Ipsen

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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.

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.

Ipsen's strategy and 2020 aspiration

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 revenues[1]

…and more than triple EBIT[2]

NOTE 1: 2020 projected 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

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Business and Strategy update on 2012 milestones

2012 milestones

A Restructure primary care France as profitability deteriorates

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

C Relaunch US operations to increase profitability

D Address the Inspiration situation

E Progress rich late stage pipeline

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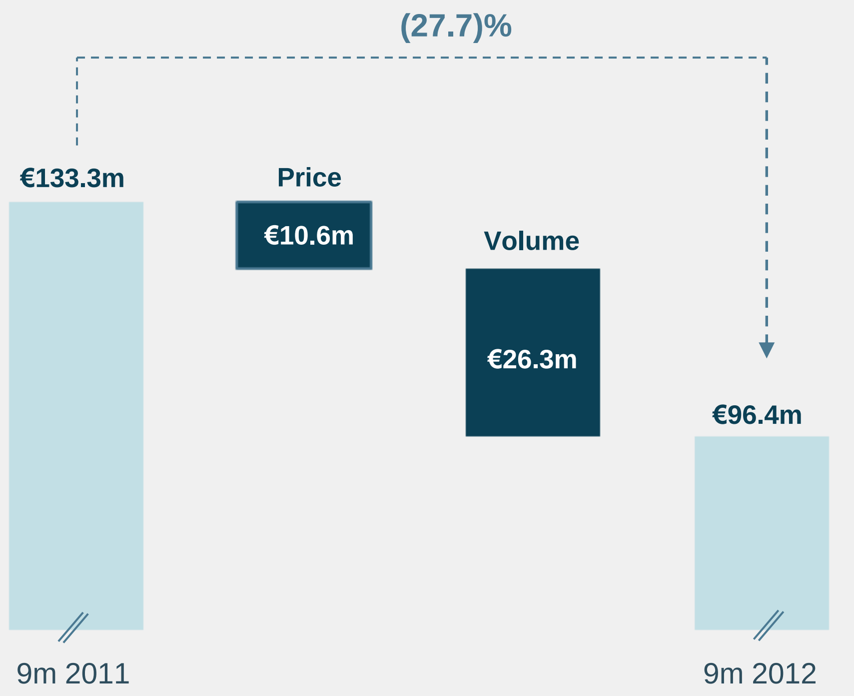
A: Strong decline in French primary care accelerated by "tiers-payant" regulation

French primary care sales down 27.7% in the first 9 months 2012



- Tanakan® down (41.4%)
- Nisis/Nisisco® down (54.1%)

A: Optimization project ongoing

Announcement of French Primary care sales organization restructuring last August

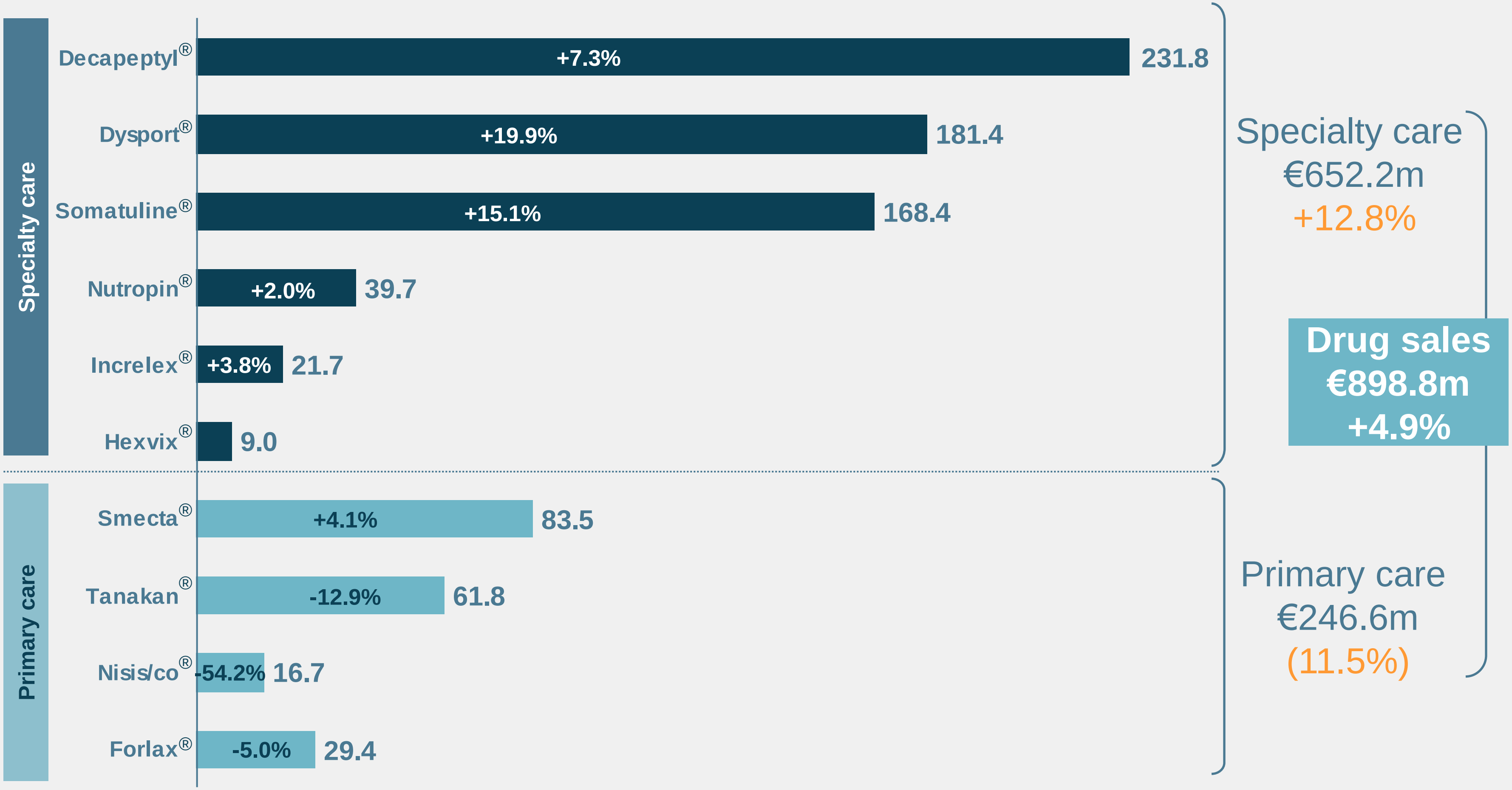
Social consultation process to be initiated in Q4 2012

