Ipsen
First half 2012

Global Healthcare Conference 2012
Bank of America Merrill Lynch

September 13, 2012

IPSEN
Innovation for patient care

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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.

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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	Introduction and H1 2012 sales snapshot
2	H1 2012 Results
3	Business and Strategy update
4	Concluding remarks and 2012 Outlook

H1 2012: a strong performance

Solid operational performance with drug sales up 6.3%[1]

Strong specialty care, up 13.5%
Headwinds in primary care, down 8.5%

Reported operating income up 4.1% y-o-y, 20.0%[2] of sales

Recurring adjusted[3] operating income, down 8.6% - mainly due to R&D, 20.9%[2] of sales

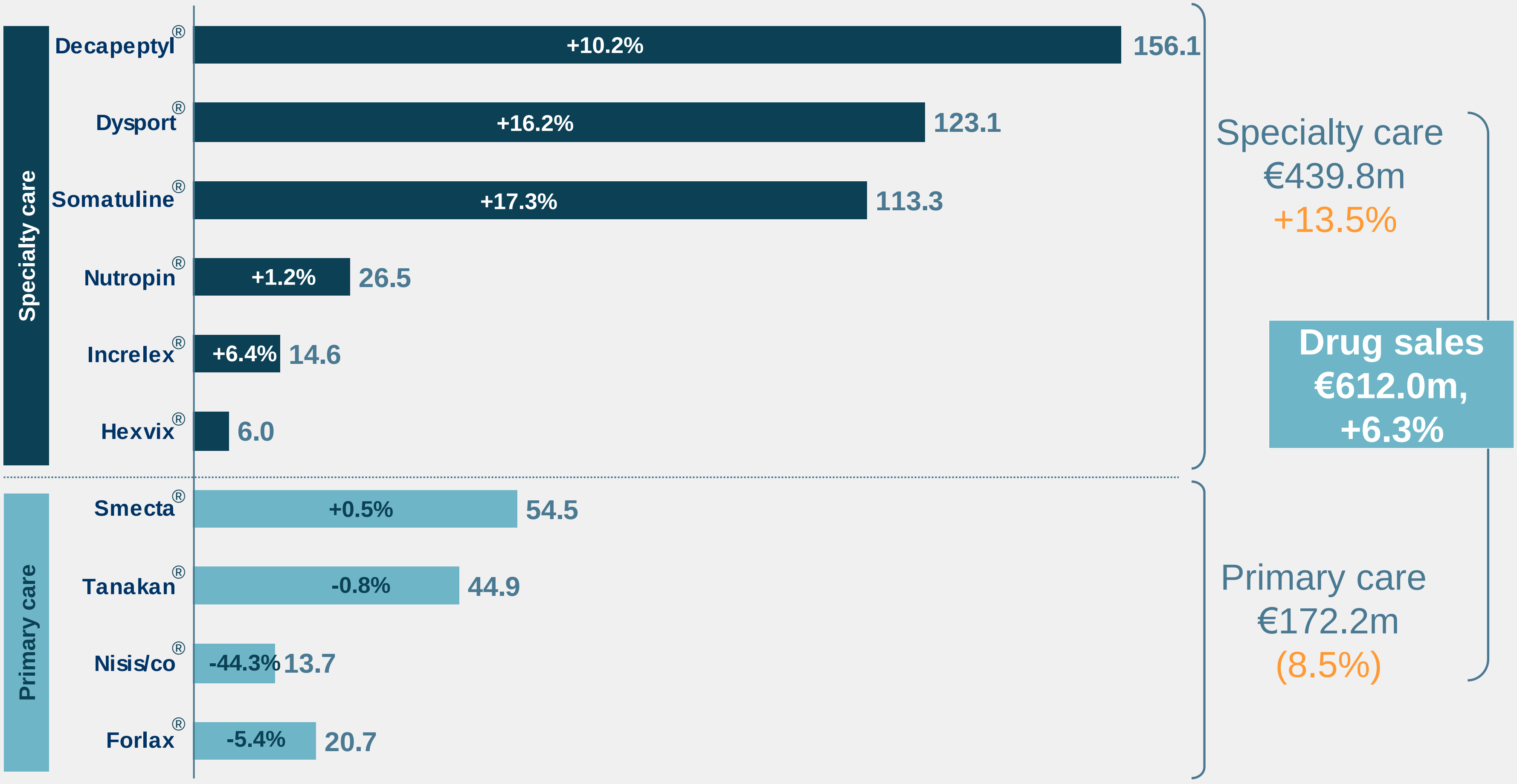
Recurring adjusted[3] EPS of € 1.02, down 19.7%

Cash flow of €63.3m generated by operating activities in half year 2012

NOTE 1 : year-on-year excluding foreign exchange impacts
NOTE 2: in percentage of Group sales
NOTE 3 : before non recurring elements

Strong specialty care now represents 72% of drug sales

Drug Sales - H1 2012
in million euros - % excluding foreign exchange impacts

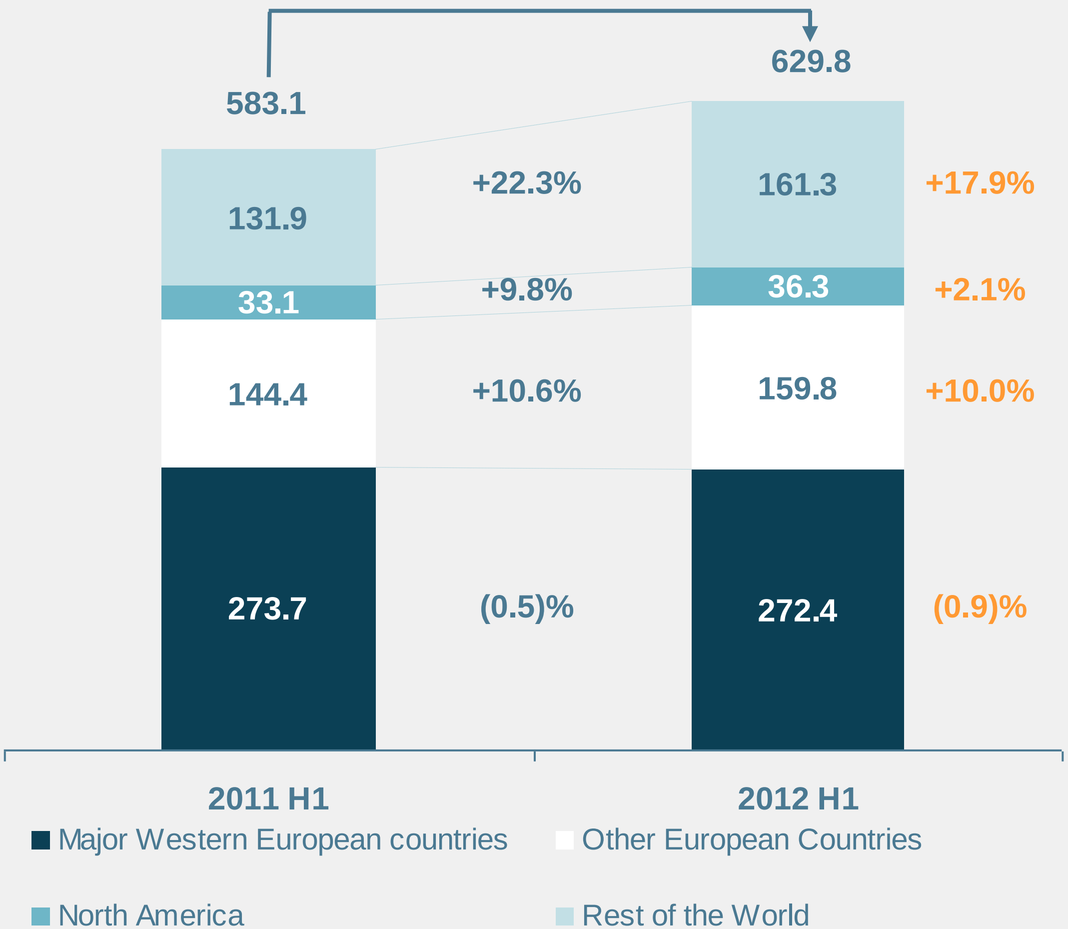


Group's sales growth driven by all regions…
G5 growth hampered by French primary care decline

