





# Ipsen

## 31<sup>st</sup> Annual J.P. Morgan Healthcare Conference



Marc de Garidel  
President and CEO



# 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.

# Executive summary

Ipsen's strategy paying off

Sizing of French primary care restructuring finalized and  
Inspiration sales process moving forward

Advancing on 2020 ambition

2012 financial objectives confirmed

# Agenda

**1**

**Ipsen delivering on its fundamentals**

**2**

**Ipsen progressing well in the management of two  
challenging situations**

**3**

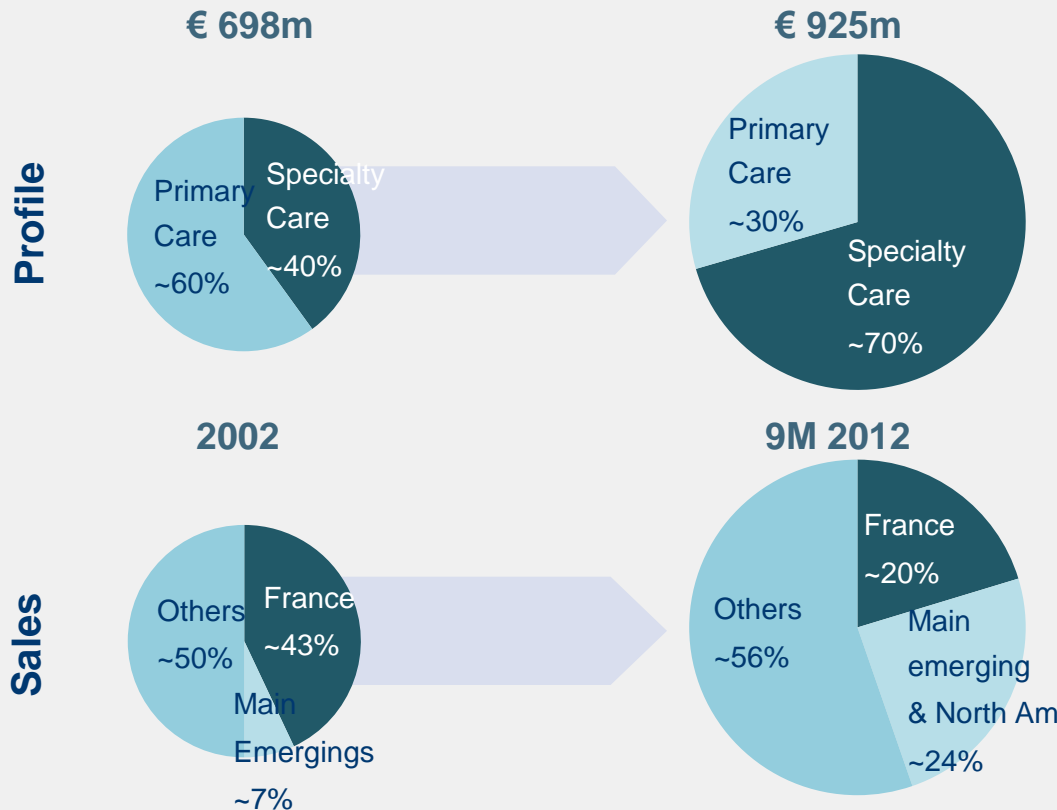
**Advancing on 2020 ambition**

**4**

**2012 financial objectives**

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

Evolution of Ipsen's sales profile...



Main emerging countries : China, Russia, Brazil  
 Note : French accounting standards for 2002 figures

...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%

CAGRs are calculated on full year basis

# Ipsen's strategy and 2020 ambition

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<sup>1</sup>

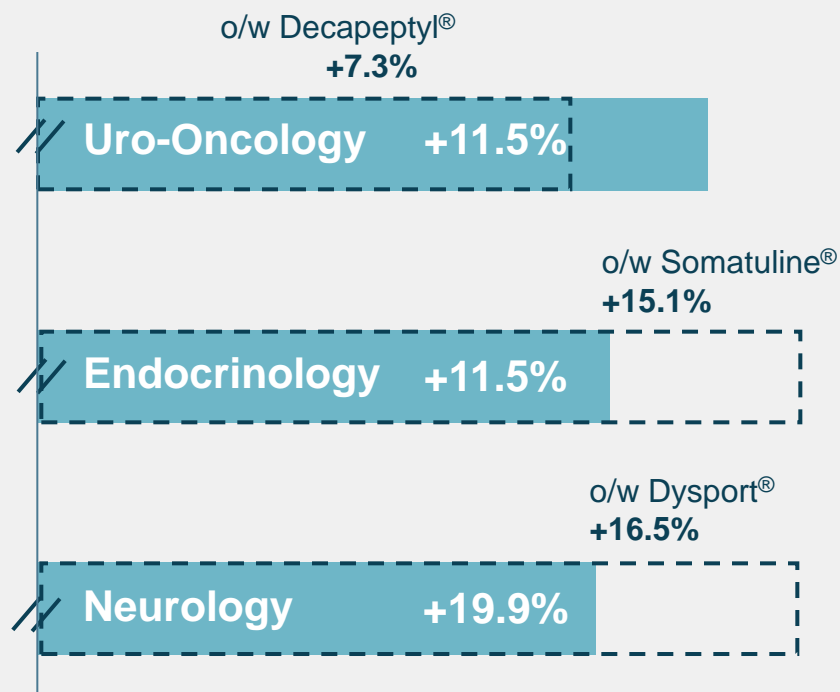
...and more than triple EBIT<sup>2</sup>

*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*

# Focus starting to pay off: a successful franchise-based model

## 9M 2011 – 9M 2012 : franchise y-o-y growth



## Recognition of Ipsen's commitment

*"We are very pleased to see Ipsen placing such a strong focus on uro-Oncology. It is key to have a broader product offering in prostate cancer."*

**Declan G Murphy\***

Head of Uro-Oncology Tumour Stream | Royal Melbourne Hospital

*"It is truly a pleasure working with Ipsen and we are so appreciative of Ipsen's support for the Worldwide NET Cancer Day Alliance."*