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

Estimated implementation in H1 2013

B: First 9 months 2012, specialty care growth of 12.8%

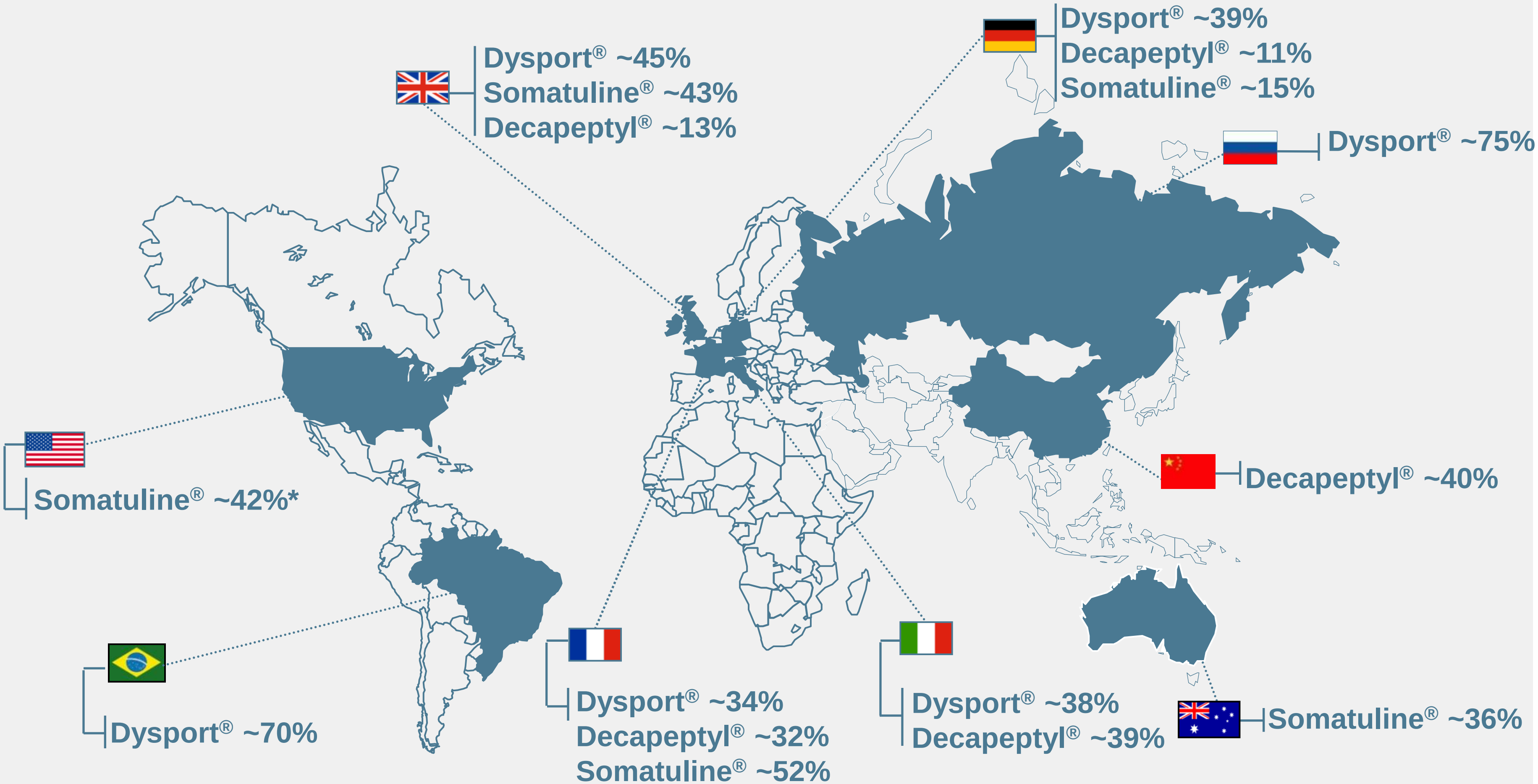
Drug Sales - 9m 2012
in million euros - % excluding foreign exchange impacts



B: A well balanced footprint

Ipsen recorded sales in more than 100 countries in 2012

Ipsen market shares



Sources: IMS, PharmExpert, DataSus
Rounded Market shares at Q1 2012
Market shares are for (i) Dysport® in medical indications only, in value expressed in local currency (ii) Decapeptyl® and Somatuline® in monthly equivalent units
** Somatuline US MS calculated on the Somatostatin analogs market*