GROUP SALES growth : +8.0% (incl. Drug related sales)

In million euros

At constant currency : +6.3%



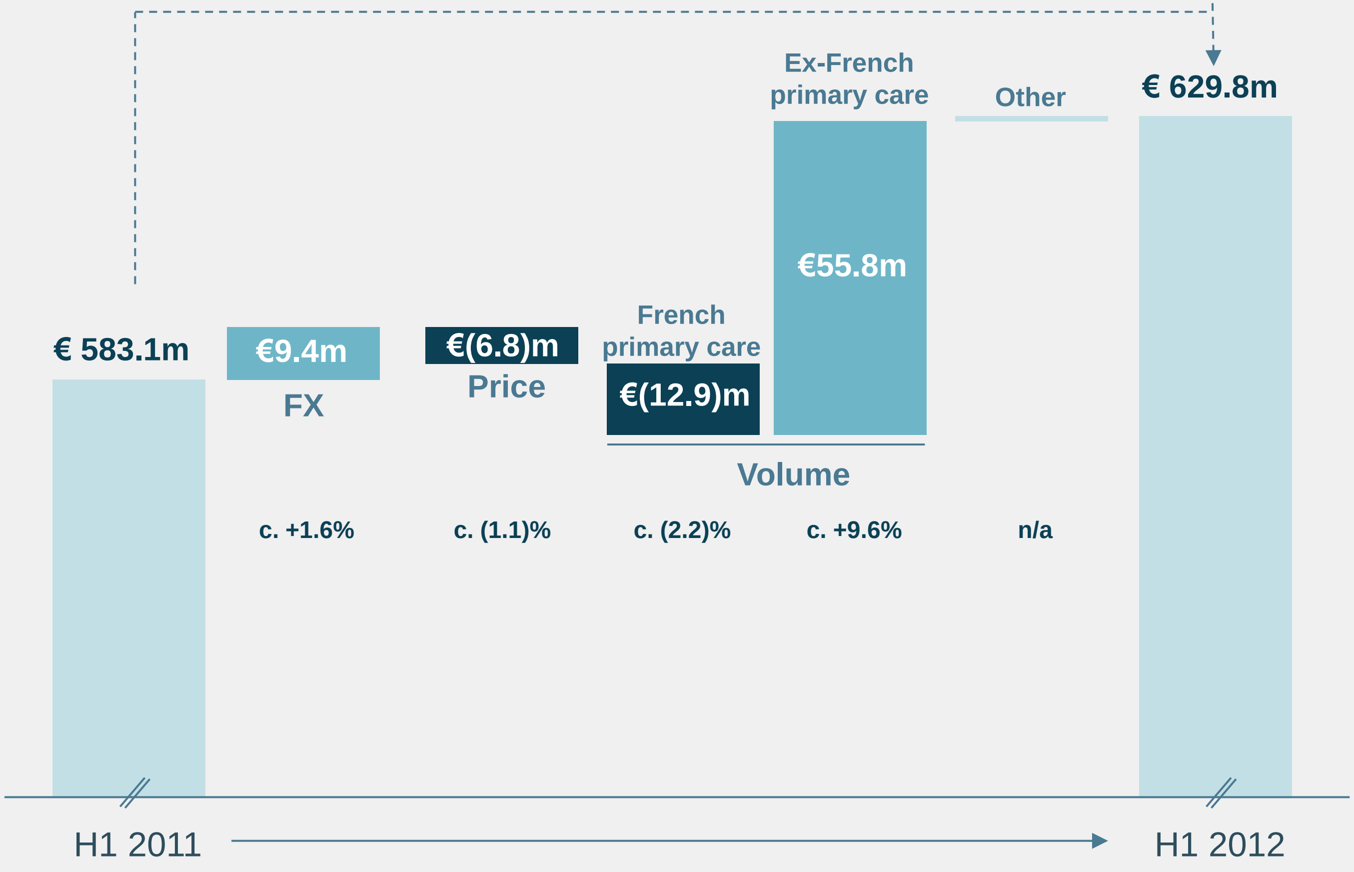
- **ROW**
  Strong performance throughout, boosted by one-offs in Australia and Vietnam
- **North America**
  Continued penetration of Somatuline® and Dysport® sales to partner
- **Other European countries**
  Sustained volume growth, particularly in Russia, Poland, the Netherlands and Ukraine
- **European G5**
  Specialty care volume sales growth more than offset by, notably French primary care and government measures in Spain.
  Excluding French primary care, *G5 grew 9.4% y-o-y at constant currency*

Growth rates excluding foreign exchange impacts

… with performance driven by strong volume growth

GROUP SALES growth : +8.0% (incl. Drug related sales)

