

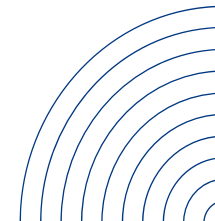


Ipsen

CM-CIC Securities

ESN Mid & Small Cap Conference 2012

22 May 2012



Disclaimer

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

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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.

Safe Harbor

The Group operates in certain geographical regions whose governmental finances, local currencies or inflation rates could be affected by the current crisis, which could in turn erode the local competitiveness of the Group's products relative to competitors operating in local currency, and/or could be detrimental to the Group's margins in those regions where the Group's drugs are billed in local currencies.

In a number of countries, the Group markets its drugs via distributors or agents: some of these partners' financial strength could be impacted by the crisis, potentially subjecting the Group to difficulties in recovering its receivables. Furthermore, in certain countries whose financial equilibrium is threatened by the crisis and where the Group sells its drugs directly to hospitals, the Group could be forced to lengthen its payment terms or could experience difficulties in recovering its receivables in full.

Finally, in those countries in which public or private health cover is provided, the impact of the financial crisis could cause medical insurance agencies to place added pressure on drug prices, increase financial contributions by patients or adopt a more selective approach to reimbursement criteria.

All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Objectives for today

1

Ipsen's strategy

2

2012, an important year in Ipsen's transition

3

Zoom on emerging markets presence

4

Outlook

In June 2011, Ipsen announced and started to implement its new strategy



- Defined 2020 strategy*
- Renewed Executive Committee*
- Franchise based organization implemented*
- R&D merged*
- Uro-Oncology franchise reinforced*
- IB1001 filed in Europe and in the US*
- US platform reorganization initiated*

2012, an important year in Ipsen's transformation to fulfill its 2020 ambition

Partner primary care France as profitability deteriorates

Maintain high single digit specialty care growth and double digit emerging markets growth

Progress rich late stage pipeline



Relaunch US operations to increase profitability

Accompany Inspiration's success

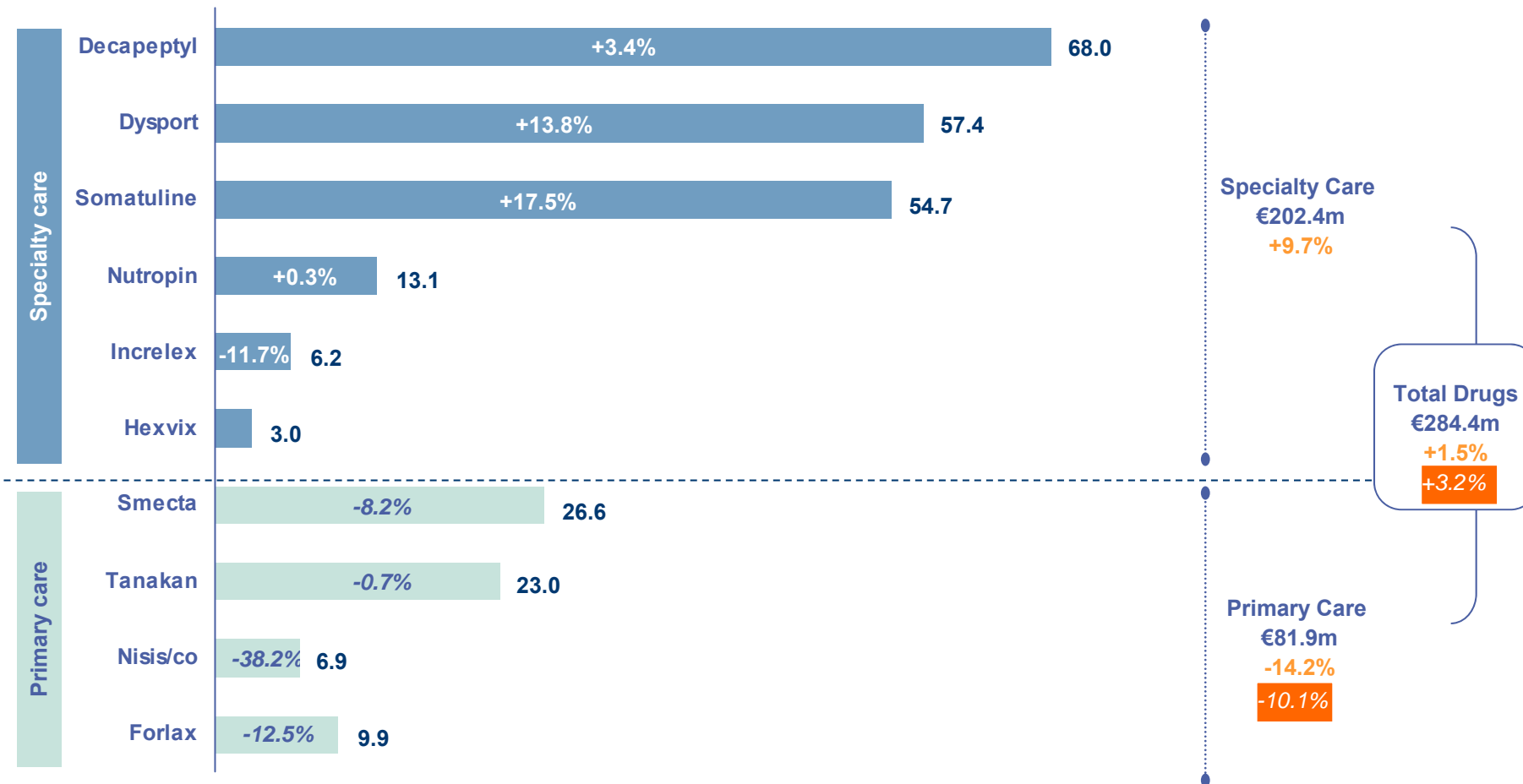
A - Find a partner for primary care France as profitability deteriorates

Ipsen	Potential partner
Reach critical mass to be positioned among market leaders	
Maximize brand equity with complementary product range	
Leverage dedicated sales force on Rx and OTx segments	
Manage mature product life cycle	
Share cost base	
Create a platform that can in-license products , sign partnerships...	
<ul style="list-style-type: none"> • Align company profile with strategy • Focus Management time and effort on Specialty care • Access OTC – OTX network and know how 	<ul style="list-style-type: none"> • Increase share-of-voice • Reinforce product range

Organize Ipsen to better address the 2012 French primary care operating profit loss (approximately impacting Ipsen's recurring adjusted⁽¹⁾ operating margin by 300bp to 400bp)

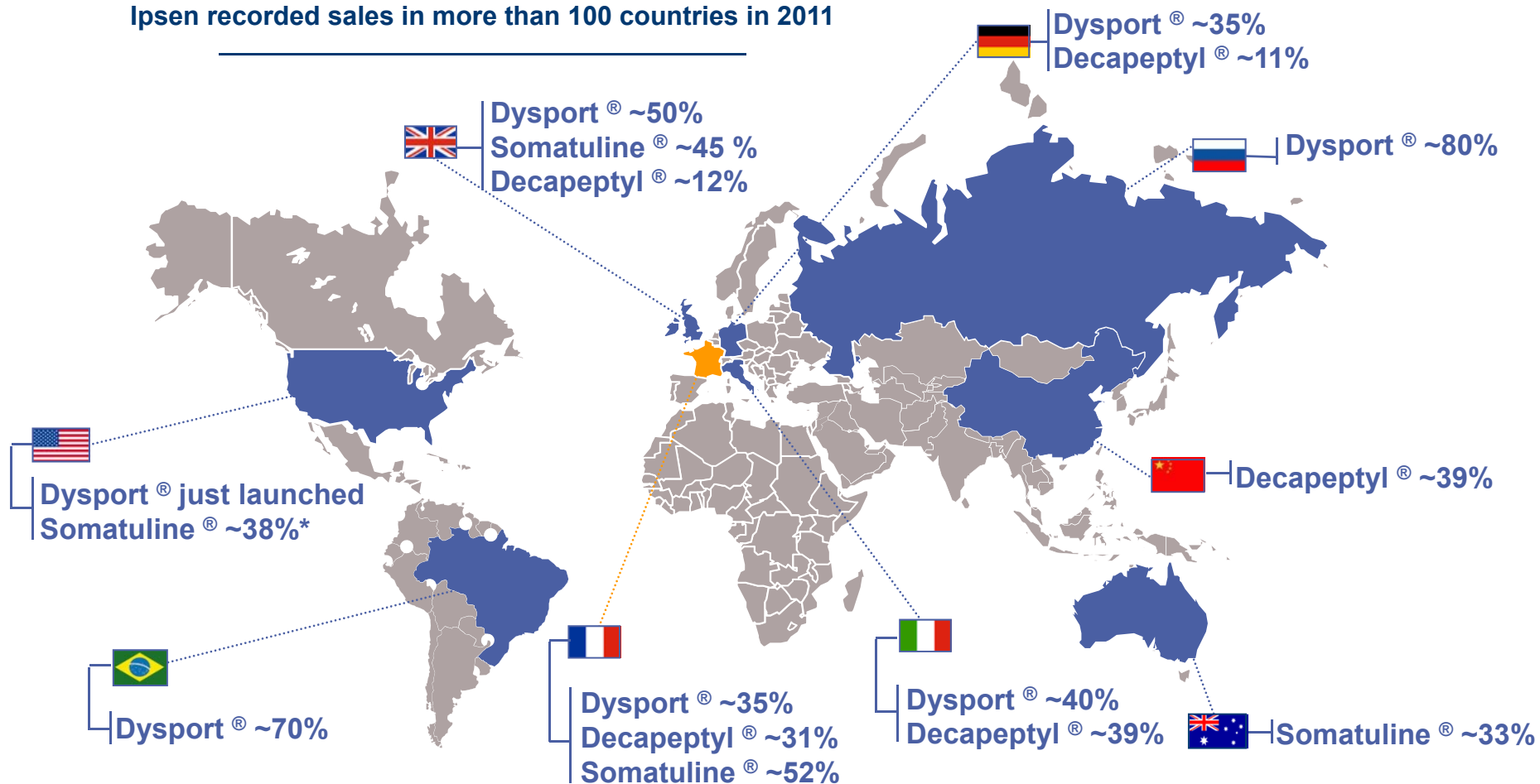
B – Maintain high specialty care growth – 12Q1 sales...

(in million euros, growth at constant exchange rate)



...while leveraging strong geographical reach...