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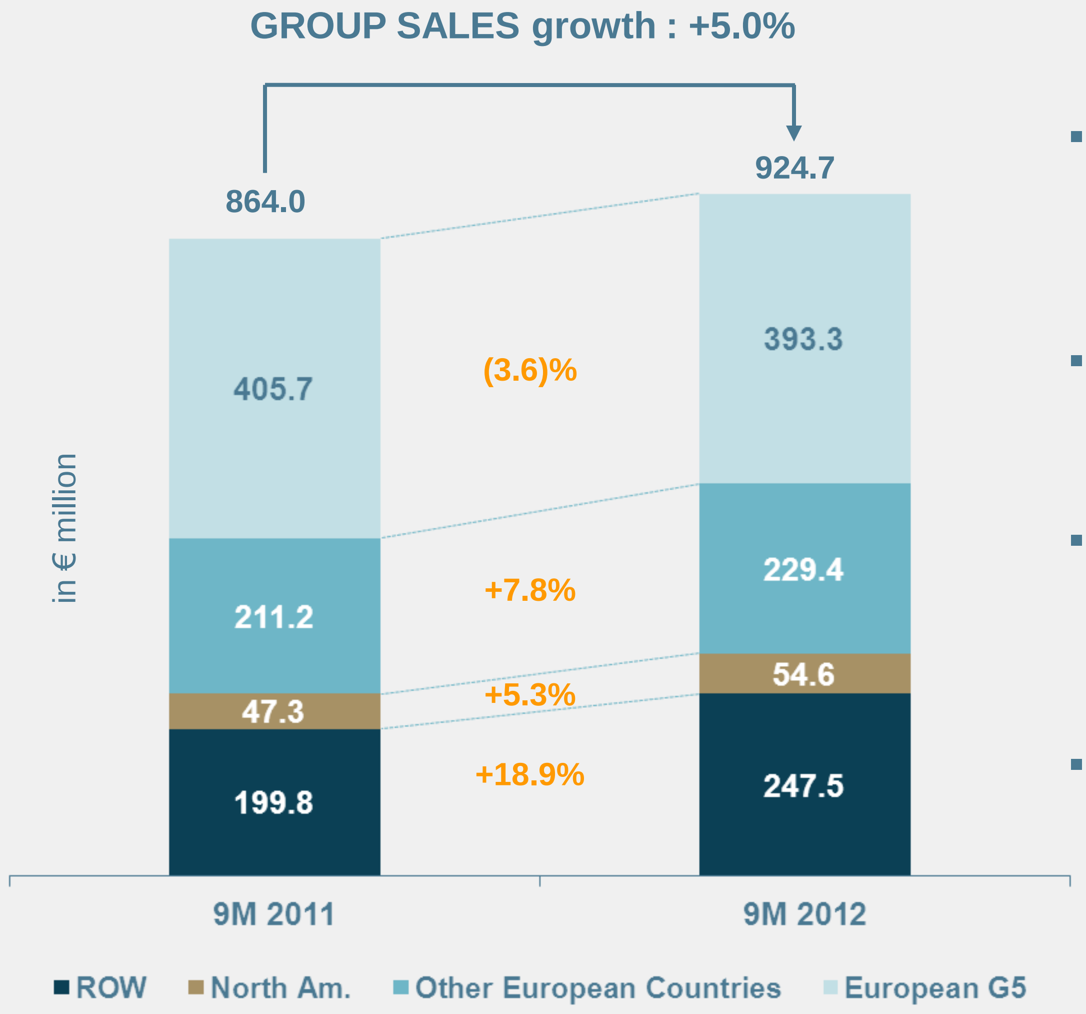
B: 9 months Group's Sales driven by regions other than G5



- **European G5**
  Specialty care sales growth offset by French Primary care and government measures in Spain
- **Other European countries**
  Performance driven by Russia, Poland, the Netherlands and Ukraine
- **North America**
  Continued penetration of Somatuline®. Strong supply of Dysport® for aesthetic use to Medicis
- **ROW**
  Strong performance enhanced by stocking in Algeria, Australia, Vietnam and Latin America (restated growth: +14.8%)

Growth rates excluding 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 situation - Executive Summary

Inspiration Biopharmaceuticals seeks chapter 11 protection

Joint effort to find the best path to develop and commercialize Inspiration's product candidates

Ipsen to DIP finance (up to $18.3m) Inspiration to continue operations

Ipsen and Inspiration to jointly sell respective hemophilia assets

Ipsen's hemophilia related assets on its balance sheet amount to c.120 million euros after tax as of October 31, 2012

D: Reminder of the evolution of Inspiration's situation

2011 | **2012**

IB1001

September Filing of IB1001 in Europe

April Filing of IB1001 in the US

4 patients with CHO antibodies

June Sudden increase in CHO antibody in patients using IB1001

18 patients with CHO antibodies, some with very high titers

July FDA Clinical hold

August Deal renegotiation

September 1/3 party financing deadline

October Inspiration files for chapter 11 bankruptcy
Assets jointly put up for sale

OBI-1

Acquired hemophilia Ph III recruiting

*World excluding the Americas, Japan

D: Chapter 11, a common solution to reorganize Inspiration

Chapter 11

- Management and board remain in control
- Obligations to creditors frozen
- Ipsen to provide up to $18.3m of Debtor-In-Possession (DIP)
- Court-approved auction process