At constant currency : +6.3%



2012 Half Year Results

Susheel Surpal
EVP CFO

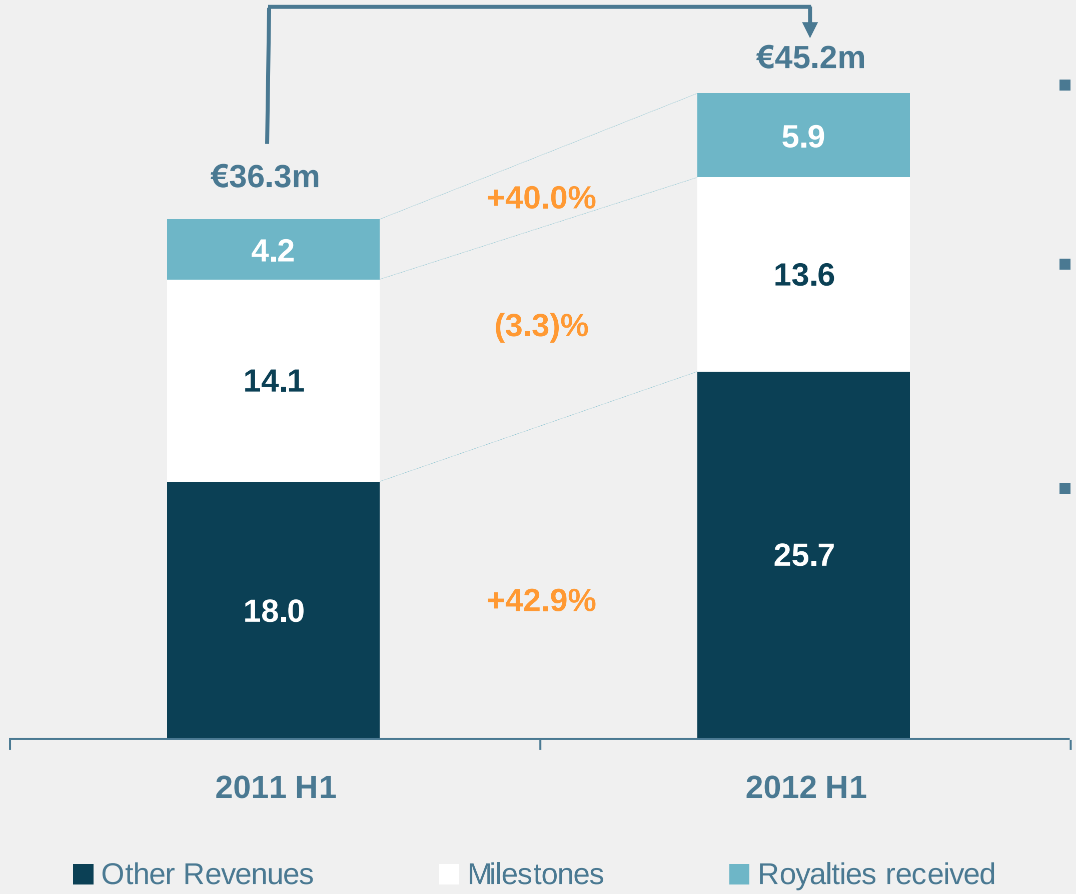
Summary of H1 2012 P&L and evolution

In million euros	H1 2012	H1 2011	Growth (%)
Sales	629.8	583.1	+8.0%
Total Revenues	675.0	619.4	+9.0%
Operating Income	125.7	120.8	+4.1%
Margin[1]	*20.0%*	*20.7%*	
Recurring adjusted[2] operating income	131.5	143.9	(8.6)%
Margin[1]	*20.9%*	*24.7%*	
Consolidated Net Profit *(attributable to Ipsen shareholders)*	90.2	91.7	(1.6)%
Fully diluted EPS	€1.07	€1.09	(1.8)%
Fully diluted recurring adjusted[2] EPS	€1.02	€1.27	(19.7)%

NOTE 1 : In % of sales
NOTE 2: before non recurring elements

Other Revenues

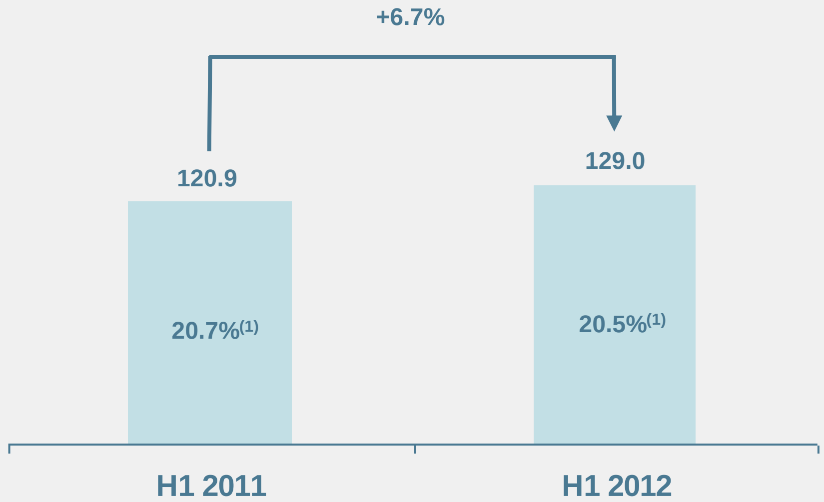
In million euros **Other Revenues Evolution: : +24.6%** or **+11.2% excluding Inspiration**



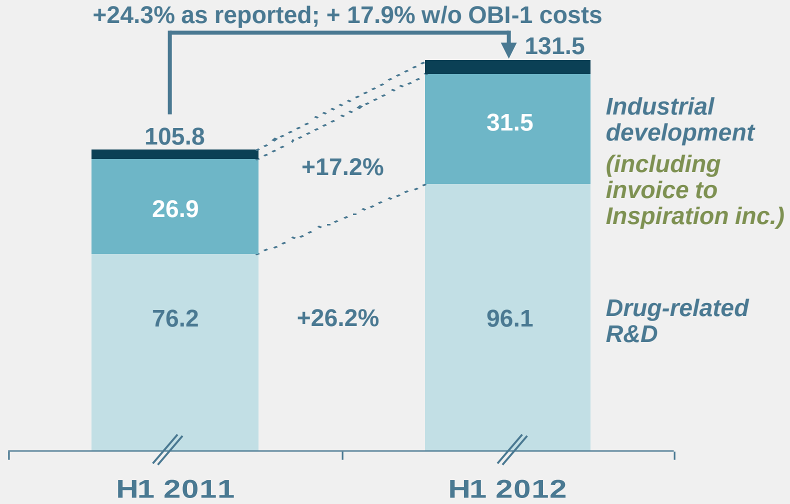
- **Royalties Received**
  Increased royalties from Medicis, Galderma and Menarini
- **Milestones**
  Stable year-on-year, stemming from the Group's main partnerships (Medicis, Galderma, Menarini, Inspiration…)
- **Other revenues**
  Invoicing of OBI-1's development costs to Inspiration Inc. and income from the Group's Co-promotion contracts in France

Main P&L items : Above operating income

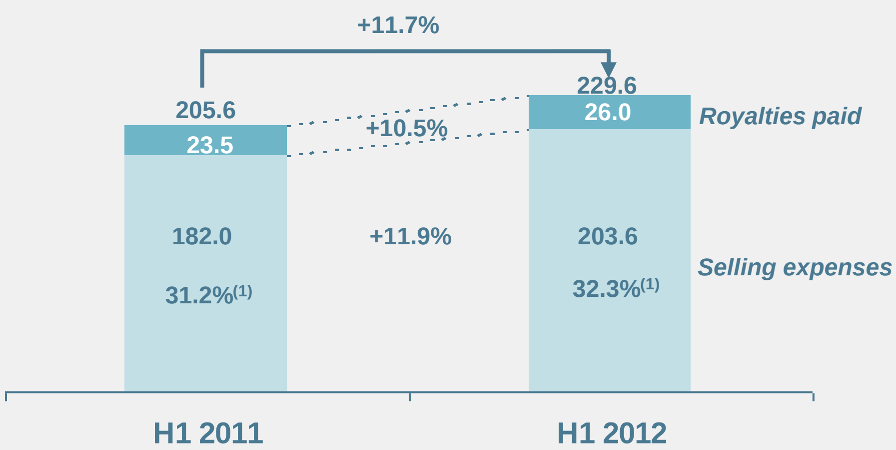
COGS (€m)



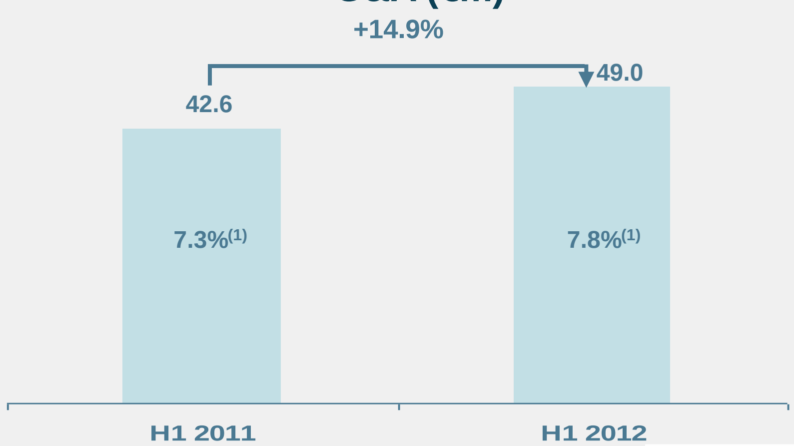
Research & Development (€m)



Sales & Marketing (€m)



G&A (€m)