**Grace Goldstein**

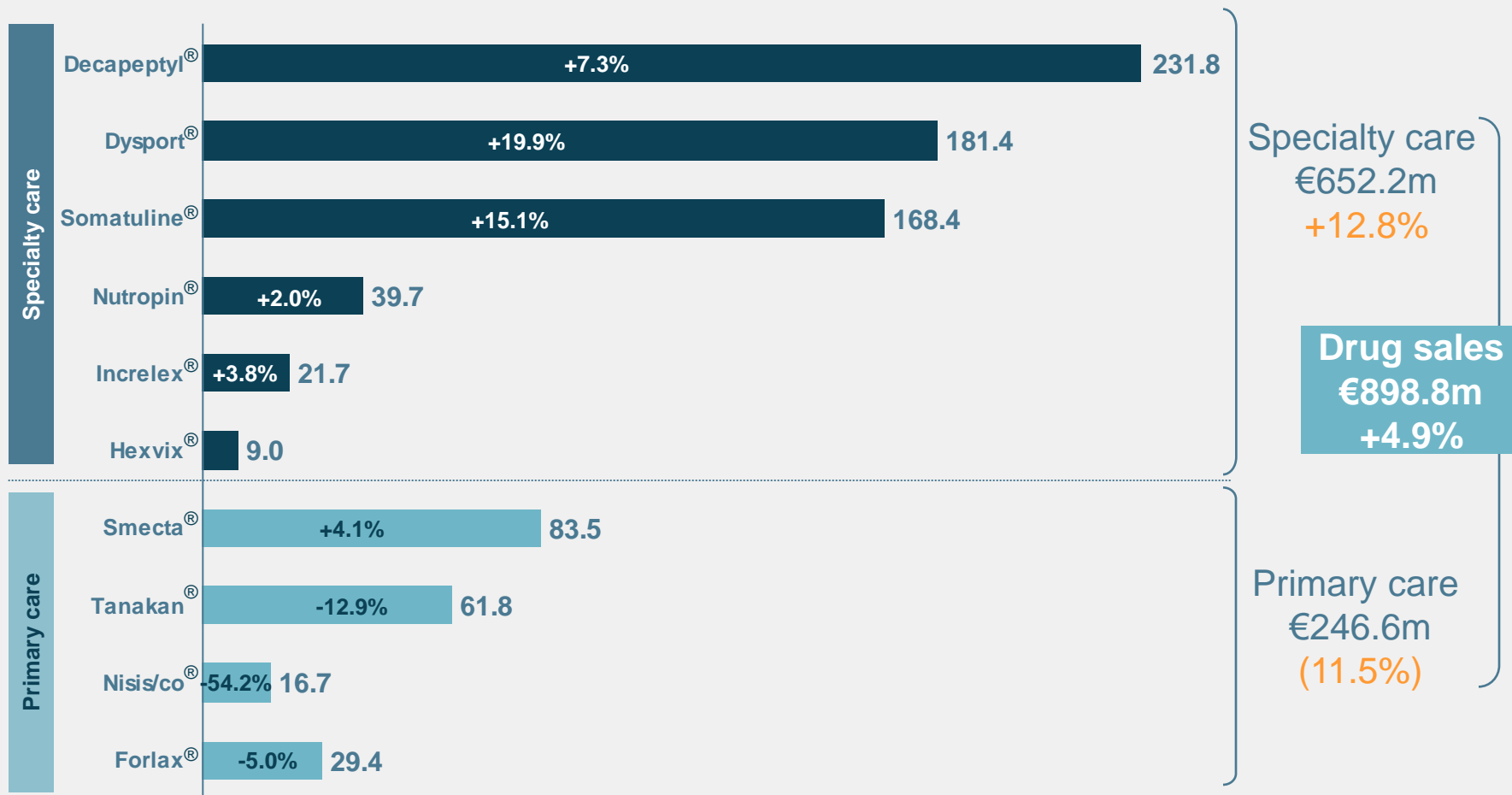
Chairperson, Executive Committee, Worldwide NET Cancer Awareness Day Alliance

