

Ipsen Investor Day

2 July 2015

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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.

Agenda

Marc de Garidel
Chairman and Chief Executive Officer

Agenda for the day

14:00-14:25	Introduction	Marc de Garidel, CEO
14:25-15:45	Group strategy	Christel Bories, Deputy CEO
15:45-16:00	Q&A session	
16:00-16:10	Coffee break	
16:10-16:50	R&D strategy	Claude Bertrand, CSO
16:50-17:10	Financials	Aymeric le Chatelier, CFO
17:10-17:15	Conclusion	Marc de Garidel, CEO
17:15-17:30	Q&A session	

Introduction

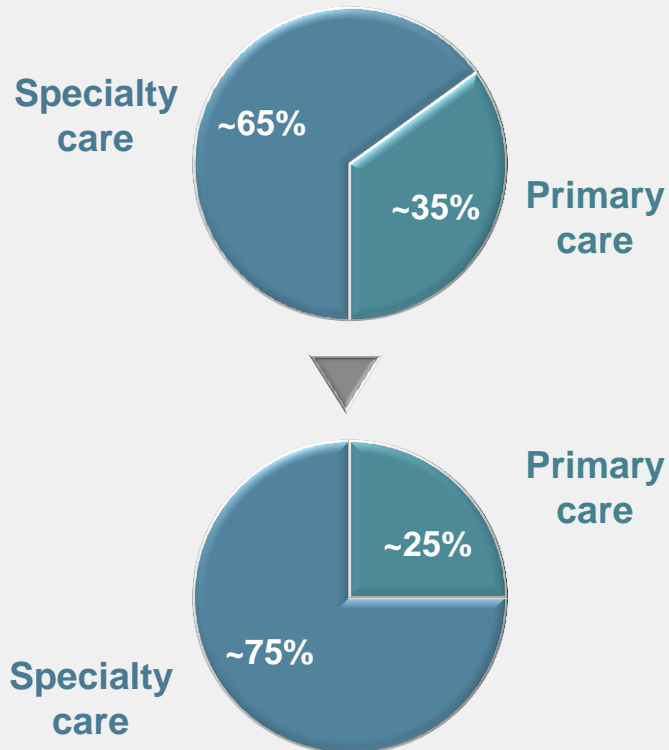
Marc de Garidel
Chairman and Chief Executive Officer

The 2011 strategy initiated a period of significant progress...



... which led the Group to become a global specialty care company

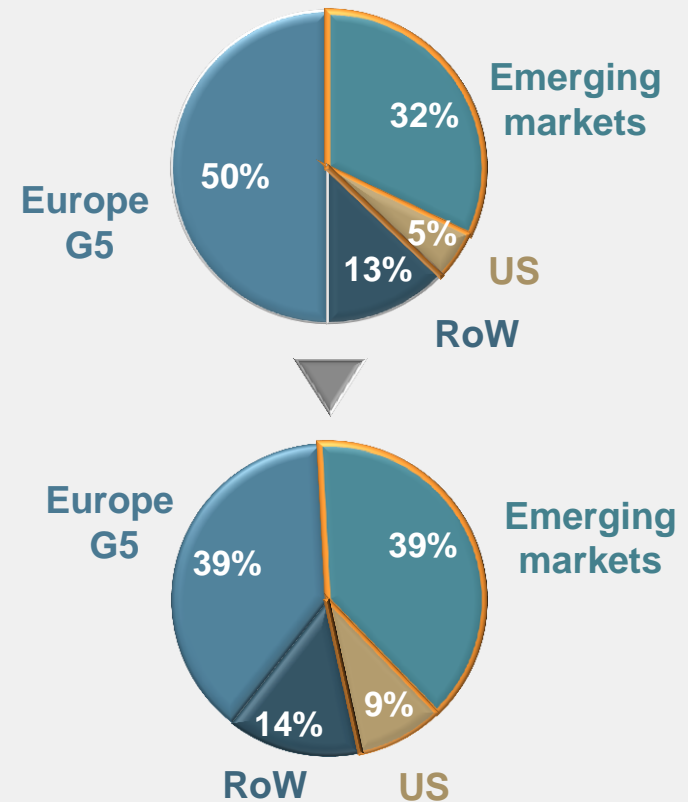
Sales by segment



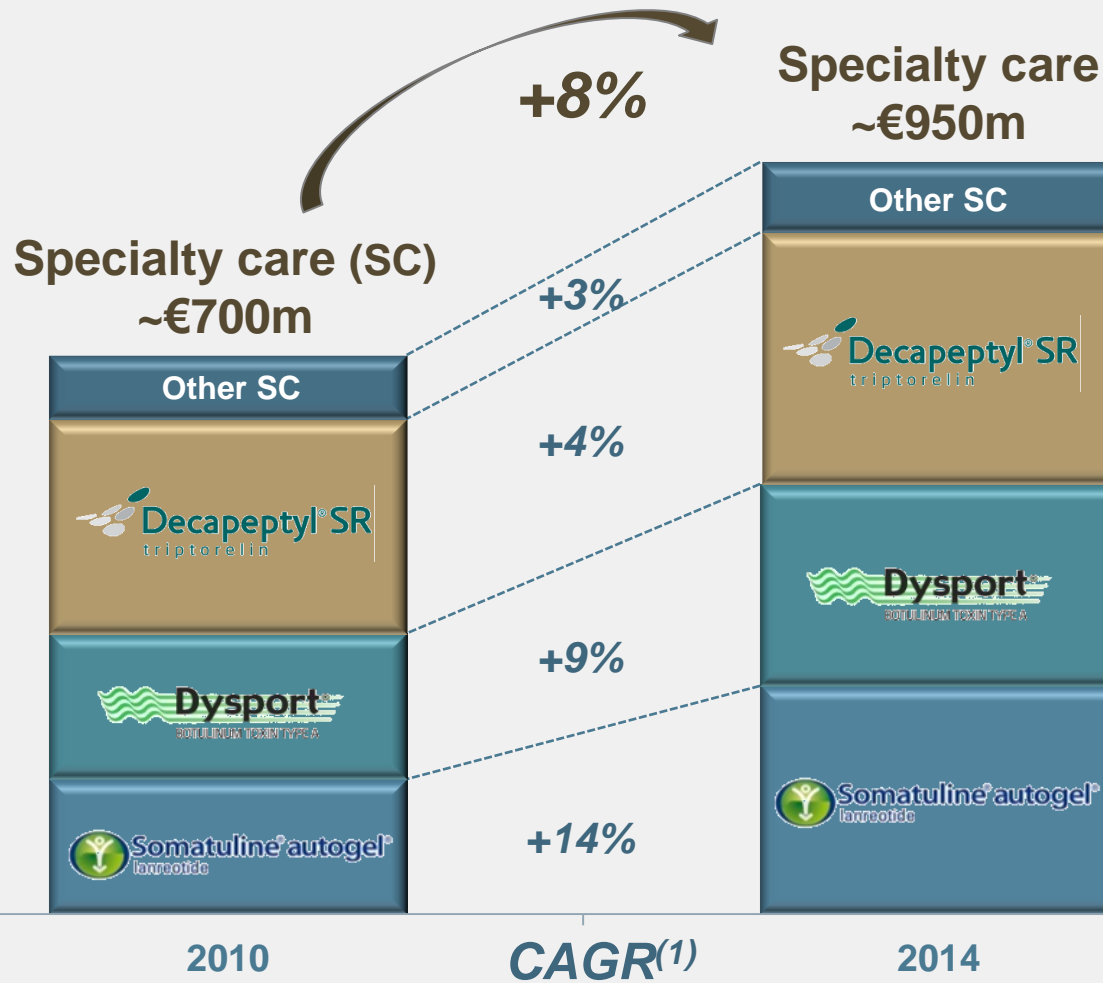
2010

Q1 2015

Sales by geography



Specialty care, the growth engine over 2010-2014



Growth drivers

China

Aesthetics

NET

Key achievements 2010 - 2015

Strengthened R&D

- 8 Phase III programs delivered
- Consolidation in toxin research (Syntaxin/Harvard partnership)
- Boston peptide platform revamped
- FDA approval of Somatuline[®] as first line treatment in NET

Reinforced BD capacity

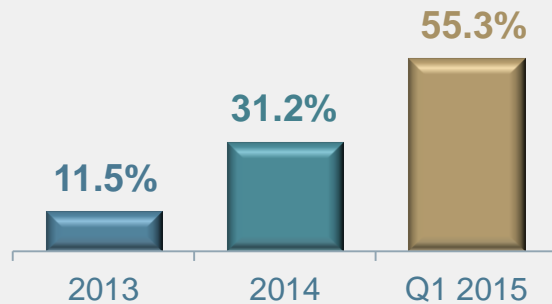
- Galderma expanded partnership
- Telotristat etiprate/ Canbex option/ OctreoPharm Sciences

Transformation

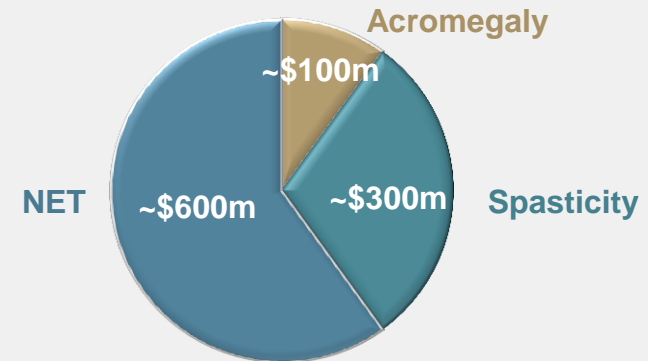
- Inspiration exit with OBI-1 sale to Baxter
- Restructuring of French primary care and Dysport[®] US operations
- Management team reinforced
- Efficiency and cost control efforts

Turnaround of the US platform, with high potential for growth

Sales growth⁽¹⁾



~\$1 billion addressable market



Key accomplishments

Somatuline® unique first-line label in NET granted by FDA

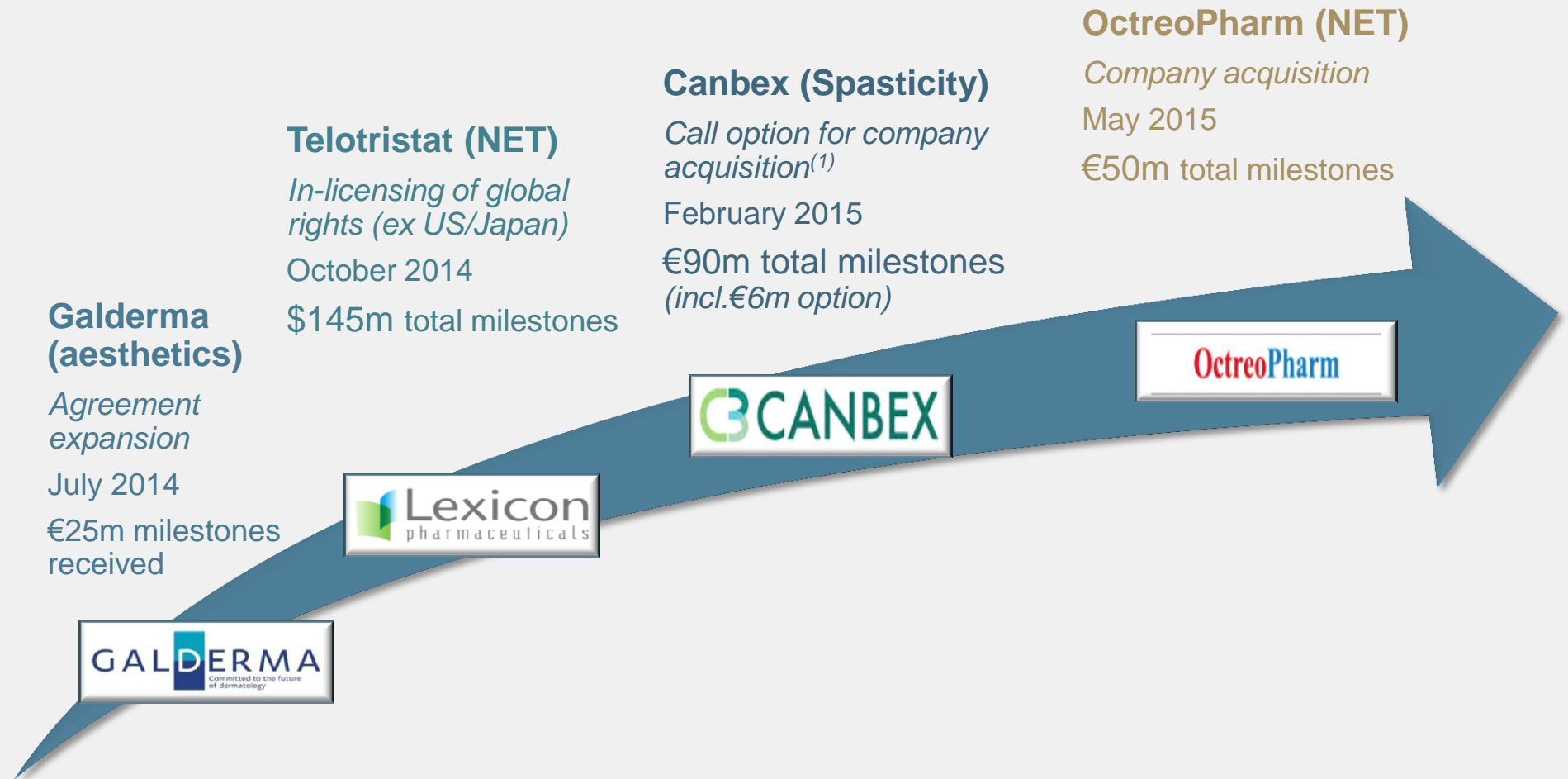
Reinforcement of Dysport® organization for Q3 2015 spasticity launch

Build up of 100 people oncology sales force for NET launch

Profitability expected in 2016

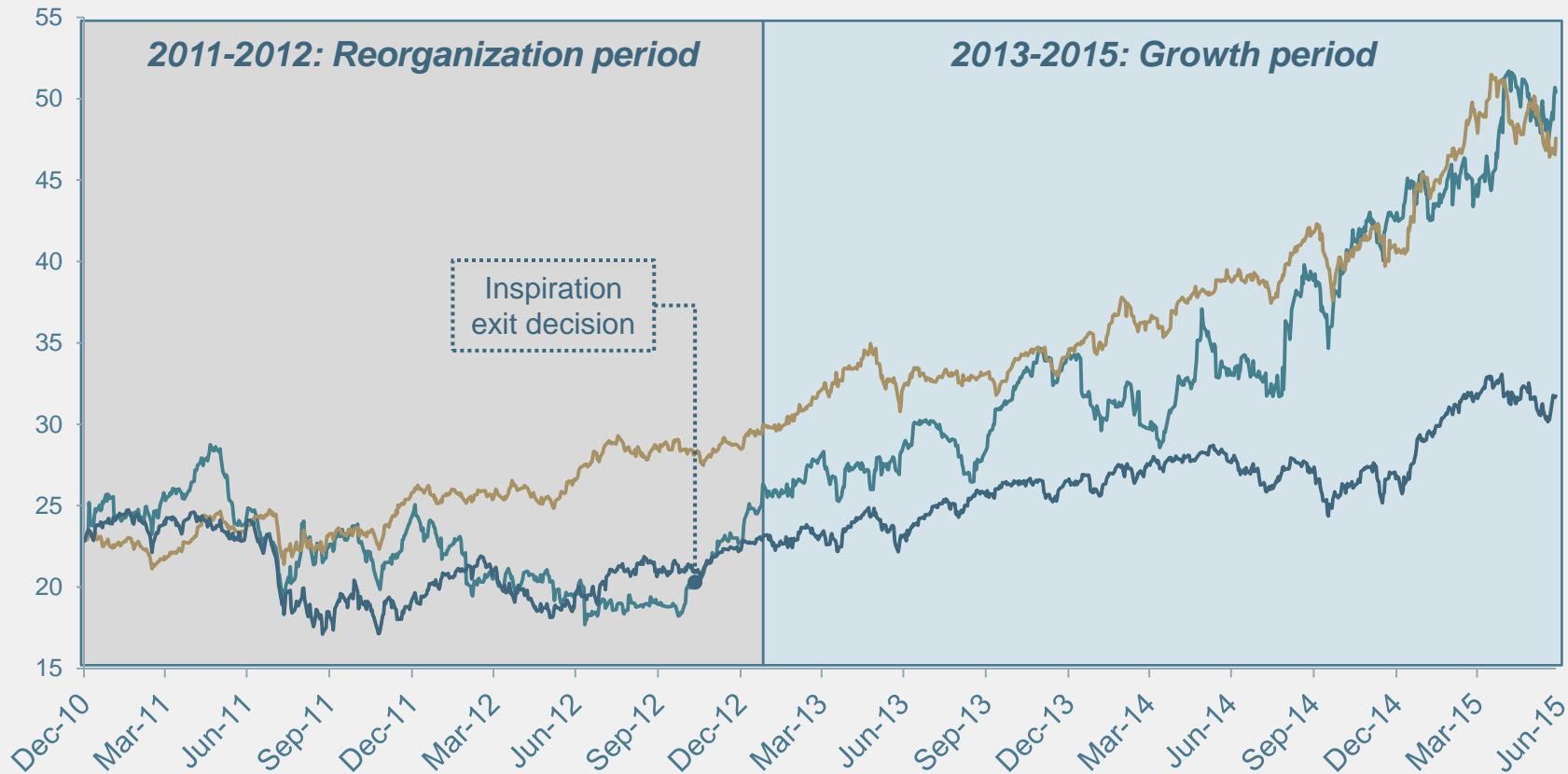


Business development strategy starting to pay off with 4 deals signed in the last 12 months



2011-2015 achievements reflected in share price performance

Share price evolution (Jan. 2011-June 2015)



IPSEN

+121%

Stoxx
Pharma⁽¹⁾

+108%

SBF 120

+39%

2015-2020: A refocused strategy within specialty and primary care

Specialty care

Global leadership in
targeted diseases

Primary care

Focus on GI/OTx

Specialty care strategic focus

Reach global leadership in niche therapeutic areas...

NET

Spasticity

Aesthetics
(through Galderma)

...strengthen positions in historical therapeutic areas...