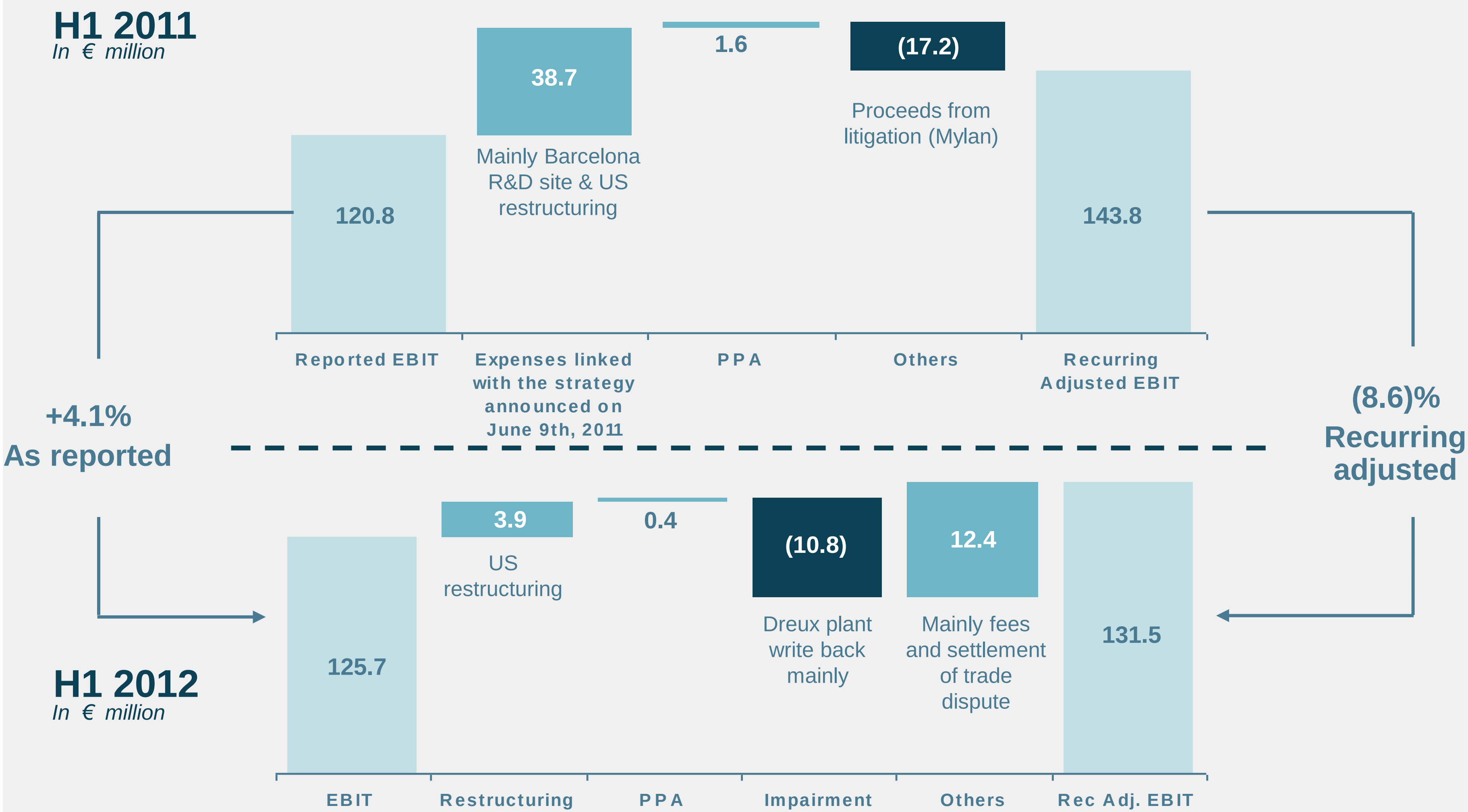
(1) In % of sales

Focus : Sales & Marketing expenses

- Increase in SMM expense mainly related to stable selling cost in French primary care (during JV negotiations) in a context of declining sales
- Ex French primary care , stable SMM to sales ratio, reflecting selective allocation of commercial resources to growth geographies

(1) Including royalties paid

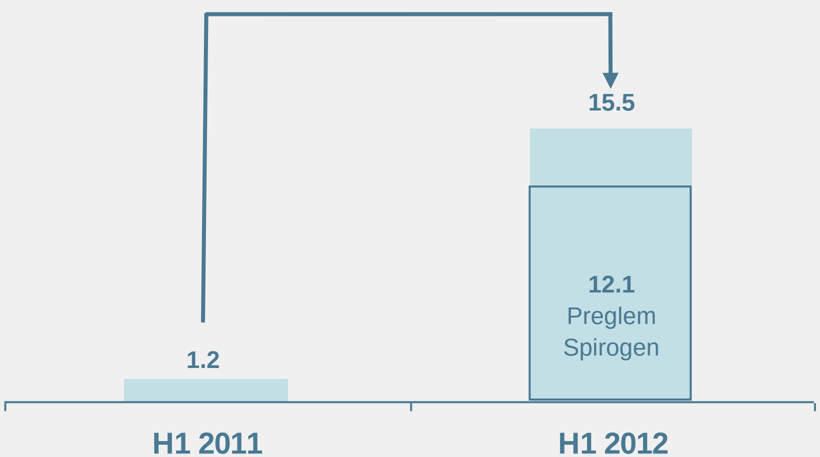
From reported to Recurring adjusted[1] Operating Income



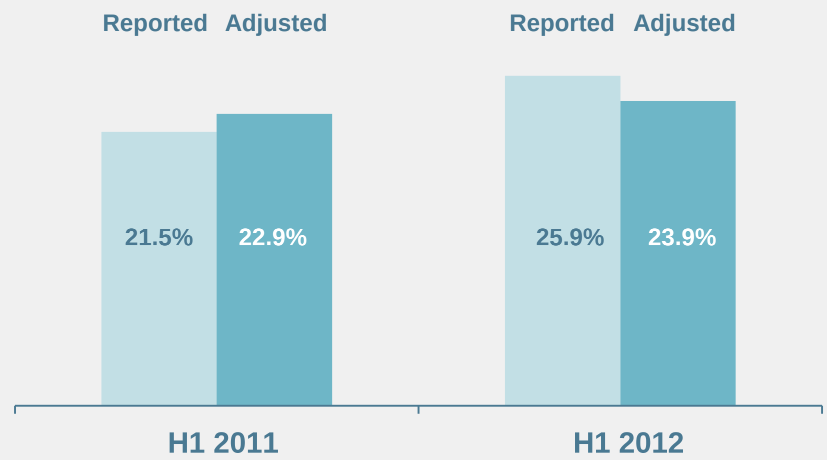
NOTE 1: before non recurring elements

Main P&L items : Below operating income

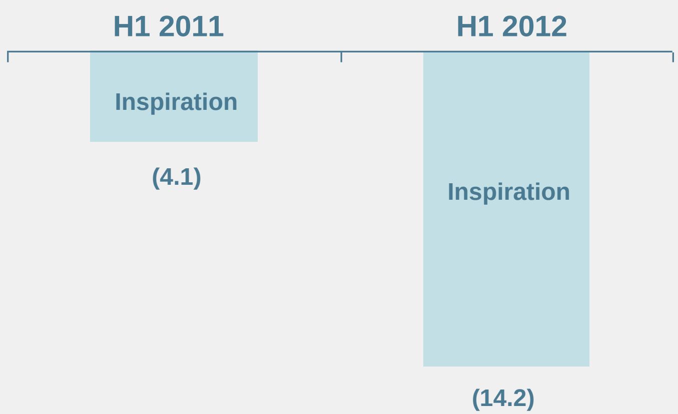
Financial Result (€m)