**All franchises up double digit**

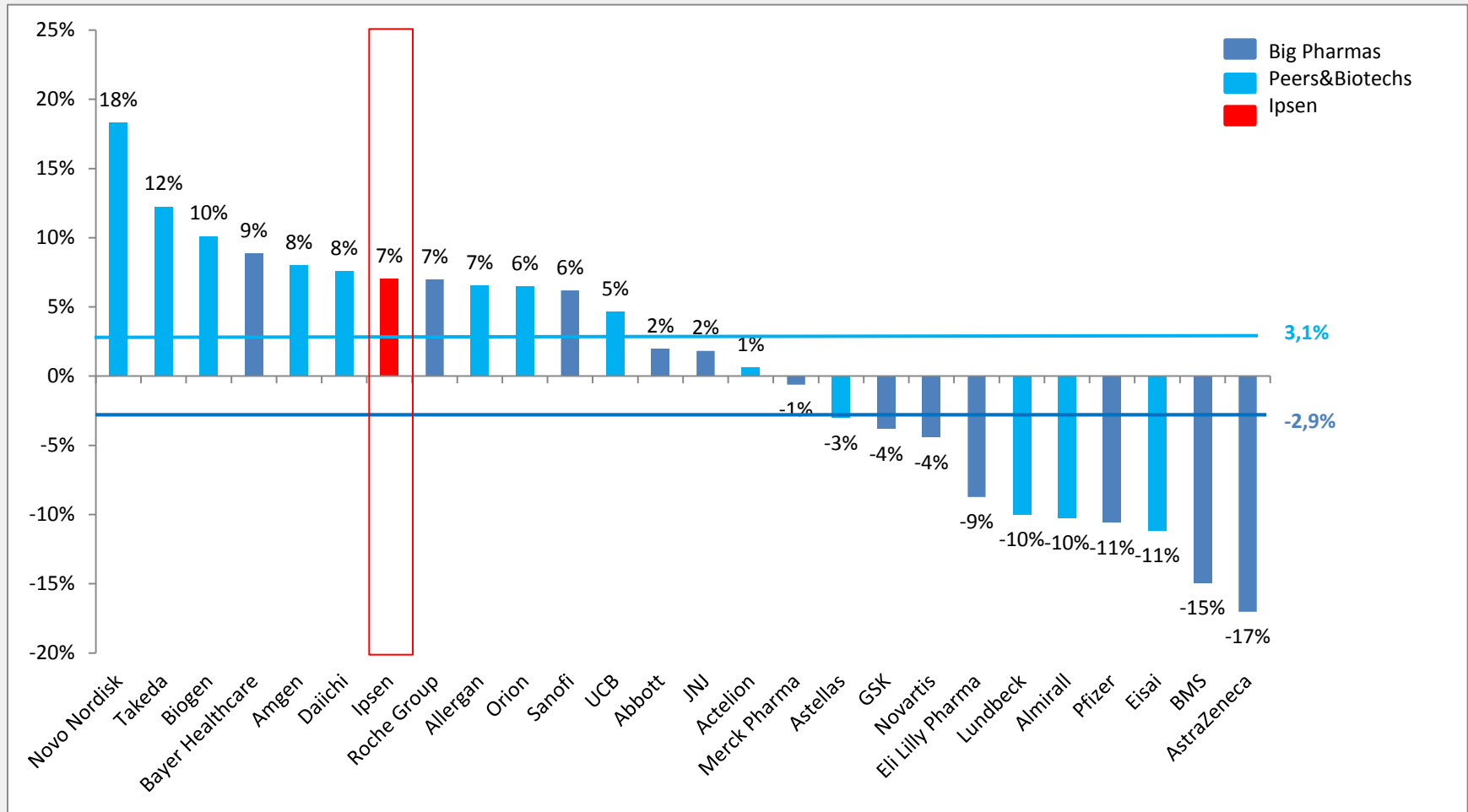


# First 9 months 2012, specialty care up 12.8%

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



# Sales Growth in 9m 2012: Ipsen over performs in the pharma and biotech markets

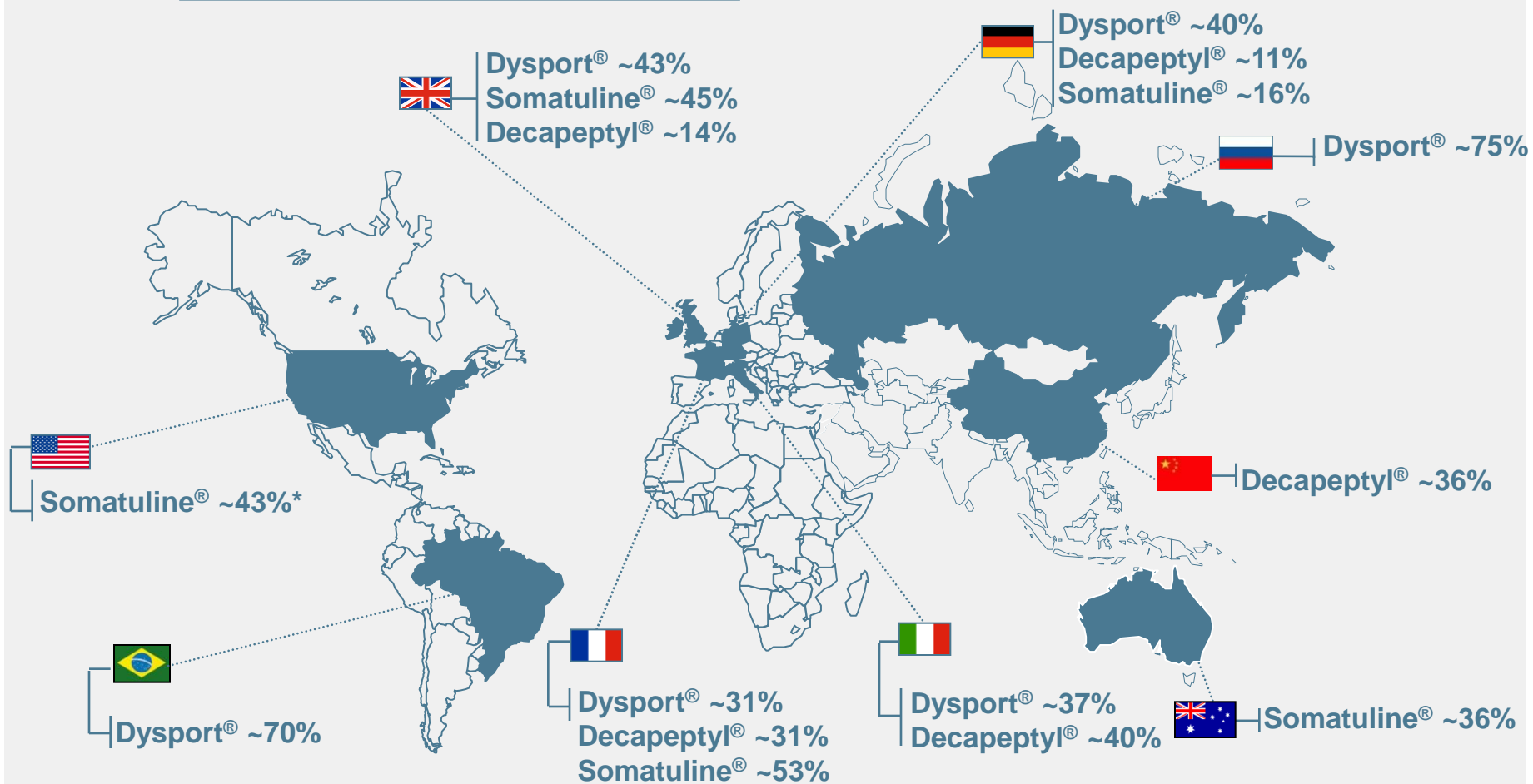


\* Ipsen growth at constant currency 5.0%

# A well balanced footprint

Ipsen recorded sales in more than 100 countries in 2012

Ipsen market shares



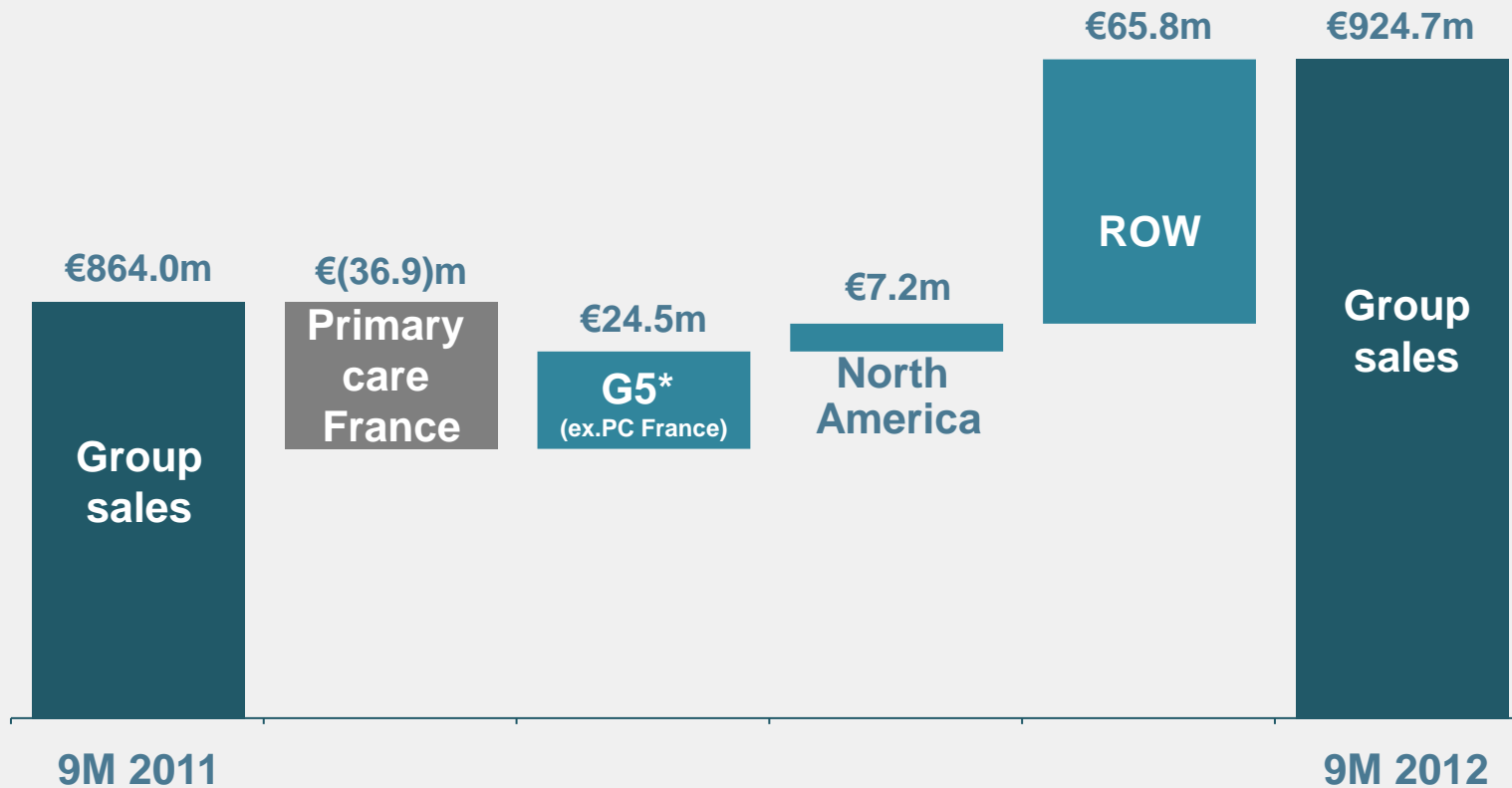
Sources: IMS, PharmExpert, DataSus  
Rounded Market shares at Q3 2012  
Market shares are for (i) Dysport® in medical indications only, in value expressed in local currency (ii) Decapeptyl® and Somatuline® in monthly equivalent units