Ipsen recorded sales in more than 100 countries in 2011

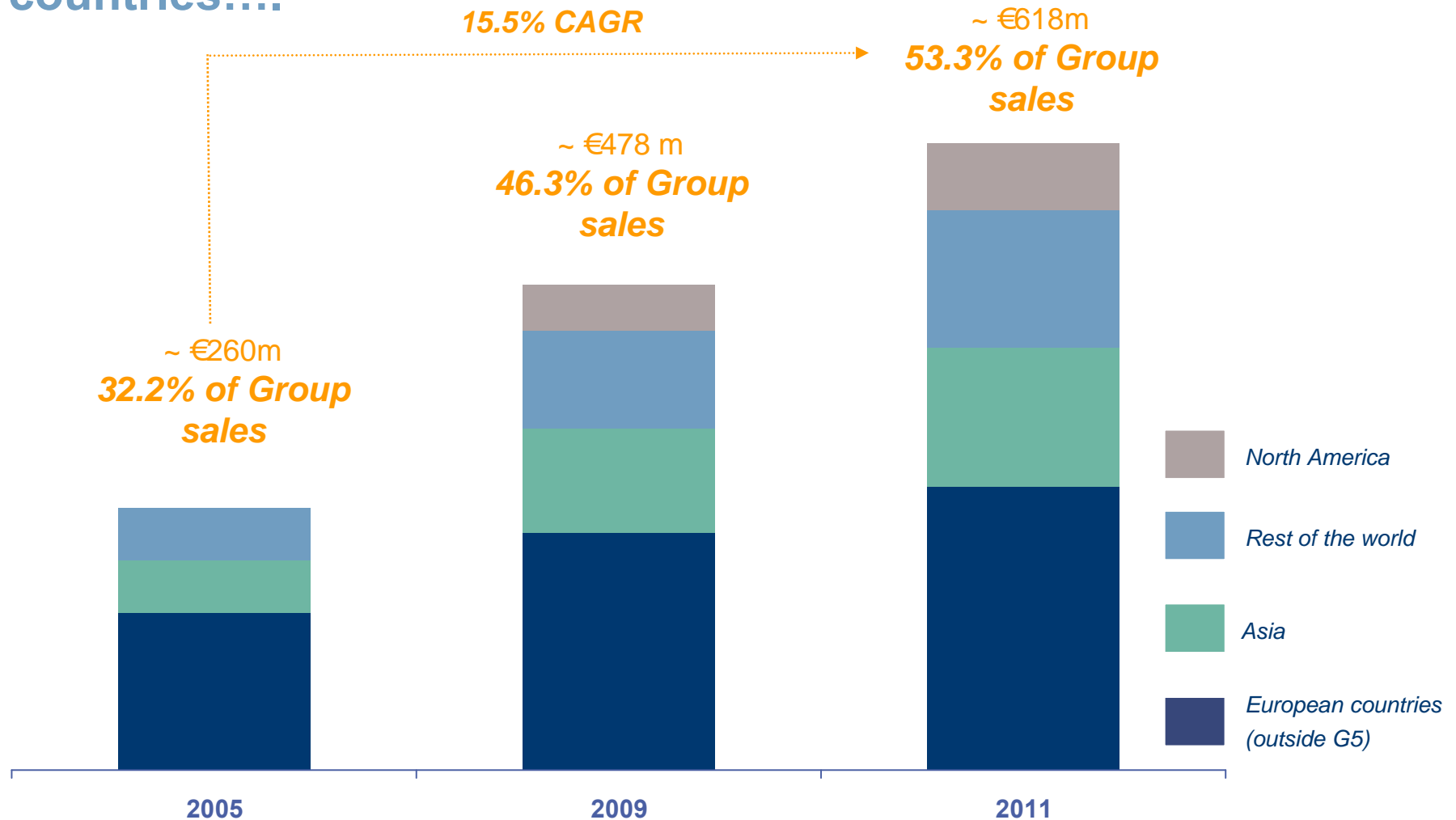


Rounded Market shares at Q3/2011

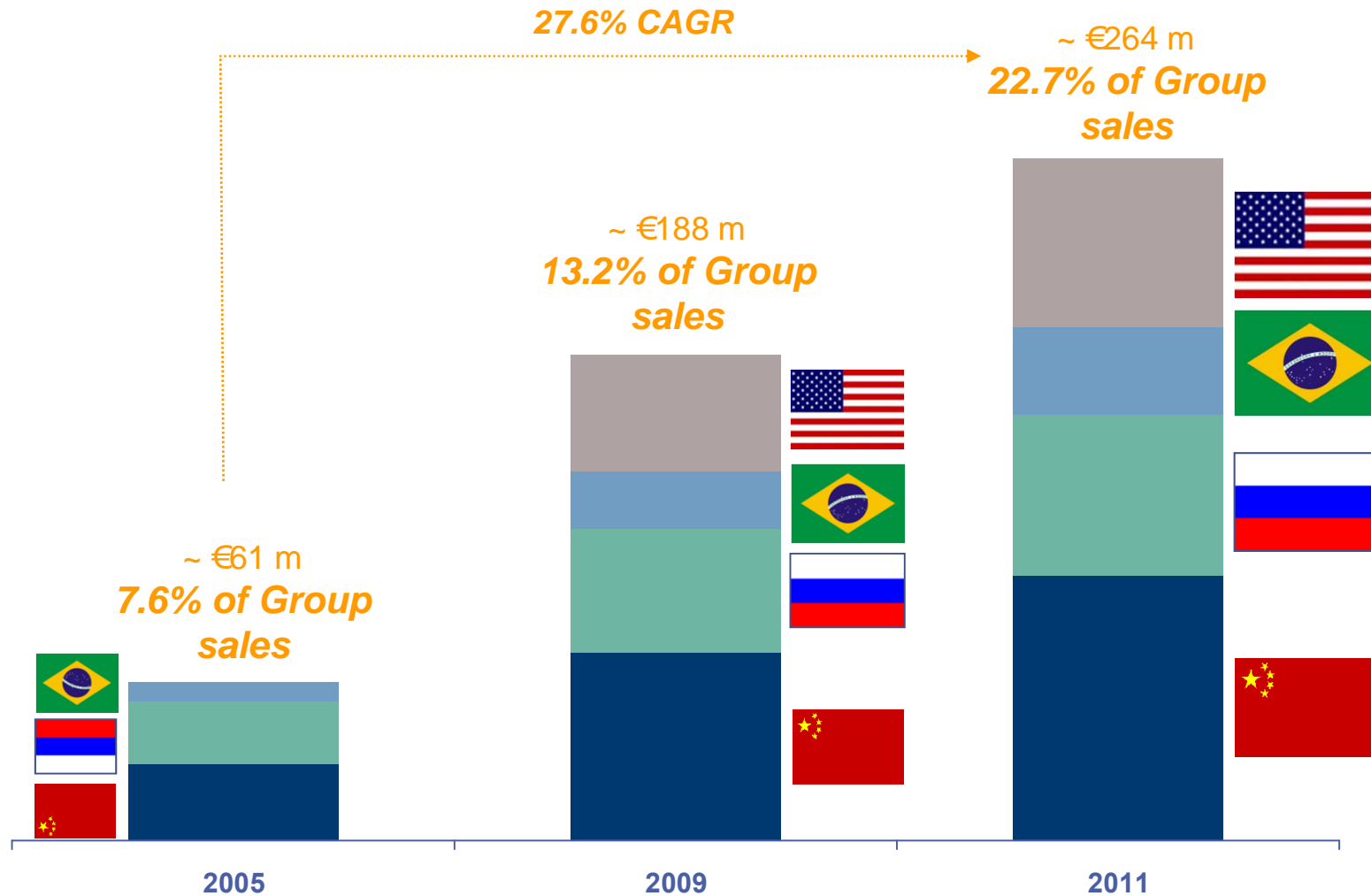
Market shares are for (i) Dysport® in medical indications only, in value expressed in local currency (ii) Decapeptyl in units (iii) Somatuline in units.

*Market of the Somatostatin analogs (SSA) in acromegaly only

... translating into solid growth generated outside Europe G5 countries....

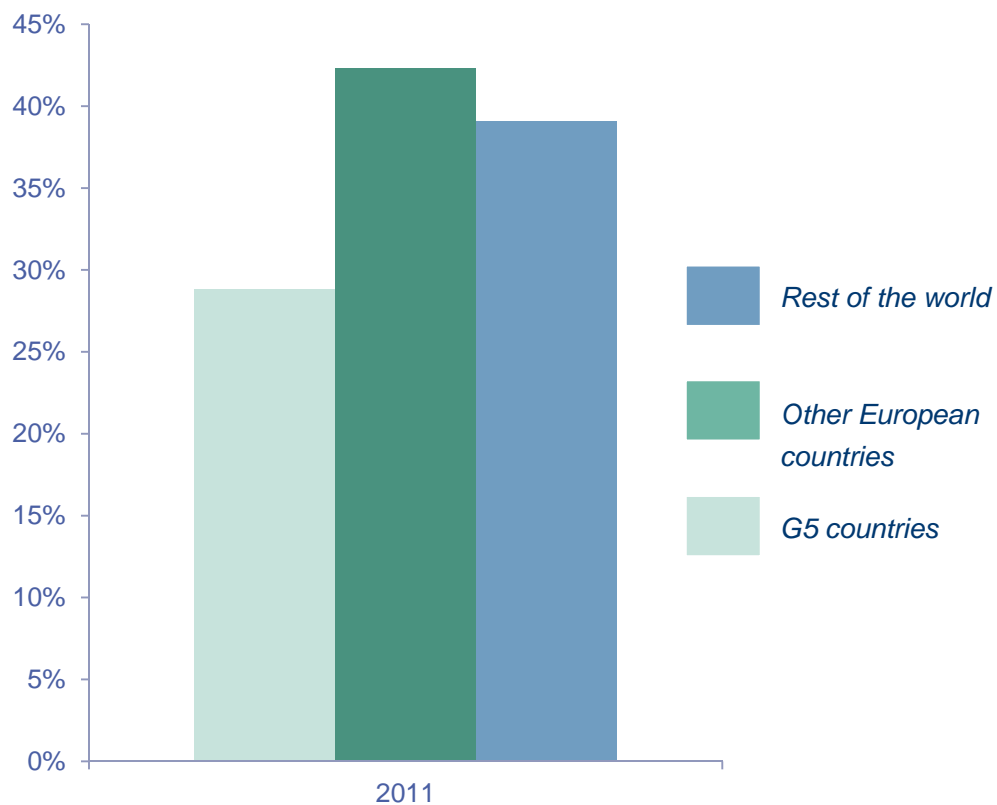


... mainly driven by four key countries



Emerging countries are Ipsen's most profitable geographies

Operating margin per operating segment¹



Profitability in emerging markets higher than in G5 countries

Ipsen's profitability in emerging markets among the highest of the industry

Improve the US profitability: Group priority



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

- *Established in 1992*
- *~€104.5m 2011 sales*
- *A truly Chinese organisation ~ 500 employees of which 3 expatriates*
- *China to become first affiliate if French primary care activity is spun off (JV)*
- *Investment territory – triple sales force by 2020*

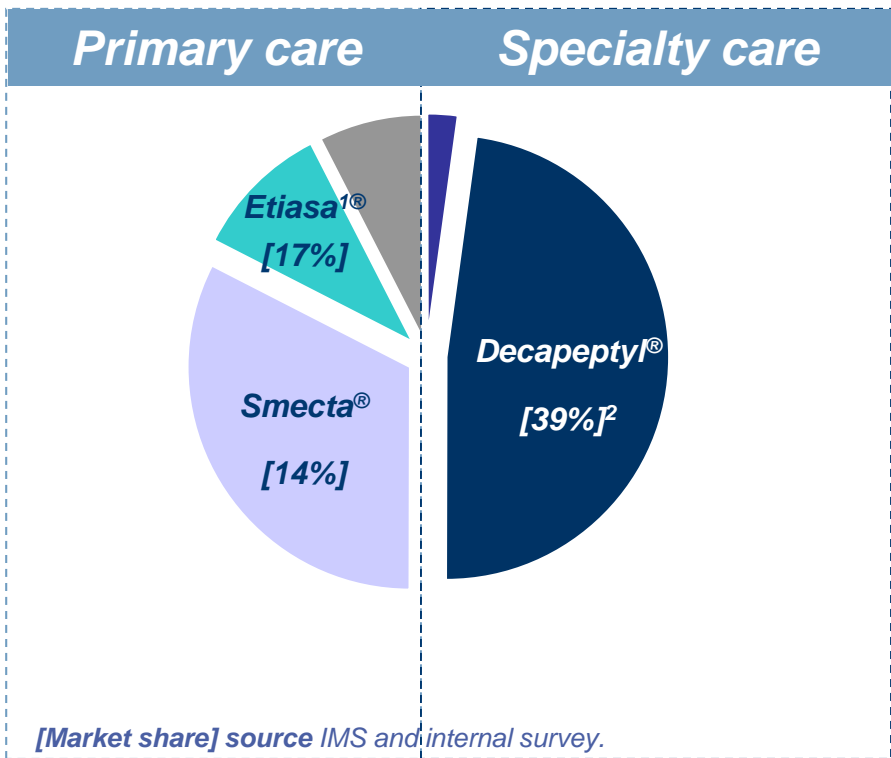


*China is Ipsen's second affiliate**



Ipsen to grow through expansion of current portfolio and geographical coverage

Current portfolio



Growth drivers

- ▶ *Décapeptyl[®] in prostate cancer indication*
- ▶ *Expansion of geographic coverage towards tier-3 cities*
- ▶ *Business development to strengthen current portfolio*
- ▶ *Register Dysport[®] and Somatuline ATG[®] to capture further growth*

2005 - 2011 CAGR: 23% at constant exchange rate

NOTE 1: Etiasa[®] in-licensed from Ethypharm
 NOTE 2 : Q4 2011 - 39% market share in volume (MOT) for SR formulations covering all indications excl.IVF (Gynecology, prostate cancer,...)

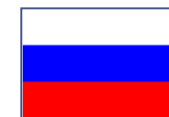


A strong presence in Russia, the fastest growing Eastern European market

- *Presence since 1993*
- *>200 employees*
- *~€62m 2011 sales*
- *Commercial presence in 30+ major cities*
- *Investment territory – double sales force by 2020*

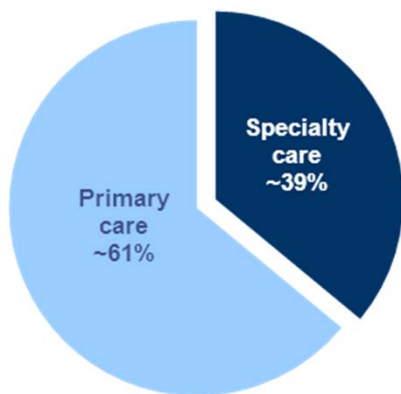


*Russia is Ipsen's fourth affiliate**



Ipsen to leverage its well-established portfolio in Russia

Current portfolio



2011 sales split, %

Growth drivers

Primary care



~ 10% market share



Specialty care



- Leader in neurology indications (69%MS)
- ~47% market share in the aesthetic market



~15%¹ market share in both prostate cancer and endometriosis

2005 - 2011 CAGR: ~17.5% at constant exchange rate



Brazil, success built on strong Specialty care focus

Specialty care portfolio¹

New launch

Historical product

Somatuline²[®]

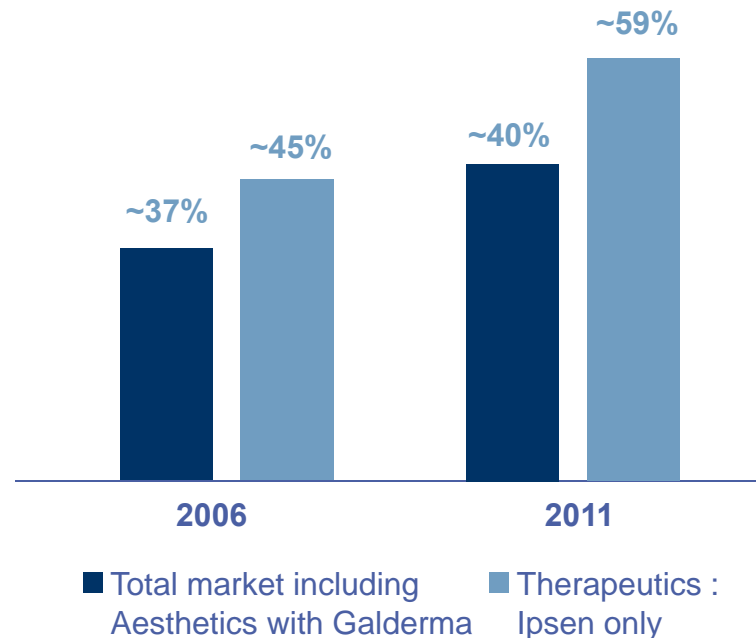


Dysport[®]
aesthetics through
a partner

Dysport[®]
therapeutics

Market leader in botulinum toxin market

Dysport[®]'s market share in Brazil³



2005 - 2011 CAGR: 29% at constant exchange rate



Relaunch our US operations...