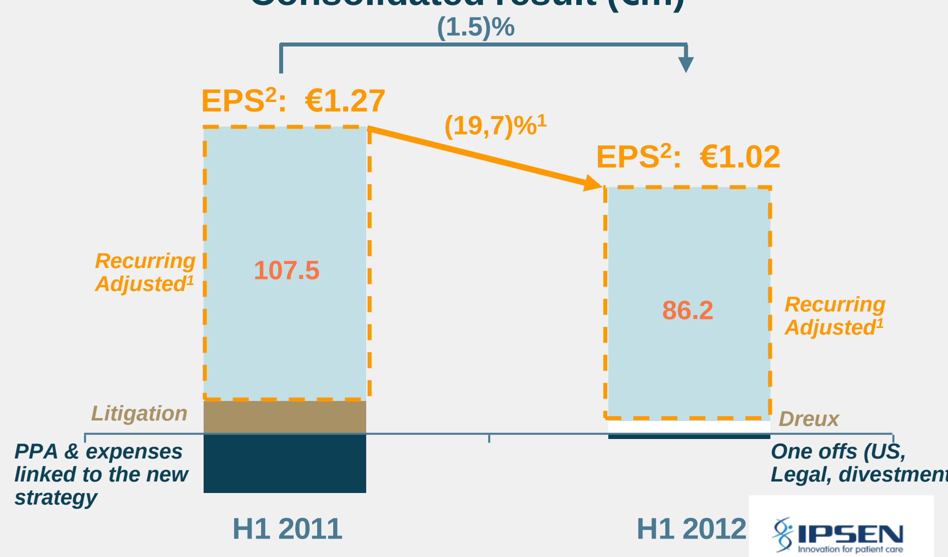
Effective tax rate



Share of loss from associates (€m)



Consolidated result (€m)



(1) Before non recurring elements
(2) Fully diluted recurring EPS

Balance sheet evolution

In € million

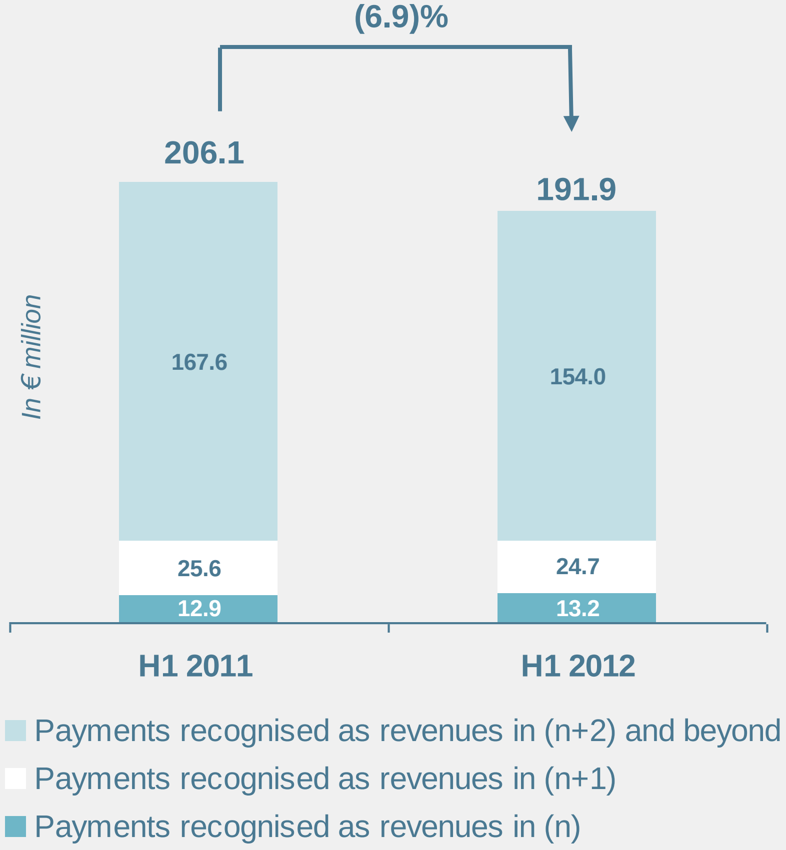
Assets	2011	H1 2012
Goodwill	299.5	304.0
Investment in associated companies	0.0	0.0
Property, Plant & equipment	271.7	291.7
Intangible assets	135.6	142.0
Other non-current assets	293.8	312.9
Total non-current assets	1 000.6	1 050.6
Total current assets	632.8	584.8
Incl. Cash and cash equivalent	145.0	84.8
Discontinued operations	-	-
Total assets	1 633.4	1 635.4
Closing Net Cash [1]	122.3	60.1

Liabilities	2011	H1 2012
Equity	1 012.8	1 053.2
Minority interests	2.6	1.9
Total Equity	1 015.4	1 055.1
Long-term financial debts	16.6	16.6
Other non-current liabilities	231.0	228.0
Other current liabilities	341.9	320.5
Short-term debts	28.5	15.2
Liabilities / discontinued operations	-	-
Total Liabilities	1 633.4	1 635.4

(1) Cash and cash equivalents after deduction of bank overdraft, bank borrowings, other financial liabilities excluding derivative financial instruments

Partnership related deferred revenues

Total Milestones cashed-in and not yet recognized as revenues



Main evolutions over the period

H1 2011

The Group recorded €3.7m from its partnerships

H1 2012

The Group recorded no new differed revenues from its partnerships

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Cash flow evolution

In million euros

	H1 2011	H1 2012
Consolidated net profit	91.9	90.5
Share of loss	4.1	14.2
Net profit from continuing operations from associates	95.8	104.7
Non cash and non-operating items :	28.0	(9.4)
O/W amortization on intangible and tangible assets	*21.8*	*22,7*
O/W Impairment losses	*-*	*(10.8)*
O/W Restructuring Provisions	*27.1*	*(13.1)*
O/W Preglem transfer to investing activities	*-*	*(10.5)*
O/W Change in differed taxes	*(24.8)*	*4.1*
Cash Flow before change in working capital	123.8	95.3
Deferred revenues from partnerships	3.7	-
Increase/ Decrease in working capital	(30.2)	(32.0)
Net cash flow generated by operating activities	97.3	63.3
Investment in Tangible and Intangible assets	(44.2)	(32.5)
Subscription in Inspiration's bonds	(0.8)	(28.6)
Preglem additional payment on disposal	-	10.5
Others	(3.1)	(5.6)
Net cash flow used in investing activities	(48.1)	(56.2)
Net change in borrowings	(0.2)	(0.2)
Dividends paid	(66.5)	(66.4)
Others	(0.4)	(2.3)
Net cash flow used in financing activities	(67.1)	(68.9)
Change in cash and cash equivalent	(17.9)	(61.9)
Impact of exchange rate fluctuations	(5.0)	(1.3)
Closing cash & cash equivalents	155.0	84.2
Closing Net Cash	132.0	60.1

2012 recurring operating cash generation slightly growing to around €93m

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H1 2012 summary : a strong performance

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Business and strategy Update

Marc de Garidel
CEO

Business and Strategy update on 2012 milestones

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

A: Reminder of strategic intent for French primary care

Leverage with a new structure existing strengths vs. **Sales force Optimization**

A growth potential to materialize	Adenuric®, and perspectives	OTX leverage with established brands
Solid foundations	An established portfolio of primary care products	A recognized and respected sales and marketing organization

June 2011 strategy and associated long term target assumed cost optimization of French primary care commercial activity

Intent to find partnership structure deriving more value than sales force optimization

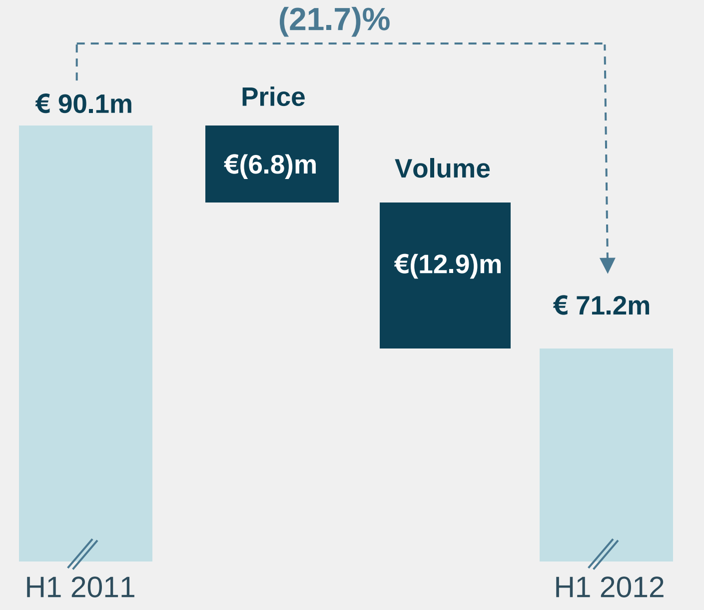
A: Negotiations terminated with preferred partner