\* Somatuline US MS calculated on the Somatostatin analogs market



# International sales driving growth

## 9M 2011 – 9M 2012 Sales growth contribution



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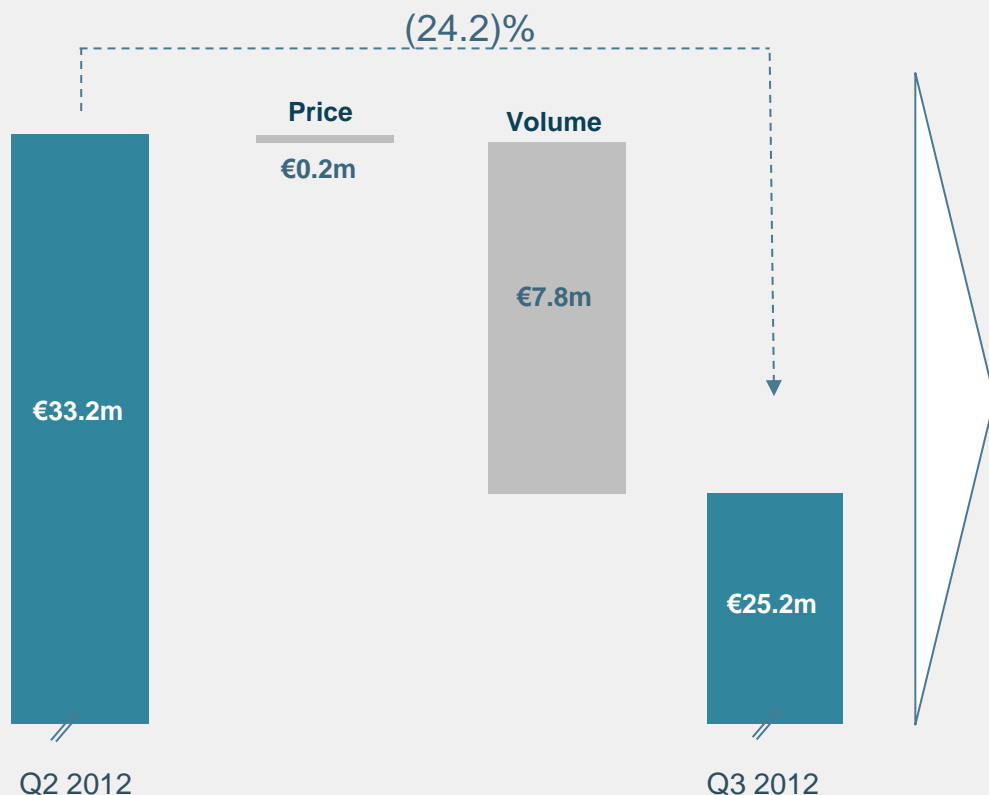
Advancing on 2020 ambition

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2012 financial objectives

# Strong decline in French primary care accelerated by “Co-pay” regulation enforced in early summer 2012

French primary care sales down 24.2% between 2012 Q2 and Q3



## Drugs impacted by “Co-pay\*”:

- Nisis/Nisisco<sup>®</sup> down (57.9%)
- Forlax<sup>®</sup> down (26.2%)

Ipsen to reinforce restructuring in the context of accelerated decline

# Optimization project to account for “Co-pay” regulation

Enhanced impact of “Co-pay” regulation enforcement

Social consultation process initiated in Q4 2012

Estimated implementation to start in Q2 2013

Full year impact of cost reduction expected in 2014

# Inspiration filed chapter 11 to facilitate the sale of its assets

Inspiration Biopharmaceuticals sought chapter 11 protection

Joint effort to find the best path to develop and commercialize respective hemophilia assets

Ipsen provided DIP\* financing to Inspiration to continue operations

Ipsen and Inspiration to jointly sell their respective hemophilia assets



# Joint marketing of assets to facilitate sale of global rights

## Joint asset sale

- Inspiration<sup>1</sup> and Ipsen<sup>2</sup> commercial rights to OBI-1 (rpFVIII)
- Inspiration<sup>1</sup> and Ipsen<sup>2</sup> commercial rights to IB1001 (rFIX)
- Inspiration's development and manufacturing rights on both products
- Ipsen's OBI-1 industrial facility in Milford (Boston, MA)

<sup>1</sup>Commercial rights mainly in the Americas and Japan

<sup>2</sup>Commercial rights mainly in Europe, Russia, China and Australia

**Sales process moving forward as planned**

# Positive development results on the two lead product candidates included in the sale

## OBI-1

- Recombinant porcine Factor VIII
- Fast Track designation from FDA
- Data presented from pivotal trial demonstrating 16<sup>1</sup> patients treated successfully met the primary endpoint
- Expected BLA filing in H1 2013

## IB1001

- Recombinant Factor IX
- Multiple full scale manufacturing runs demonstrating technical resolution of host cell protein issue
- Active regulatory review continues by both EMA and FDA with regulatory decision expected in 2013