Maximize asset value

- A common solution
- An organized sale process managed by jointly mandated investment bank
- DIP to fund Inspiration's operations through the sales process

Optimize the burn rate to enable continued development

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D: Assets united to offer global rights for sale

Joint asset* sale

Inspiration's lead assets	Ipsen's lead assets
▪ Commercial rights[1] to OBI-1 ▪ Commercial rights[1] to IB1001 ▪ Development and manufacturing rights on both products	▪ Commercial rights[2] to OBI-1 ▪ Commercial rights[2] to IB1001 ▪ OBI-1 industrial facility in Milford (Boston, MA) ▪ Development and manufacturing rights on both products

[1]Commercial rights mainly in the Americas and Japan

[2]Commercial rights in Europe (EU, Switzerland, Monaco, Norway, Lichtenstein, Georgia, Bosnia, Albania and all EU candidates excluding Turkey), Russia and CIS (Community of Independent States), part of Asia Pacific (main countries are Australia, New Zealand, China, Singapore, South Korea and Vietnam) and certain countries in North Africa (Morocco, Algeria, Tunisia, Libya)

*subject to certain ipsen conditions

D: Expected* maximum impacts on Ipsen's P&L

As of 31 October 2012

P&L line	What?	2012 Net Impact
Other Revenues	• European Business Unit invoiced proceeds • OBI-1 manufacturing costs invoiced proceeds	Moved to discontinued operations
SG&A	• European Business Unit (EUBU) operating costs	Moved to discontinued operations
R&D	• OBI-1 manufacturing costs	Moved to discontinued operations
Share of loss	• Consolidation of 21.6% of Inspiration's losses	Moved to discontinued operations
Discontinued operations	• All hemophilia-related assets put up for sale • EUBU costs • OBI-1 manufacturing costs	Potential impairment charge**

*To be confirmed by relevant authorities

**Net of remaining value of Inspiration in Ipsen's accounts and liquidation of Inspiration's assets + bankruptcy court's decision on proper distribution of sale proceeds

E: A rich late stage and replenishing early stage pipeline

Phase I	Phase II	Phase III	2013 / 2014 update
		Somatuline® Fonctionning NET US	Somatuline® Fonctionning NET US Filing 2014
		Somatuline® Non Fonctionning NET	Somatuline® Non Fonctionning NET Filing 2014
	Tasquinimod 4 POCs	Tasquinimod mCRPC	Tasquinimod mCRPC PhIII results End 2013
	Tasquinimod Maintenance post Docetaxel	Dysport® Spasticity	Dysport® AUL Spasticity 2014 filing
BN 82451 Huntington Diseace	Dysport® Next Generation Glabellar Lines (completed)	Dysport® Next Generation CD (fully recruited)	Dysport® Next Generation Top line results + stability 2013

Concluding remarks and outlook

2012 raised objectives

Specialty Care - Drug sales	*Around +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

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Ipsen confirms 2020 ambitions

Increase Focus | **Invest to Grow** | **Leverage Footprint**

Strong evidence of delivering strategy since June 9, 2011…

…and clear levers to achieve 2020 ambitions

Ipsen confirms 2020 ambition:

More than double revenues[1]

…and more than triple EBIT[2]

NOTE 1: 2020 projected figures are set at constant foreign exchange rate
NOTE 2: prior to non recurring elements
NOTE 3: prior to non recurring elements and excluding Inspiration