Loss of strategic alignment with partner…

- Initial alignment on strategic intent
- Advanced negotiations and general agreement on terms
- Late divergence on ambition and financial terms
- Negotiation with most advanced partner now terminated

… in a context of strong top line decline

- French primary care sales down **21.7%** in H1 2012



Optimization of French primary care sales organization as modeled in the 2011 strategic business plan

A: Optimization project to start now

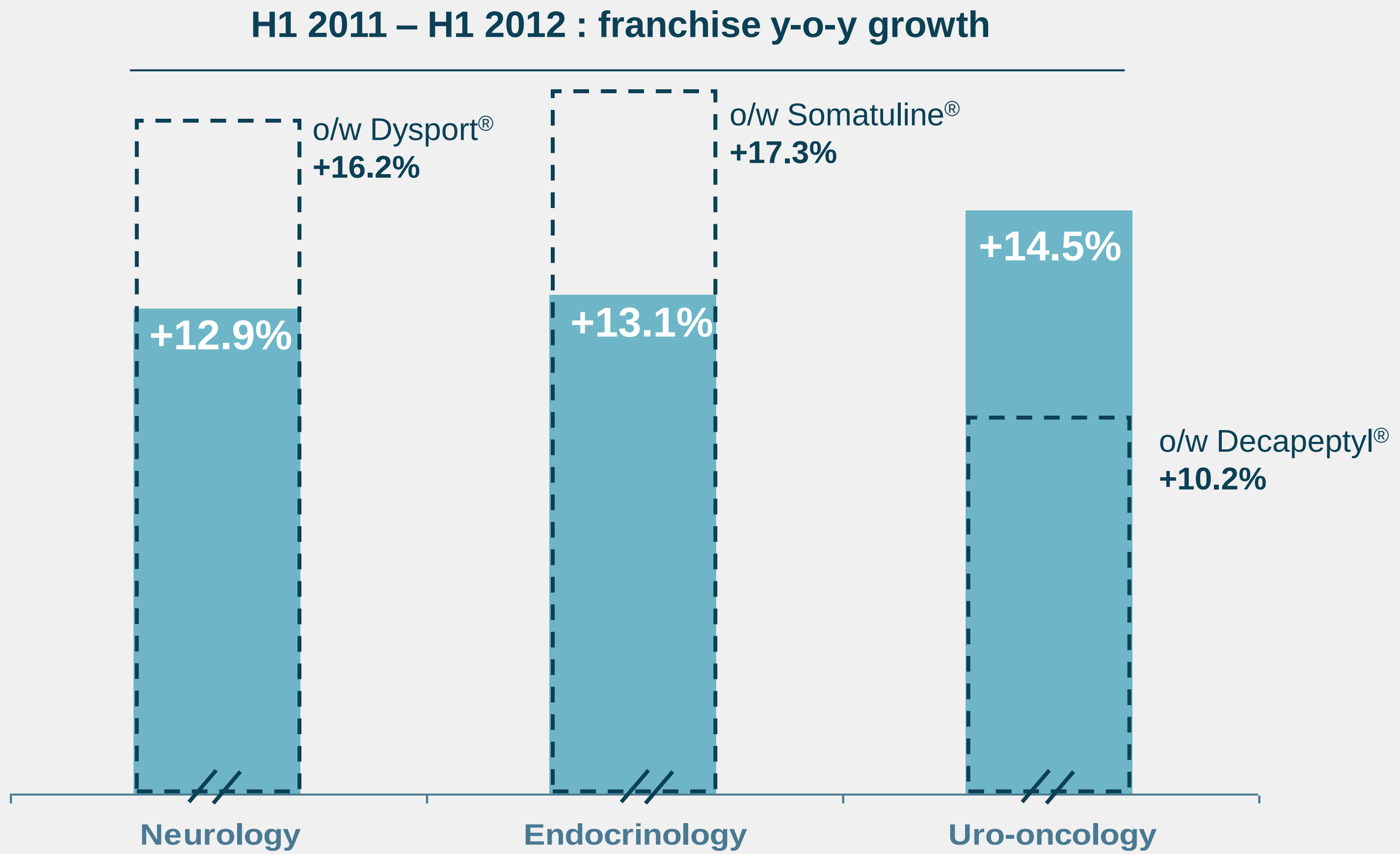
Today, announcement of French Primary care sales organization restructuring