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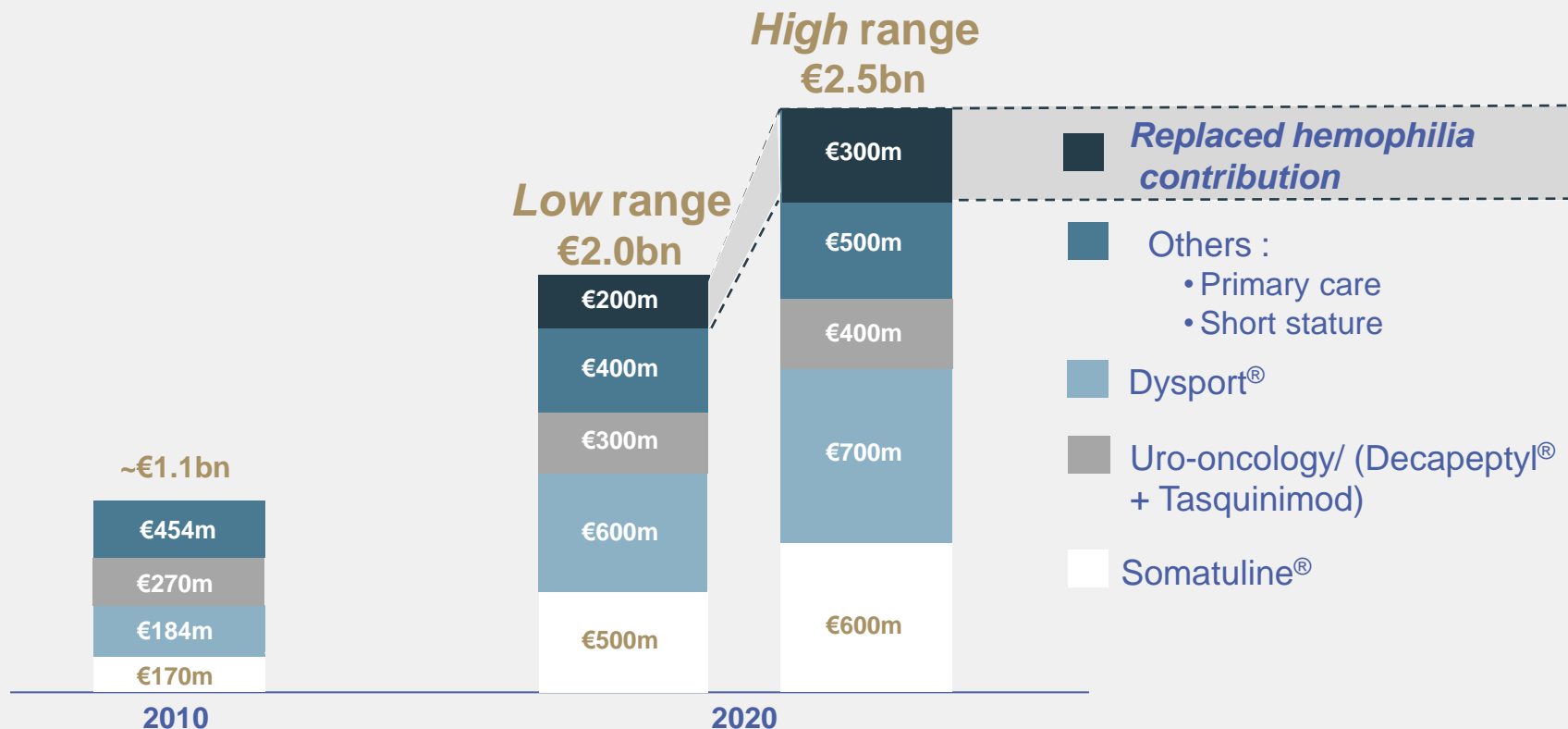
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**Advancing on 2020 ambition**

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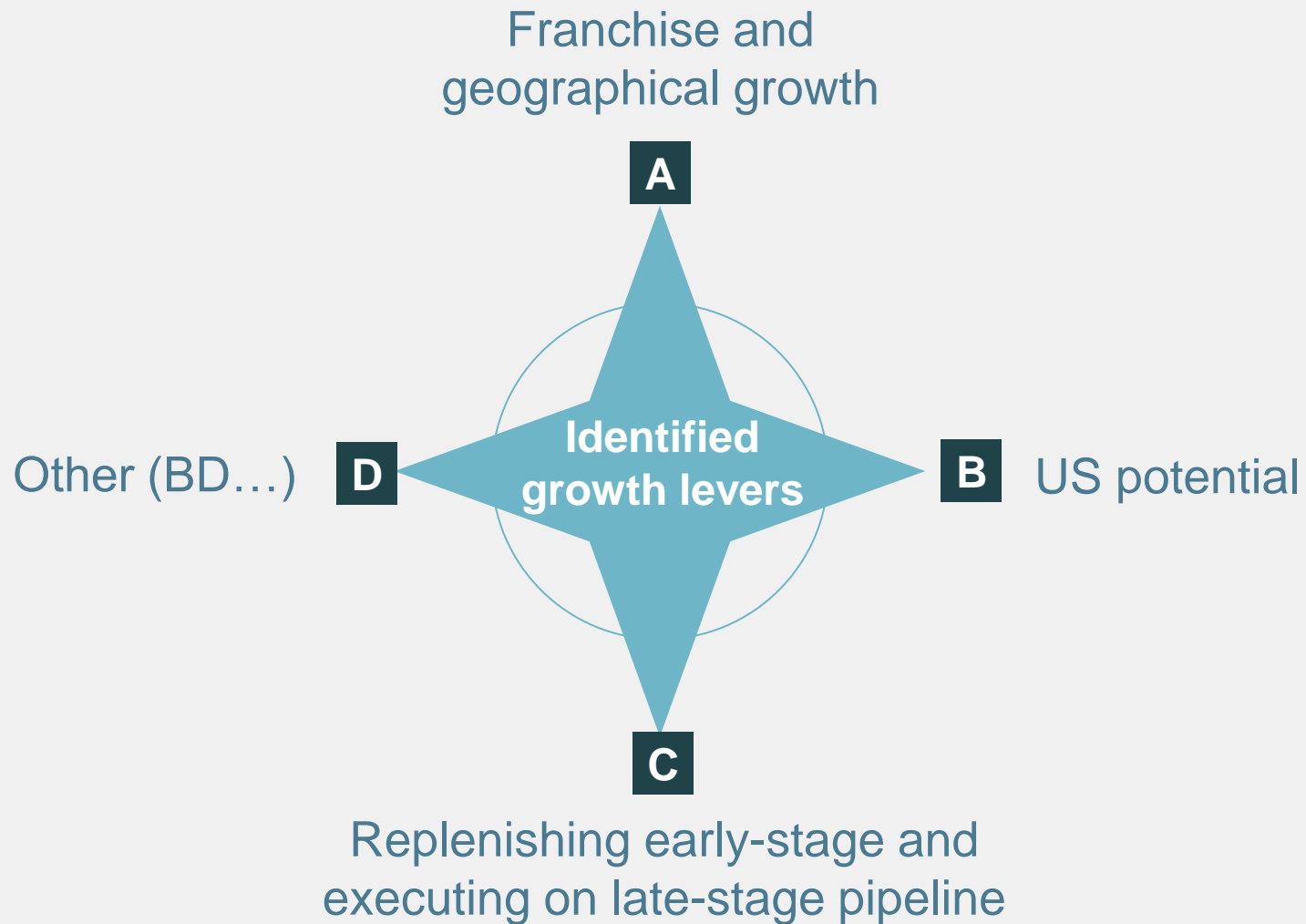
2012 financial objectives