Thank You

Appendix

H1 2012 results

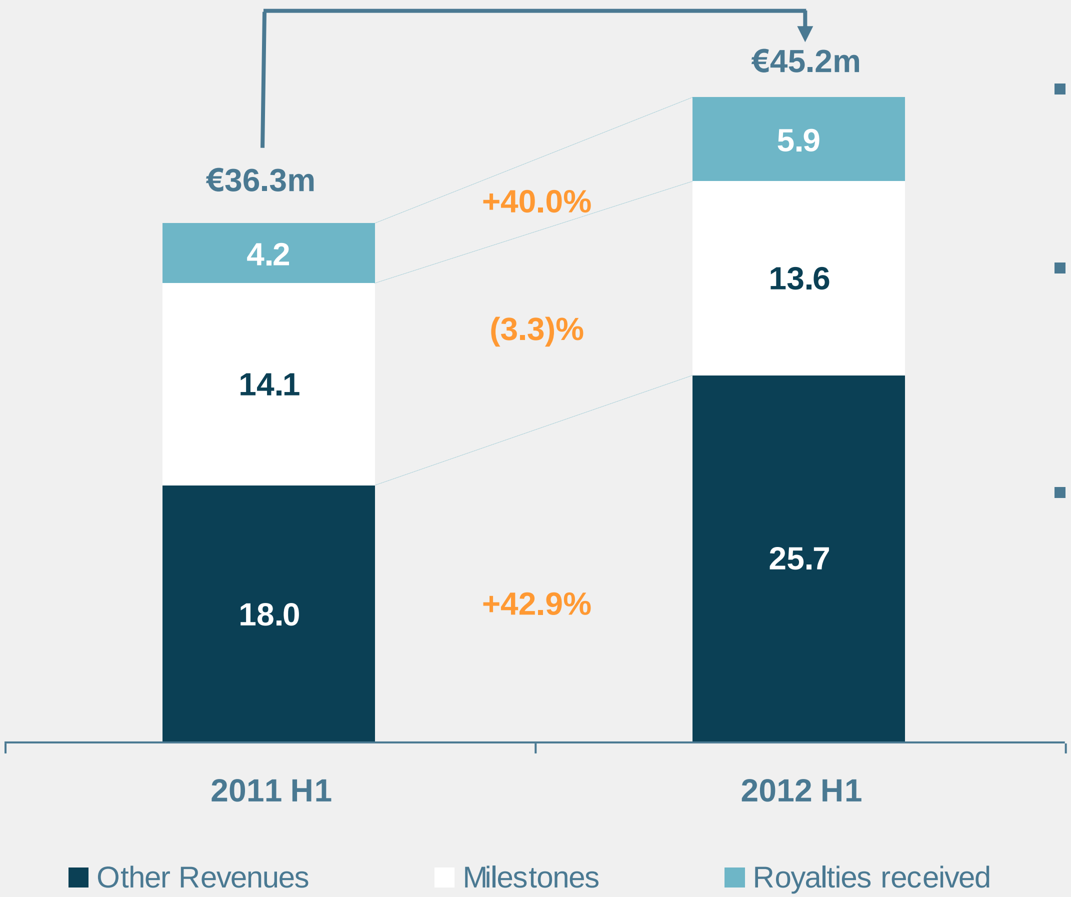
Summary of H1 2012 P&L and evolution

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 *Margin[1]*	125.7 *20.0%*	120.8 *20.7%*	+4.1%
Recurring adjusted[2] operating income *Margin[1]*	131.5 *20.9%*	143.9 *24.7%*	(8.6)%
Consolidated Net Profit *(attributable to Ipsen shareholders)*	90.2	91.7	(1.6)%
Fully diluted EPS	€1.07	€1.09	(1.5)%
Fully diluted recurring adjusted[2] EPS	€1.02	€1.27	(19.8)%

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

Other Revenues

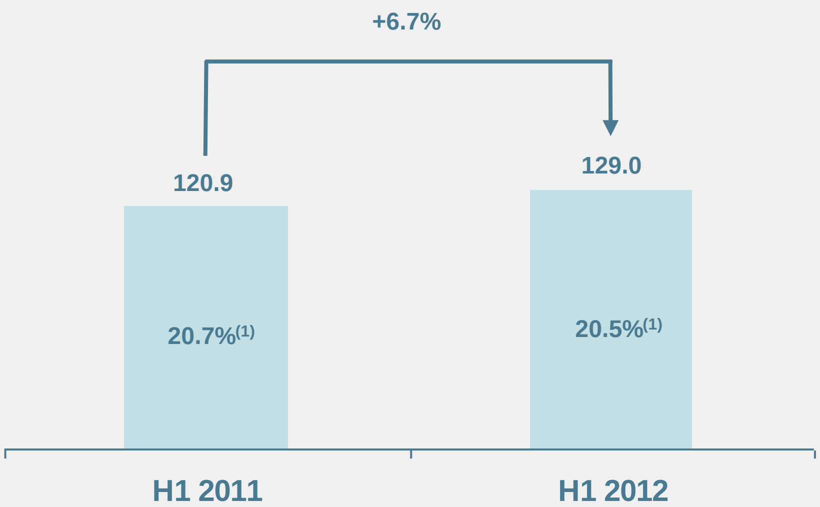
In million euros **Other Revenues Evolution: : +24.6%** or **+11.2% excluding Inspiration**



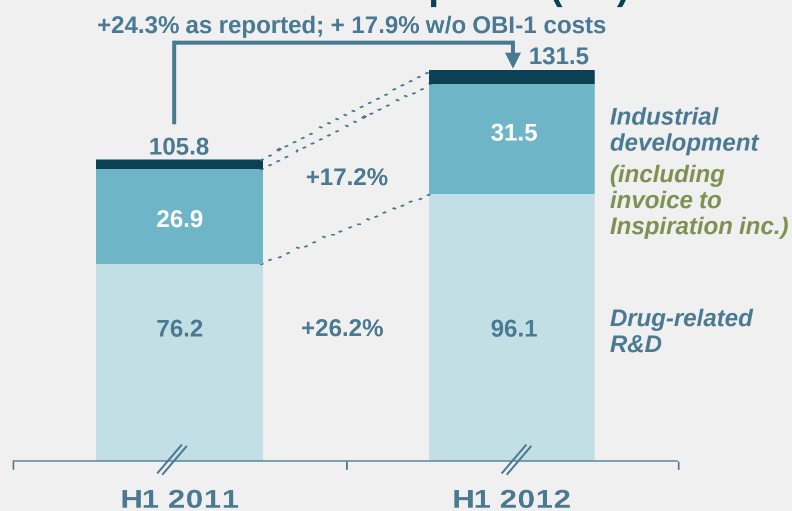
- **Royalties Received**
  Increased royalties from Medicis, Galderma and Menarini
- **Milestones**
  Stable year-on-year, stemming from the Group’s main partnerships (Medicis, Galderma, Menarini, Inspiration…)
- **Other revenues**
  Invoicing of OBI-1’s development costs to Inspiration Inc. and income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