New Organization

- **New HQ opened in NJ (April 2012)**
- **Implementation well under way :**
 - Full leadership team hired
 - 175 FTEs hired and active; 30 open positions
- **Business Unit focus**
 - Somatuline[®]
 - Dysport[®]

US organization: a corporate priority

Dysport[®]

- **Sales force excellence:**
 - Major overhaul with renewal of 40% of sales force
- **Back to basics marketing**
- **Physician training**

Ensure Dysport[®] growth



...fueled by Life-Cycle Management and new Products

Seven ongoing phase IIIs in the US

3 Dysport® (Spasticity)

- Adult upper limb spasticity
- Adult lower limb spasticity
- Pediatric upper limb spasticity (pending FDA)
- Pediatric lower limb spasticity

Filings expected to commence
in 2014 - 15

2 Somatuline® (NET)

- Functioning NET
- Non Functioning NET

Filings expected to commence
in 2014

2 Hemophilia (Inspiration)

- OBI-1 (rpFVIII) Hemophilia A with inhibitors
 - Congenital
 - Acquired

IB1001 BLA submitted in the US
Filings of OBI-1 expected to
commence in 2012 / 2013

D - Accompany Inspiration's success

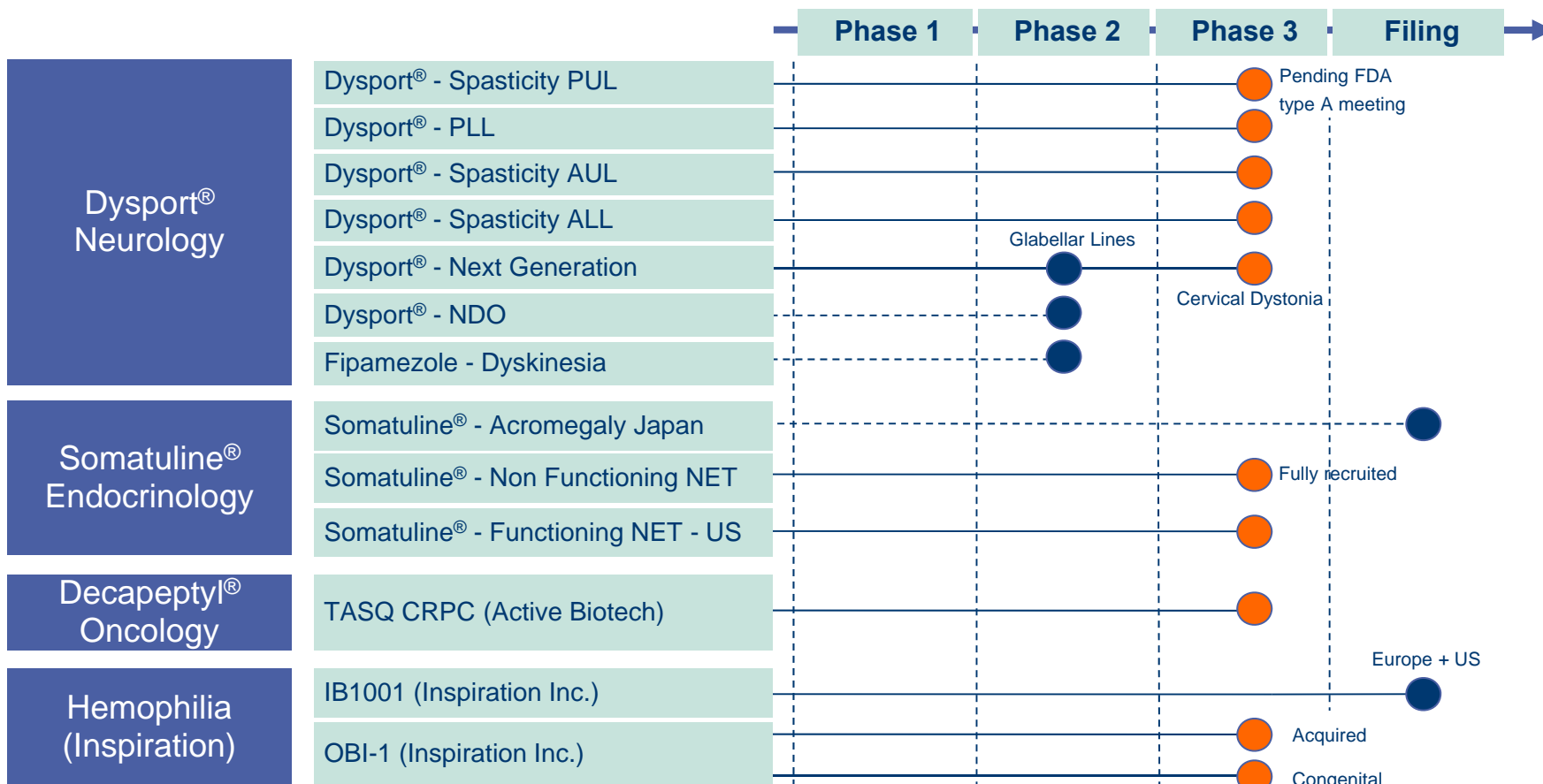
Get ready for IB1001's launch in Europe in early 2013 and in the US early 2014

Progress both OBI-1 phase IIIs.

Address Inspiration's financing needs

A win-win partnership

E - Invest to grow: a rich Ph III program



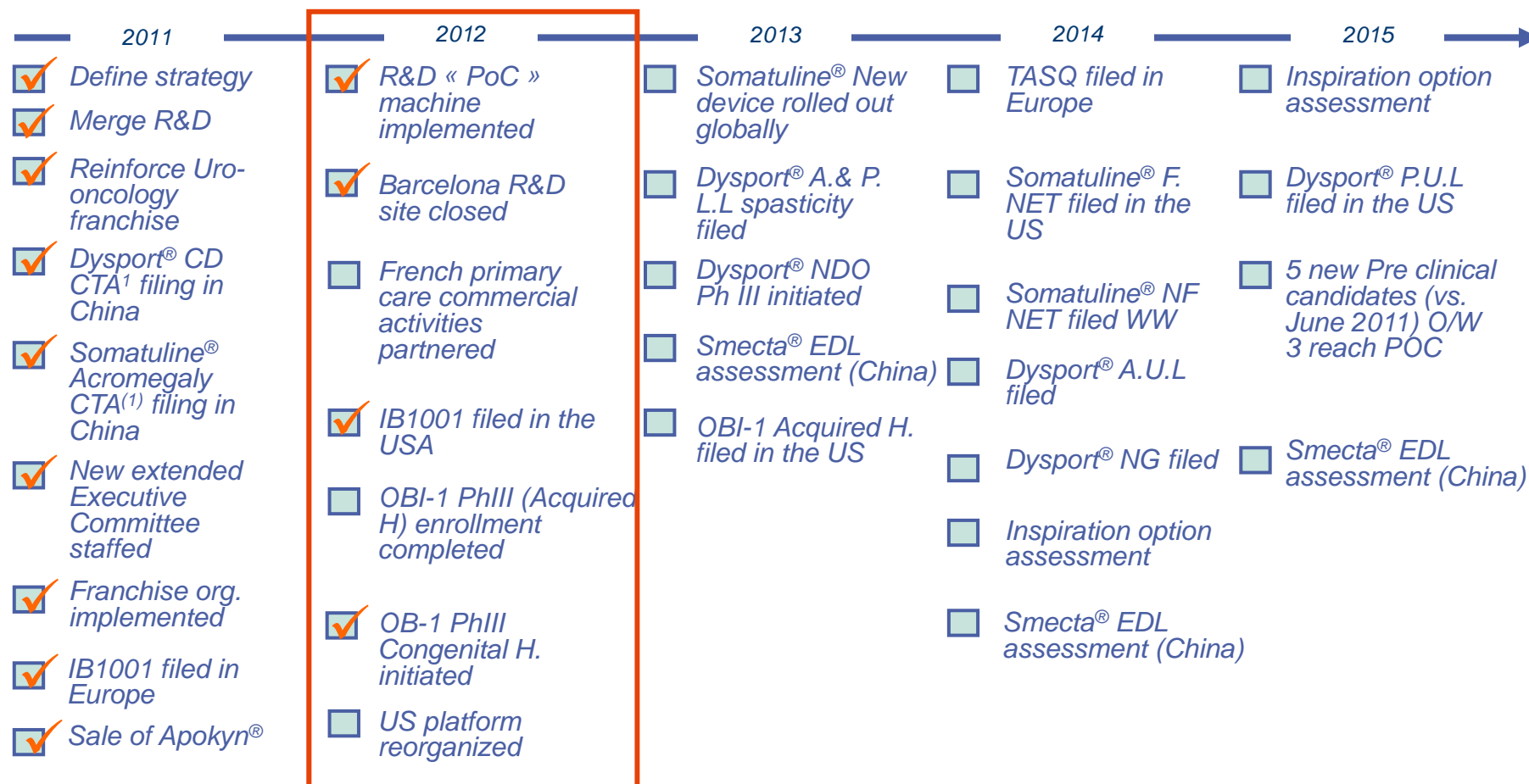
9 on-going phase IIIs, 3 for NMEs, 6 for life cycle management

Concluding remarks and 2012 Outlook

Marc de Garidel

Chairman and CEO

Transformation is progressing well, as planned



Transformation to continue in 2012

2012 Objectives

<p><i>Specialty Care - Drug sales</i></p>	<p><i>Growth of +8.0% to +10.0%, year-on-year</i></p>
<p><i>Primary Care - Drug sales</i></p>	<p><i>Decrease of approximately 15.0%, year-on-year</i></p>
<p><i>Recurring Adjusted* operating margin</i></p>	<p><i>approximately 15.0% of sales</i></p> <p><i>This objective includes declining profitability of primary care in France, in particular as a result of the delisting of Tanakan® (effective as of 1 March 2012) and enforced price cuts. The impact of this decline on the Group's 2012 recurring adjusted operating margin is estimated at approximately 300 to 400 basis points.</i></p>

The above objectives are set at constant currency and perimeter

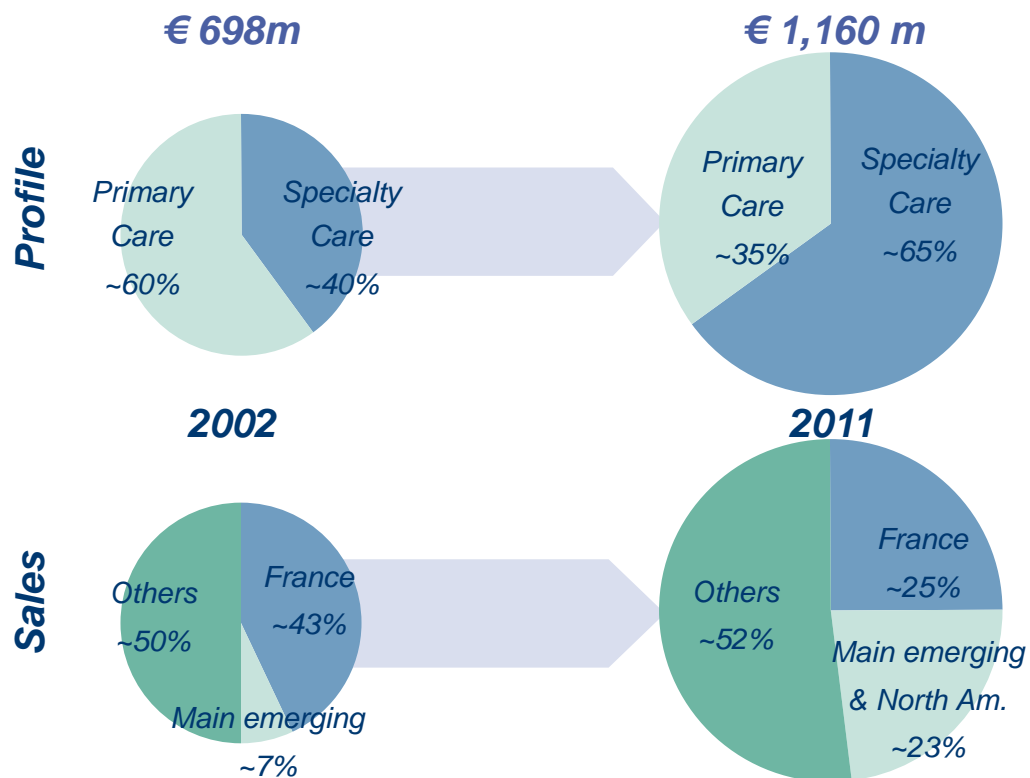
Thank you.

Backups



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

Evolution of Ipsen's sales profile...



...driven by Specialty care

Endocrinology
o/w Somatuline® 2002-2011 CAGR: 16.9%
Neurology
o/w Dysport® 2002-2011 CAGR: 14.6%
Uro-Oncology
o/w Decapeptyl® 2002-2011 CAGR: 5.7%
Primary care
Primary care 2002-2011 CAGR: -0.2%

Accelerating decrease of French Primary care:

- 2002 – 2011 CAGR: **-3.0%**
- 2006 – 2011 CAGR: **-7.6%**

Main emerging countries : China, Russia, Brazil

Note : French accounting standards for 2002 figures

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

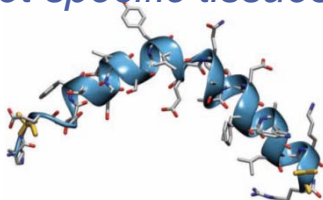
...and more than triple EBIT² by 2020

R&D to focus on 2 differentiated technological platforms...

Peptides

- Knowledge of hormonal pathways
- Extensive knowledge of peptide design and chemistry
- Expertise in peptide formulation

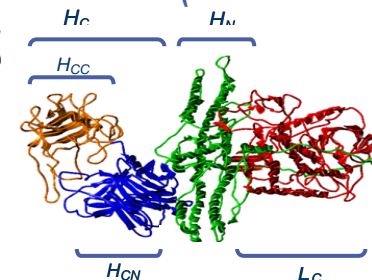
- ⇒ Enhance efficacy
- ⇒ Improve selectivity
- ⇒ Prolong duration of action
- ⇒ Target specific tissues, tumors
- ⇒ ...