Social consultation process to be initiated in Q4 2012

Target of c.100 positions in French Primary care sales organization

Estimated implementation in H1 2013

B: H1 2012, specialty care growth of 13.5%

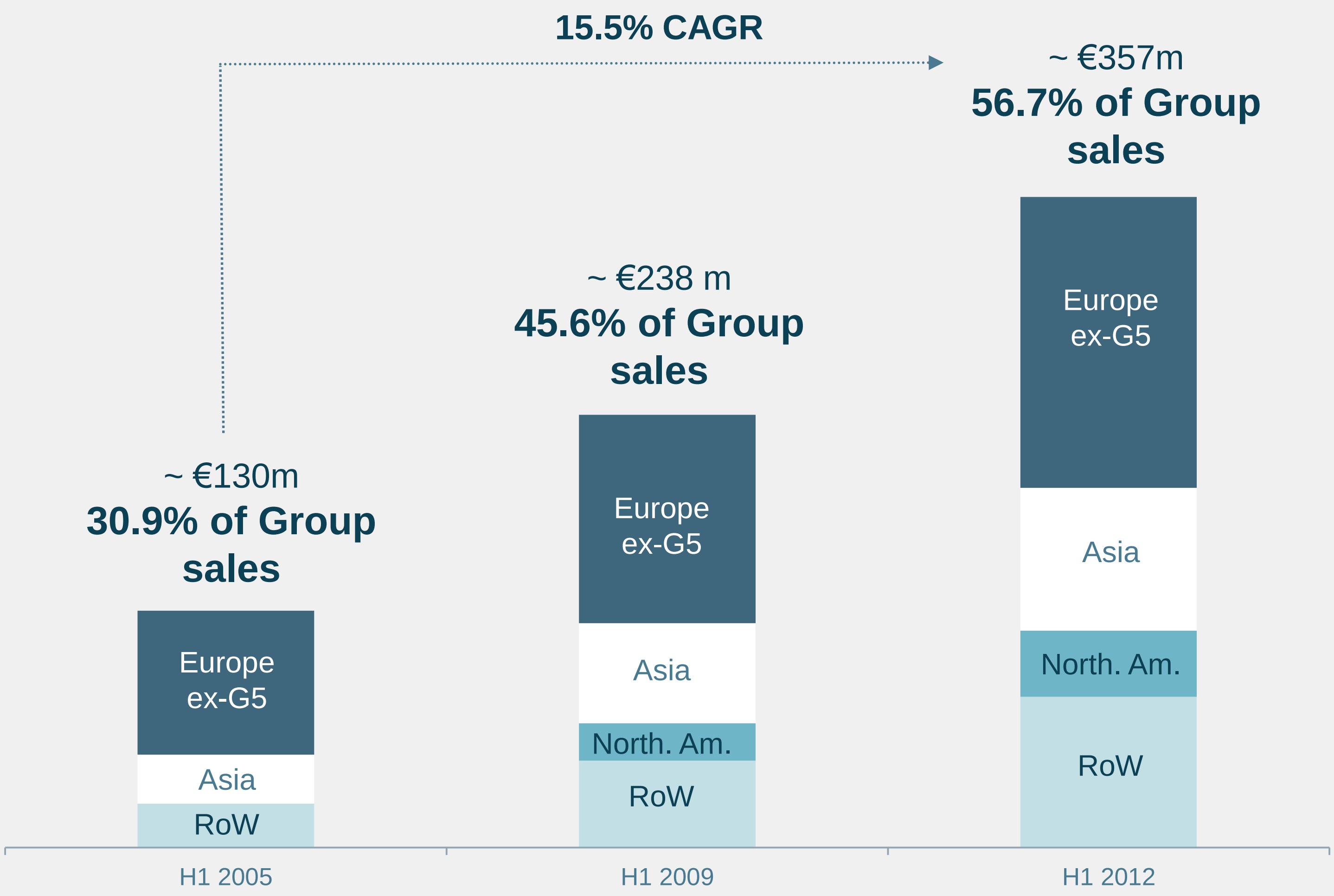


Excluding foreign exchange impacts

All franchises up double digit

All figures exclude foreign exchange impacts

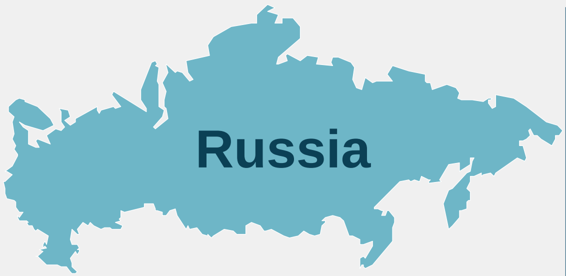
B: Historical strong growth beyond Europe G5[1], representing now more than half of Group sales



(1) G5: France, Spain, Italy, Germany and the U.K.

B: Selected examples of growth in emerging markets

Growth



c.+45%

- Very successful OTC campaign, almost compensating for French situation
- Very strong performance of Dysport®, market leader
- General activity on tenders

c.+25%

- Very strong performance of Dysport® both in therapeutic and aesthetic indications, market leader

~c.15%[1]

[1] Performance restated to exclude Etiasa®

- Strong performance negatively impacted by price and volume impact of Etiasa® inventory destruction
- Very strong performance of Decapeptyl®, up ~20% with higher growth of in-market sales
- Continued penetration of Smecta®

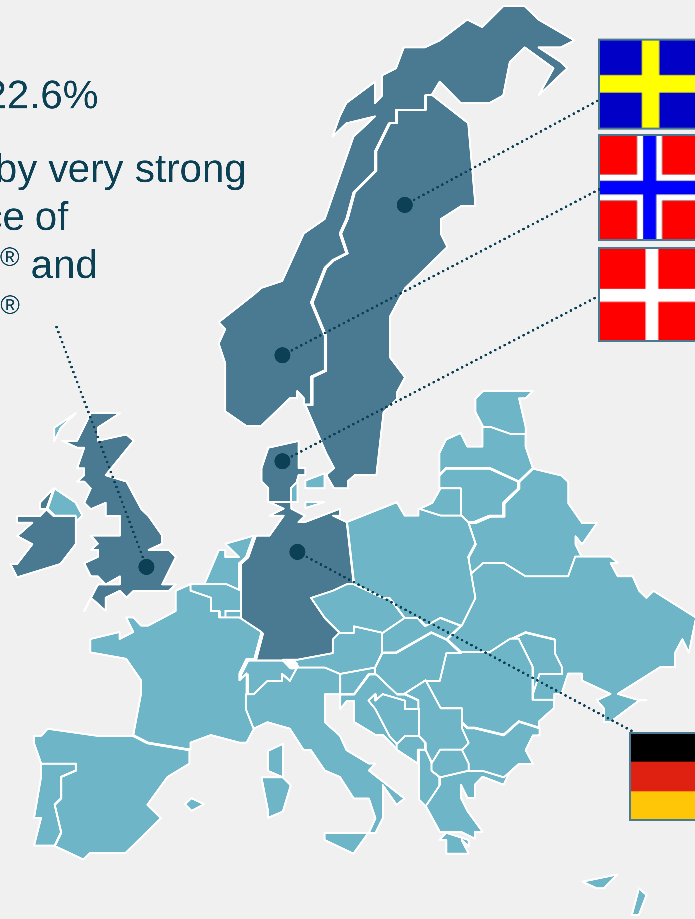
All growth rate are H1 2012 over H1 2011 and exclude foreign exchange impacts

B: Group growth also fuelled by strong performance in Europe, up 9.4% excluding Primary care France

Examples

Growth : +22.6%

Supported by very strong performance of Decapeptyl® and Somatuline®



Cumulated growth in Nordics countries: +17.6%

Supported by strong performance of Decapeptyl® and Somatuline®

Growth : +28.8%

Supported by strong performance of Somatuline®, Decapeptyl® and the successful launch of Hexvix®

All growth rate are H1 2012 over H1 2011 and exclude foreign exchange impacts

C: The US on the path to profitability

New Organization operational …

- New HQ, opened in New Jersey in April 2012, operational
- All positions hired with only normal turnover now occurring
- Business Unit focus realized with clear KPI's used to measure performance

… and improving profitability…

- For the first time in H1 2012:
  - North American platform profitability improving
  - Endocrinology Business unit profitable
    - Optimized Increlex® marketing support
    - Somatuline® performing well
  - Early positive signs of Dysport® turnaround

…while monitoring Increlex®'s supply in the US

Including revenues from Medicis, excluding R&D expenses

D: Inspiration, a new chapter in the partnership…

Recent IB1001 clinical hold has put pressure on Inspiration's financing

Classic licensing type agreement based on sharing of territory and cross royalty streams

Address Inspiration's financing needs while protecting Ipsen's interests

New commercial rights protect Ipsen's interests in negotiated territories

Upfront payment of $30m with potential regulatory and sales based milestones up to $170m

Call option to expire upon successful refinancing of Inspiration

At 30 June 2012, the total net amount of Inspiration-related assets on the Group's balance sheet reached approximately 81 million euros after tax