Uro-oncology

**Adult
Endocrinology**

...and explore new targets

**GI/Orphan
oncology**

Primary care: focus on GI/OTx

**Maximize existing
business with
OTx shift**

**Expand into new
GI areas**

**Expand into new
geographies**

Strong Business development focus to complement organic growth

Therapeutic areas

Geographies

Late stage deals

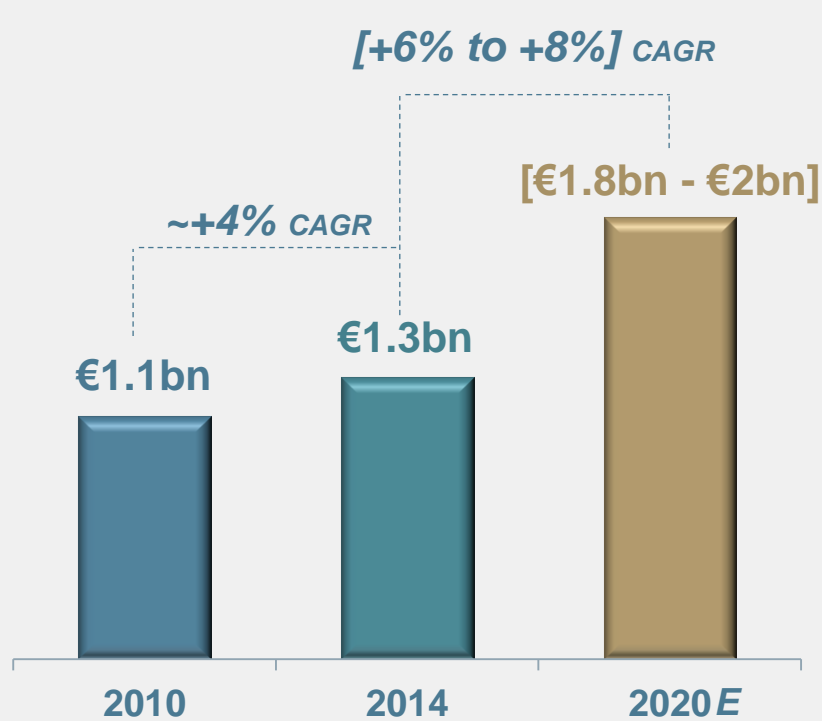
Early stage deals

- NET
- Spasticity
- Uro-oncology
- GI/Orphan oncology
- Primary care

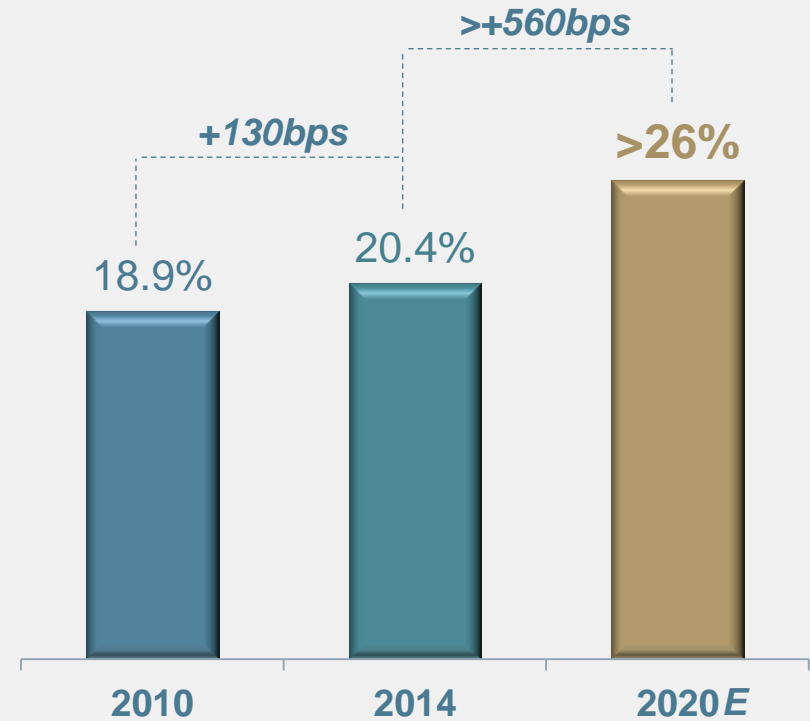
- US
- Europe
- Emerging markets

2020 outlook showing strong sales growth and profitability momentum

Group organic sales



Core operating income margin⁽¹⁾

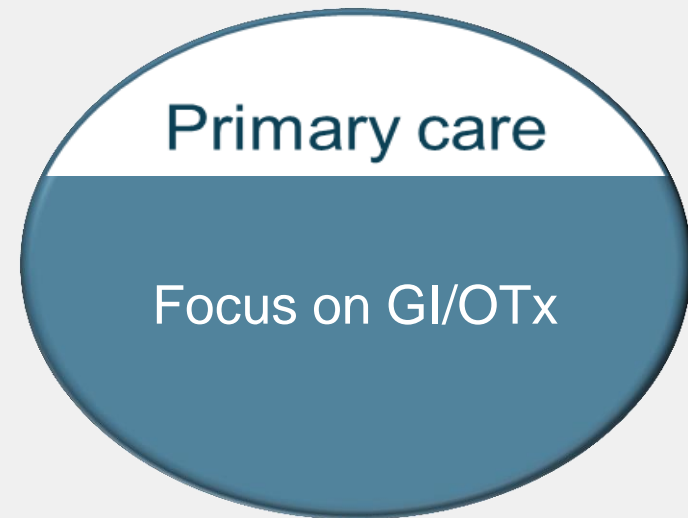


Ipsen to outperform industry growth

Group strategy

Christel Bories
Deputy Chief Executive Officer

A refocused strategy within specialty and primary care



« Own the disease » business model to achieve leadership

« Own the disease » business model

- Focus on few disease areas with high R&D expertise and strong innovation
- Be present at different stages of the treatment pathway
- Offer a range of differentiated products, devices, and services around treatment
- Cover the full value chain from R&D to commercialization

Key features of category leaders

- 1 Customized solutions combining scientific and marketing perspectives
- 2 Strong relationships with key stakeholders (specialists, KOL, payers...). Partner of choice for new developments
- 3 Strong knowledge of disease mechanism resulting in improved clinical PoS
- 4 Credible partner for BD and alliances

Ongoing transformation to adapt company profile to fast-changing environment

1

France and US restructuring to adapt sales force now completed

2

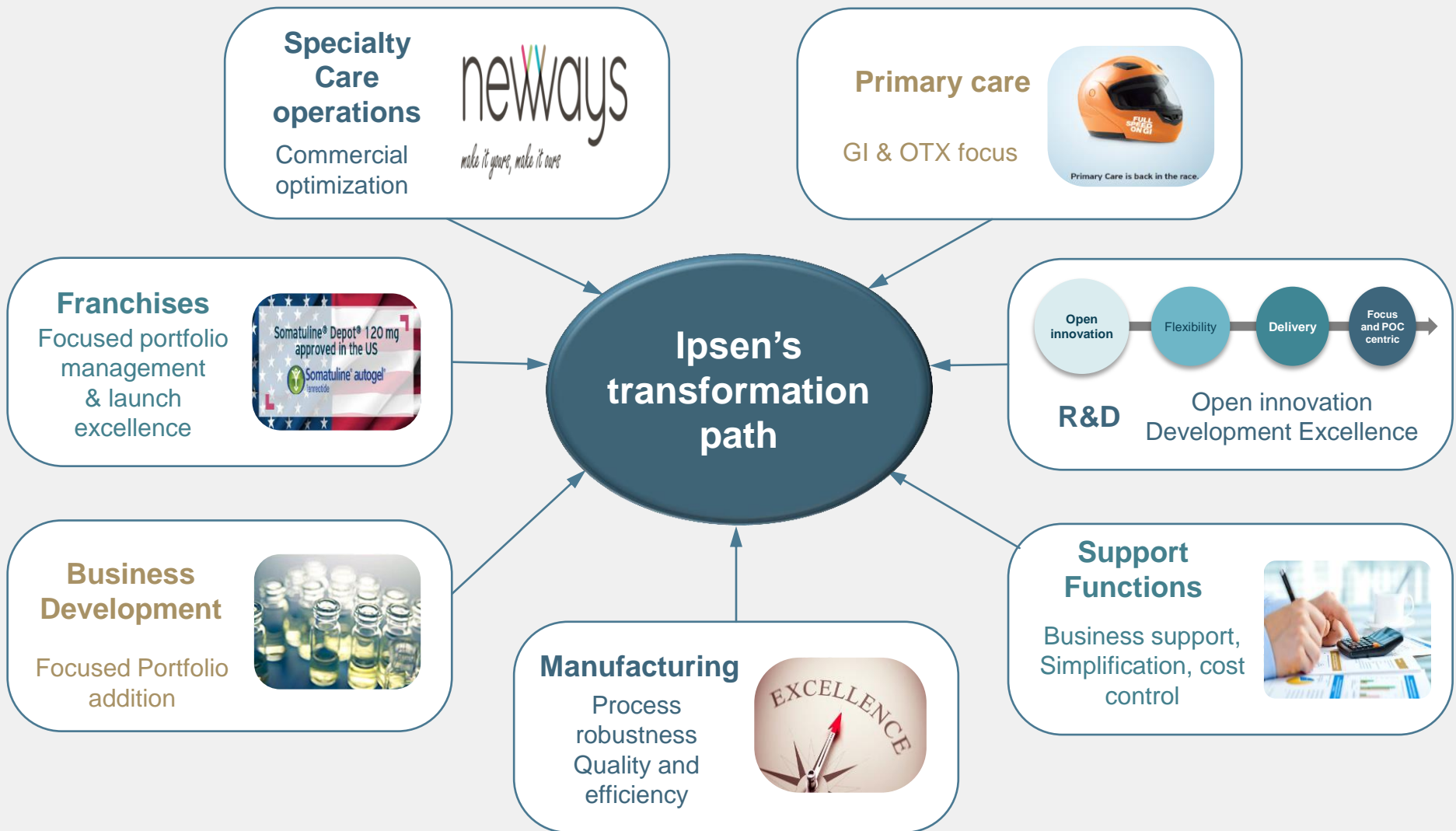
New organization and commercial model

3

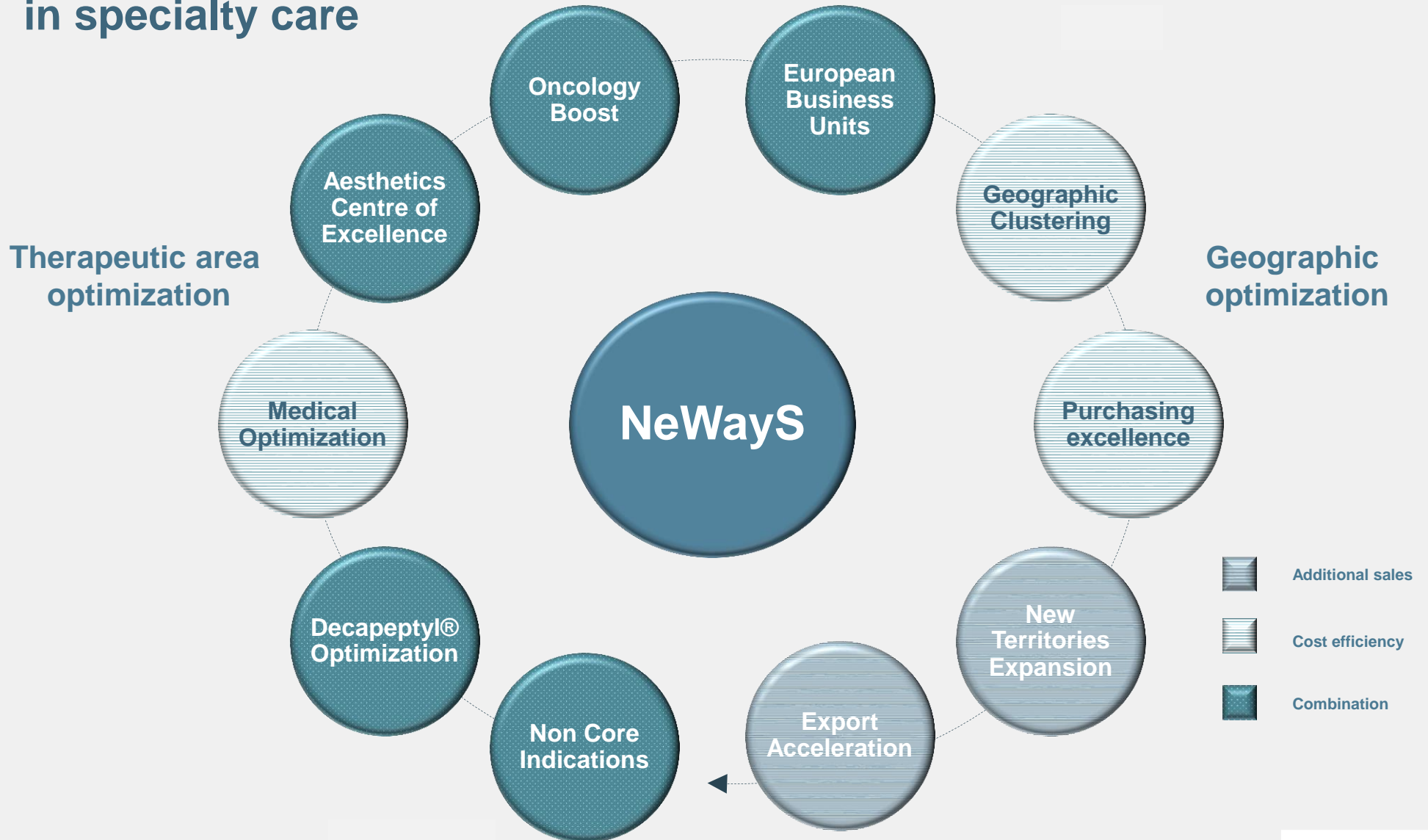
Ongoing initiatives to improve efficiency across all departments

Ipsen to become an agile and flexible entity outperforming industry

Deep transformation process involving all parts of the company



NeWayS : 10 commercial initiatives to optimize and sustain growth in specialty care



Specialty care

Reach global leadership in targeted diseases, reinforce position in historical areas, and explore new targets



Focus on Neuroendocrine tumors (NETs)

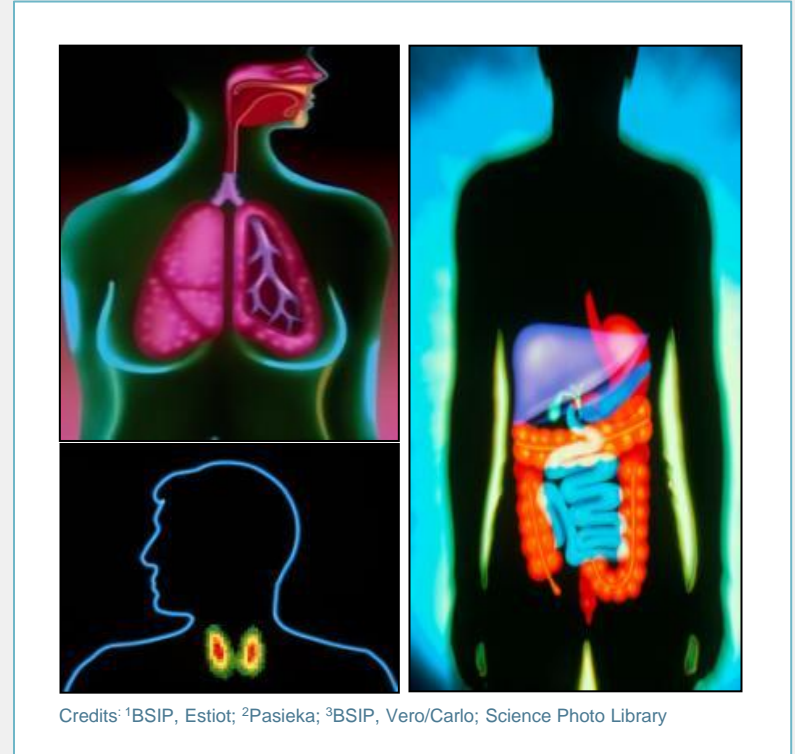
**OWN THE
DISEASE**

Global leadership

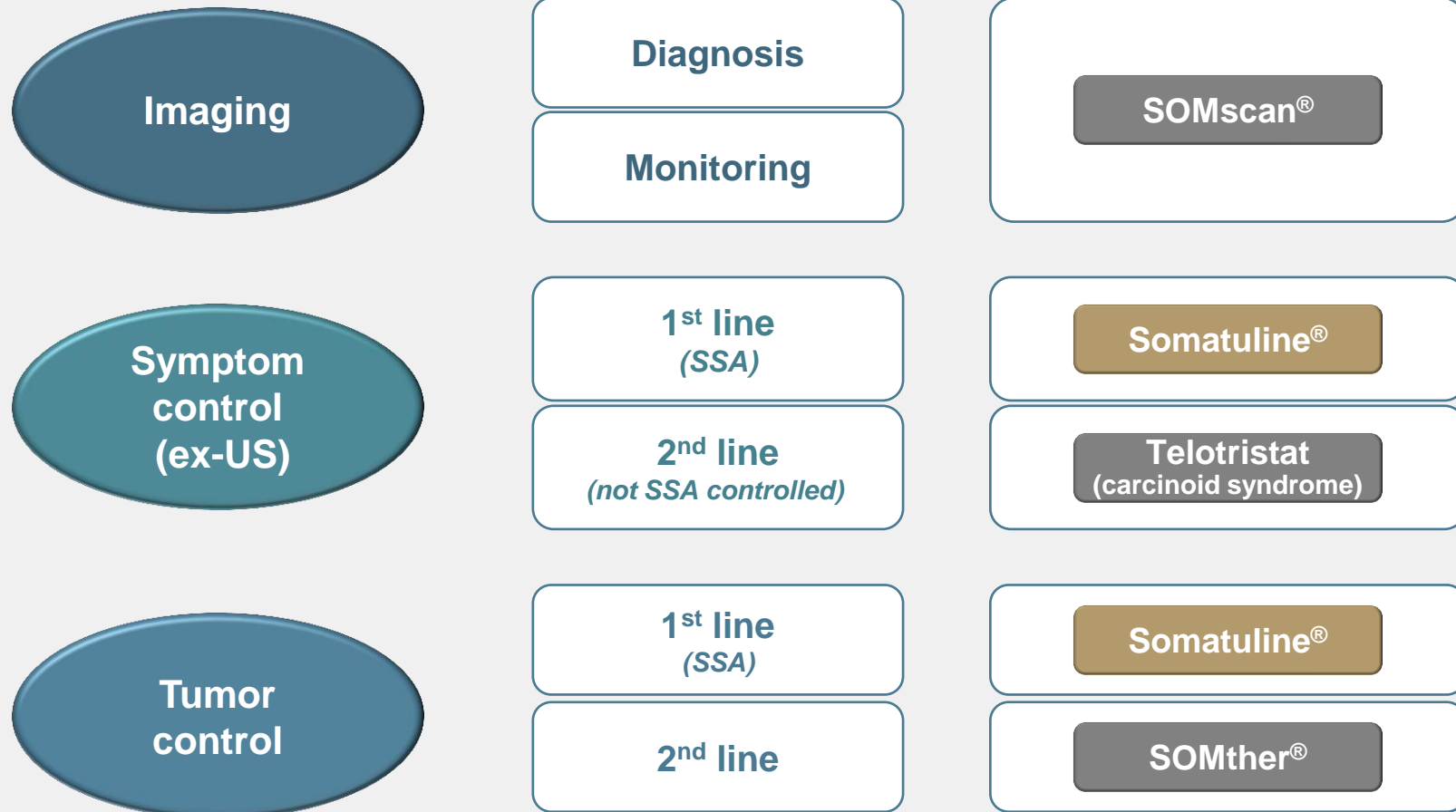
▶ **NET**

Neuroendocrine tumors in a nutshell

- Rare, heterogeneous, slow-growing tumors⁽¹⁾
- Arise from cells with neuroendocrine origin⁽¹⁾
- Can arise from most organs, commonly⁽¹⁾:
 - Gastrointestinal tract and pancreas
 - Endocrine organs
 - Lung
- US and Europe GEP NET prevalence:
~120 000 patients
- US NET market > \$600m⁽²⁾, currently underserved
- Europe NET market ~\$400m⁽²⁾



Beyond Somatuline[®], Ipsen made two acquisitions to address the whole NET treatment paradigm









In development



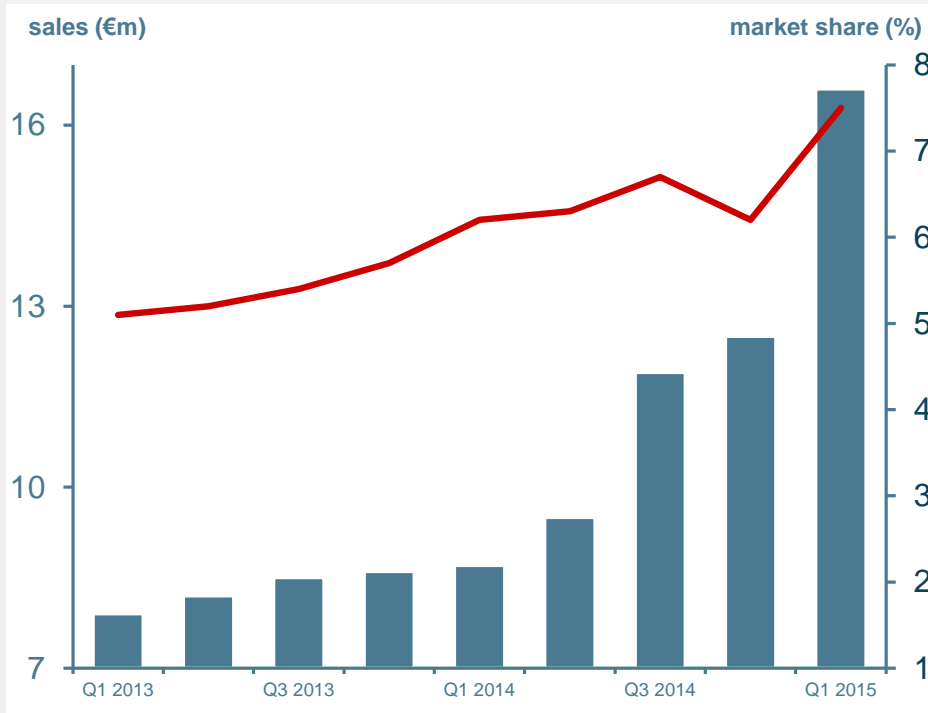
Marketed

Somatuline[®], the first SSA approved for tumor control of GEP-NET in Europe and US