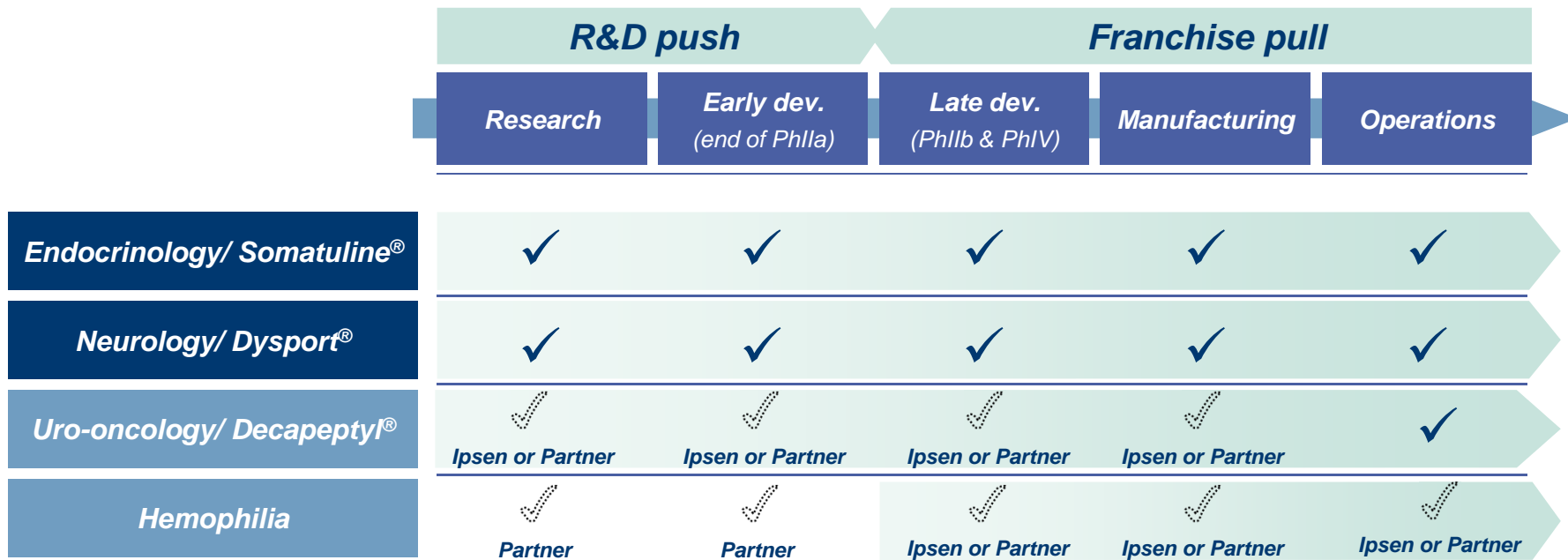
Toxins

- Track record expertise in botulinum toxin with Dysport®
- Pharmacological, preclinical and clinical expertise in Botulinum Toxin
- Established network of Toxin experts

- ⇒ Develop the indication base
- ⇒ Design of novel targeted toxins
- ⇒ Design of toxins with different characteristics (onset of action, duration,

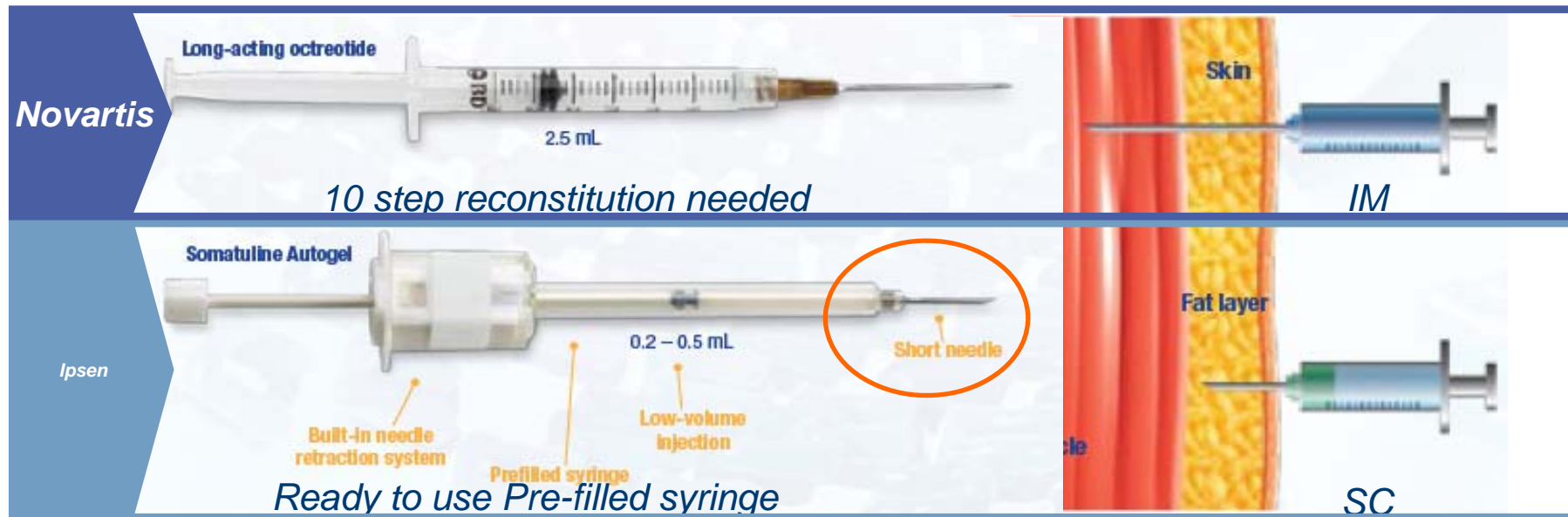


...supported by franchises focus along the whole value chain...



Franchise focused on medical (narrative + clinical trials...) and marketing (TPP, global roll out strategy...)

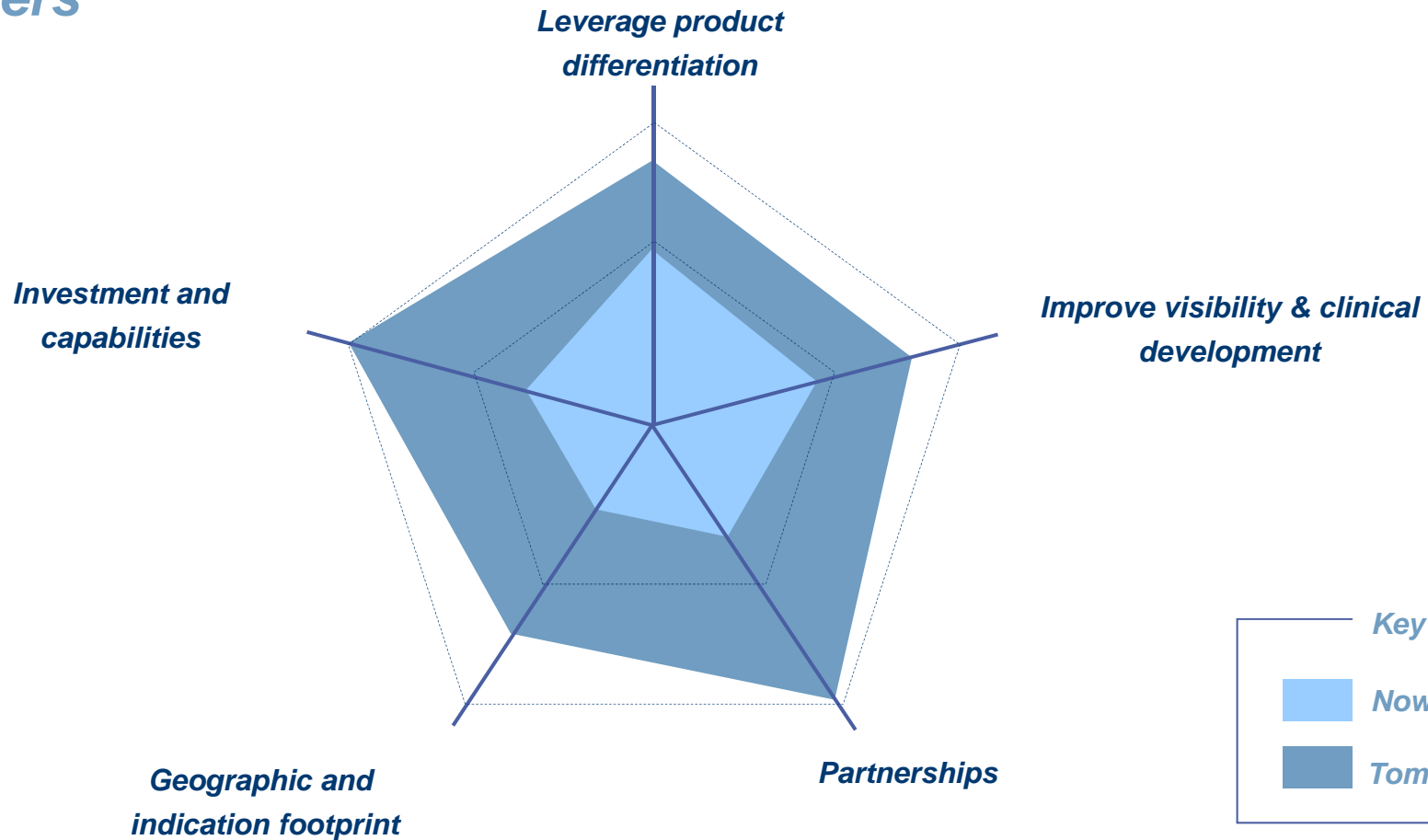
Somatuline[®], a differentiated device and formulation



- Ready to use, retractable needle for full dose release and safety
- Self administration*
- Health economic benefit
- Extended dosing interval (US+ Europe) in Acromegaly



Ambition : triple Somatuline[®] sales by 2020 across all key levers



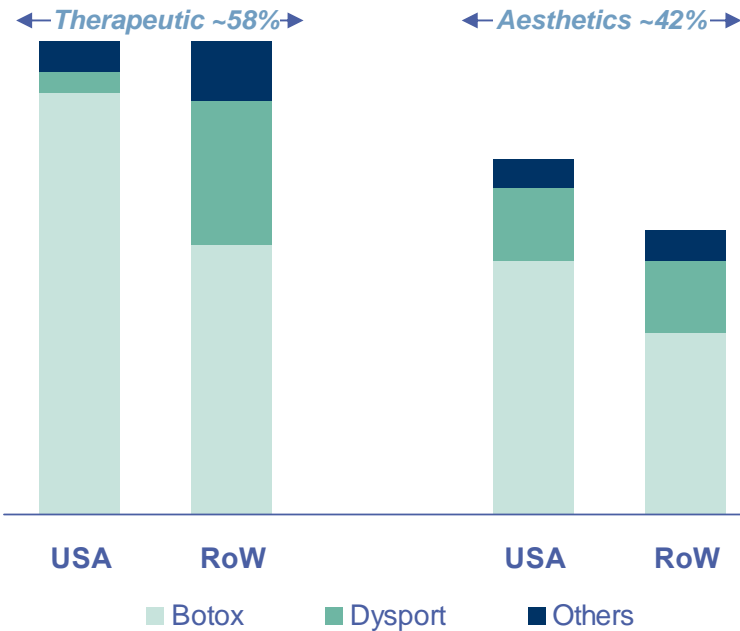
NET and the US : two main growth drivers



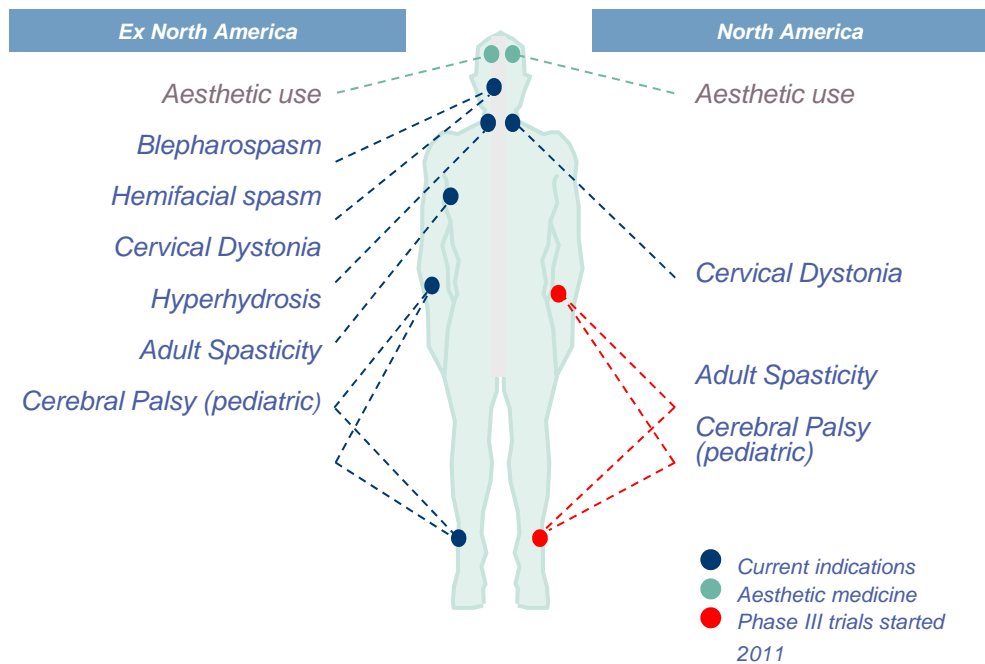
Neurology/ Dysport®: a solid second player in the botulinum toxin market