Main P&L items : Above operating income

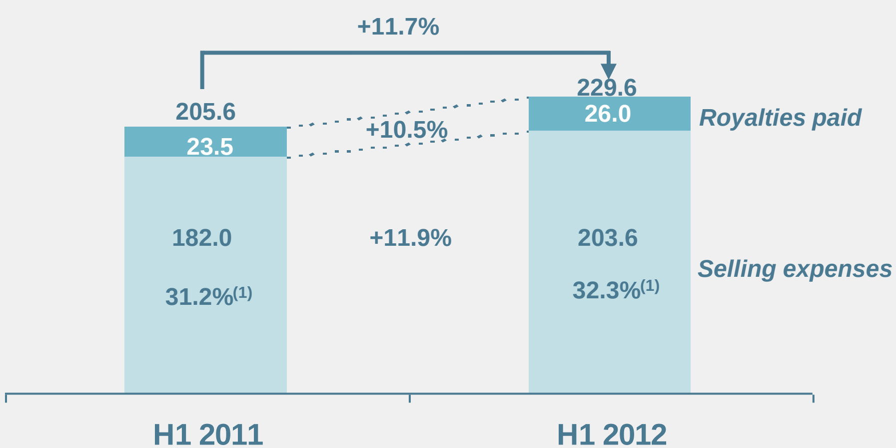
COGS (€m)



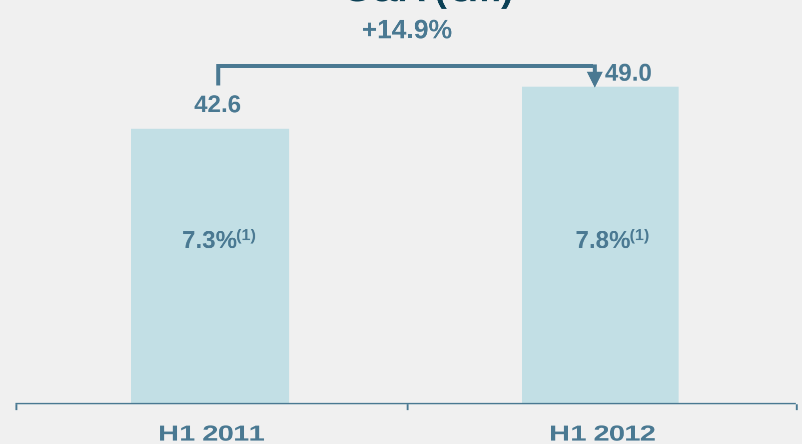
Research & Development (€m)



Sales & Marketing (€m)



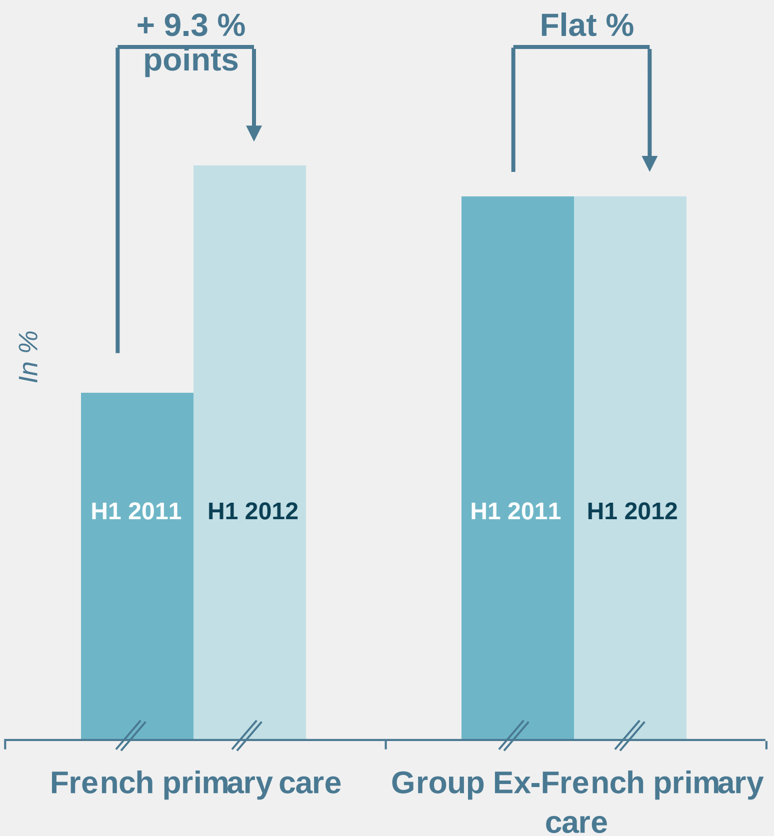
G&A (€m)