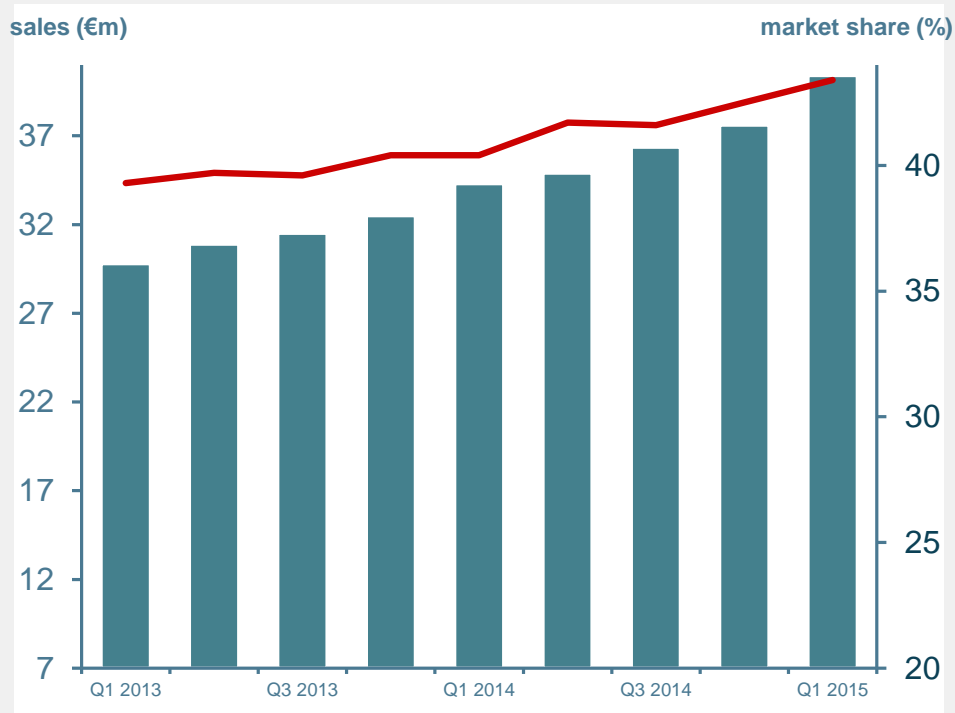
					
			COMPETITOR		COMPETITOR
	Midgut	✓	✓	✓	✗
	Pancreatic	✓	✗	✓	✗
	Hindgut	✗	✗	✓	✗
		✓	✓	✗	✓

Somatuline[®] sales and market share accelerating in US and Europe

Somatuline[®] US quarterly data, all indications



Somatuline[®] Europe G5⁽¹⁾ quarterly data, all indications



Xermelo[®] (telotristat etiprate): a novel oral treatment for NET symptom⁽¹⁾ control currently in Phase 3

Press release



Lexicon and Ipsen enter into ex-North America/Japan licensing and commercialization agreement for telotristat etiprate

- Telotristat etiprate, a Phase 3 compound for the treatment of carcinoid syndrome
- Lexicon to potentially receive \$145 million in upfront and milestone payments, plus royalties

- SSA add-on therapy for symptomatic patients
- Strong Phase 2 data with >40% reduction in bowel movements⁽²⁾
- Phase 3 results expected in Q3 2015
- Expected launch in 2017 in Europe
- Estimated peak sales > €50m

SOMscan[®]: a new generation imaging agent for NET

Octreoscan[®]

Octreoscan[®]
scintigraphy 24h p.i.
sst₂ receptor agonist

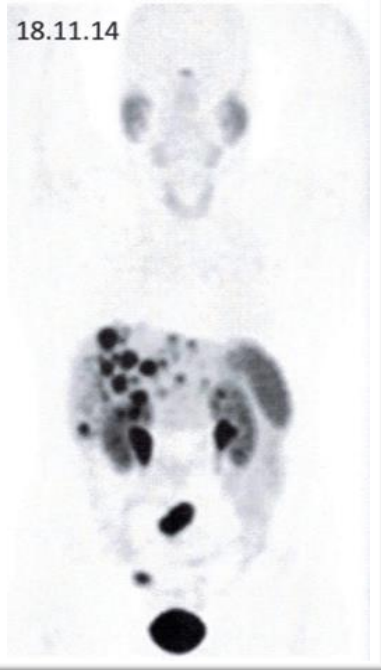
02.09.14



SOMscan[®]

⁶⁸Ga-OPS202
PET 1h p.i.
sst₂ receptor antagonist

18.11.14



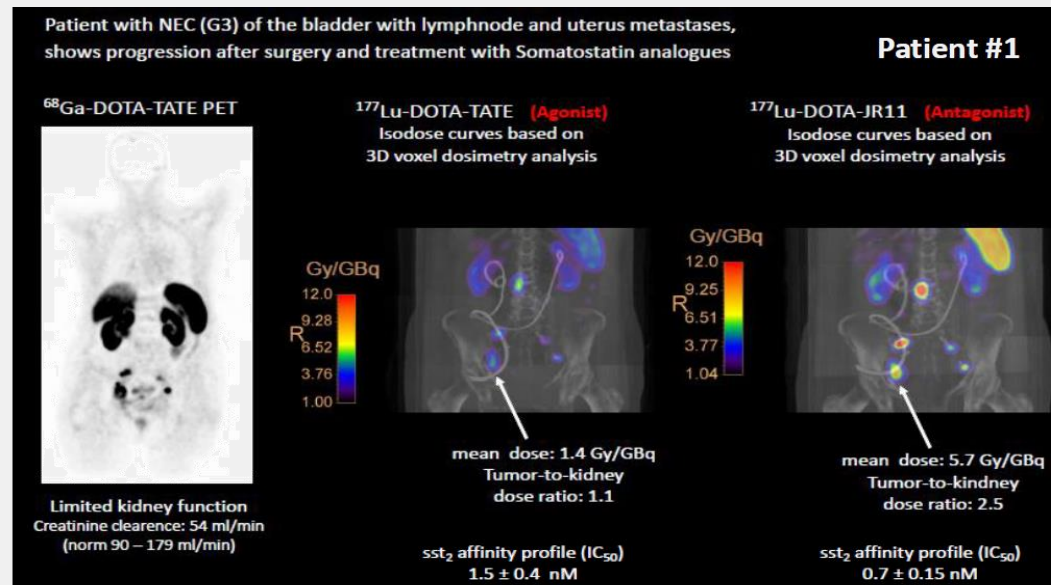
⁶⁸Gallium-labeled somatostatin receptor antagonist suitable for positron emission tomography

Major improvement vs. current Octreoscan[®]

Potential to change patient diagnostic and management

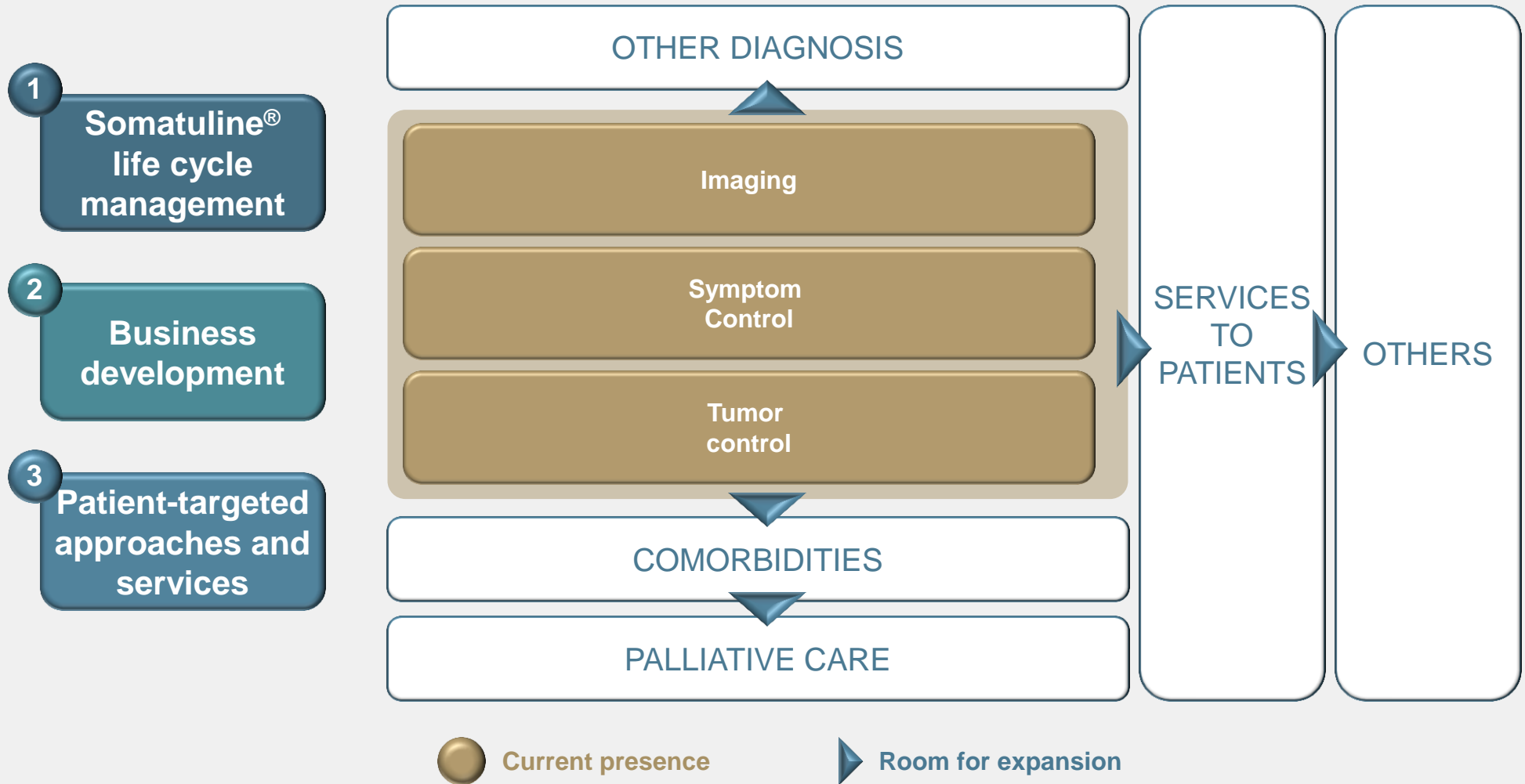
SOMther[®]: potentially best in class PRRT with a wider therapeutic window for NET patients progressing under SSA

Dosimetry comparison ¹⁷⁷Lu-DOTA-JR11 vs. ¹⁷⁷Lu-DOTATATE



- Lutetium combined with SSTR2 antagonists for 2nd line treatment of NET patients progressing under SSA
- To be manufactured and distributed inclusive of peptide and radionuclide
- Currently in preclinical development, launch expected beyond 2020

NET treatment paradigm still offers room for expansion



Focus on spasticity

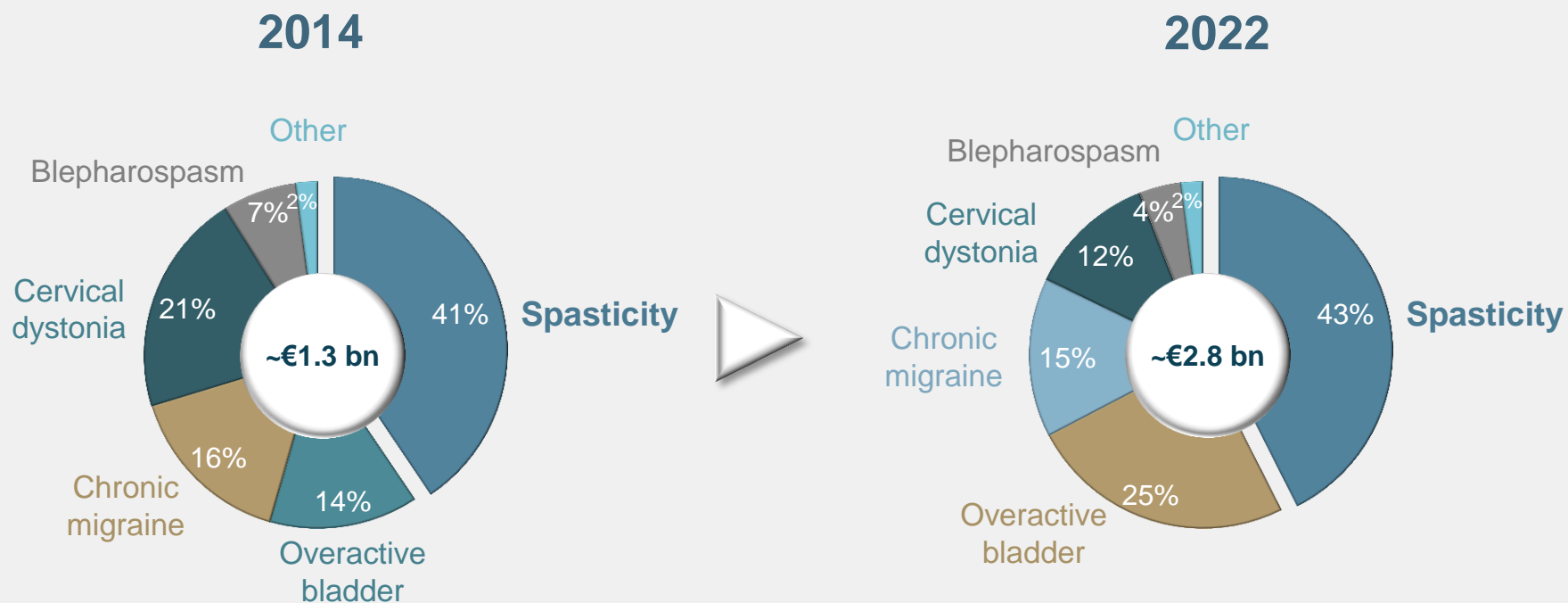
**OWN THE
DISEASE
CONCEPT**

Global leadership

▶ **Spasticity**

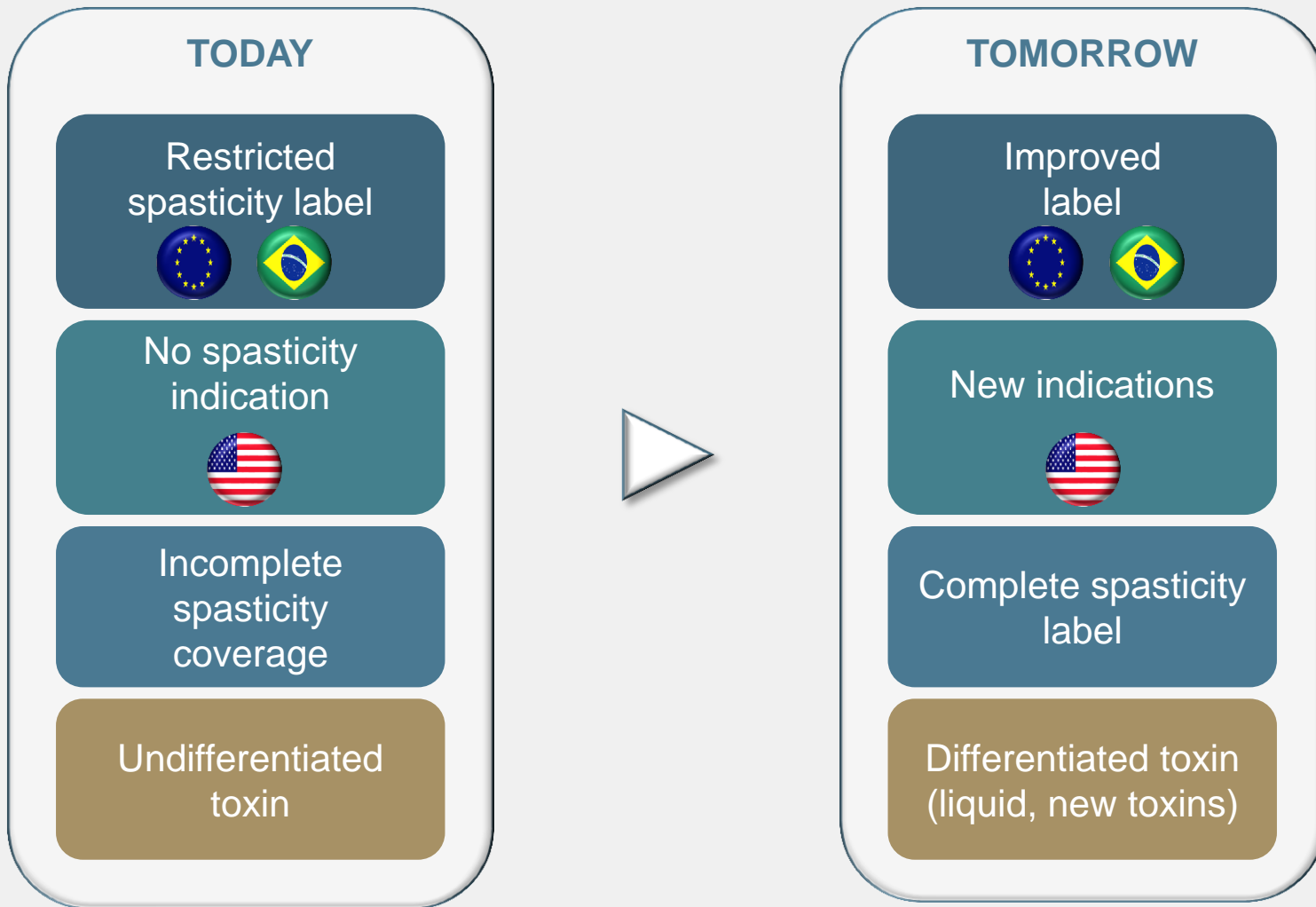
Spasticity to remain the largest segment of the fast-growing therapeutic toxin market

Toxin therapeutic market by indication



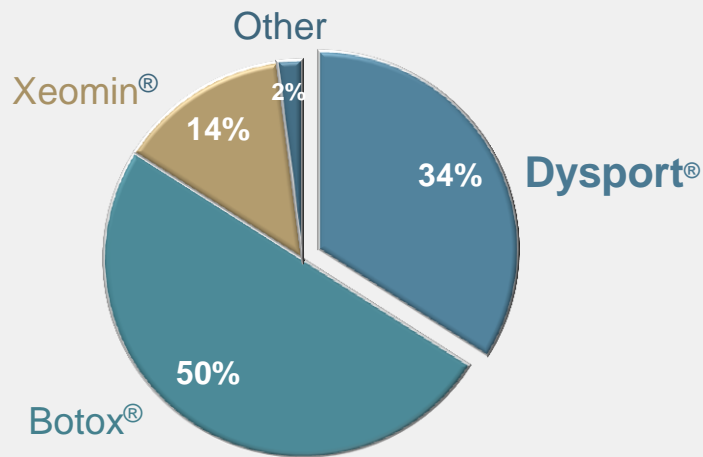
Therapeutic market CAGR 2014-2022: +11%

Dysport® to become a global differentiated toxin with full spasticity reach



Ipsen, a leading player in spasticity, catching up in the US

2014 Dysport® market share in spasticity (ex US)



Dysport® therapeutics, leader in several countries:

- Russia
- Brazil
- UK

Ipsen boasts high market shares in its spasticity markets

Ipsen currently absent in the US, spasticity launch planned in Q4 2015

Dysport[®], a great potential of differentiation in spasticity

Greater duration of patient relief:

- Earlier onset of action
- Longer duration of action

Only toxin to improve voluntary movements in entire limb⁽¹⁾

- Key to help patients gain autonomy

First toxin to show efficacy on Tardieu scale⁽²⁾

- Recognized as the best efficacy measure, specifically in spasticity

Ipsen on track to succeed with US spasticity launch

Best toxin to treat AUL spastic patients

Only toxin to demonstrate improvement of voluntary movements
Long relief period thanks to fast onset and long duration of action



“First Mover” advantage in PLL
Filing expected by end 2015

**Potential full adult spasticity coverage
with ALL**

Significant increase of US addressable market

Spasticity sales force of ~20 reps to support launch

Dysport[®] Solution, potentially the first liquid toxin on the market (ex-US)

Enhanced safety and cost
(no reconstitution)

Ready-to-use

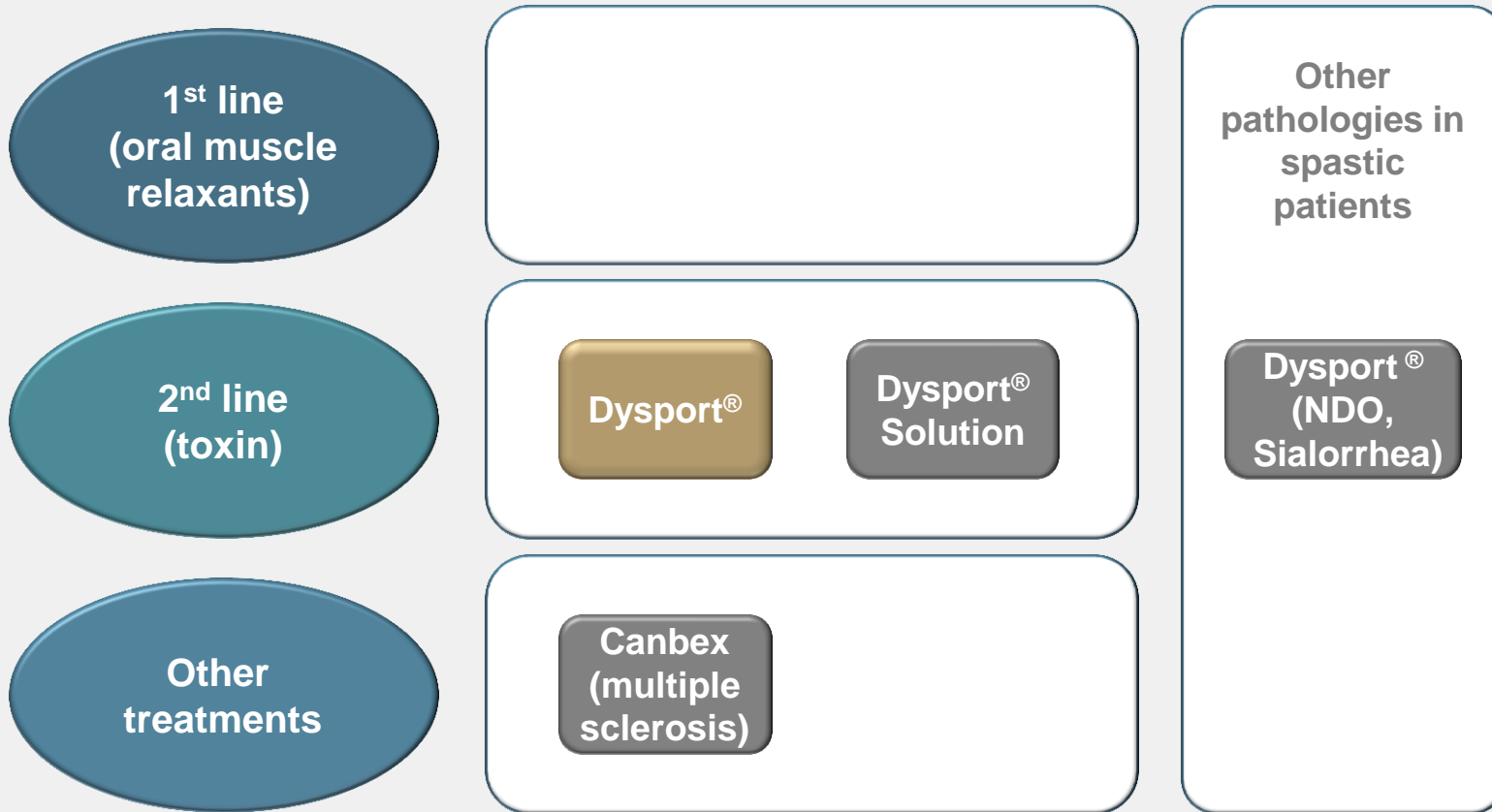
Dysport[®]
Solution
(liquid)