Toxin market: ~€1.35bn in 2010

USA ~ 50% global BonTA market in 2010

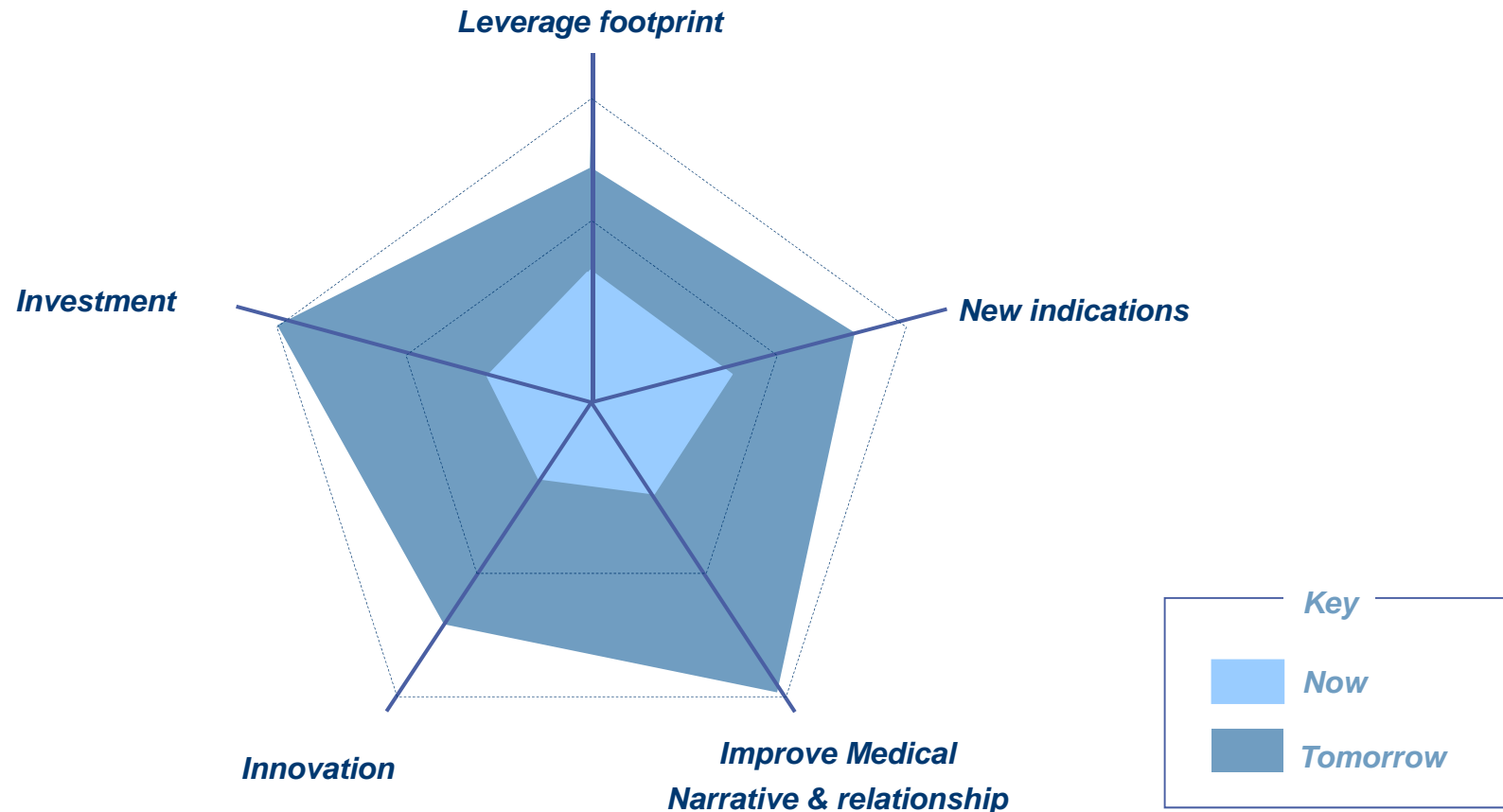


Dysport® indications



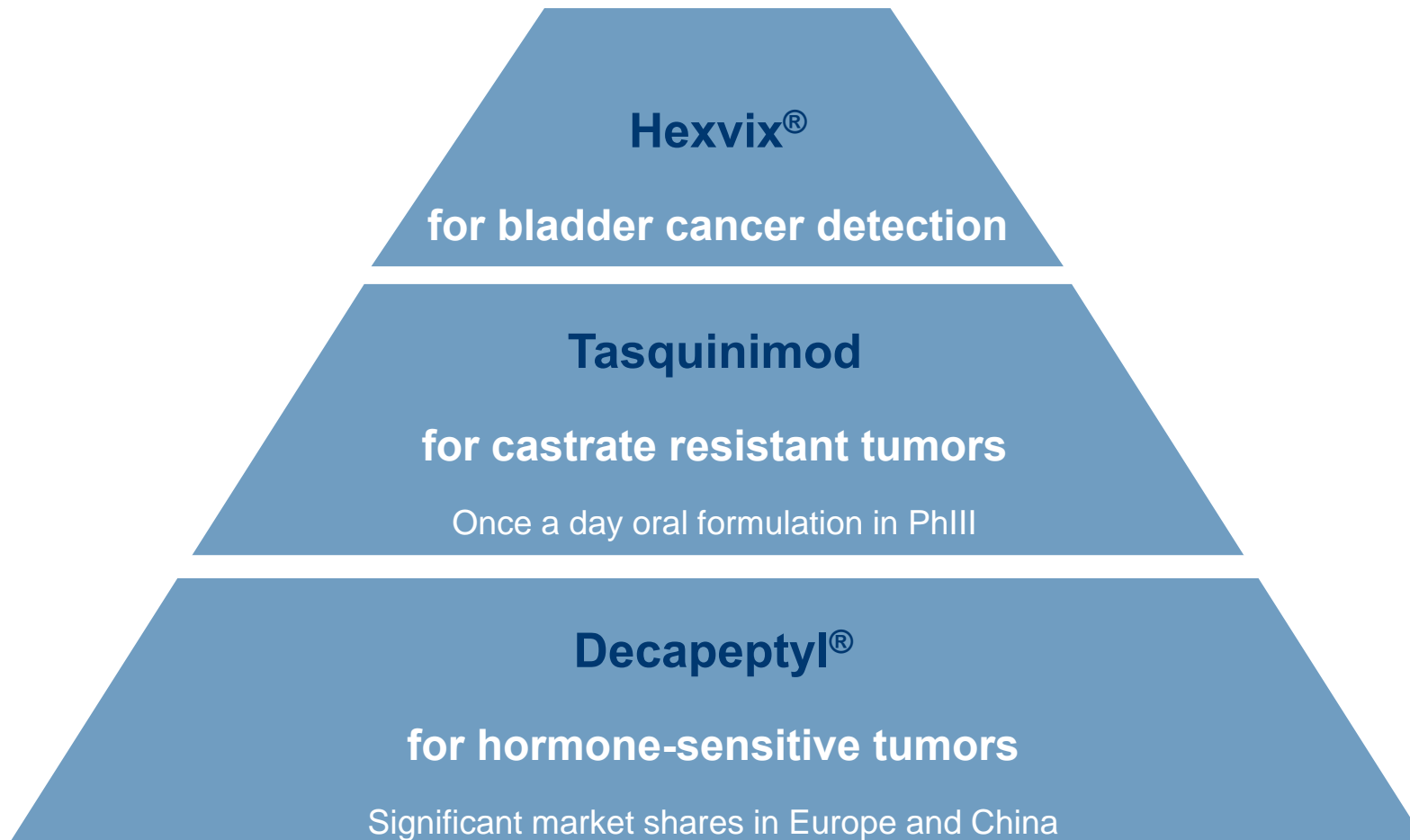
Dysport®, market leader in selected geographies: Brazil, the UK, Russia

Ambition : triple Dysport® sales by 2020 across all key levers

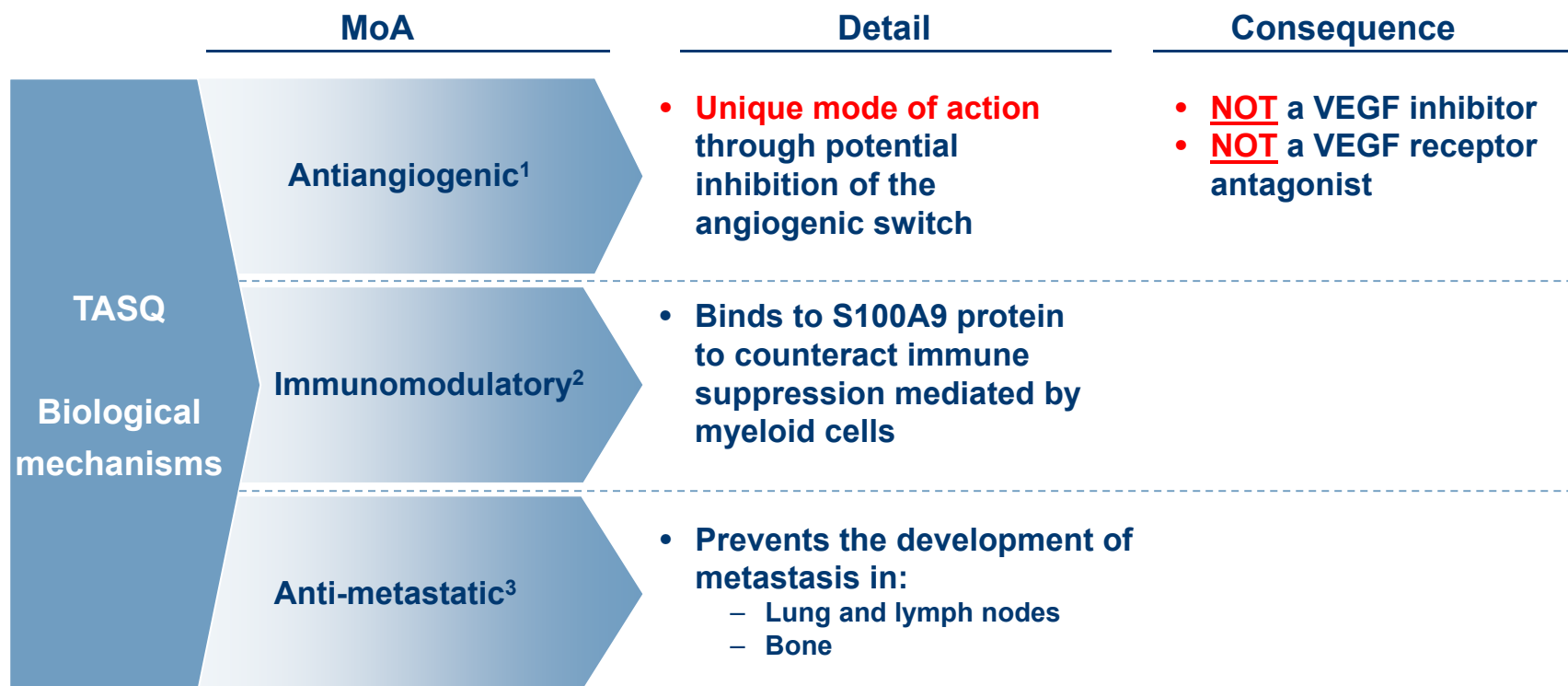


Spasticity and the US: two main growth drivers

Uro-oncology: a franchise with renewed growth opportunities



Tasquinimod, a unique pleiotropic mechanism of action in CRPC



1

Isaacs JT et al. Prostate 2006;66:1768-78
 Olsson A et al. Mol Cancer 2010;9:107
 Isaacs JT, Expert Opin Investig Drugs (2010) 19(10):1235-1243

2

Källberg et al. PLoS ONE in press (2012)
 Hermani et al. Clin Cancer Res (2005) 11, 14, 5146-52
 Cheng P et al., J Exp Med. (2008) 29;205(10):2235-49.
 Hiratsuka S et al., Nat Cell Biol. (2006) 8(12):1369-75.
 Rafii S & Lyden D, Nat Cell Biol. (2006) 8(12):1321-3.
 Sinha et al, J of immunology 2008, 181:4666-4675.

3

Jennbacken K et al. Prostate 2011

Tasquinimod's characteristics trigger interest from the medical community

Tasquinimod :

Oral,

once a day,

single agent

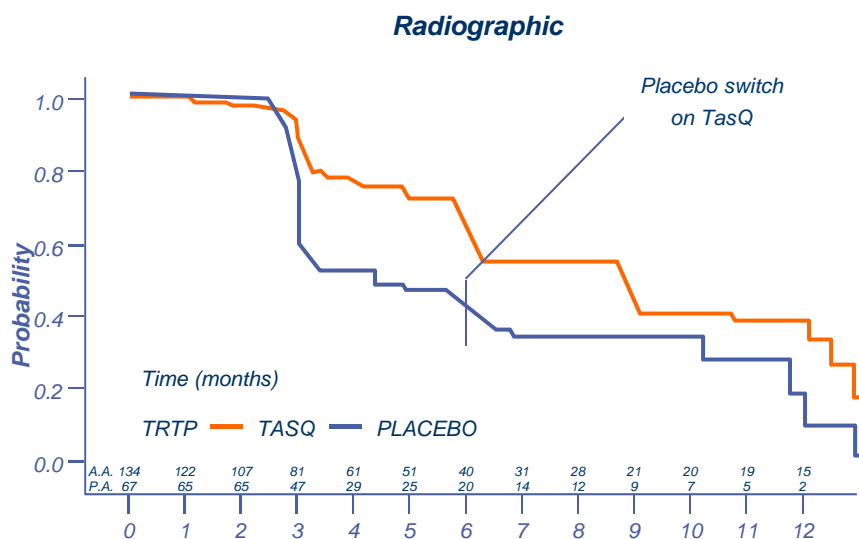
Pleotropic MoA:
anti-metastatic,
immunomodulatory and
unique anti-angiogenic
activities, acting on the
tumor and stromal
compartment