(1) In % of sales

Focus : Sales & Marketing expenses

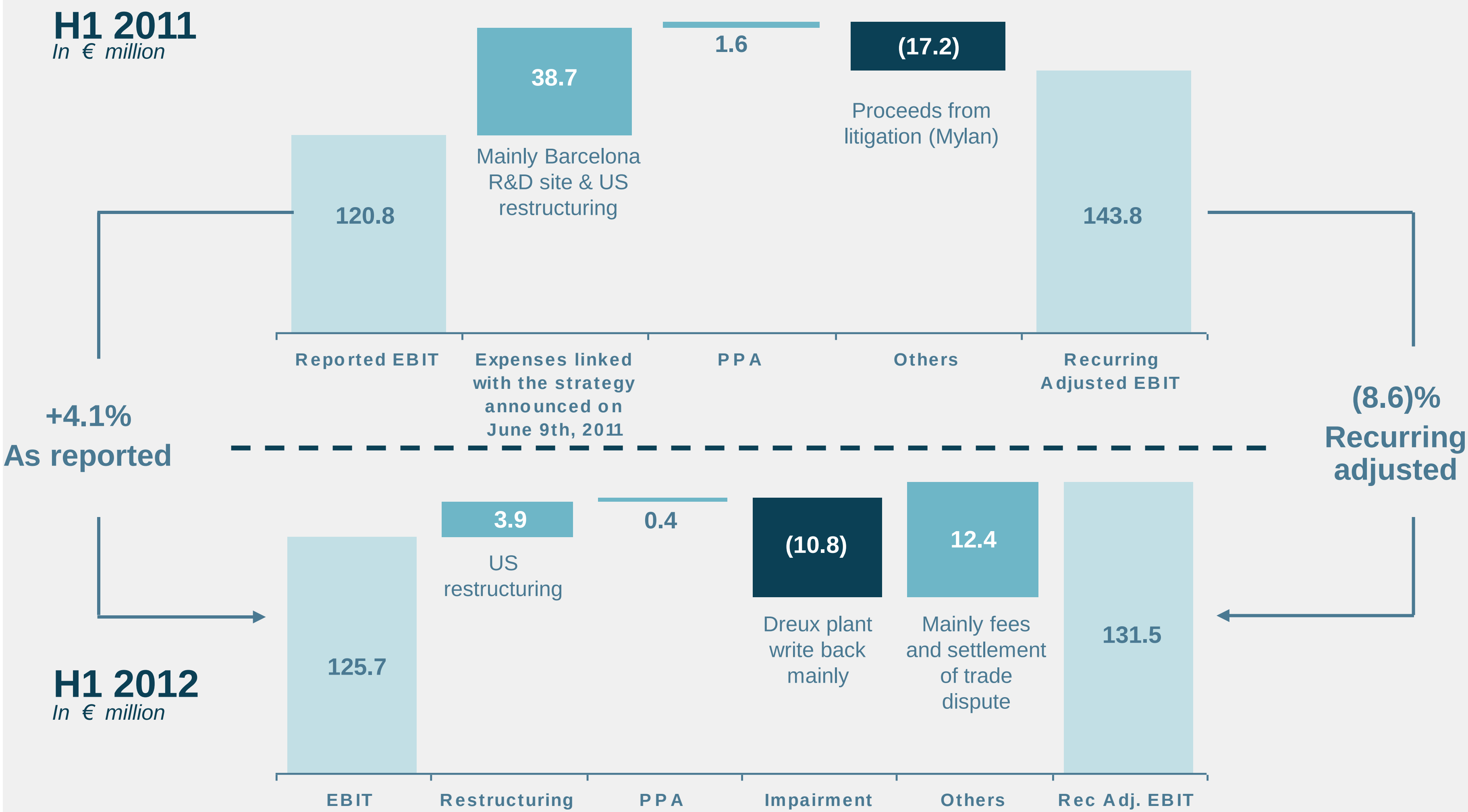
Evolution of SMM[1] to sales ratio (in %)
H1 2011 – H1 2012



- **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

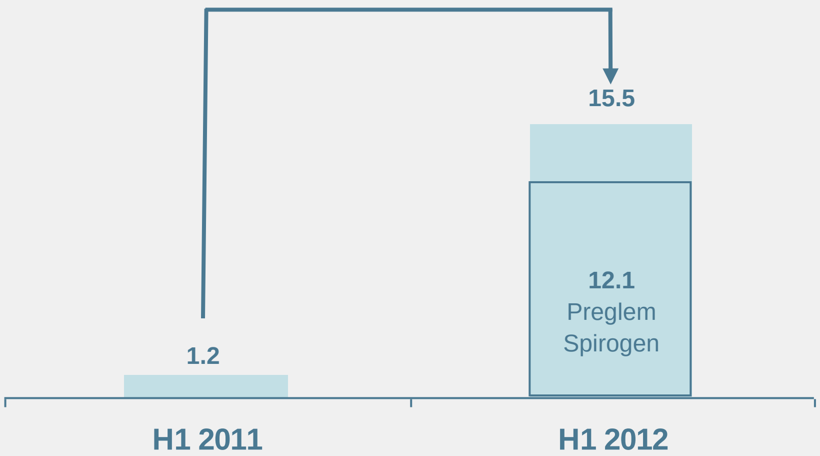
From reported to Recurring adjusted[1] Operating Income