Ability to reach more
patients

Full product range

Dysport[®] Solution to be filed in Cervical Dystonia in Europe and Brazil in H1 2016

Through LCM and Canbex acquisition, Ipsen well-positioned on the spasticity treatment paradigm

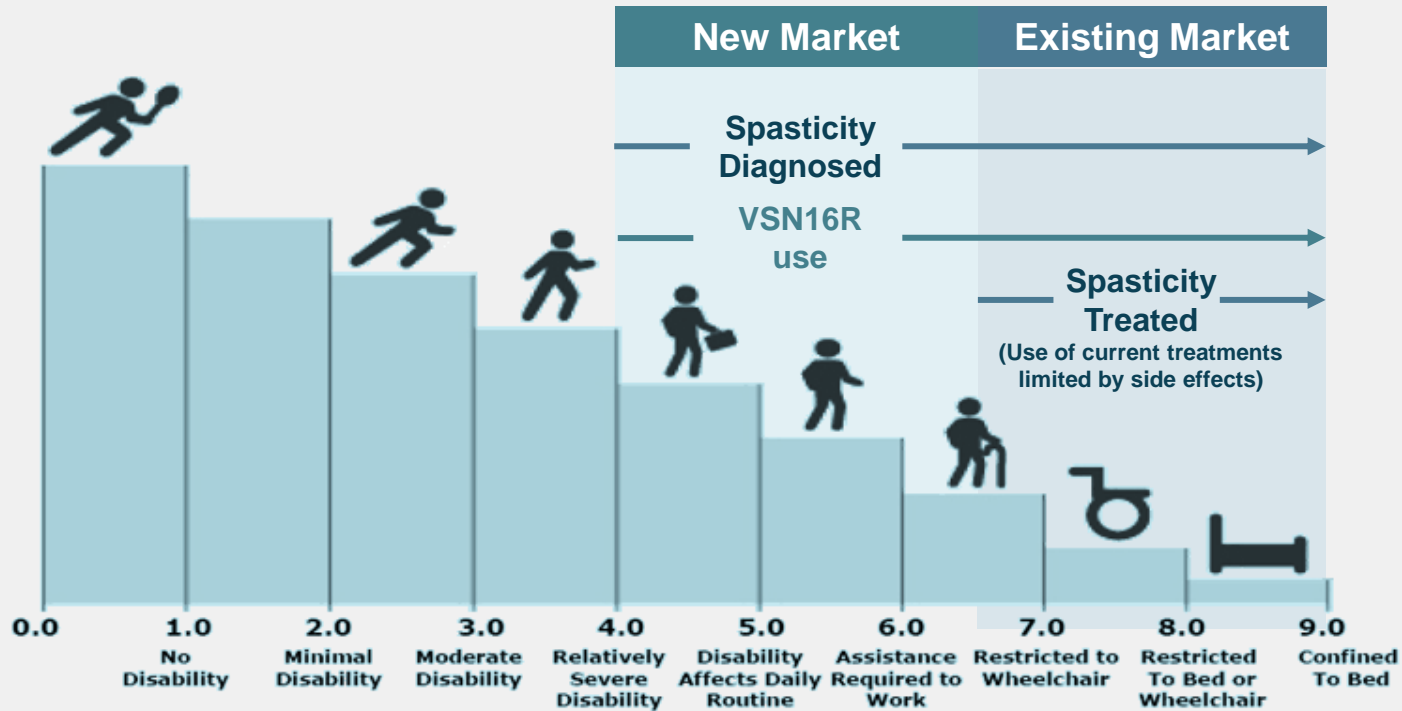


In R&D pipeline



Marketed

Canbex's deal option, a promising opportunity



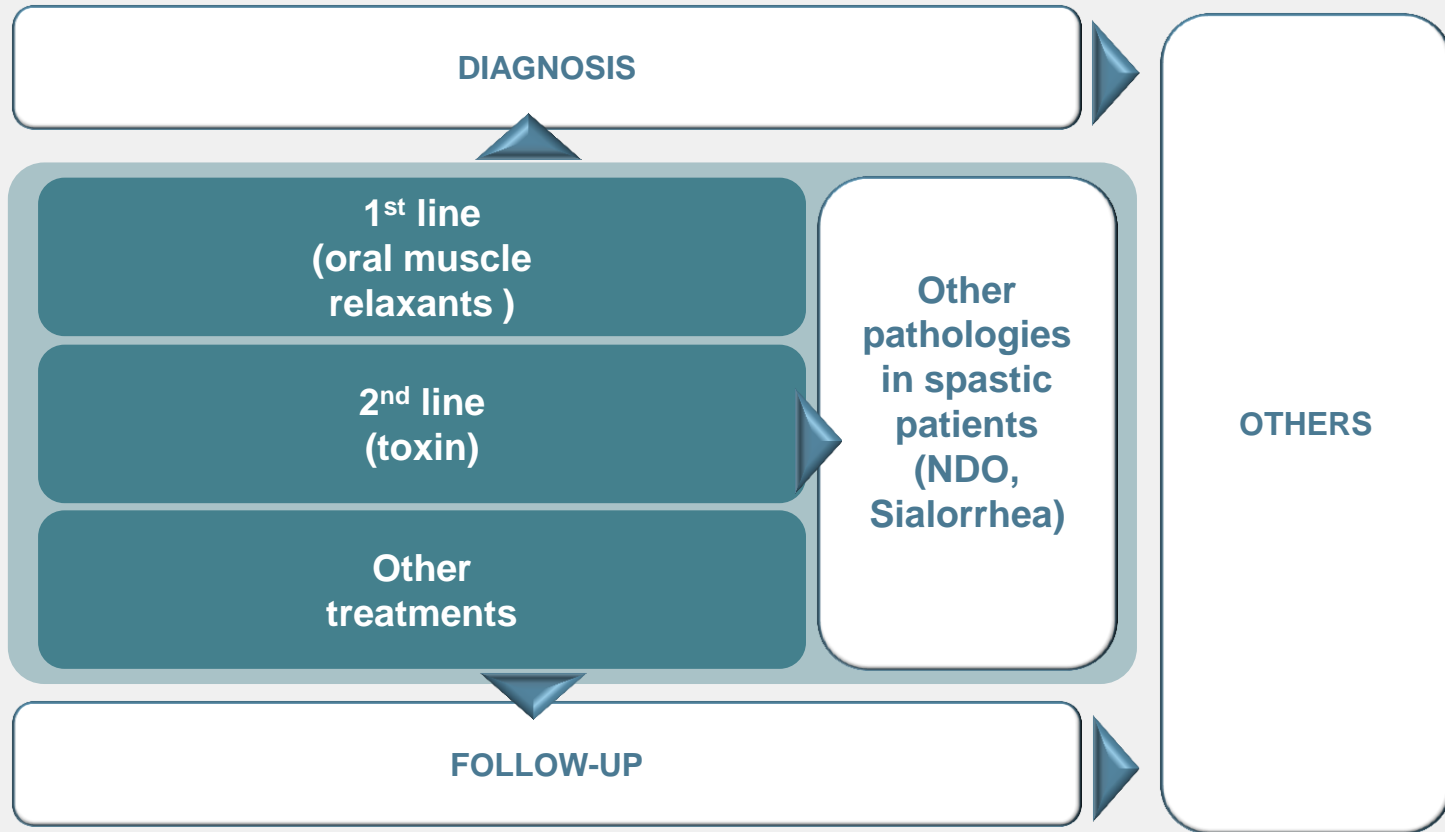
Expanded Disability Status Scale (Mobility Scale in MS)

Progressive disability over time →

Higher tolerability allows VSN16R to be used in more patients and earlier in treatment

80% of the ~2 million MS patients worldwide suffer from some degree of spasticity

Spasticity treatment paradigm still offers room for expansion



 Current presence

 Room for expansion

Spasticity strategy key takeaways

1

Short / Mid term

Focus

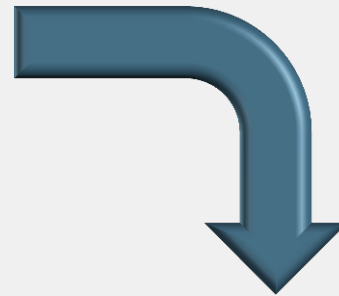
- Gain full spasticity reach (adult and pediatric)
- Launch in the US
- Leverage Dysport® differentiation

Differentiate

- First company to potentially launch liquid form in Europe and Brazil with Dysport® Solution

Invest

- Expand to new indications/ areas:
 - R&D
 - Business development



2

Long term

Innovate

- New-generation differentiated toxins
- IP protection strategy

Neurotoxin for aesthetics through Galderma alliance

**OWN THE
DISEASE
CONCEPT**

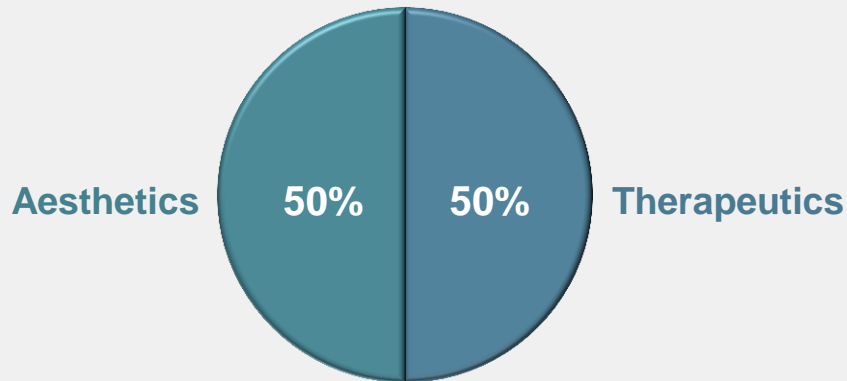
Global leadership



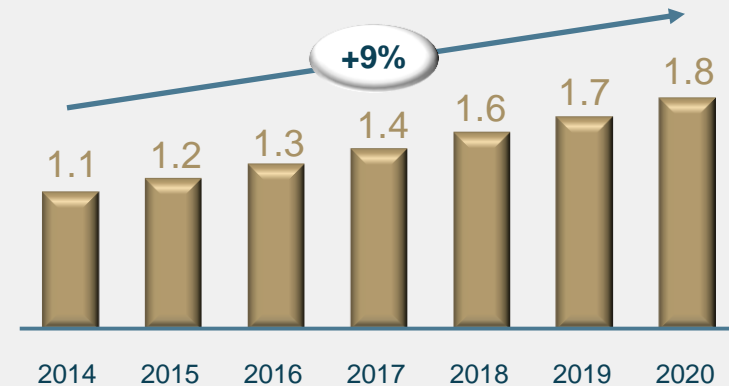
Neurotoxin for
aesthetics
(Galderma)

Aesthetics, a fast-growing market generating half of Dysport® sales

Dysport® 2014 revenues⁽¹⁾ split (%)



Aesthetics BonT market⁽²⁾ (€ billion)



Ipsen markets Dysport® in Aesthetics:

- Directly in Russia and some Eastern European countries
- Via Galderma in Europe, USA, Brazil, Australia, Argentina, and Mexico
- Via other third parties in South America, Middle East, etc.

Strong volume growth driven by:

- Emerging countries
- Favorable demographics
- Growing acceptance, in particular in men

Price pressures due to:

- Emergence of lower priced Asian toxins
- Limited innovation

The scope of Ipsen and Galderma alliance to keep expanding



2014 achievements

- Agreement duration extended to 2036
- New territories (o/w US) taken over by Galderma
- Ipsen acquisition of Galderma's rights to liquid toxin in aesthetics and therapeutics

2015-2016

- Extension of geographical scope⁽¹⁾

2017 and beyond

- Launch of the first liquid toxin A for aesthetic use with Dysport[®] Solution (ex US)
- Development and launch of liquid toxin purchased from Galderma in aesthetics (potentially in the US)

Areas to reinforce and new targets

**OWN THE
DISEASE
CONCEPT**

Areas to reinforce



Prostate cancer

Bladder cancer

Adult endocrinology

New potential targets



GI Oncology

Orphan Oncology

Ipsen to leverage infrastructure and expertise in urology-oncology through late-stage deals

Portfolio



- 20% market share in Europe
- Marketed in 7 countries, acknowledged by scientific guidelines and community

Commercial presence

- 150 sales reps targeting 6,000 urologists and 5,000 oncologists in Europe
- Expertise developed by Somatuline[®] sales force in the US

Medical and clinical expertise

- 10TasQ10 experience: international multicentric 1,200 patient study
- High credibility in the scientific community manifested in congresses

Peptide platform

- Four on-going projects with potential outcomes in prostate and bladder cancers
- Candidate validation expected from 2018

Strong expertise acquired through Decapeptyl[®], Hexvix[®] and tasquinimod

Decapeptyl® to benefit from life-cycle management and emerging market growth

1

Backbone therapy for prostate cancer care

- Data generated in backbone therapy
- Use in combination (with new hormones, chemo, etc.)
- Explicit recommendation in major guidelines (ASCO 2014, EAU 2015)

2

3-month subcutaneous route of administration

- Enlarged patient pool (e.g. patients with anti-coagulant)
- Strengthened efficacy evidence with 93% of castrated patients at 183 days

3

China growth reservoir

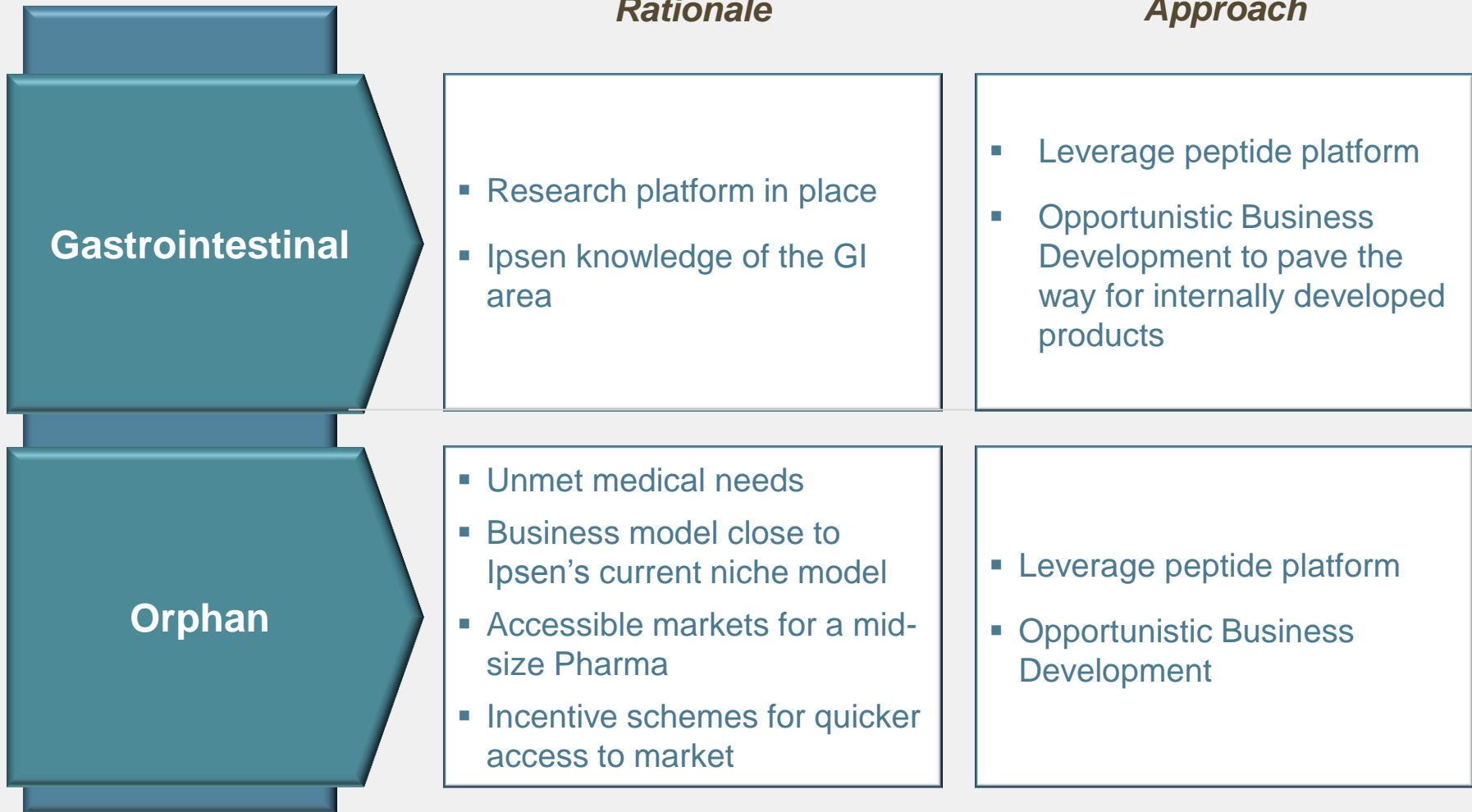
- Double-digit growth of gynecology markets throughout 2020
- Development of prostate cancer indication
- Extended coverage with penetration of tier 2/3 cities

4

Combination in breast cancer

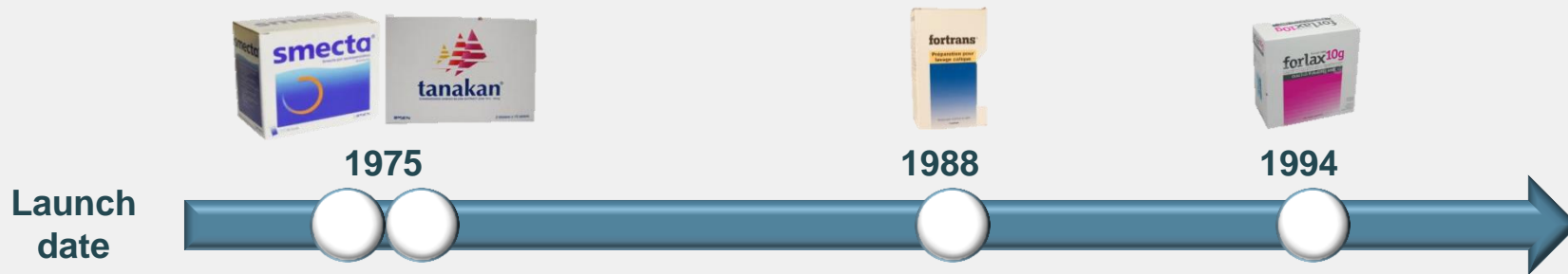
- Phase III studies in combination with exemestane or tamoxifen⁽¹⁾
- Positive regulatory feedback from MHRA
- Regulatory plan and commercial model under development

