenues evolution: +14.4% or +7.1% excluding Inspiration Inc.

- **Royalties Received**
  Royalties received in H1 2011 doubled with increased royalties from Medicis, Galderma and Menarini

- **Milestones**
  Decrease mainly due to accelerated recognition of 2010 taspoglutide
  Deferred Revenues

- **Other revenues**
  Invoicing of OBI-1’s development costs to Inspiration Inc. and income from the Group’s Co-promotion contracts in France

**P&L expenses under control**

**COGS (€m)**

- (1.4)%

<table>
<thead>
<tr>
<th>H1 2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>122.6</td>
<td>120.9</td>
</tr>
<tr>
<td>22.1%(1)</td>
<td>20.7%(3)</td>
</tr>
</tbody>
</table>

**Sales & Marketing (€m)**

- +0.8%

<table>
<thead>
<tr>
<th>H1 2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>203.9</td>
<td>205.6</td>
</tr>
<tr>
<td>21.7</td>
<td>23.5</td>
</tr>
<tr>
<td>182.2</td>
<td>182.0</td>
</tr>
</tbody>
</table>

**Research & Development (€m)**

- +6.7% as reported

<table>
<thead>
<tr>
<th>H1 2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>105.8</td>
<td>105.8</td>
</tr>
<tr>
<td>10.5</td>
<td>13.4</td>
</tr>
<tr>
<td>86.1</td>
<td>89.7</td>
</tr>
</tbody>
</table>

**G&A (€m)**

- (2.1)%

<table>
<thead>
<tr>
<th>H1 2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>43.6</td>
<td>43.6</td>
</tr>
<tr>
<td>7.9%(1)</td>
<td>7.3%(1)</td>
</tr>
</tbody>
</table>
Recurring adjusted Operating Income has improved by 27.1 %

In € million

<table>
<thead>
<tr>
<th></th>
<th>H1 2010 actuals</th>
<th>H1 2011 actuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported EBIT</td>
<td>104.9</td>
<td>120.8</td>
</tr>
<tr>
<td>PPA</td>
<td></td>
<td>38.7</td>
</tr>
<tr>
<td>Other</td>
<td>4.6</td>
<td>1.6</td>
</tr>
<tr>
<td>Recurring EBIT</td>
<td>113.2</td>
<td>143.8</td>
</tr>
</tbody>
</table>

+15.1% As reported

+ 27.1% Recurring adjusted

Mainly Barcelona R&D site & US restructuring

Reorganization costs

Proceeds from litigation

NOTE 1: before non recurring elements particularly related to the preparation and implementation of the Group’s strategy

P&L – below EBIT

Financial result (€m)

H1 2010 | H1 2011
---|---
Income from Associates (€m) | (3.8) | 1.2

Effective tax rate (% of PBT)

H1 2010 | H1 2011
---|---
20.4% | 21.5%

Consolidated result (€m)

H1 2010 | H1 2011
---|---
INSPIRATION | 80.8 | 107.5

EPS: €0.96 | €1.27

NOTE 1: before non recurring elements particularly related to the preparation and implementation of the Group’s strategy

NOTE 2: Fully diluted recurring adjusted EPS
## Balance Sheet

**Assets**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>299.1</td>
<td>290.7</td>
</tr>
<tr>
<td>Investment in associated companies (incl. Goodwill Inspiration Inc.)</td>
<td>57.9</td>
<td>49.4</td>
</tr>
<tr>
<td>Property, Plans &amp; equipments</td>
<td>282.3</td>
<td>275.2</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>166.5</td>
<td>182.7</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>232.6</td>
<td>253.0</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>1,038.4</td>
<td>1,050.9</td>
</tr>
<tr>
<td>Total current assets</td>
<td>639.8</td>
<td>624.5</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>1,678.2</td>
<td>1,675.5</td>
</tr>
</tbody>
</table>

**Liabilities**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>1,077.2</td>
<td>1,072.8</td>
</tr>
<tr>
<td>Minority interests</td>
<td>2.0</td>
<td>2.2</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td>1,079.2</td>
<td>1,075.0</td>
</tr>
<tr>
<td>Long-term financial debts</td>
<td>15.3</td>
<td>17.1</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>250.6</td>
<td>235.0</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>324.7</td>
<td>337.4</td>
</tr>
<tr>
<td>Short-term debts</td>
<td>7.7</td>
<td>10.5</td>
</tr>
<tr>
<td>Liabilities / discontinued operations</td>
<td>0.7</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>1,678.2</td>
<td>1,675.5</td>
</tr>
</tbody>
</table>

**Net Cash**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>In € million</td>
<td>156.0</td>
<td>132.0</td>
</tr>
</tbody>
</table>

## Cash Flow Statement

**In million euros**

<table>
<thead>
<tr>
<th></th>
<th>H1 2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Flow before change in working capital</td>
<td>98.6</td>
<td>123.8</td>
</tr>
<tr>
<td>Deferred revenues from partnerships</td>
<td>53.1</td>
<td>3.7</td>
</tr>
<tr>
<td>Increase/ Decrease in working capital</td>
<td>(17.0)</td>
<td>(30.2)</td>
</tr>
<tr>
<td><strong>Net cash flow generated by operating activities</strong></td>
<td>134.7</td>
<td>97.3</td>
</tr>
<tr>
<td>Investment in Tangible and Intangible assets</td>
<td>(25.5)</td>
<td>(44.2)</td>
</tr>
<tr>
<td>Investment in Inspiration</td>
<td>(57.6)</td>
<td>-</td>
</tr>
<tr>
<td>Subscription in Inspiration’s bonds</td>
<td>(35.5)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Others</td>
<td>(5.6)</td>
<td>(3.1)</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(124.3)</td>
<td>(48.1)</td>
</tr>
<tr>
<td>Net change in borrowings</td>
<td>(0.2)</td>
<td>(0.2)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(62.3)</td>
<td>(66.5)</td>
</tr>
<tr>
<td>Others</td>
<td>(1.0)</td>
<td>(0.4)</td>
</tr>
<tr>
<td><strong>Net cash flow used in financing activities</strong></td>
<td>(63.4)</td>
<td>(67.1)</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>(0.0)</td>
<td>-</td>
</tr>
<tr>
<td>Change in cash and cash equivalent</td>
<td>(53.0)</td>
<td>(17.9)</td>
</tr>
<tr>
<td>Impact of exchange rate fluctuations</td>
<td>11.7</td>
<td>(5.0)</td>
</tr>
<tr>
<td>Closing cash &amp; cash equivalents</td>
<td>164.1</td>
<td>155.0</td>
</tr>
<tr>
<td><strong>Closing Net Cash</strong></td>
<td>142.1</td>
<td>132.0</td>
</tr>
</tbody>
</table>
Deferred revenues

Total Milestones cashed-in and not yet recognized as revenues

<table>
<thead>
<tr>
<th></th>
<th>H1 2010</th>
<th>H1 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31.0</td>
<td>26.6</td>
</tr>
<tr>
<td>Payments recognised as revenues in (n+2) and beyond</td>
<td>(17.4)%</td>
<td>(26.6)%</td>
</tr>
<tr>
<td>Payments recognised as revenues in (n+1)</td>
<td>16.2</td>
<td>12.9</td>
</tr>
<tr>
<td>Payments recognised as revenues in (n)</td>
<td>233.4</td>
<td>206.1</td>
</tr>
</tbody>
</table>

Main evolutions

- 2010: accelerated recognition of the remaining taspoglutide deferred revenues from Roche
- H1 2010: important milestones revenue from Inspiration ($50m) and Menarini (€18m)