# 2020 ambition confirmed while compensating for Inspiration situation



- Total French primary care restructuring initially factored-in
  - Inspiration-related topline growth to be replaced

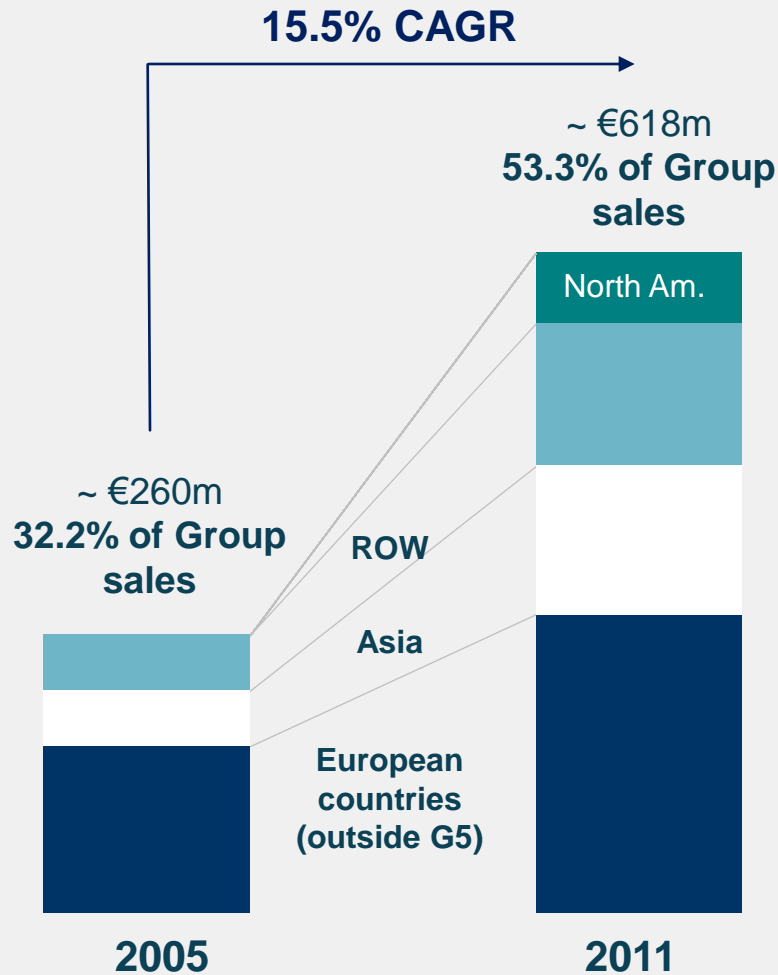
# Potential drivers to reach 2020 ambition



# A: Group growth historically driven by non G5 countries

Growth outside G5 countries...

...driven by 3 main countries



# A: Levers to drive franchise and geographical growth

## Uro- Oncology

- **Geographies:** Decapeptyl® in selected European countries and China (prostate cancer)
- **Combination:** Decapeptyl® used in combination with new prostate cancer treatments
- **Portfolio development:** Hexvix®, tasquinimod launch in prostate cancer and other oncology indications