GI and Orphan oncology offer the best rationale for opportunistic expansion

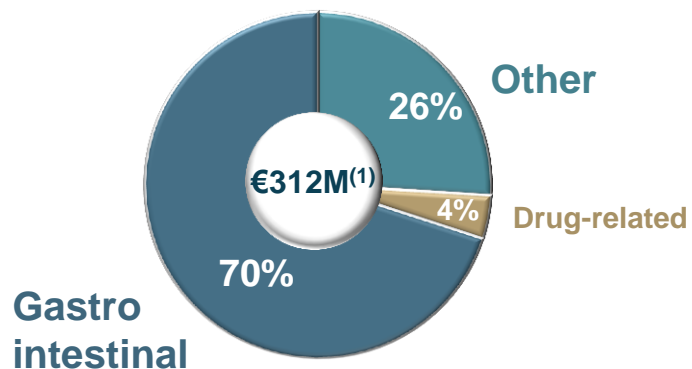


Primary Care

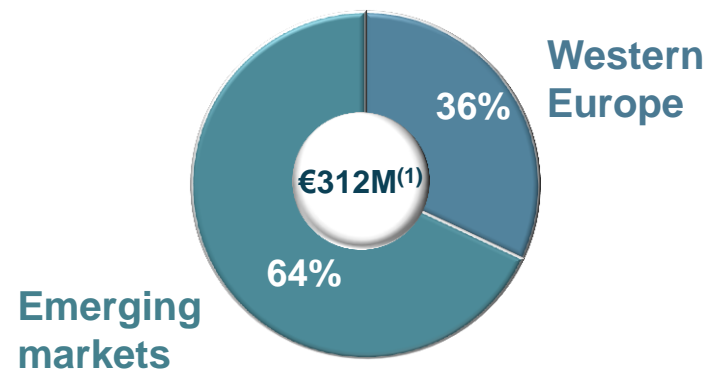
Ipsen primary care legacy composed of strong brand equity, GI franchise, and emerging market footprint



Sales split by indications (2014)

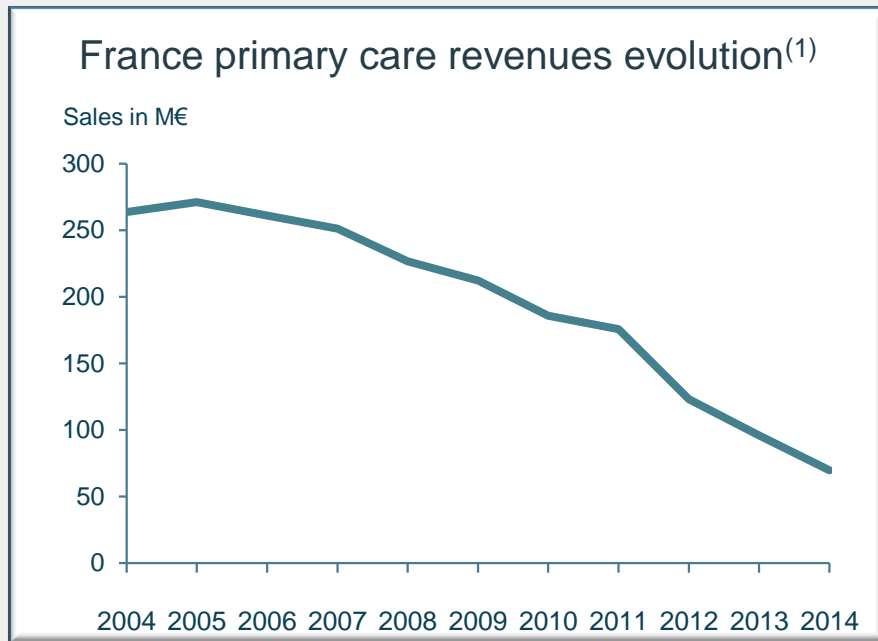


Sales split by geographies (2014)

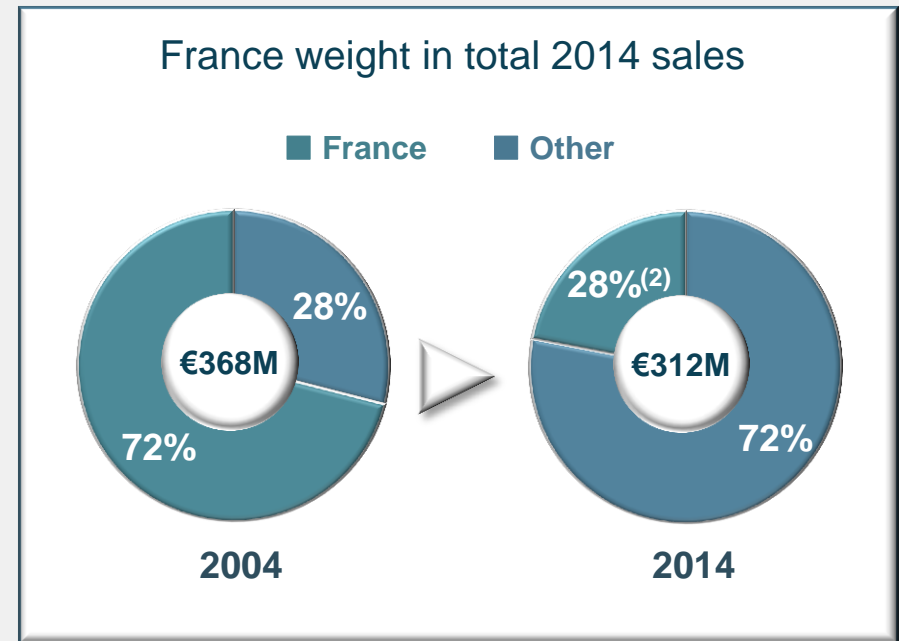


Primary care decline in France to reach a floor

After 10 years of decline ...



... France now accounts for 28% of total primary care



Primary care France remains profitable thanks to significant restructuring

Emerging market growth limiting French decline

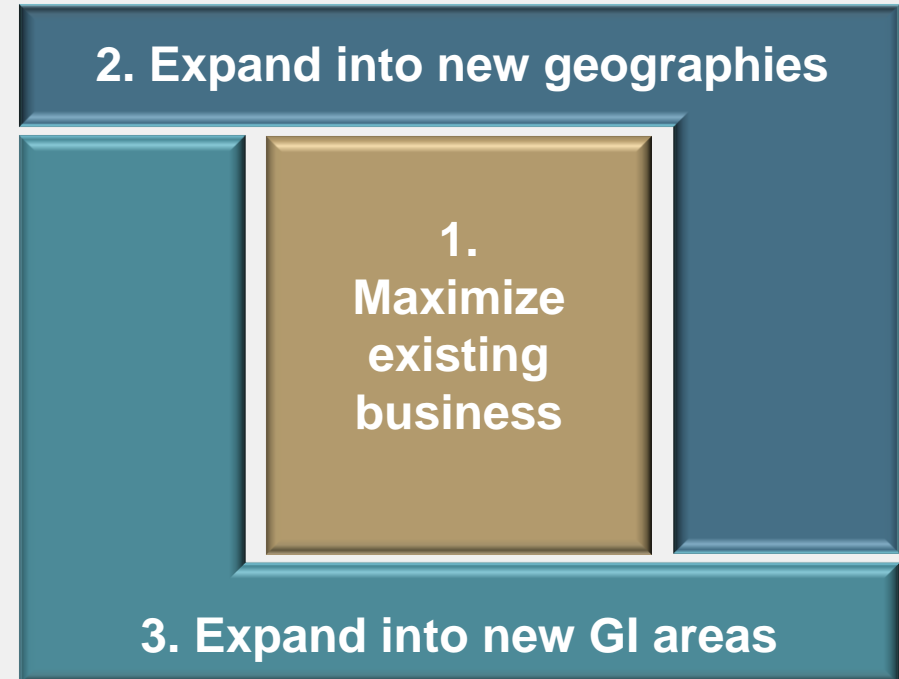
A new strategic vision for Primary Care

A vision...

- Be a preferred partner in gastroenterology...*
- ... in current and promising geographies...*
- ... building on well-known brands...*
- ... serving the needs of patients and customers*



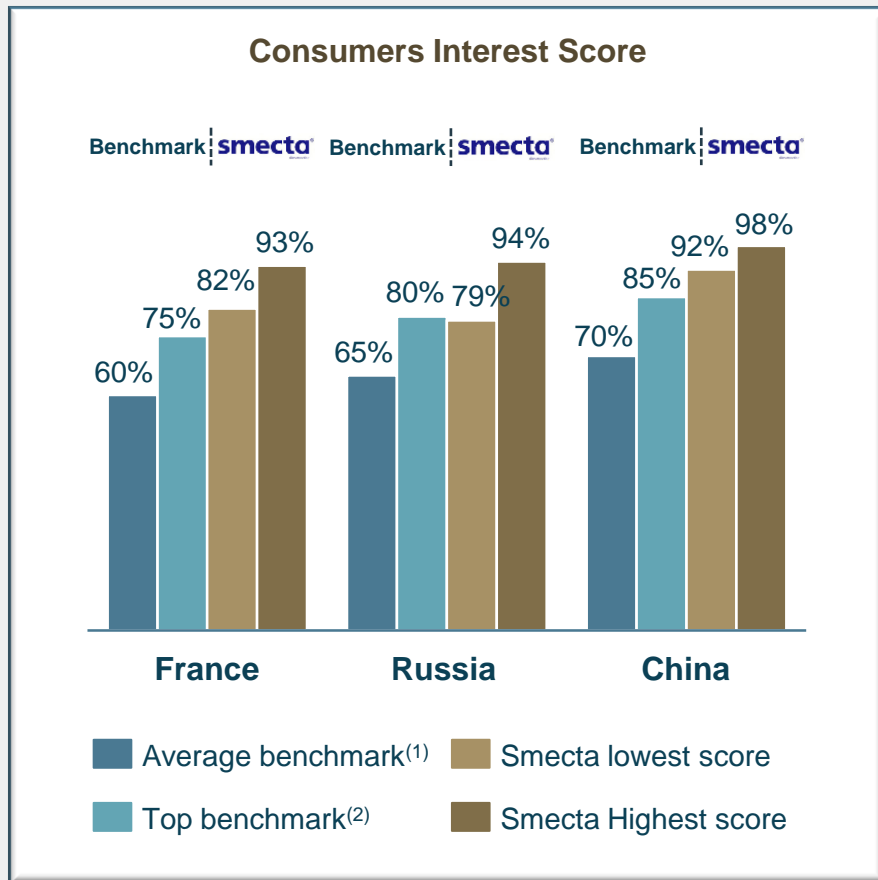
... Leaning on three pillars



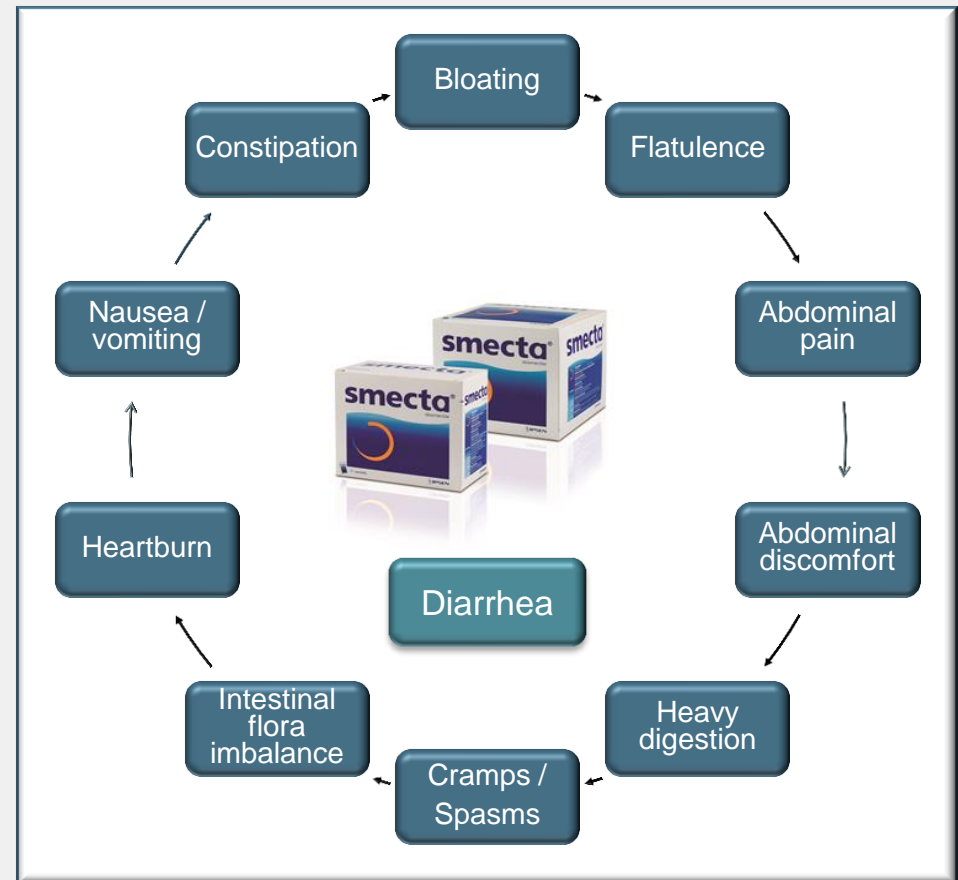
Ipsen to build OTx capabilities to serve new strategy

Smecta® , a powerful brand value with untapped potential

Smecta® brand recognition



High potential in other GI fields



1 - Maximize existing business through LCM and BD



Capture diarrhea market share with **consumer segmentation**

New Taste
Available!⁽¹⁾

Liquid Form –
Smecta® on the go
Soon !

Other segmentation
& line extension
(i.e. baby form,
chronic formulation)

Brand stretch in other Gastroenterology fields
through **API combinations**

Diarrhea
Available!

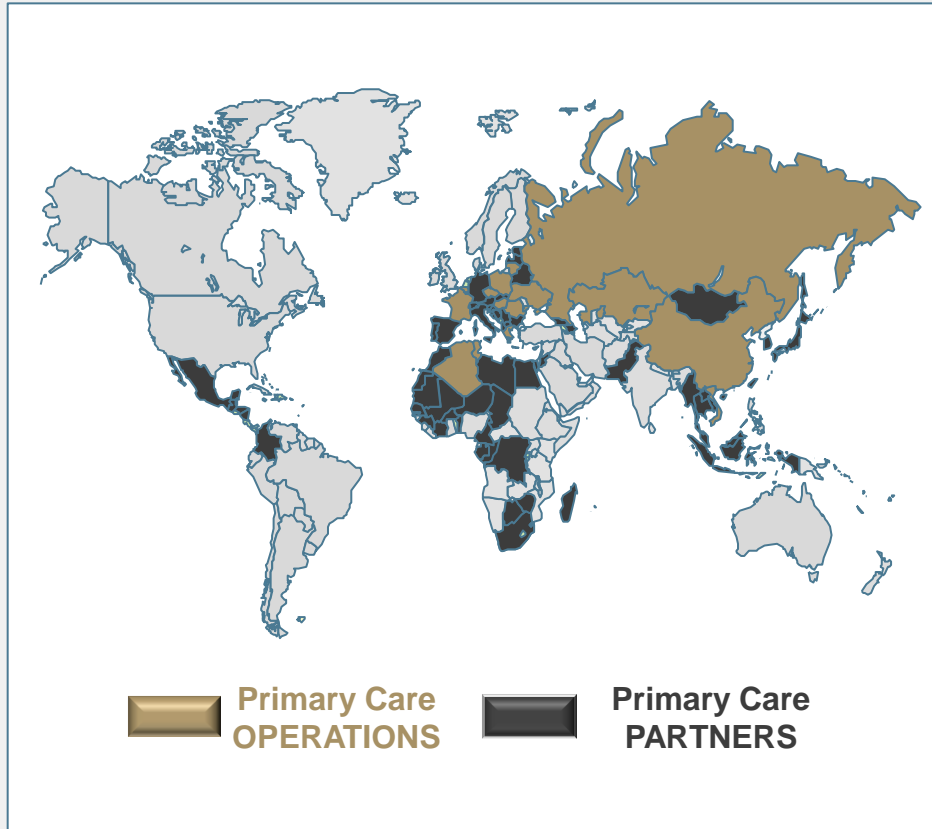
Irritable Bowel
Syndrome

Abdominal
pain

Other

2 - Expand into new geographies

Ipsen primary care current footprint



Targets for geographical expansion

EUROPE

BRAZIL, CANADA, AUSTRALIA

MIDDLE EAST

AFRICA

3 - Expand into new GI areas, notably in probiotics

Objectives

Market characteristics

		Markets	Growth	Unmet needs	OTX	Medical Innovation
Reinforce	Expertise in diarrhea	~€1bn	↗	-	✓ ✓	-
	Expertise in constipation	~€1bn	↗	-	✓ ✓	-
Enter	Irritable bowel syndrome	NA	↗	✓ ✓	✓	✓
	Inflammatory bowel diseases	~500m€	↗	✓	-	✓
	“Health” Probiotics OTX	~€2bn ⁽¹⁾	↗	✓	✓ ✓	✓ ✓

Ipsen's strong primary care assets validate the move to OTx model

	<i>OTx model</i>	<i>Ipsen's assets</i>
Portfolio	Brand power Reimbursed if prescribed	<ul style="list-style-type: none">▪ Strong brand recognition▪ Portfolio originally in Rx▪ Available in self-medication in many countries
Innovation	Strong innovation to constantly adapt to consumer needs	<ul style="list-style-type: none">▪ Innovation & LCM (Smecta® RTU, Smecta® Strawberry)▪ Industrial legacy▪ BD capacity
Geographical presence	Countries with history of patient co-pay	<ul style="list-style-type: none">▪ Strong presence in France & emerging markets (China, Russia, Algeria)▪ Absence from Americas and Western Europe
Sales force capabilities	Mixed model from GPs to Pharmacies	<ul style="list-style-type: none">▪ Mixed model in France, Russia and evolving towards pharmacies in China

Key strategy takeaways

Specialty care

- 3 niche therapeutic areas with potential to become leader (NET, spasticity, and Dysport® aesthetics through Galderma partnership)
- 2 historical therapeutic areas to reinforce (urology-oncology and adult endocrinology)
- Adjacent therapeutic areas to explore (GI and orphan cancers)

Primary care

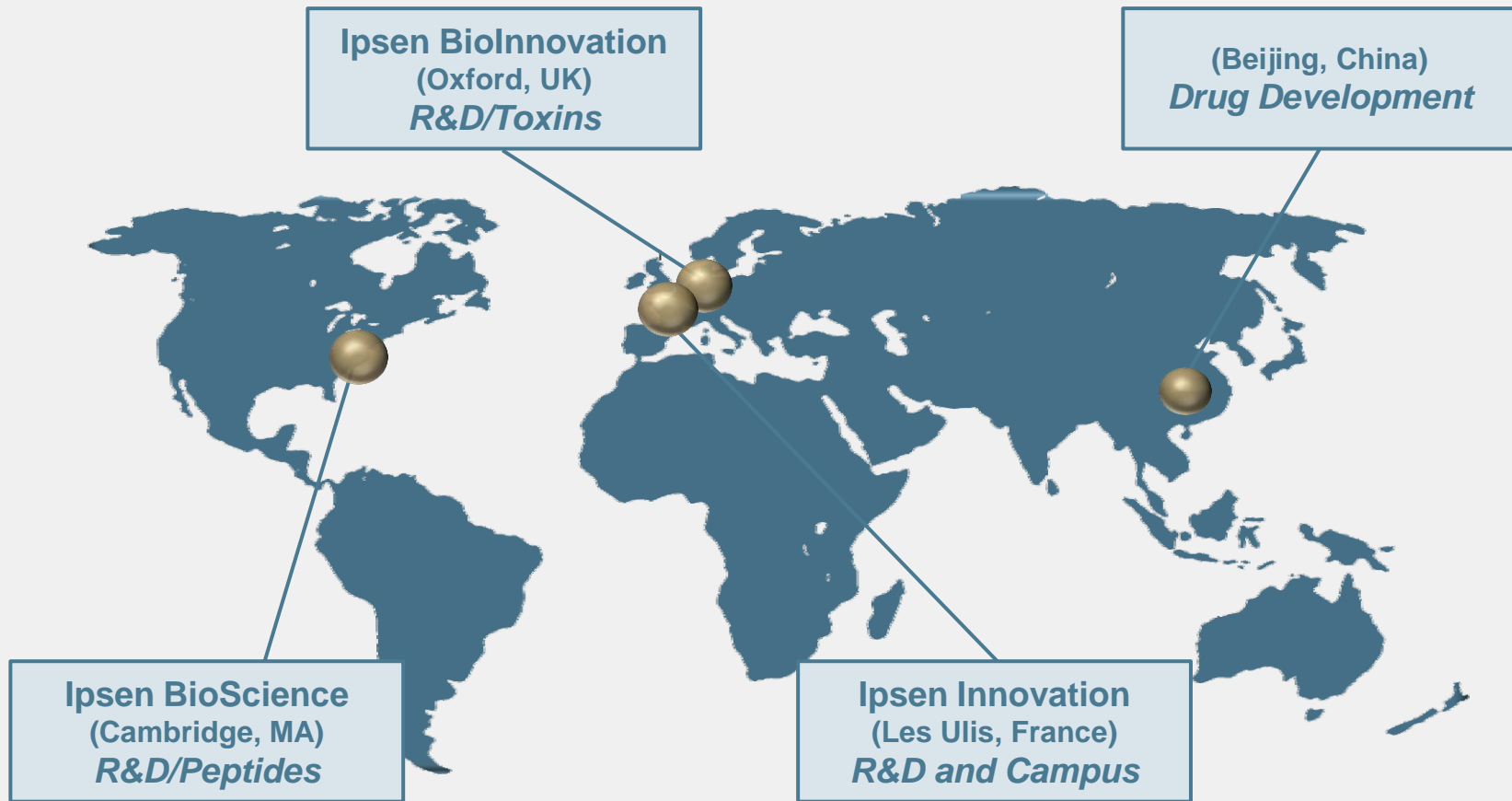
- Building of GI/OTx franchise on strong existing brands
- Reinforcement of geographical coverage