- **Zytiga[®]** (hormonal CYP 17 inhibitor) from J&J:
 - Oral, once a day but **must** be used in combination with oral Prednisone (corticosteroids)
 - Patient escape Zytiga[®] after c.1 year of treatment
- **TAK700** (orterone, hormonal CYP 17 inhibitor) from Takeda
 - Oral, twice a day but **must** be used with oral Prednisone (corticosteroids)
- **MDV3100** (androgen receptor signaling inhibitor - ARSI) from Medivation
 - Oral, once a day
- Recent anti-VEGF related antiangiogenic attempts in treating prostate cancer failed:
 - **Sutent[®]** from Pfizer: tyrosine kinase (o/w VEGF receptors) inhibitor
 - **Avastin[®]** from Roche: anti VEGF
 - **Zaltrap[®]** from Sanofi: VEGF trap

Tasquinimod, promising phase II results

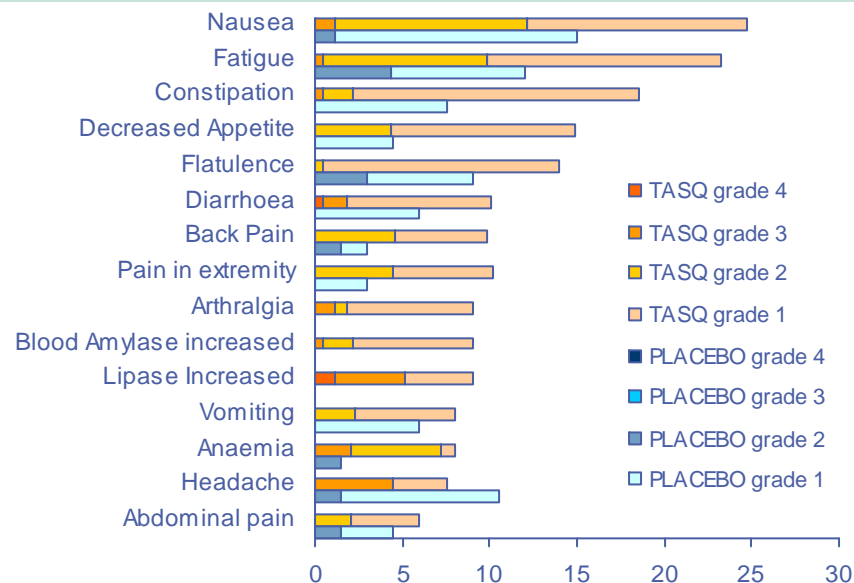
Safety and efficacy analysis* of Phase II study of Tasquinimod in chemotherapy naïve patients with asymptomatic metastatic castrate-resistant prostate cancer (CRPC) (n=201)

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

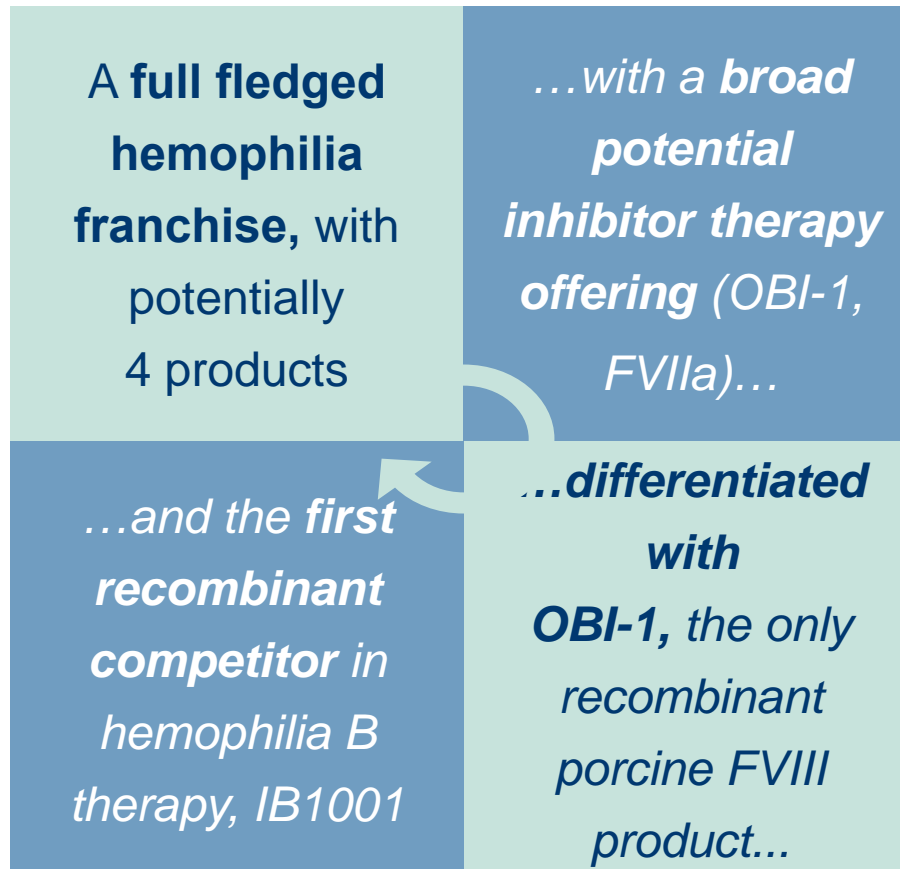


Side effects are manageable

* 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



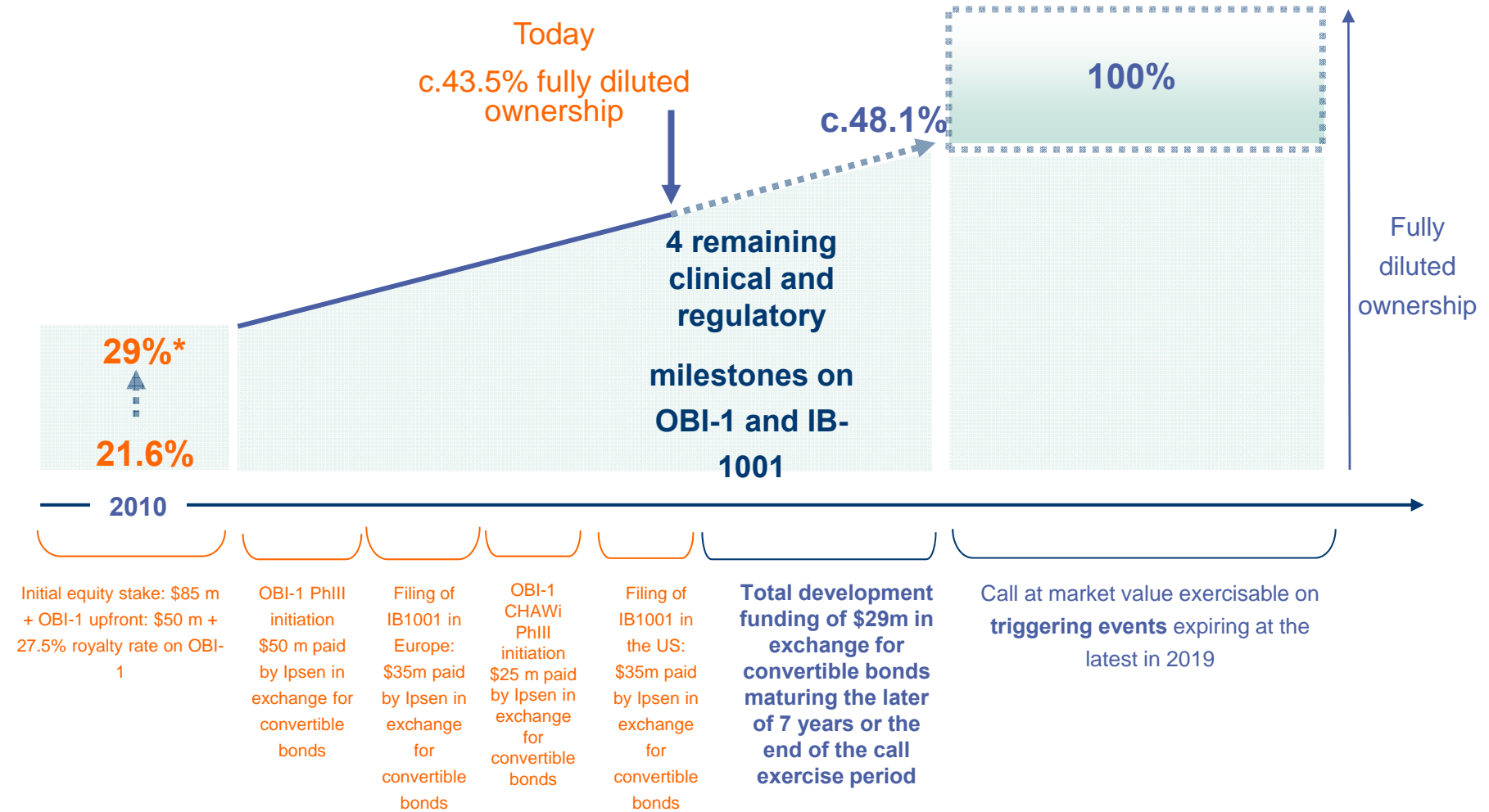
Ipsen and Inspiration are aiming at all levels of the coagulation cascade for the treatment of hemophilia



- ➔ 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, growing market



Hemophilia: Ipsen now has 43.5% of fully diluted ownership of Inspiration



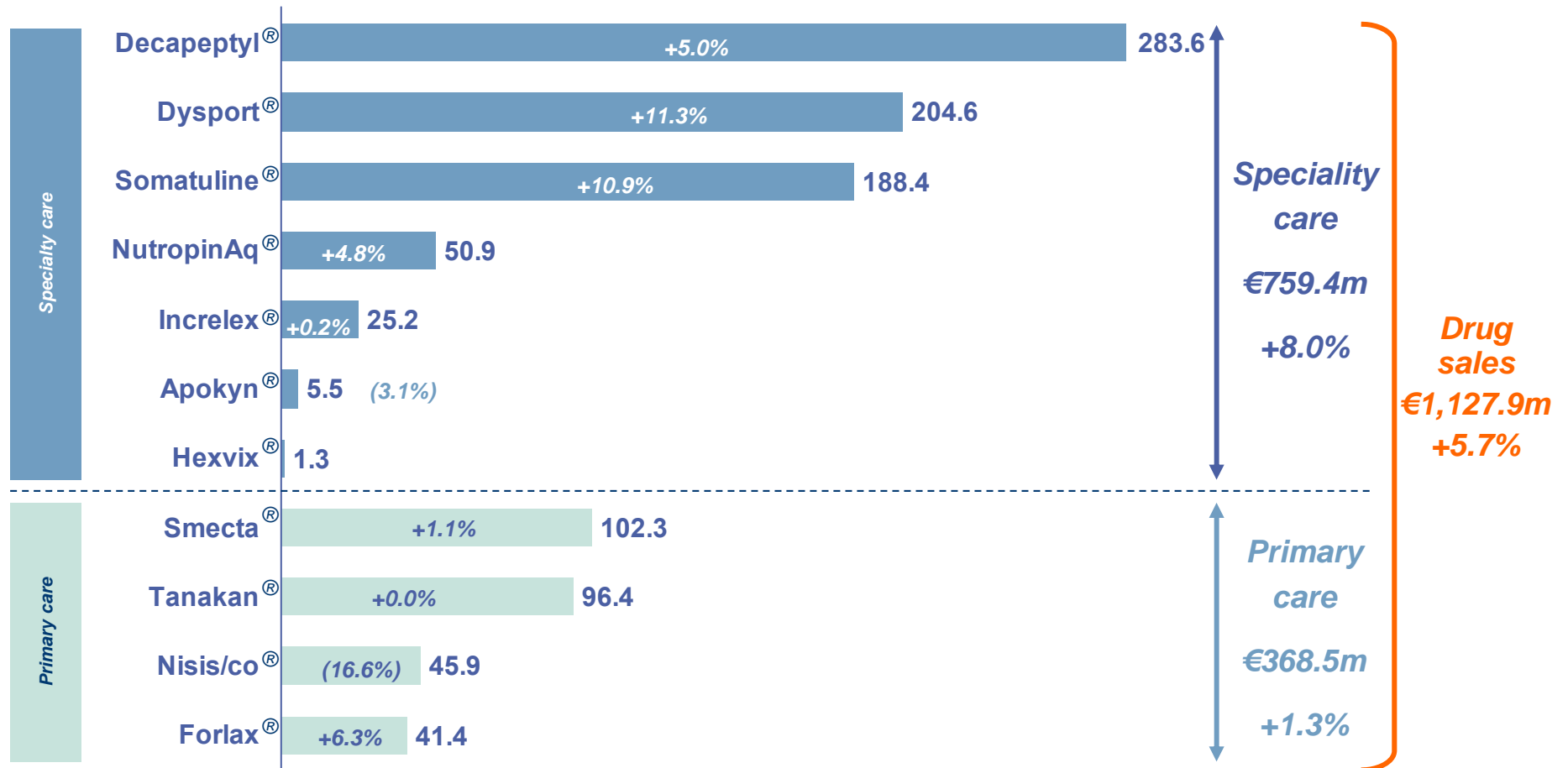
Full-year 2011 financial performance



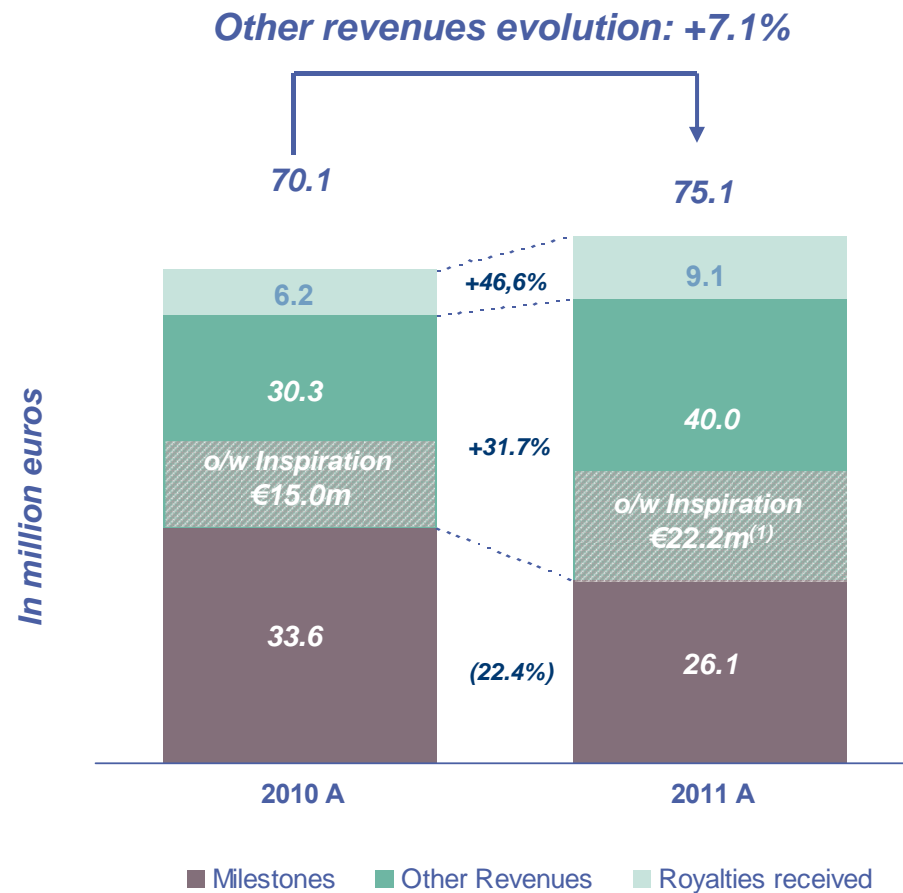


FY 2011 Sales : Specialty products account for 66% of total sales

in million euros



Other revenues evolution



- **Royalties Received**

Up 46,6% y-o-y, driven by the increase in royalties paid by Medicis, Galderma and Menarini