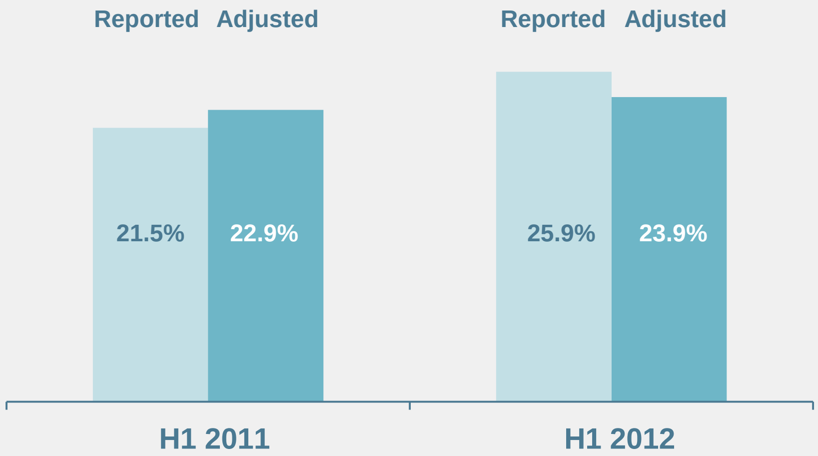
NOTE 1: before non recurring elements

Main P&L items : Below operating income

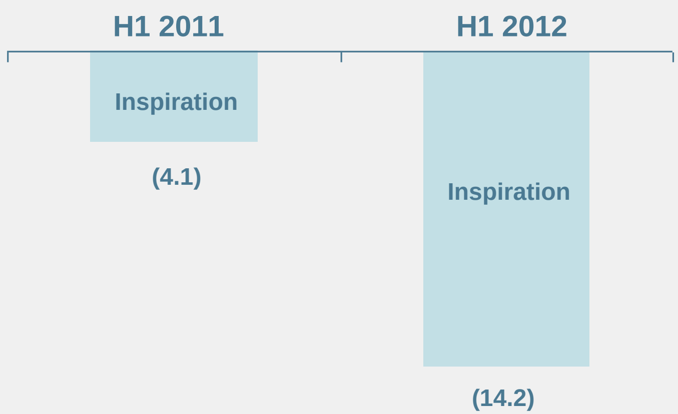
Financial Result (€m)



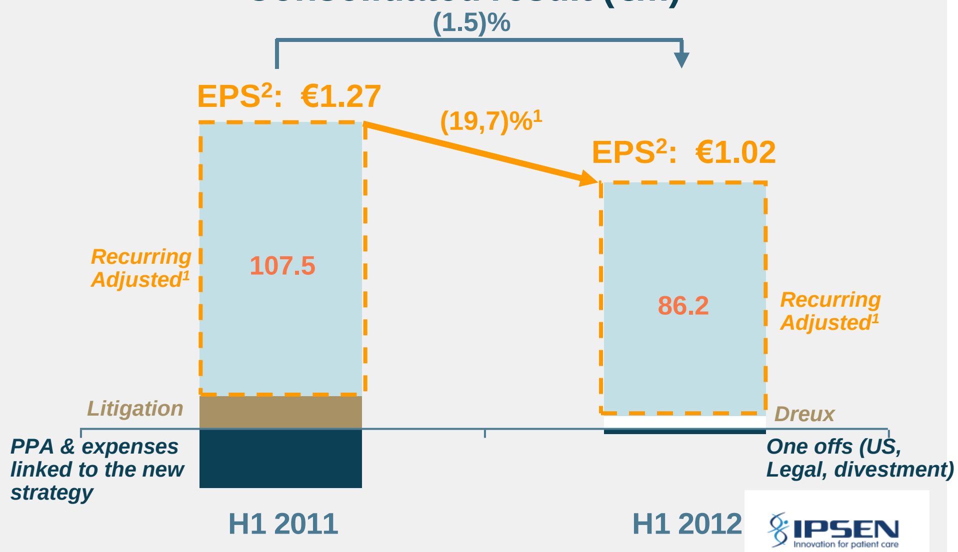
Effective tax rate



Share of loss from associates (€m)



Consolidated result (€m)



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

Balance sheet evolution

In € million

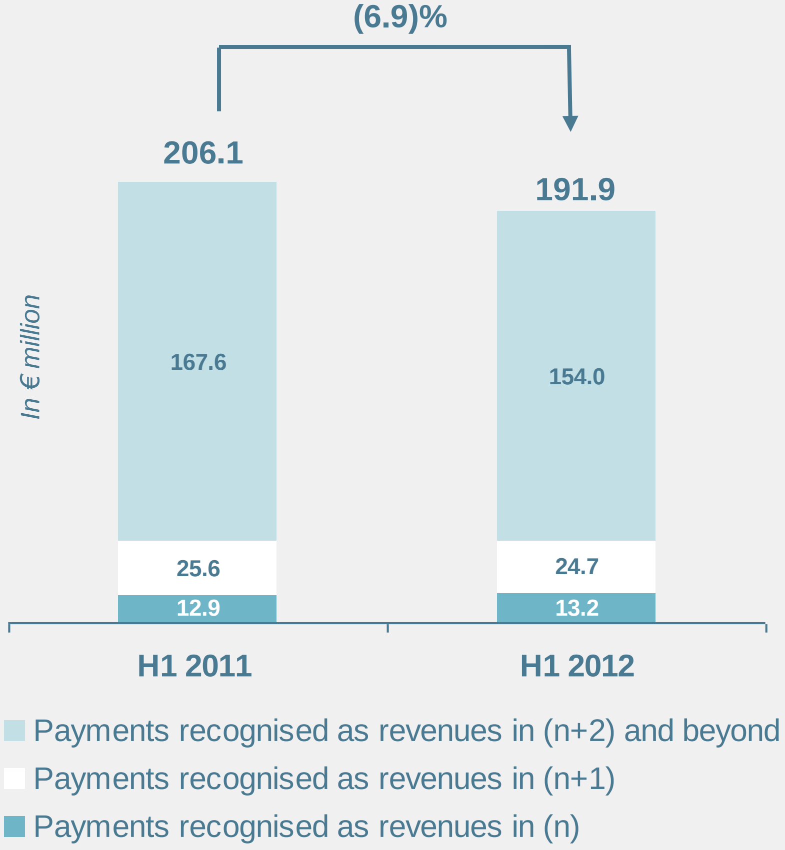
Assets	2011	H1 2012
Goodwill	**299.5**	**304.0**
Investment in associated companies	**0.0**	**0.0**
Property, Plant & equipment	**271.7**	**291.7**
Intangible assets	**135.6**	**142.0**
Other non-current assets	**293.8**	**312.9**
Total non-current assets	**1 000.6**	**1 050.6**
Total current assets	**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

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

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 19.8%

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