Continued transformation to improve efficiency

R&D update

Claude P. Bertrand
Chief Scientific Officer

Global Core R&D footprint: 350 employees in four main sites



€187 million (~15% of sales) invested in R&D in 2014

Key R&D achievements over the 2010-2015 period

8 phase III delivered

Somatuline[®] NET: CLARINET[®]/ELECT[®]

Dysport[®] spasticity: AUL/ALL/PLL

Dysport[®] solution: Cervical dystonia

Decapeptyl[®] prostate cancer: 3-month subcutaneous injection

tasquinimod: prostate cancer

2 phase II delivered

Dysport[®] solution (liquid): Glabellar lines

Dysport[®] urology: NDO

1 phase I delivered

BN 82451: Huntington Disease

Consistent R&D execution allowing on-time deliveries

R&D fully aligned with Group strategy with two core platforms serving niche therapeutic areas

		PEPTIDES	TOXINS
Reach global leadership	<ul style="list-style-type: none">▶ NET▶ Spasticity▶ Neurotoxin for aesthetics (Galderma)	✓	
Areas to reinforce	<ul style="list-style-type: none">▶ Prostate cancer▶ Bladder cancer▶ Adult endocrinology	✓ ✓ ✓	✓ ✓
New potential playgrounds	<ul style="list-style-type: none">▶ GI Oncology▶ Orphan Oncology	✓ ✓	

Peptides
Oncology / Endocrinology

A new state-of-the-art facility for peptides research recently inaugurated in Cambridge, USA



World-class office and laboratory space within #1 Biopharma cluster in the US

Good position to fully exploit the Cambridge ecosystem

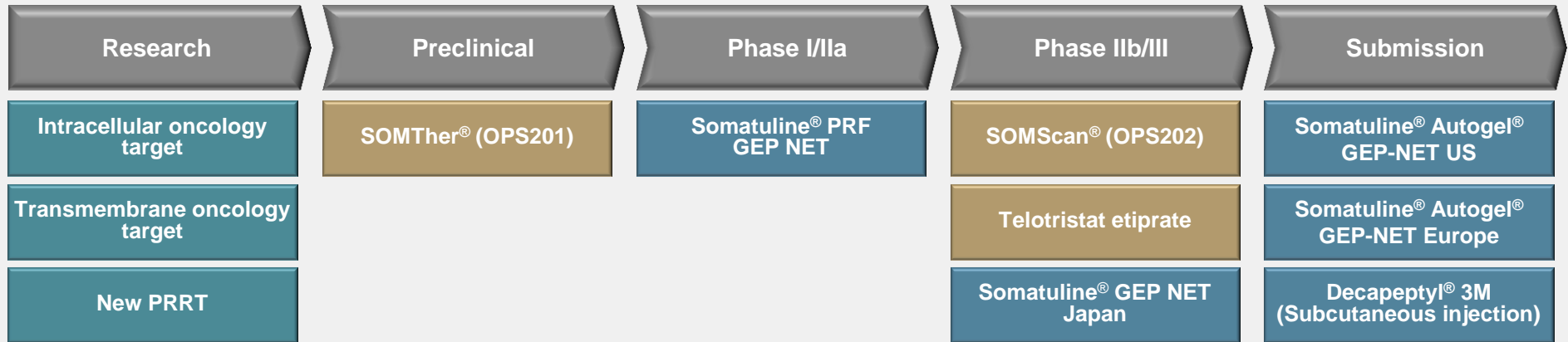
Project completed on time (July 2014) and on budget

At the heart of the global scientific and technological hub

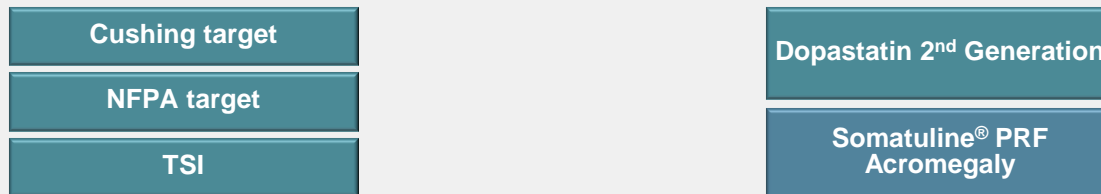
Ipsen Bioscience well positioned to develop entrepreneurial spirit of a start-up company

A rich oncology/endocrinology pipeline

Oncology



Adult endocrinology



New products



Signed business development



Life cycle management

SOMscan[®] and SOMther[®], PRRT with high NET potential

A theranostic approach

Description

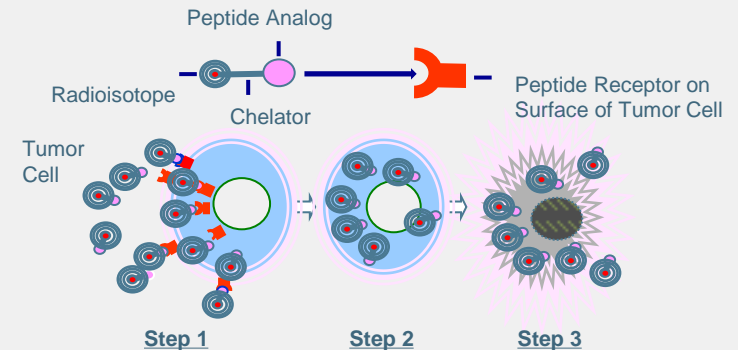
Peptide-Guided
Radioisotope for PRRT

Scientific rationale

Improved receptor binding
through antagonist properties

Medical rationale

- Targets: pancreatic, ileal and bronchial NETs
- Combination potential: kinase inhibitors, chemotherapy...
- Expansion potential using different GPCR ligands



SOMscan[®] to enter Phase III and SOMther[®] to enter Phase I in 2016

Dopastatin 2nd generation

Description

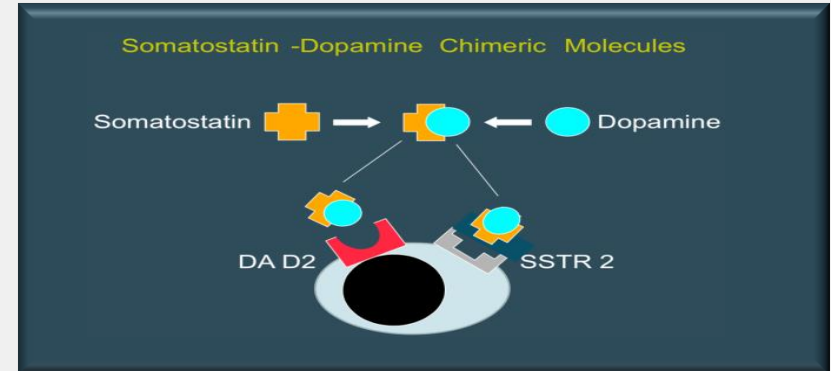
- Enhanced suppression of growth hormone
- Combination of Somatostatin and Dopamin analogs

Scientific rationale

- Improved potency and efficacy in growth hormone suppression vs, Dopastatin 1st generation

Medical rationale

- Prime target: acromegaly
- Additional applications: Cushing's Disease, aggressive Adenomas, NETs, non-Functioning Pituitary Adenoma



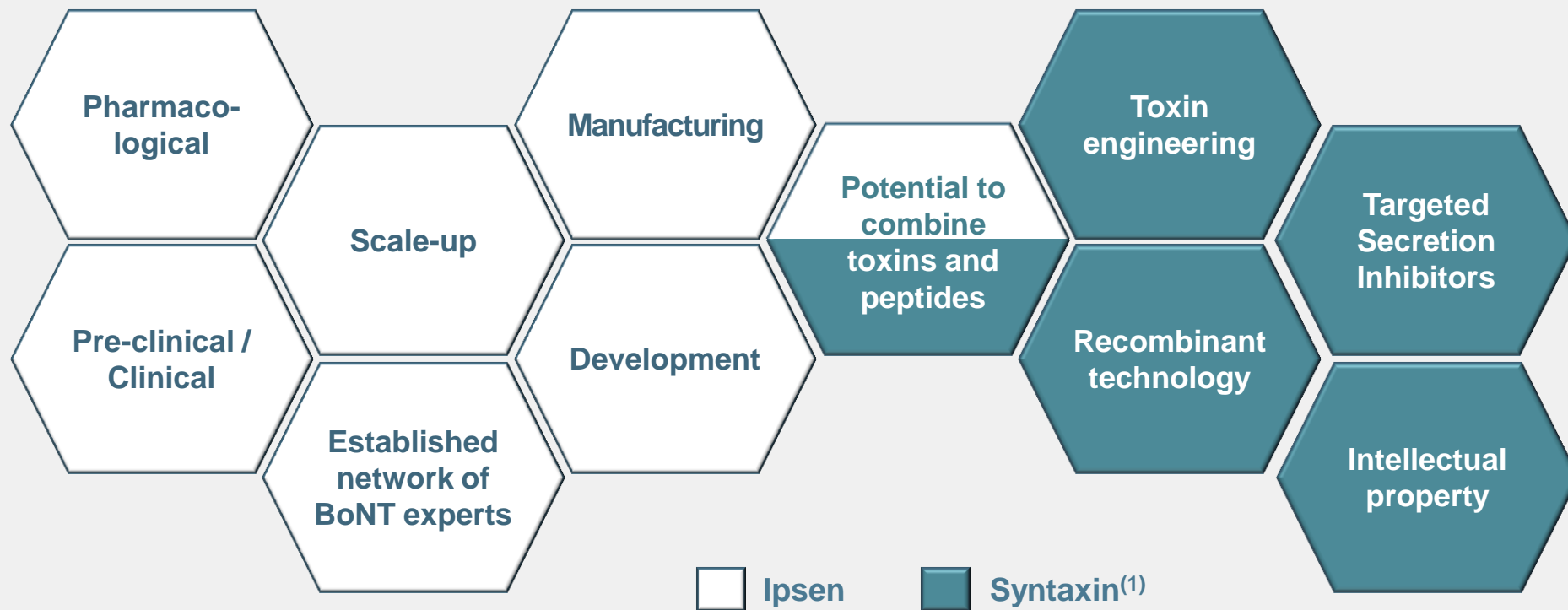
Toxins

Movement disorders

Syntaxin acquisition has significantly reinforced Ipsen's R&D toxin platform

From natural BoNT expertise...

... to full recombinant potential



Ipsen now at the forefront of botulinum technology

Ipsen BioInnovation, state-of-the-art R&D toxin facility in Abingdon, UK



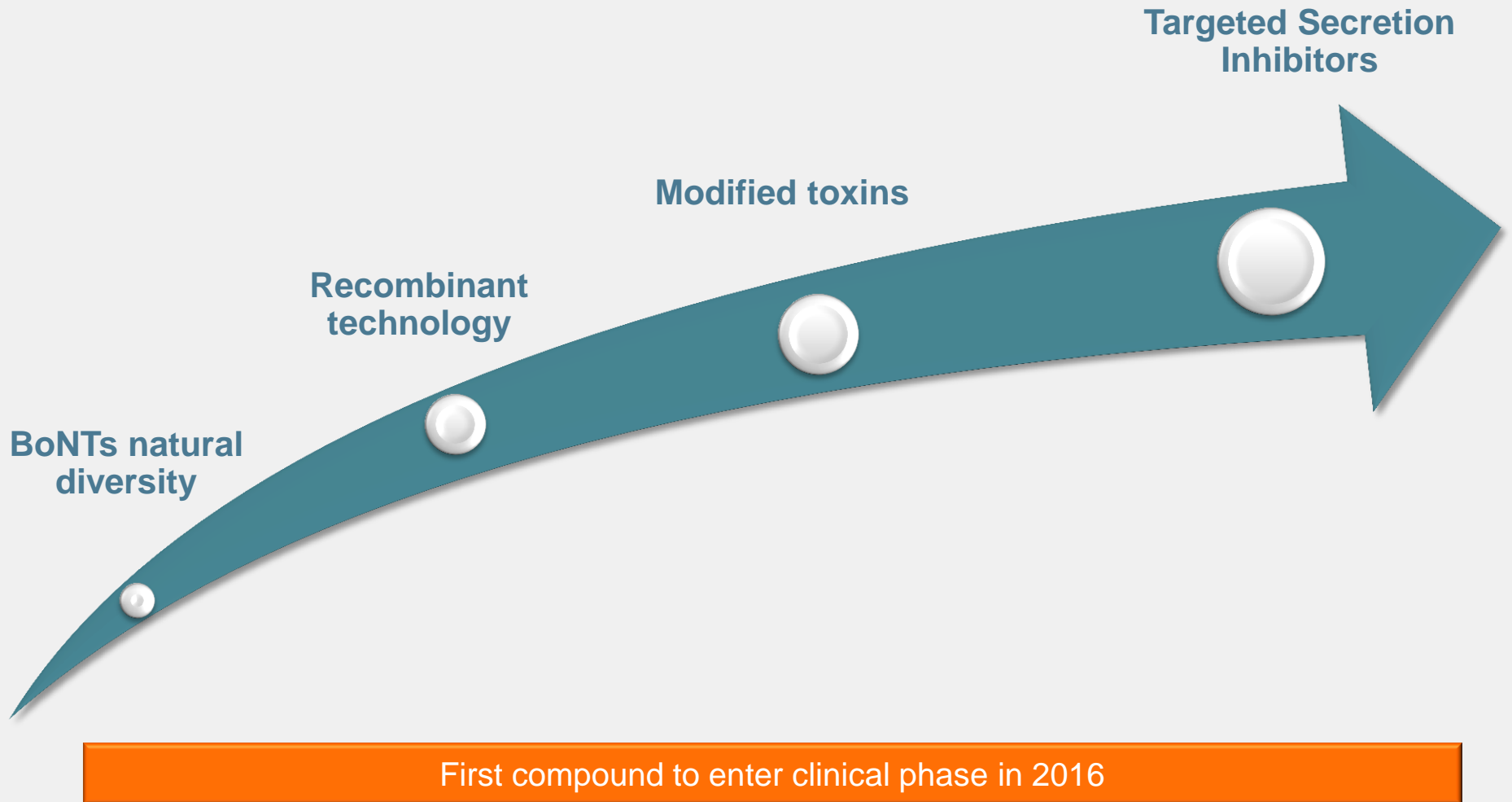
Full and effective integration of Syntaxin Ltd,
acquired in 2013

Fully equipped platform for design, manufacturing,
and testing of novel toxin-derived proteins

All aspects covered from early research
to first-in-man studies

Syntaxin Ltd renamed Ipsen BioInnovation Ltd in March 2015

Ipsen's new-generation toxin programs



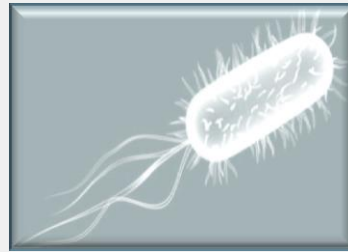
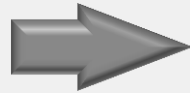
Recombinant expression of botulinum toxins

Gene
manipulation

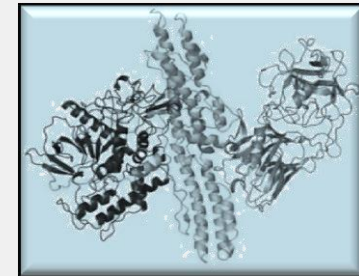
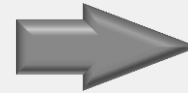
Manufacturing



DNA encoding: difficult and complex purification and gene manipulation of BoNT from clostridial cultures



BoNT manufactured using standard E.coli expression systems to generate recombinant BoNT (rBoNT)

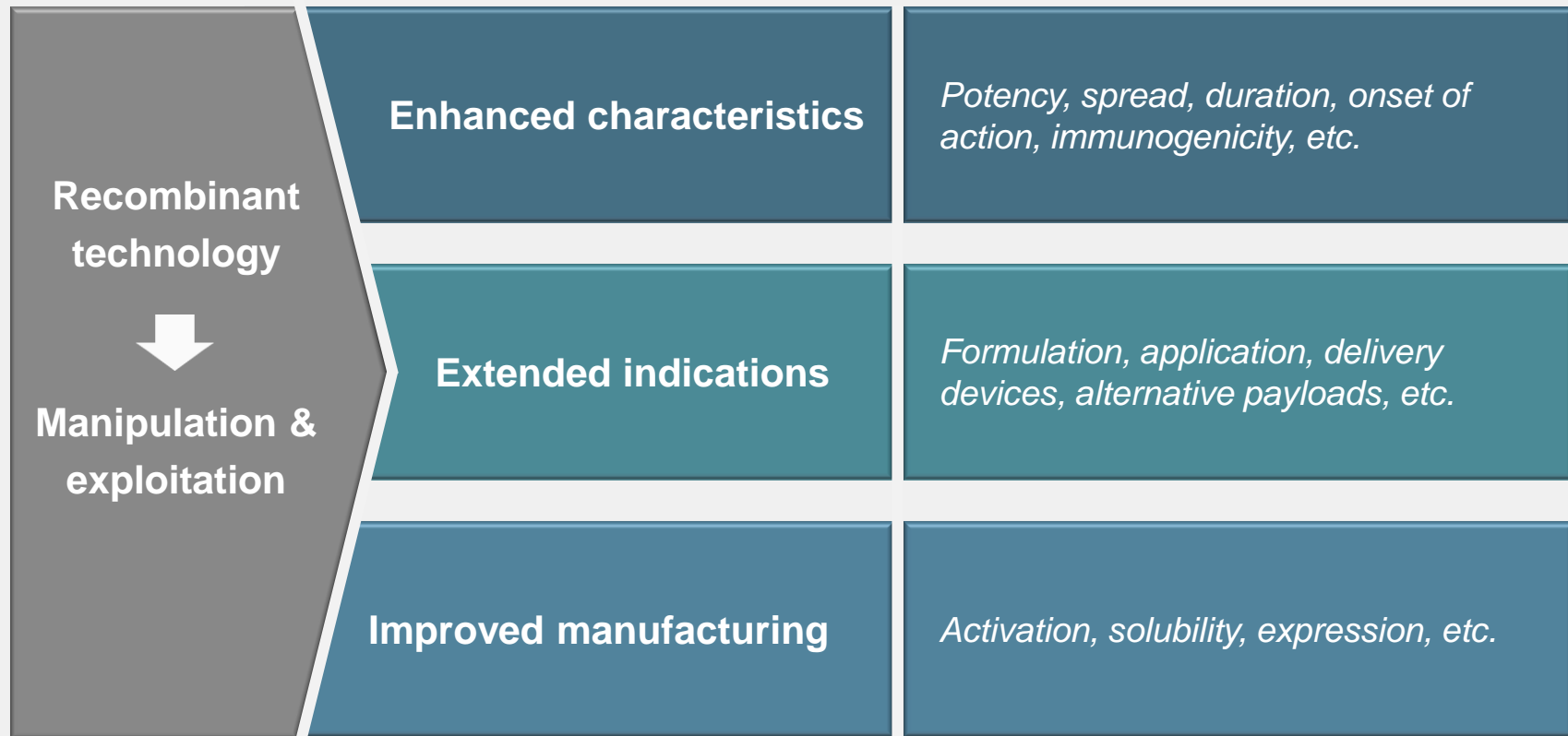


Modified protein isolated, similar to other therapeutic proteins

Recombinant expression enables specific modifications to be incorporated into neurotoxin