- **Other revenues**

Revenues from Inspiration Inc. for OBI-1 development costs (€22.2m)⁽¹⁾ and from co-promotion agreements in France

- **Milestones**

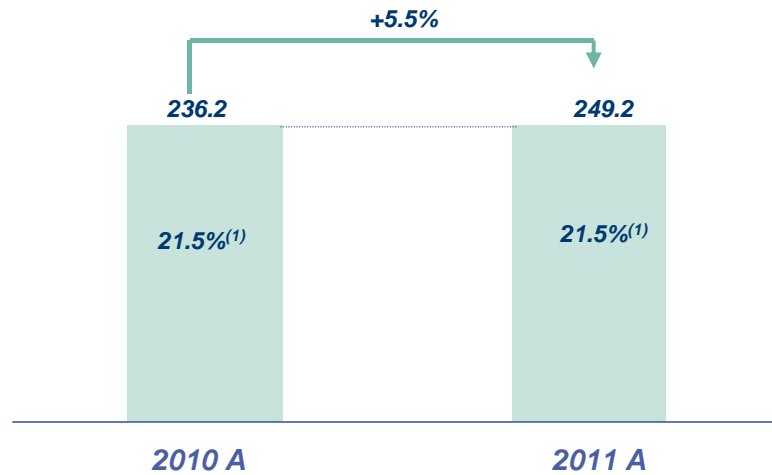
Progressive recognition of milestones already cashed-in from Medicis, Galderma, Recordati, Inspiration

2010, unfavourable baseline, marked by the end of the taspoglutide deferred revenue recognition

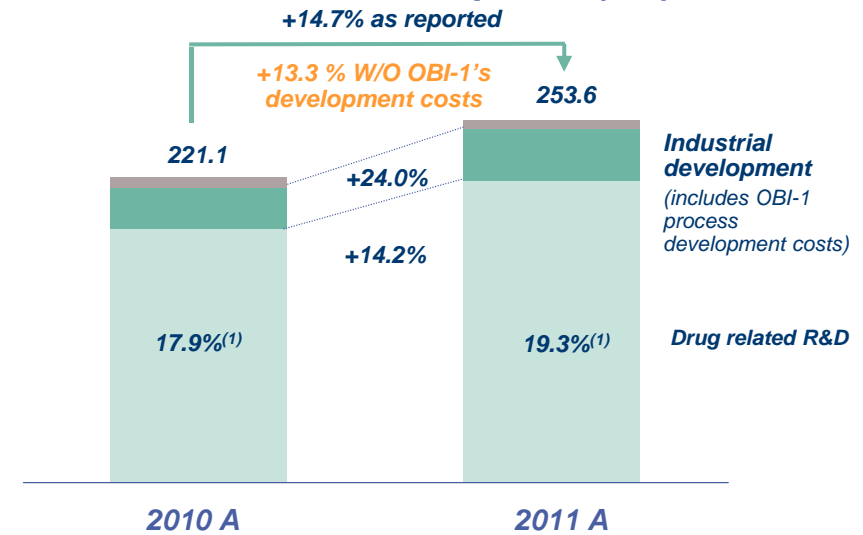


Evolution of main P&L items: above operating result

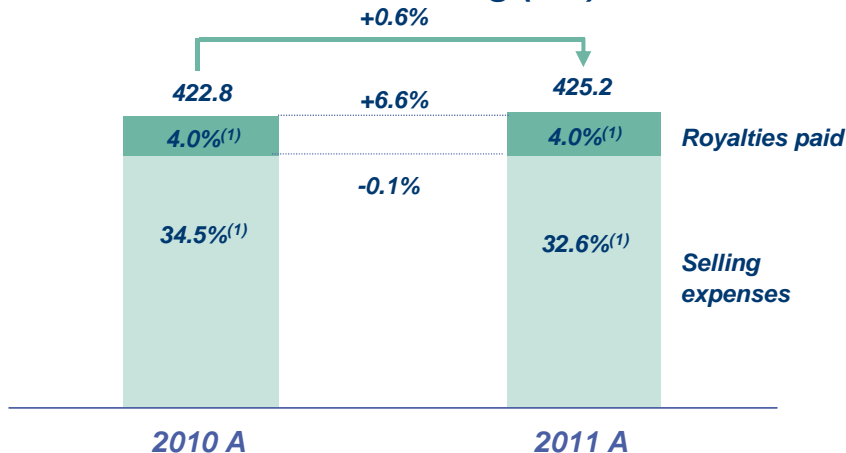
COGS (% of sales)



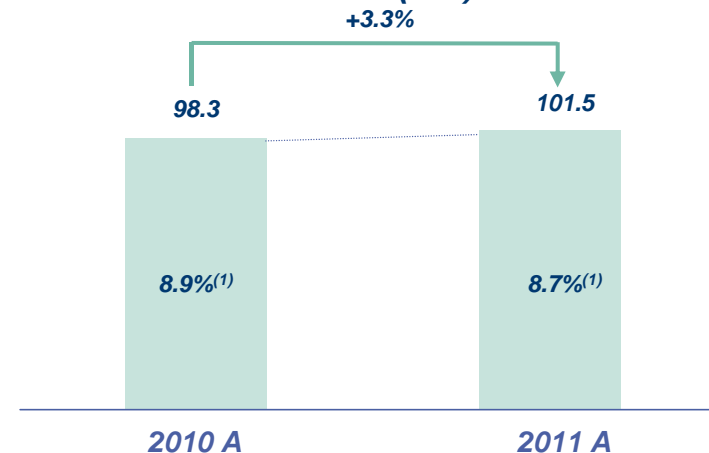
Research & Development (€m)



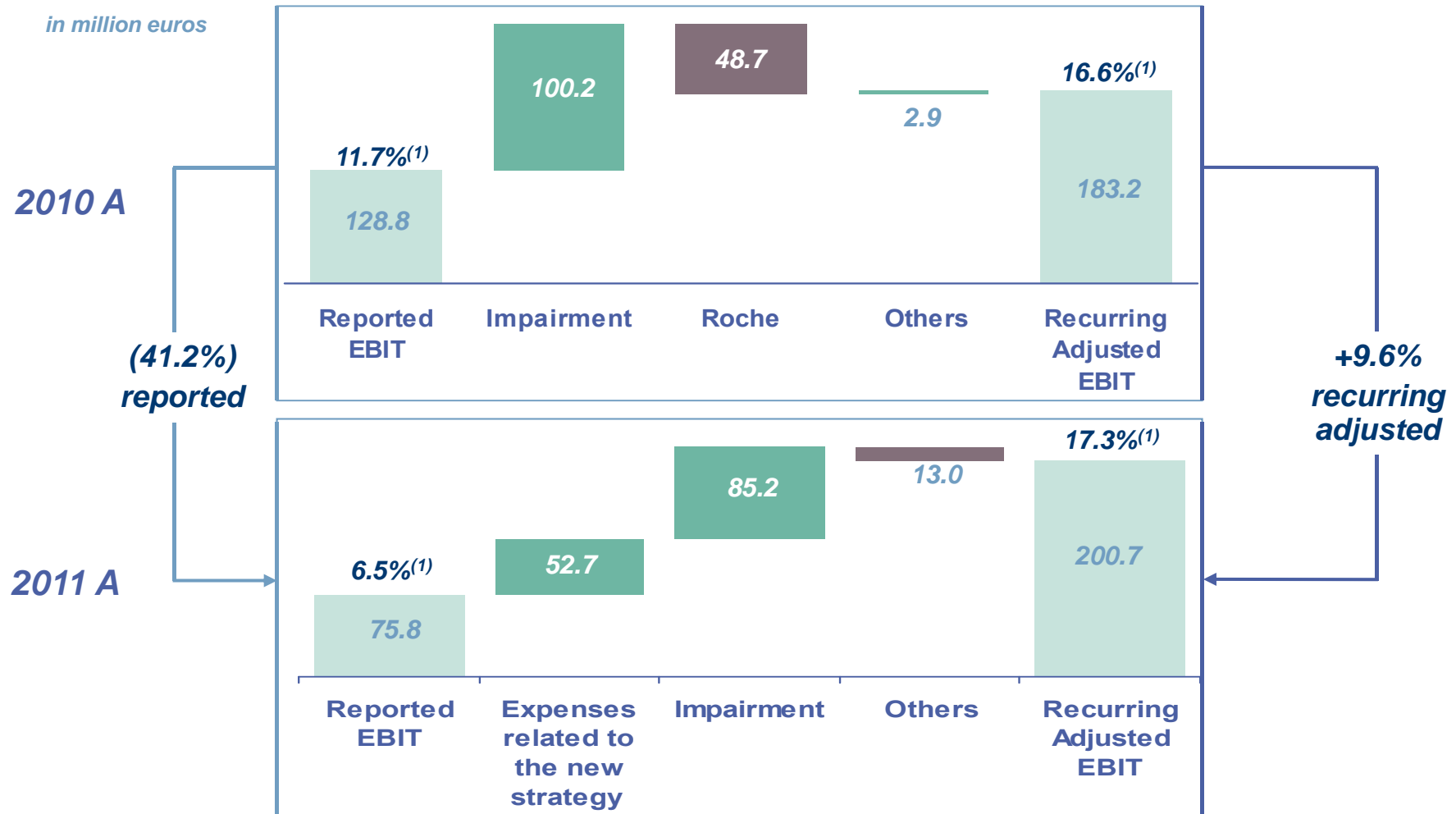
Sales & Marketing (€m)



G&A (€m)

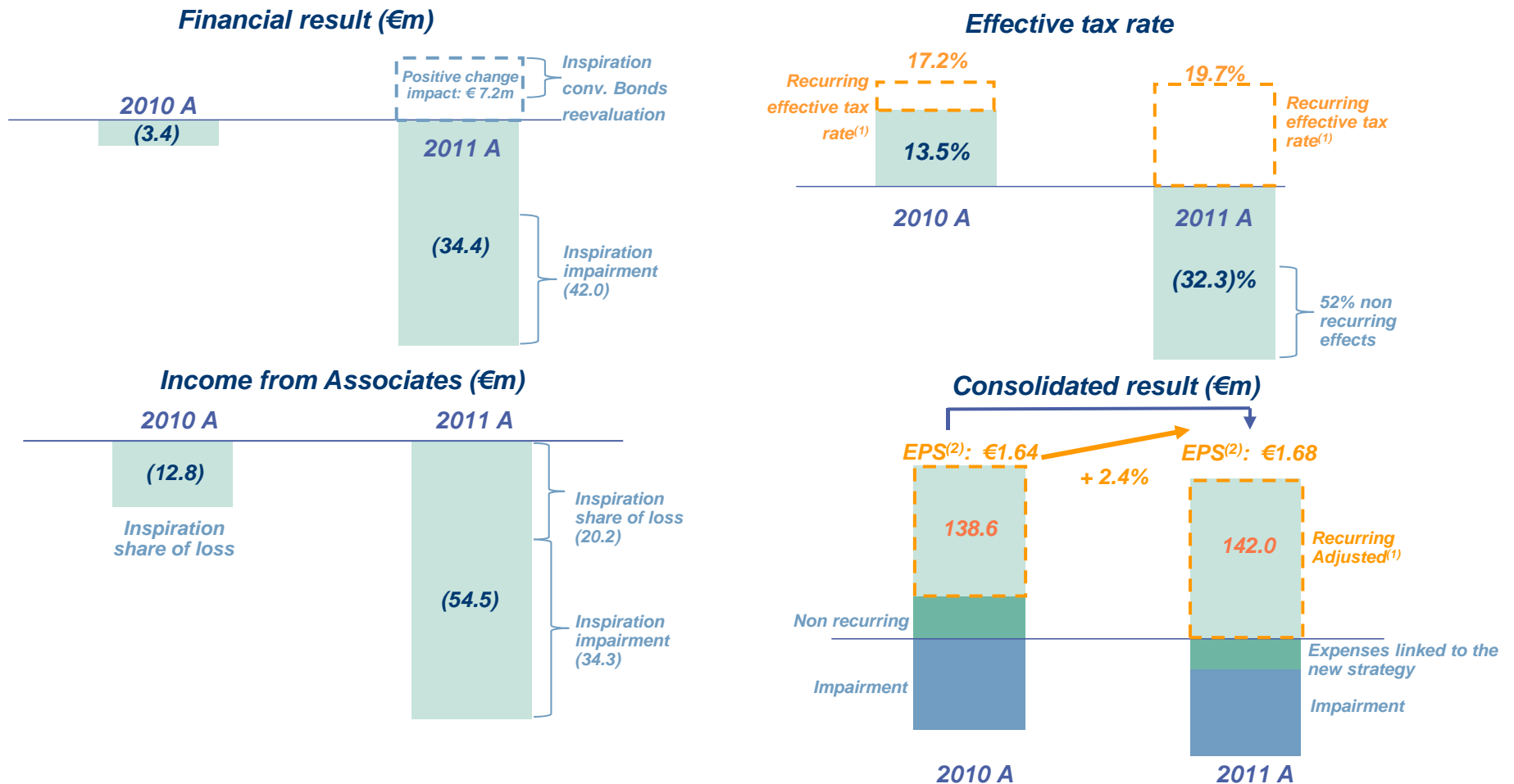


Recurring adjusted Operating Income has improved by 9.6%





Below EBIT evolution



Proposed dividend of €0.8 per share, stable y-o-y

(1) Prior to non recurring operational, financial and fiscal items
 (2) Prior to i) Impairment charges and ii) non-recurring expenses particularly linked to the strategy announced on 9 June 2011
 (3) Fully diluted recurring adjusted EPS