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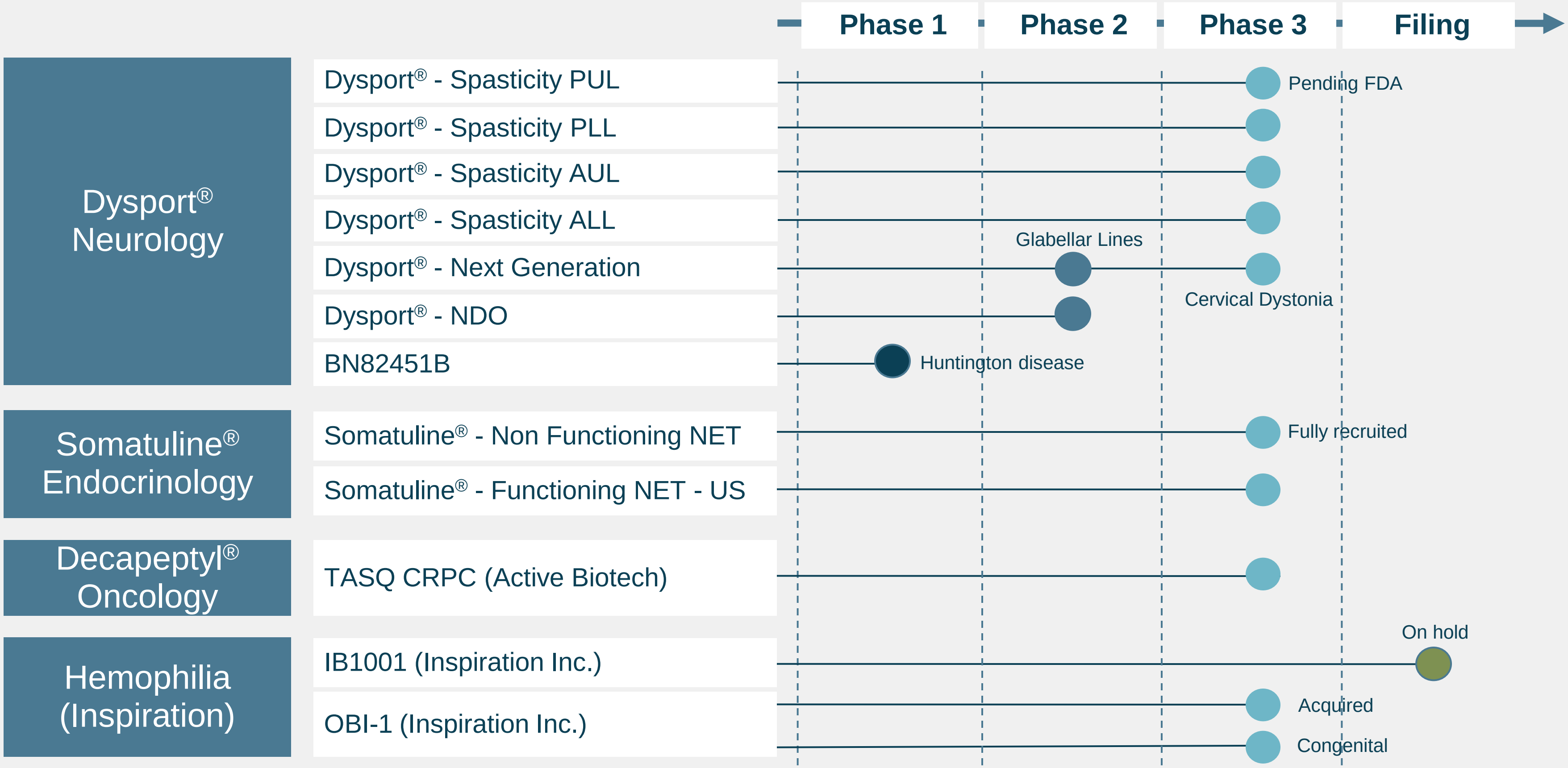
E: A rich late stage pipeline



9 on-going phase IIIs, 2 for NMEs, 7 for life cycle management

1 NME in Ph I

E: Pipeline update

Tasquinimod	Recruitment on target (total of 1200 patients)	Top line results expected end 2013
Dysport® Adult Upper Limb (AUL)	On track for key indication	Filing 2014
Somatuline® NET US	Recruitment back on track and on target	Filing 2014
BN82451B	New Phase 1 compound Huntington disease	-

Concluding remarks and outlook

Marc de Garidel
CEO

Transformation continues with new a orientation in French primary care

2011

- [x] Define strategy
- [x] Merge R&D
- [x] Reinforce Uro-oncology franchise
- [x] Dysport® CD CTA[1] filing in China
- [x] Somatuline® Acromegaly CTA(1) filing in China
- [x] New extended Executive Committee staffed
- [x] Franchise org. implemented
- [x] IB1001 filed in Europe
- [x] Sale of Apokyn®

2012

- [x] R&D « PoC » machine implemented
- [x] Barcelona R&D site closed
- [ ] ~~JV~~ French primary care optimization
- [x] IB1001 filed in the USA
- [ ] OBI-1 PhIII (Acquired H) enrollment completed
- [x] OB-1 PhIII Congenital H. initiated
- [x] US platform reorganized
- [x] Somatuline Japan

2013

- [ ] Somatuline® New device rolled out globally
- [ ] Dysport® A.& P. L.L spasticity filed
- [ ] Dysport® NDO Ph III initiated
- [ ] Smecta® EDL assessment (China)
- [ ] OBI-1 Acquired H. filed in the US
- [ ] Tasq Ph III results

2014

- [ ] TASQ filed in Europe
- [ ] Somatuline® F. NET filed in the US
- [ ] Somatuline® NF NET filed WW
- [ ] Dysport® A.U.L filed
- [ ] Dysport® NG filed
- [ ] Inspiration option assessment
- [ ] Smecta® EDL assessment (China)

2015

- [ ] Inspiration option assessment
- [ ] Dysport® P.U.L filed in the US
- [ ] 5 new Pre clinical candidates (vs. June 2011) O/W 3 reach POC
- [ ] Smecta® EDL assessment (China)

Transformation continues…

2012 raised objectives

Specialty Care - Drug sales	In the *upper range* of +8.0% to +10.0%, year-on-year
Primary Care - Drug sales	Decrease of approximately 15.0%, year-on-year
Recurring Adjusted* operating margin	approximately 15.0% of sales *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.*

The above objectives are set at constant currency and perimeter

** Prior to non-recurring expenses*

Thank You

Marc de Garidel
CEO

Appendices

Full P&L : from reported to Recurring adjusted

(in million euros)	30 June 2012 restated	% Sales	Effects of acquisitions in North America(1)	Impairment Losses (2)	Other non-recurring items(3)	30 June 2012	% Sales
Revenue	**675.0**	***107.2%***				**675.0**	**107.2%**
Cost of goods sold	(129.0)	(20.5)%				(129.0)	(20.5)%
Research and development expenses	(131.5)	(20.9)%				(131.5)	(20.9)%
Selling expenses	(229.6)	(36.5)%				(229.6)	(36.5)%
General and administrative expenses	(49.0)	(7.8)%				(49.0)	(7.8)%
Other operating income	2.5	0.4%				2.5	0.4%
Other operating expenses	(4.2)	(0.7)%			(9.8)	(14.1)	(2.2)%
Amortisation of intangible assets	(2.7)	(0.4)%	(0.4)		(2.5)	(5.6)	(0.9)%
Restructuring costs	(0.0)	0.0%			(3.9)	(3.9)	(0.6)%
Impairment losses		0.0%		10.8		10.8	1.7%
Operating income	**131.5**	***20.9%***	**(0.4)**	**10.8**	**(16.2)**	**125.7**	**20.0%**
Financial income/(expense)	**5.0**	**0.8%**			**10.5**	**15.5**	**2.5%**
Income taxes	(36.1)	(5.7)%	0.1	(3.9)	3.4	(36.5)	(5.8)%
Share of profit/loss from associated companies	(14.2)	(2.2)%				(14.2)	(2.2)%
Net profit from continuing operations	**86.2**	***13.7%***	**(0.2)**	**6,9**	**(2.4)**	**90.5**	**14.4%**
Profit from discontinued operations							
Consolidated net profit	**86.2**	***13.7%***	**(0.2)**	**6,9**	**(2.4)**	**90.5**	**14.4%**
– attributable to shareholders of Ipsen S.A.	86.0		(0.2)	6,9	(2.4)	90.2	0.0%
– attributable to minority interests	0.2					0.3	
Diluted earnings per share (in euros)	***1.02***					***1.07***	

(1) Effects of the allocation of goodwill resulting from transactions by the Group in North America
(2) Impairment losses resulting from the impairment write-back of the Dreux factory and an impairment loss on deprioritized R&D projects
(3) Other non-recurring items include:

- *Non-recurring fees incurred during the implementation of the strategy announced on 9 June 2011*
- *Non-recurring expenses linked with restructuring corresponding to the transfer of the Group's North American commercial subsidiary to the East Coast*
- *Settlement of a trade dispute with a partner*
- *An administrative procedure towards the Group*