“Engineered proteins” then created through modified neurotoxins

Recombinant technology opens up new therapeutic opportunities

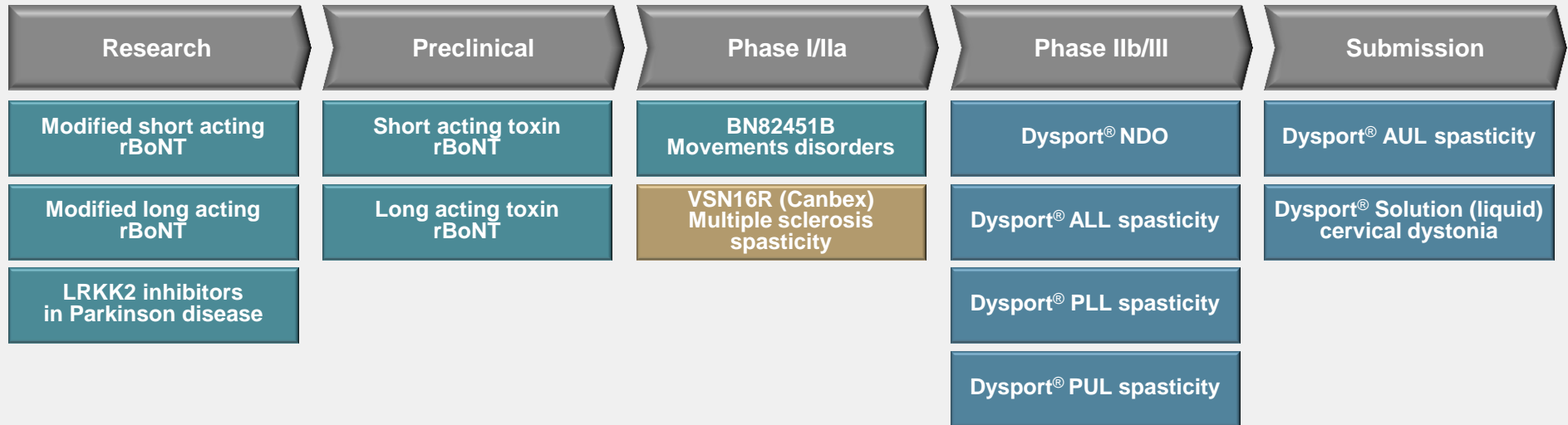


Modified rBoNTs used to design variants across all subtypes of natural BoNTs

New candidates can potentially be used in all therapeutic areas

A rich and balanced neurology/toxin pipeline

Therapeutics



Aesthetics



New products



Signed business development



Life cycle management

New generation short and long acting toxins

Toxin

Development phase

rBoNT/E

Short acting recombinant
toxin E

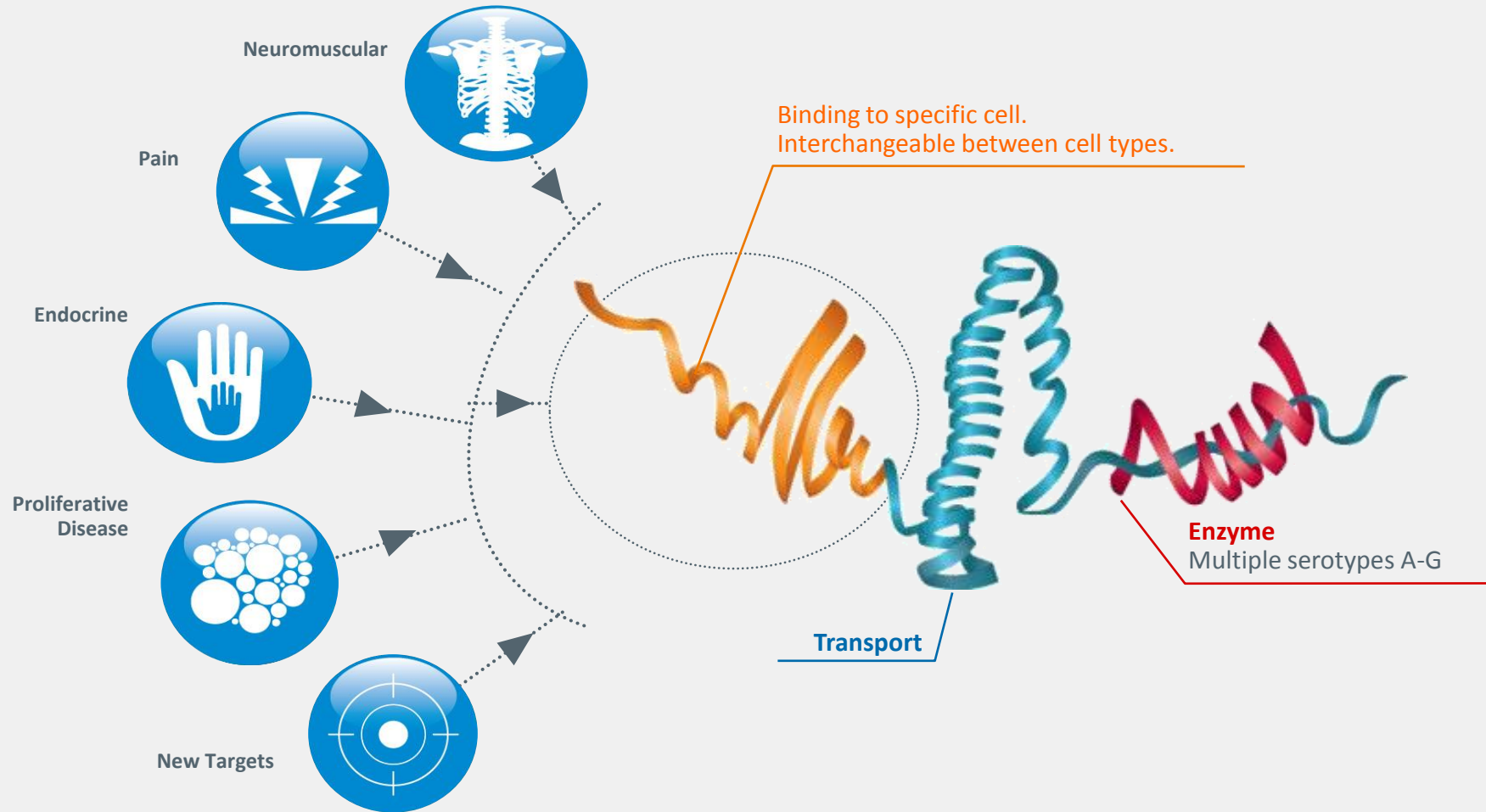
Expected move to clinical phase early
2016

mrBoNT/A

Long acting recombinant modified
toxin A

Expected move to clinical phase in
2017

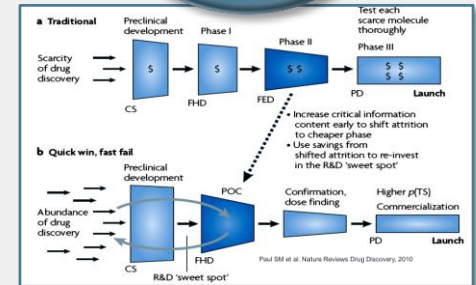
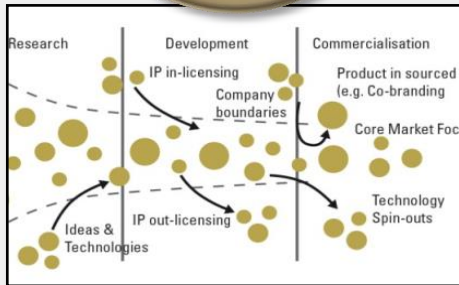
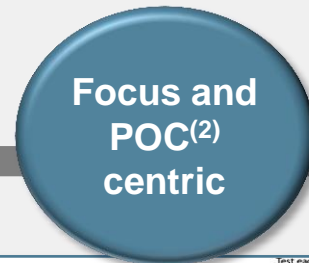
Targeted Secretion Inhibitors (TSI)



Ability to change the binding site to broaden therapeutic potential

An R&D model under transformation

Initiatives to improve R&D productivity



- Biotechs
- Academic clinical centers of excellence
- Strategic sourcing

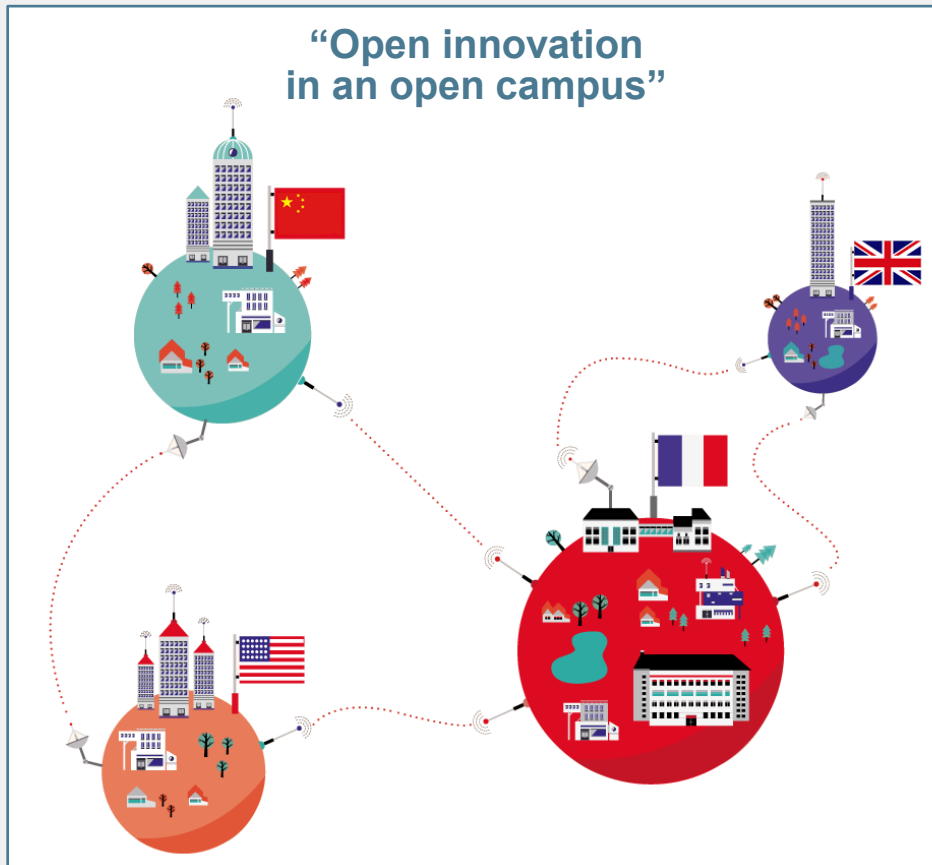
- In-house resource focused on core activities
- Efficient use of CROs for non-core activities
- Lean organization

- One NME⁽¹⁾ every 4 years
- Value-added products: precision medicine and targeted therapies

- 2 technology platforms
- 3 therapeutic areas
- Strengthening early drug development/ POC⁽²⁾ know-how and capabilities

The Campus concept in les ULIS begins to emerge

Paris Saclay: a worldwide cluster at the heart of open innovation



>300

laboratories

10%

of total R&D headcount in France

60,000

students

5,700

doctors

€2.2bn

invested by 2020

1.3

million square meters available

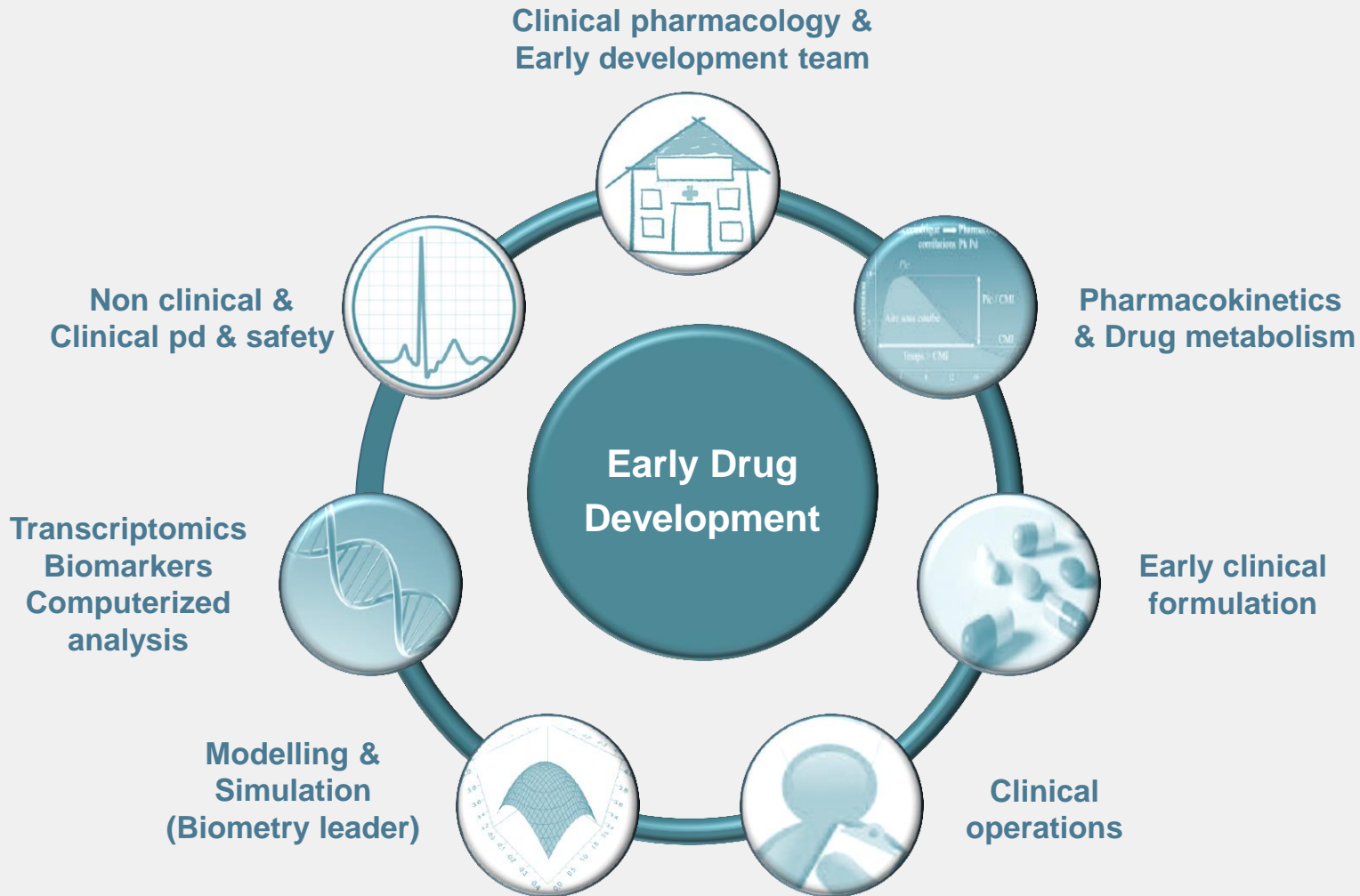
In-house R&D complemented with an active partnership policy

Early-stage and academic

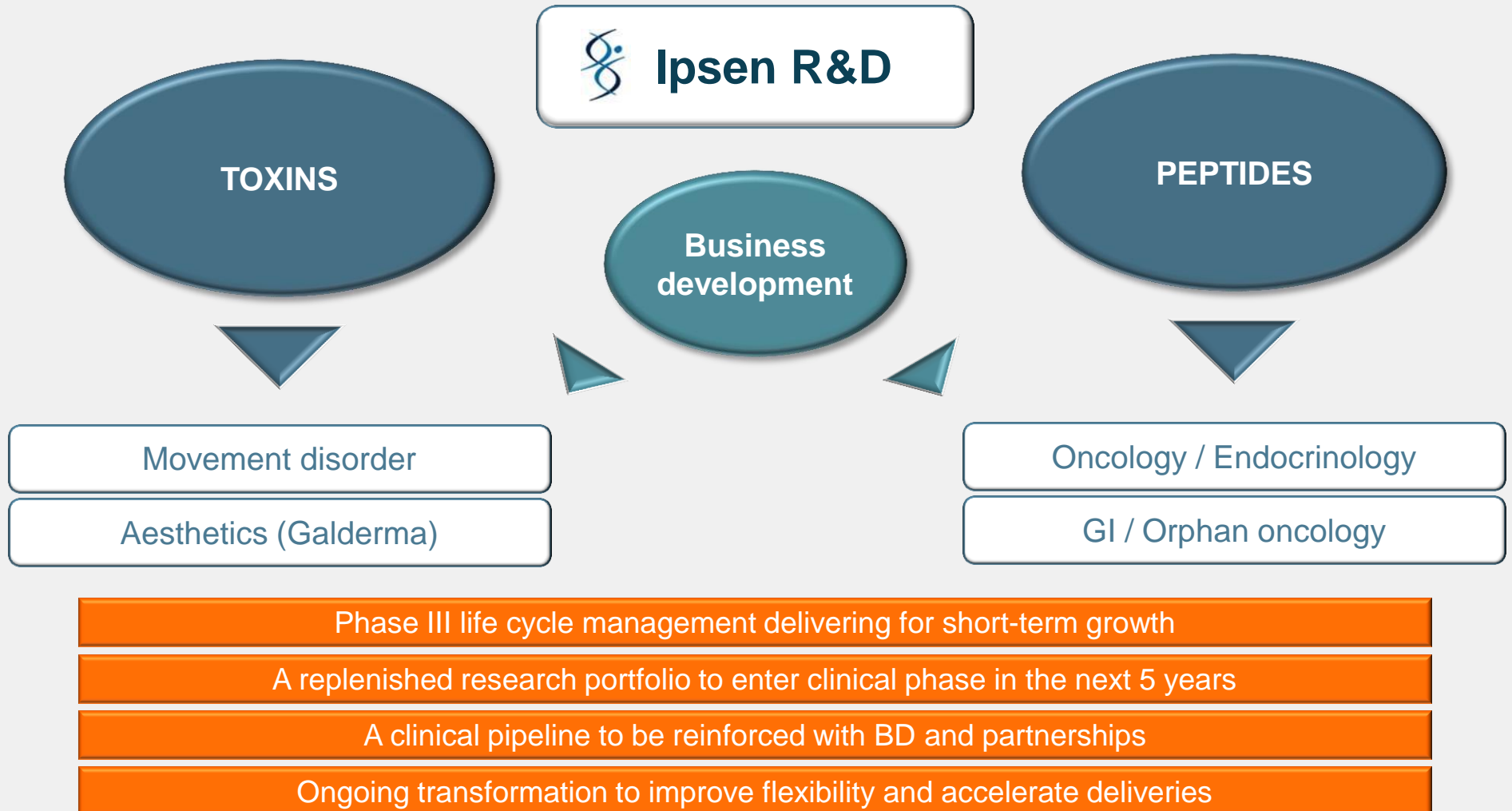
Late-stage development & marketing

Open culture at the heart of Ipsen's R&D model

Early drug development based on integrated expertise



Key R&D takeaways: a model under transformation fully aligned with Group strategy