In 2011, published figures were impacted by significant impairment losses and costs related to new strategy

(in million euros)	2011 Actual		Inspiration	Increlex®	Others	Restructuring US & Barcelona	Fees & others	Others	2011 Actual Recurring adjusted	
	Value	% Sales							Value	% Sales
Net Sales	1 159,8	100,0%							1 159,8	100,0%
Other revenues	75,1	6,5%							75,1	6,5%
Total Revenues	1 234,9	106,5%							1 234,9	106,5%
Cost of goods Sold	-249,2	-21,5%							-249,2	-21,5%
R&D	-253,6	-21,9%							-253,6	-21,9%
SMM	-425,2	-36,7%							-425,2	-36,7%
G&A	-101,5	-8,7%							-101,5	-8,7%
Amortization of intangible assets (except software)	-7,8	-0,7%						3,1 *	-4,7	-0,4%
Other operating income and expenses	-0,1	0,0%					16,1	-16,0 **	0,0	0,0%
Impairment losses	-85,2	-7,3%		47,3	37,9 ***				0,0	0,0%
Restructuring costs	-36,5	-3,1%				36,5			0,0	0,0%
Operating income	75,8	6,5%		47,3	37,9	36,5	16,1	-13,0	200,7	17,3%
Financial Result	-34,4	-3,0%	42,0						7,6	0,7%
Income taxes	13,3	1,1%	-15,1	-18,9	-13,3	-11,8	-5,5	4,6	-46,8	-4,0%
Share of loss from associates	-54,5	-4,7%	34,3						-20,2	-1,7%
Income from discontinued operations	0,7	0,1%							0,7	0,1%
Consolidated net profit	0,9	0,1%	61,1	28,4	24,5	24,7	10,6	-8,3	142,0	12,2%
Fully diluted EPS	0,01								1,68	

	Total impairment losses	New strategy costs
Before tax	€161.5m⁽¹⁾	€52.6m
After tax	€114.1m	€35.3m

* PPA

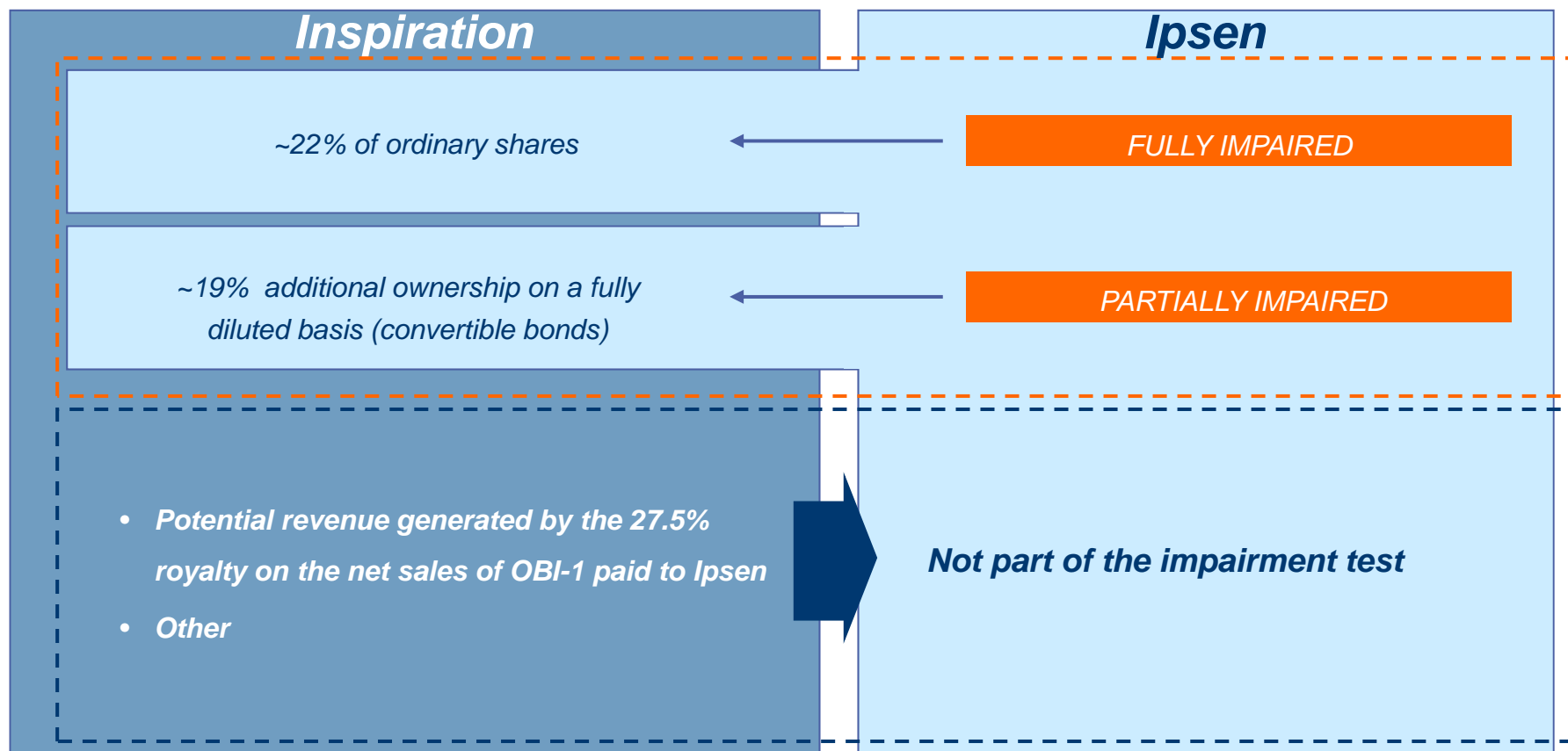
** includes Apokyn® and Vitalogink®

*** includes fipamezole®, Dreux industrial site and Nisis NisisCo®

⁽¹⁾ Impairment charge on Inspiration shares is net of tax



IAS 39 only deals with financial instruments i.e. does not reflect the economic value of the deal for Ipsen



There would have been no impairment with a CGU view

Total Inspiration impairment: €76.3m before tax

Impairment recorded in distinct P&L lines

	<u>What?</u>	<u>Figure</u>
Other financial expense	Impairment depreciation on convertible bonds	€42.0m
Share of loss from associates	Impairment depreciation on equity share ⁽¹⁾ + depreciation on PPA	€34.3m
		€76.3m
	Tax impact	€(15.1)m
	Net impairment charge	€61.1m

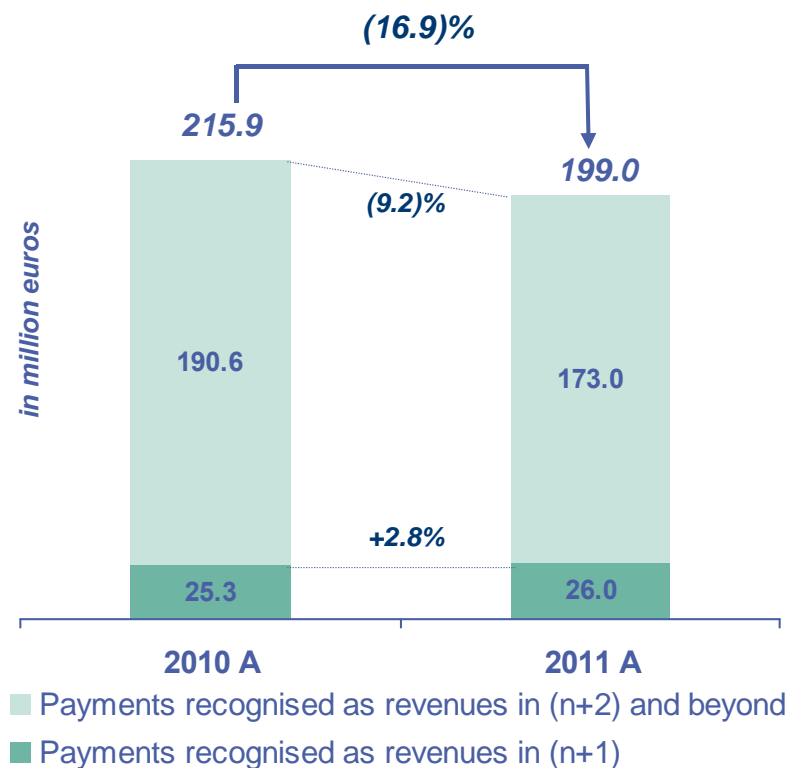
Balance sheet evolution

in million euros

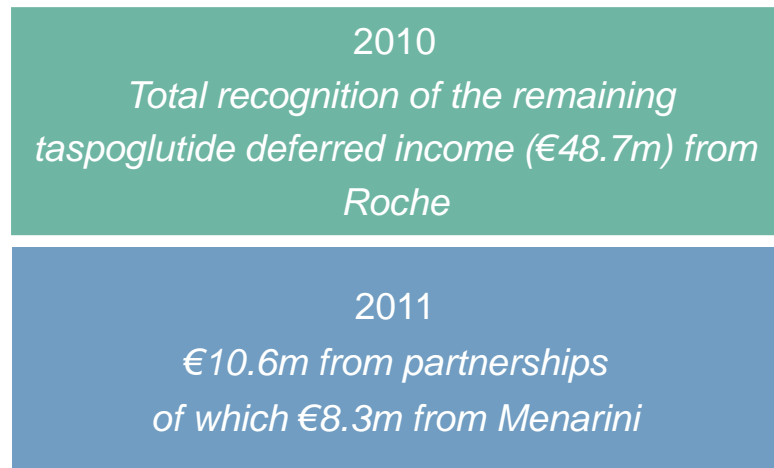
	Assets		Liabilities		
	2010 A	2011 A	2010 A	2011 A	
Goodwill	299.1	299.5	Equity	1 077.2	1 012.8
Investment in associated companies (incl. Goodwill Inspiration Inc.)	57.9	0.0	Minority interests	2.0	2.6
Property, Plans & equipments	282.3	271.7	Total Equity	1 079.2	1 015.4
Intangible assets	166.5	135.6	Long-term financial debts	15.3	16.6
Other non-current assets	232.6	293.8	Other non-current liabilities	250.6	231.0
Total non-current assets	1 038.4	1 000.6	Other current liabilities	324.7	341.9
Total current assets	639.8	632.8	Short-term debts	7.7	28.5
<i>Incl. Cash and cash equivalent</i>	178.1	145.0	Liabilities / discontinued operations	0.7	0.0
Discontinued operations	-	-	Total Liabilities	1 678.2	1 633.4
Total assets	1 678.2	1 633.4			
Net Cash	177.9	144.8			
Closing Net Cash ⁽¹⁾	156.0	122.3			

Partnership related deferred revenues

Total Milestones cashed-in and not yet recognized as revenues



Main evolutions over the period



Cash flow statement

in million euros

	2010 A	2011 A
Cash Flow before change in working capital	248.5	207.1
Deferred revenues from partnerships (Inspiration license)	35.5	-.
(Increase)/ Decrease in working capital	(30.1)	(31.6)
Net cash flow generated by operating activities	253.9	175.4
Investment in Tangible and Intangible assets	(86.6)	(95.2)
Investment in Inspiration	(57.7)	-.
Subscription in Inspiration's bonds	(73.2)	(45.3)
Others	(7.8)	(2.6)
Net cash flow used in investing activities	(225.3)	(143.2)
Net change in borrowings	(0.3)	(0.3)
Dividends paid	(62.3)	(66.5)
Others	1.0	1.6
Net cash flow used in financing activities	(61.6)	(65.2)
Discontinued operations	(1.5)	-
Change in cash and cash equivalent	(34.5)	(32.9)
Impact of exchange rate fluctuations	7.0	(0.2)
Closing cash & cash equivalents	177.9	144.8
Closing Net Cash	156.0	122.3

- Tangible assets : - € 46.9m
 - Intangible assets: - € 48.4m
- (o/w TASQ: € 25m and Hexvix: € 22.5m)

In summary

Specialty Care sales: +8.0%⁽¹⁾, resilient primary care sales in 2011

Strong international drug sales, up 9.9% in 2011

Major impacts from non recurring elements, mainly impairments & one-off costs:
-€124.9m overall on EBIT

Good operational performance with a recurring adjusted⁽²⁾ operating income up by 9.6% yoy

Recurring adjusted EPS⁽²⁾ improving by 2.4% y-o-y

€175.4m generated by operating activities in 2011

Strong balance sheet : €122.3m positive net cash position at December 31, 2011

(1) at constant exchange rate