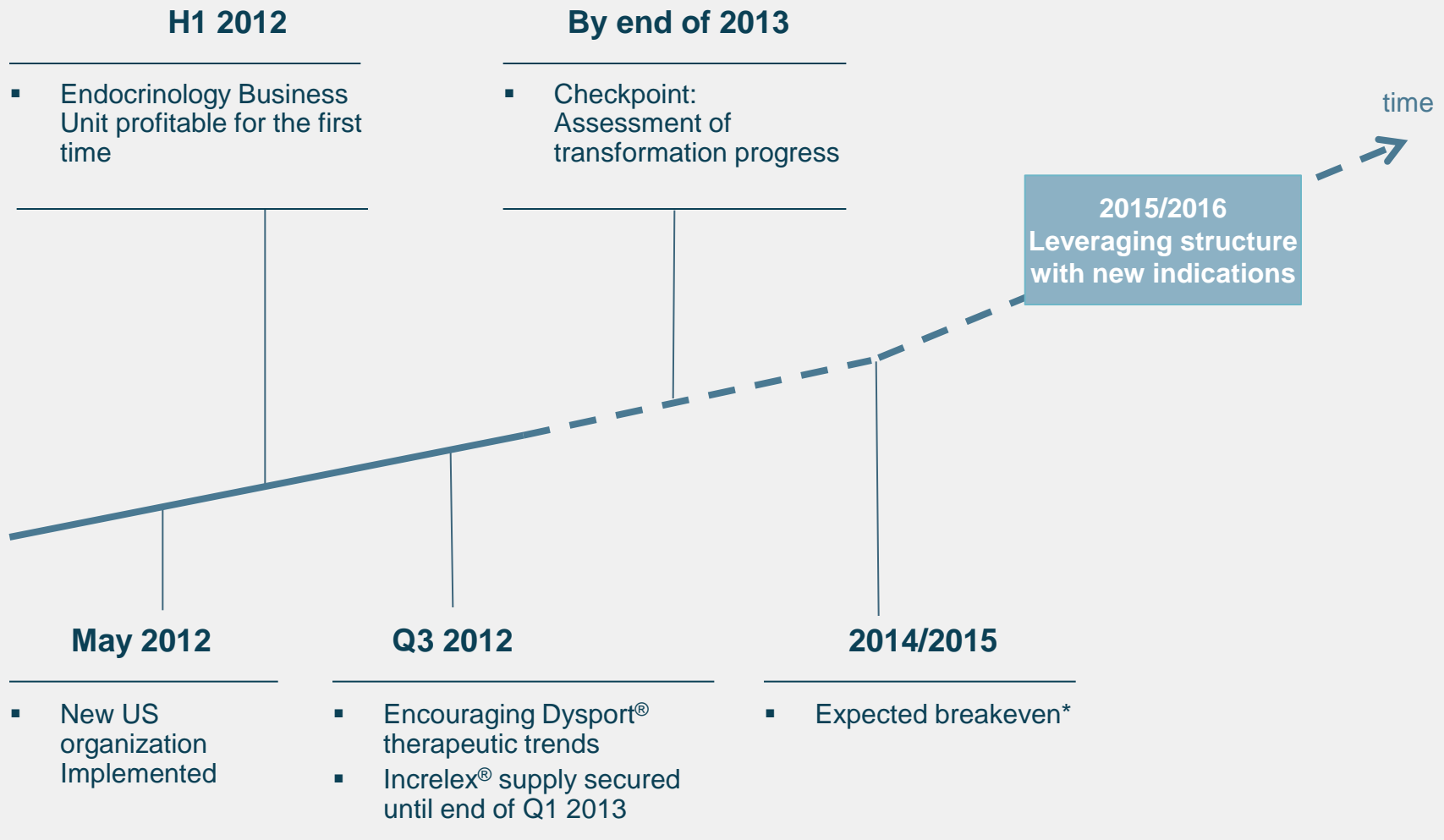
## Endocrinology

- **New indications:** Non functioning NET worldwide
- **Geographic expansion:** Functioning NET US, Brazil, Japan, China (*longer term*)
- **Life cycle management:** indication, formulation, routes of administration

## Neurology

- **Geographic expansion:** USA and China (*longer term*)
- **New indications:** Adult and pediatric global spasticity trials
- **Innovation:** Dysport® Next generation
- **Partnerships:** Aesthetic medicine revenues (Medicis takeover by Valeant), new geographies (eg: Galderma launch in Australia)