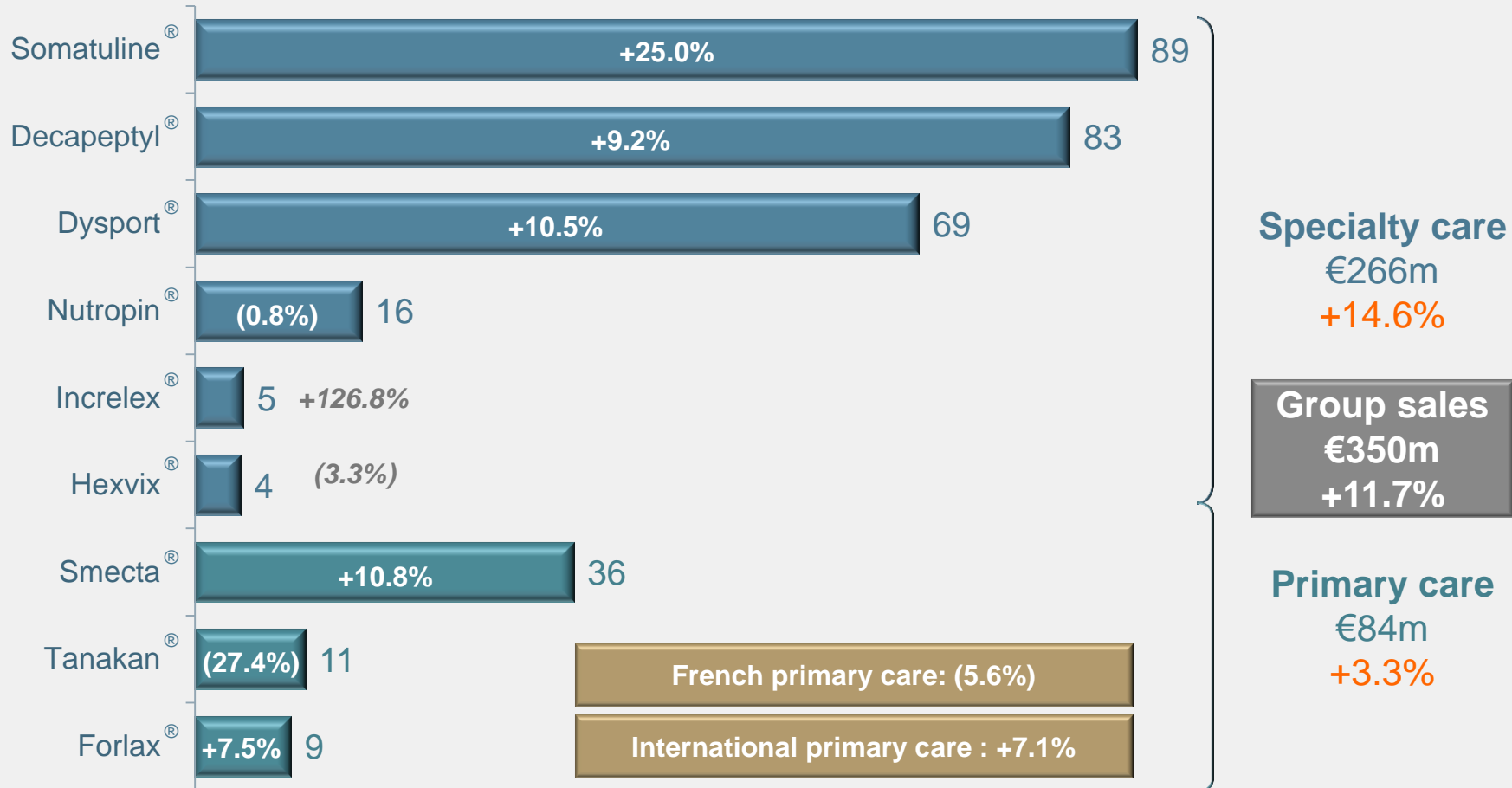


Financials

Aymeric Le Chatelier
Chief Financial Officer

First quarter 2015 sales driven by strong specialty care

Sales – Q1 2015 (in million euros) – % excluding foreign exchange impact

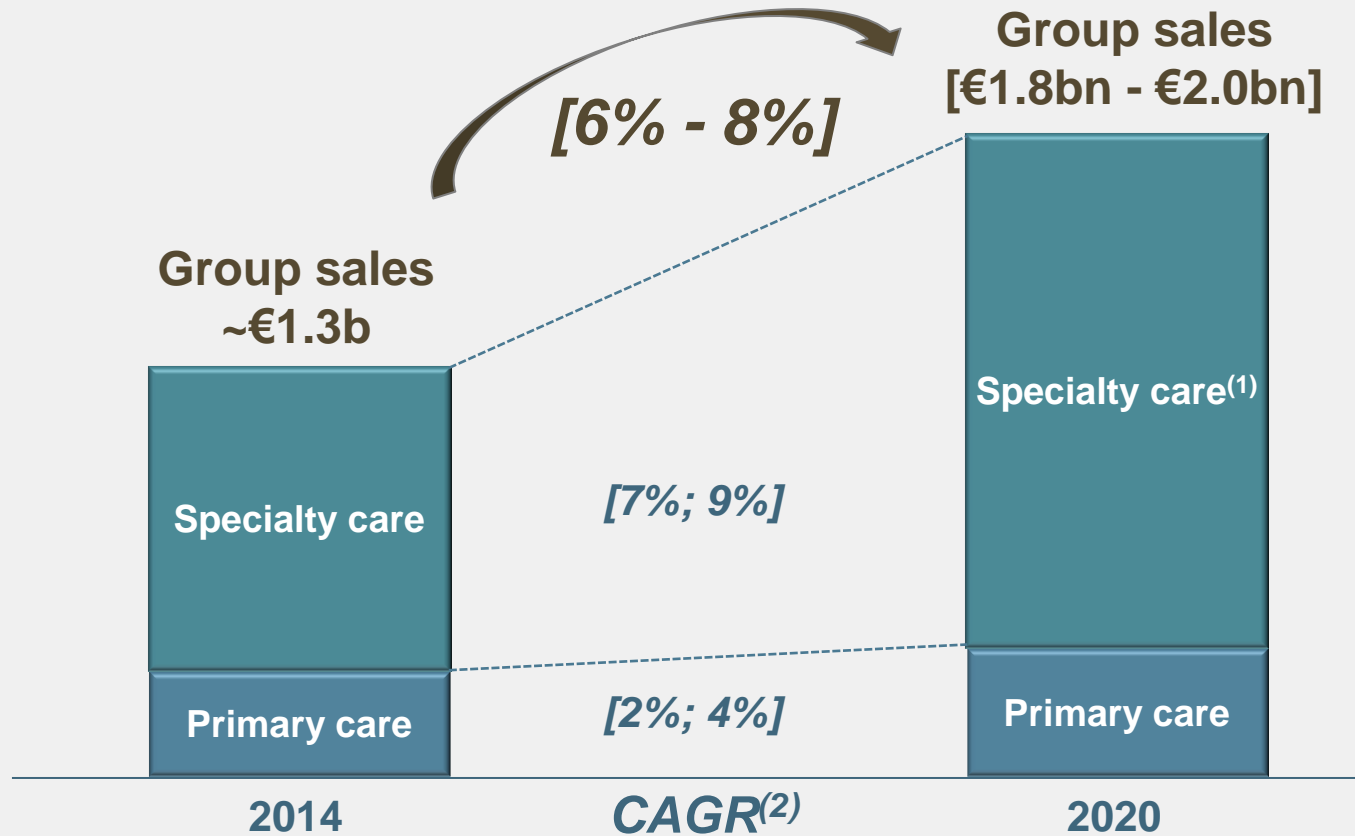


2015 guidance revised upwards to reflect strong specialty care and tasquinimod savings

	Initial 2015 guidance	Revised 2015 guidance ⁽¹⁾
Specialty care sales growth	Between +8% and +10%	Between +10% and +12%
Primary care sales growth	Between -3% and 0%	Between -3% and 0%
Core operating margin	Between 19% and 20%	Between 21% and 22%

Sales objectives are set at constant currency

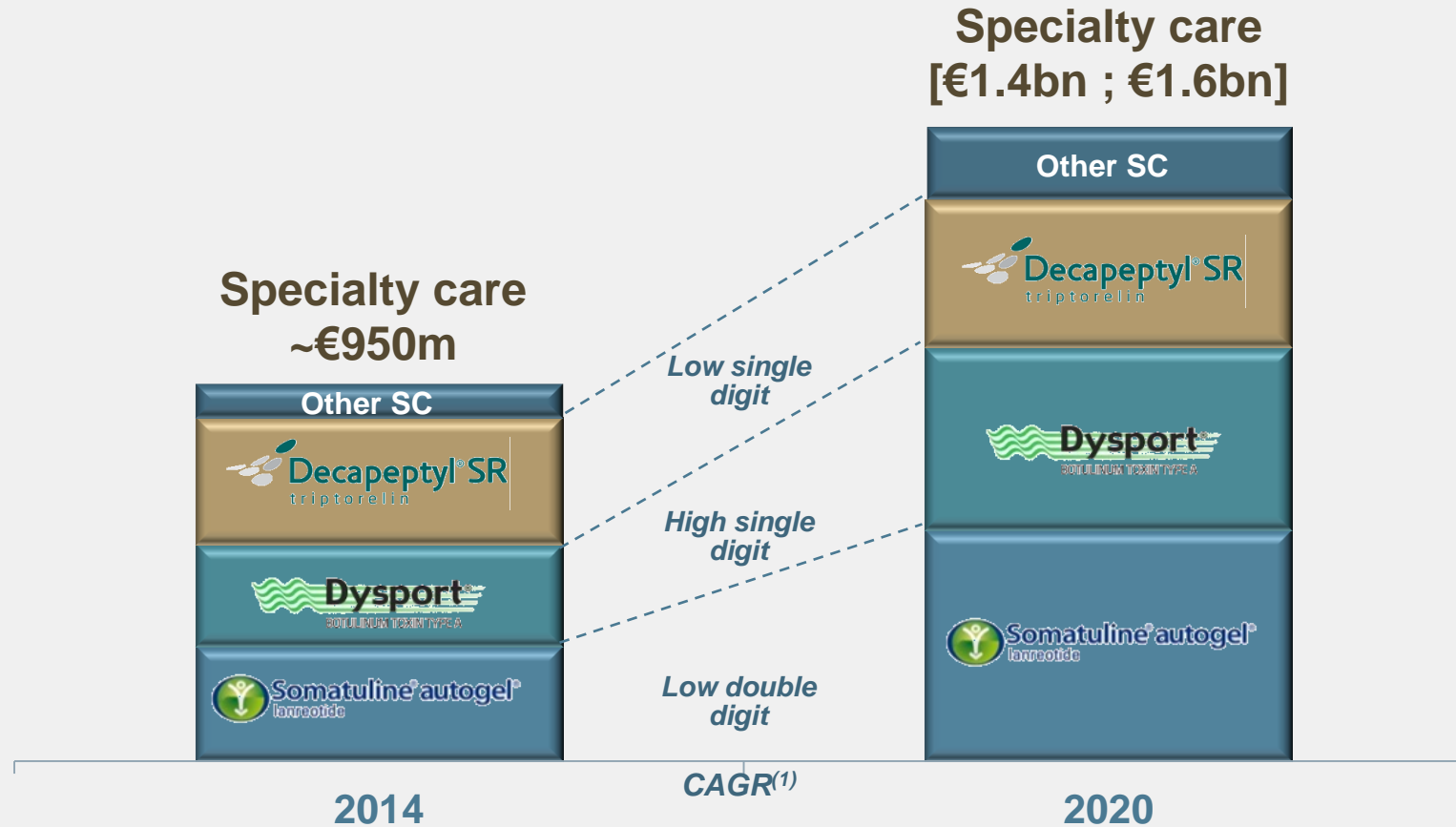
2020 organic sales outlook



Potential Business Development to complement €1.8bn to €2.0bn organic sales target

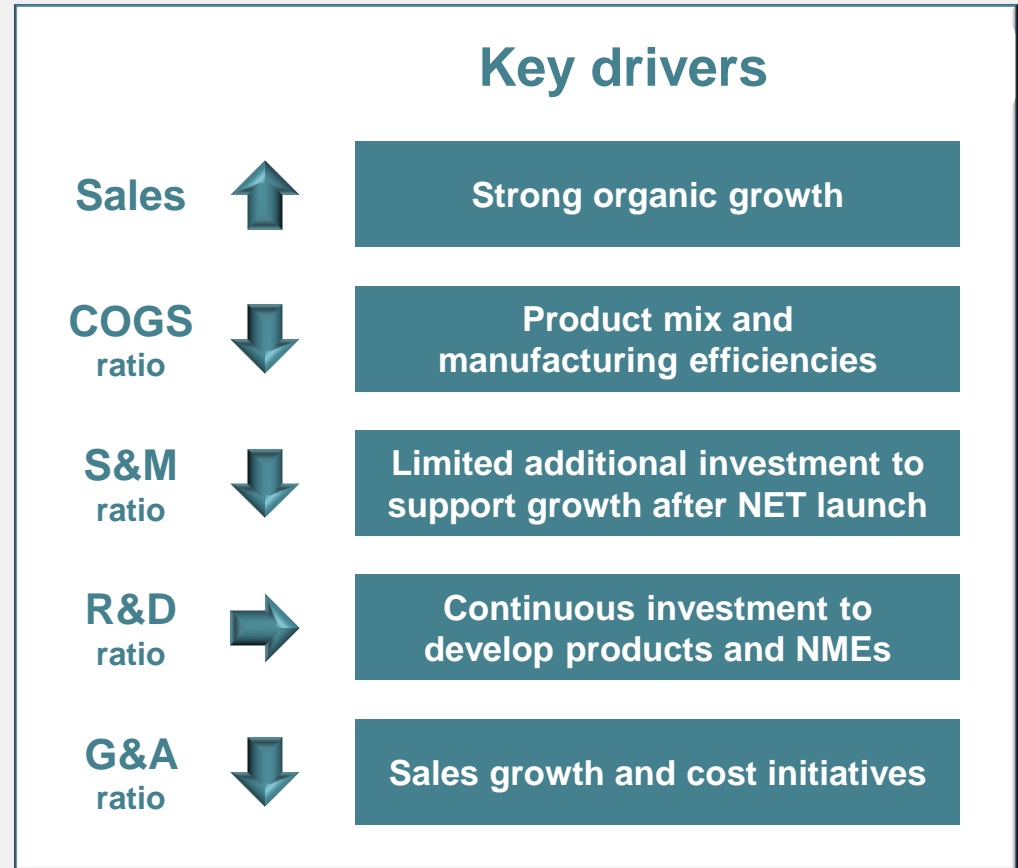
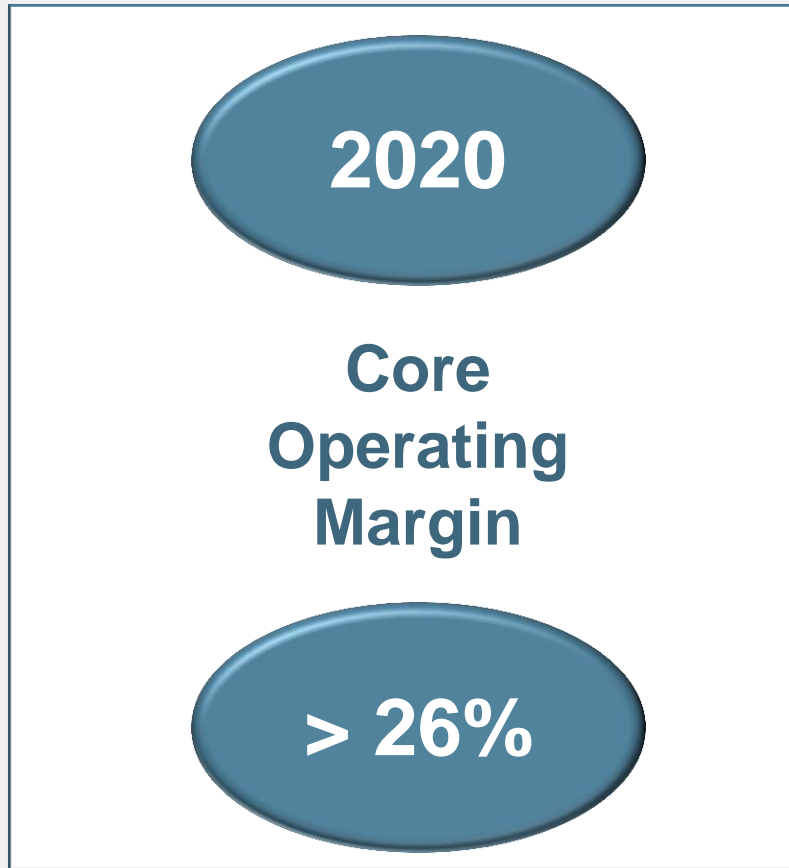
⁽¹⁾ Including new pipeline products telotristat etiprate, SOMscan
⁽²⁾ CAGR: Compound Annual Growth Rate at constant currency

2020 specialty care organic sales growth outlook



Somatuline[®] and Dysport[®], the Group's main growth drivers throughout 2020

2020 profitability outlook and drivers



Margin expansion to be mainly driven by sales growth and US profitability

Illustrations of SMM and G&A optimization initiatives

European Business Units

Creation of **3 European business units**: Dysport® Therapeutics, Hexvix® and pediatric endocrinology to:

- **Support growth** and **optimize resource allocation** in Europe
- **Focus on key European accounts**

Geographic clustering

Creation of **clusters** in Spain/Portugal, UK/Ireland, Nordics/Baltics and Eastern European countries:

- Resource pooling (medical, regulatory, marketing and sales, finance)

Support functions

Streamlining, back-office consolidation, shared services, outsourcing across all support functions: Finance, Human resources, IT...

2020 profitability drivers per business unit

	Specialty care	Primary care
Sales	High-single organic growth	Low-single organic growth
COGS	> 80% gross margin ⁽¹⁾	> 60% gross margin ⁽¹⁾
S&M	NET and spasticity launches	Limited incremental investment
R&D	Continued investment	Very limited investment

Specialty care to drive 2020 Group margin improvement

Evolution of P&L items below Core Operating Income over 2015-2020

Restructuring

- Limited additional restructuring expected beyond 2015

Tax

- Positive cash impact from US tax losses
- Effective tax rate to remain unchanged

Discontinued operations

- Negative impact from tasquinimod discontinuation in 2015
- Potential positive impact from OBI1 royalties paid by Baxter

Consolidated net profit growth to be mainly driven by core operating income

Ipsen to derive potentially significant value from non core out-licensed assets



- Lead compound abaloparatide for treatment of osteoporosis successfully completed Ph3
- Market capitalization > \$2bn
- Ipsen to receive regulatory milestones and royalties on future global sales (ex *Japan*)



- FDA approval of OBI-1 in acquired hemophilia A
- Acquired OBI-1 (factor 8 from porcine origin) from Inspiration Inc bankruptcy
- Ipsen and other sellers to receive royalties based on sales level (started end of 2014)



- 2 lead programs: Relamorelin (Ph2 completed for diabetic gastroparesis) and MC4 (Ph2 ongoing for obesity)
- Ipsen owns 6.11% of equity shares on a fully diluted basis
- Ipsen to receive development and regulatory milestones and royalties on both programs

Evolution of cash flow over 2015-2020

Operating cash flow

- Mainly driven by accelerated organic growth

Capex

- Additional capacities required to support Somatuline[®] and Dysport[®] growth

Dividend

- Consistent dividend policy in line with core net income growth

Share buyback

- Ongoing program for 500,000 shares
- Further repurchases on an opportunistic basis

External growth

- Continued effort to find attractive business development opportunities

Solid cash generation to finance operations, external growth and return to shareholders

Strong balance sheet and financial discipline to support business development ambition

Financing

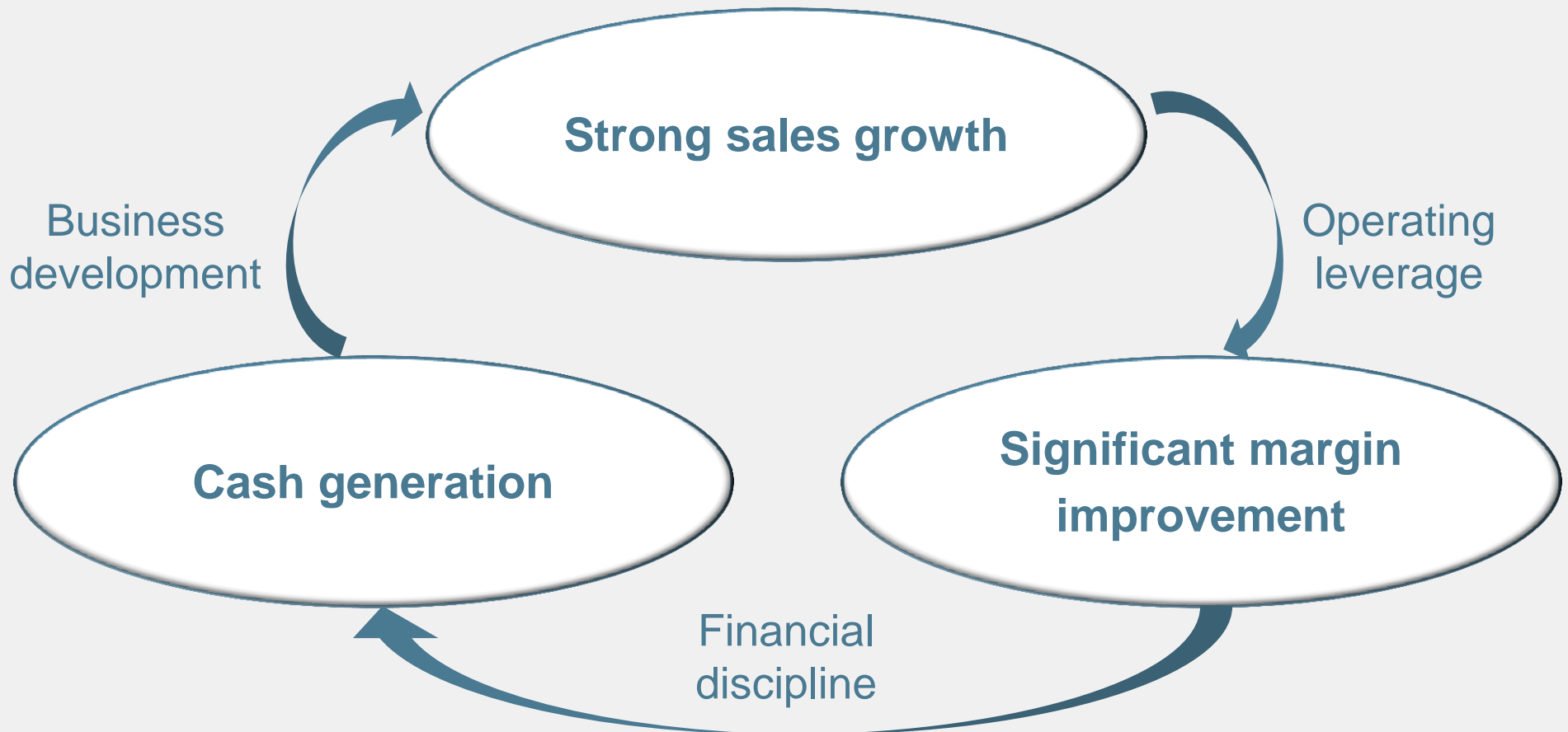
- €600m envelope for acquisitions
- Strong operating cash-flow generation
- €500m revolving credit facility and €180m⁽¹⁾ in cash at disposal
- Unleveraged balance sheet/access to attractive financing

Investment criteria

- DCF value-based assessment
- Risk-return balance
- Expected synergies
- Specific assessment for early-stage projects

Strategic fit and financial discipline drive decision-making

Strong base business growth and financial discipline to increase cash generation...



...allowing for external acquisitions and increased shareholder return

Conclusion

Marc de Garidel
Chairman and Chief Executive Officer

Key takeaways

1

Focused Strategy on niche disease areas

2

Business development to leverage portfolio and geographies

3

Organic growth acceleration and significant profitability improvement

4

Ipsen to outperform the pharma industry in the next 5 years

Ipsen committed to deliver superior shareholder value

Thank you