# B: US operations to drive Group profitability

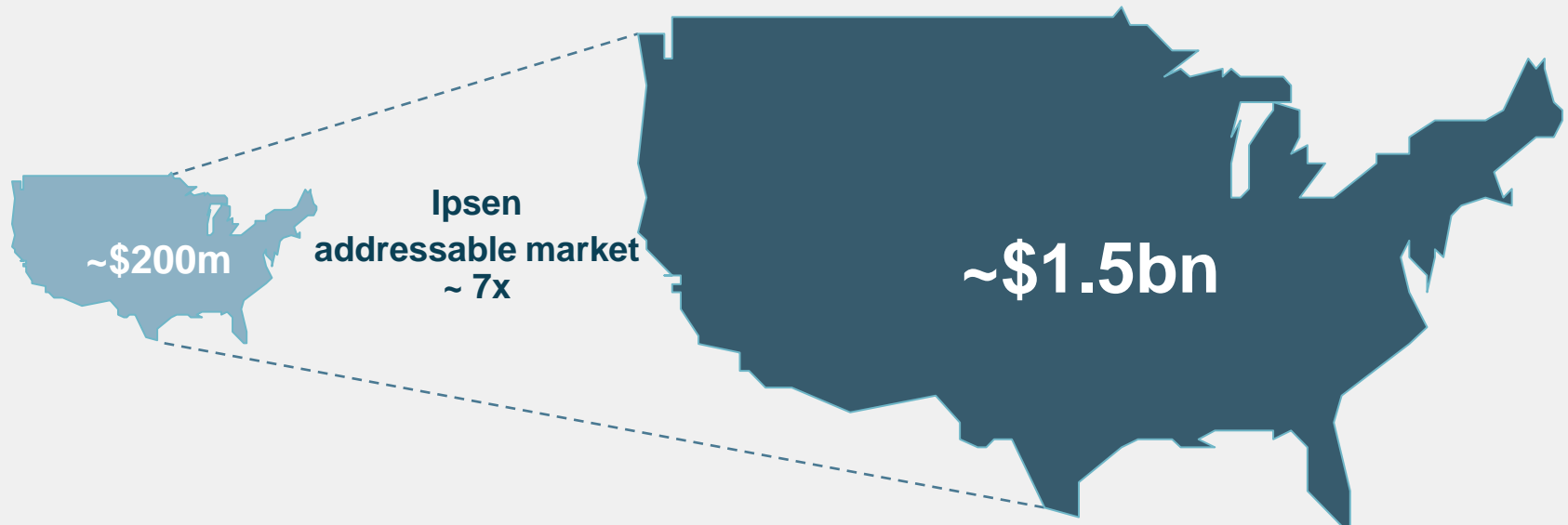




# B: US addressable market to expand ~7x with new indications

2012 addressable market

2016 addressable market



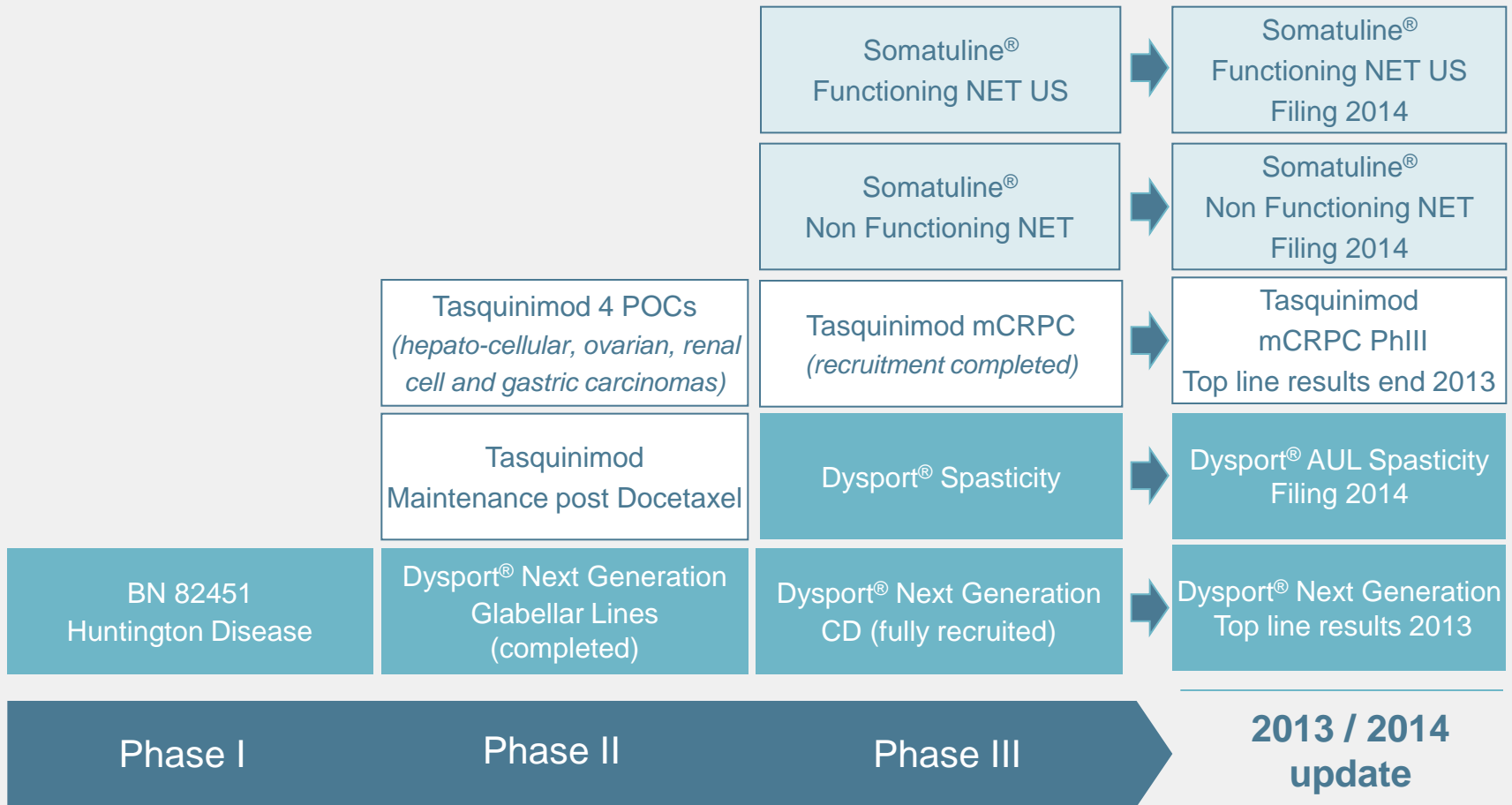
Indication portfolio

- |                     |              |
|---------------------|--------------|
| Dysport®            | Somatuline®  |
| ▪ Cervical dystonia | ▪ Acromegaly |

Expected indication portfolio

- |                     |              |
|---------------------|--------------|
| Dysport®            | Somatuline®  |
| ▪ Cervical dystonia | ▪ Acromegaly |
| ▪ Spasticity        | ▪ NET        |

# C: an R&D engine producing early signs of productivity while executing on phase IIIs



# D: Potential additional 2020 sales drivers

## Two sets of potential 2020 sales drivers

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External acquisition

Targeted acquisition: emerging countries, late-stage product (late pIII/ marketed) and technologies

External cooperation

Leverage footprint in the US, emerging countries and Western Europe

Ability to use a €475m credit facility in the context of strong cash-flow generation

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Ipsen delivering on its fundamentals

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Ipsen progressing well in the management of two challenging situations

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Identified growth drivers to reach 2020 ambitions

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2012 financial objectives

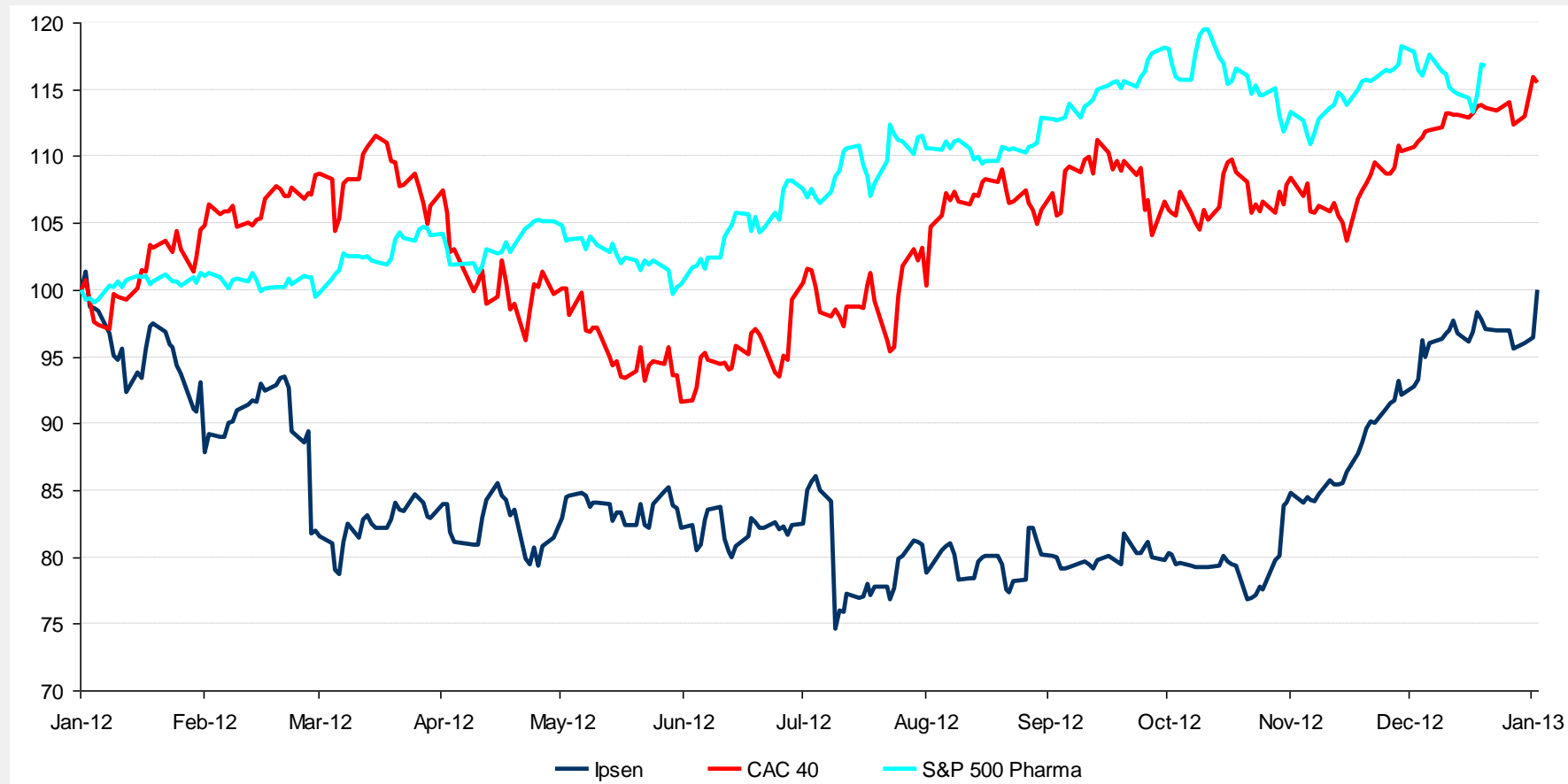
## 2012 objectives confirmed

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 <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>

The above objectives are set at constant currency and perimeter

# Stock Price affected in the first months of the year by French PC erosion and Inspiration uncertainty... ..but later offset by strong H1 operating performance

€ - Base 100



Thank You

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