

# 2010 KEY FIGURES AND STRATEGY PROJECT

*“Ipsen holds all the cards to shape its future.”*



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When I joined Ipsen last November, I discovered a dynamic company that had undergone major transformation over the past 10 years as well as a company that was facing many new challenges. Like all healthcare industry players, Ipsen is subject to unprecedented levels of change that impact our Group’s business model. Additionally, the

decline in R&D productivity, increasing development costs and growing pressure from payers are some of the factors that weigh heavily on our industry.

Soon after my arrival, I decided to initiate a strategic review to closely examine and analyze Ipsen’s assets and constraints. This review has enabled us to identify our strengths and weaknesses and highlight significant growth areas.

Ipsen’s few weaknesses can be summarized in a single observation: our resources, investments and efforts are spread too thinly. I am convinced that the dissemination of the company’s efforts has resulted in slower than expected development in the United States, failings in our pipeline and lost potential when it comes to some of our products.

Ipsen has many assets upon which it can build its development:

- strong positions in specialty care,
- drugs with high therapeutic value in growth markets,
- innovative technological platforms,
- excellent partnership skills,
- an extensive and diversified geographical footprint.

I am confident that by capitalizing on these assets, Ipsen can overcome the challenges faced by the healthcare industry and generate significant growth. Ipsen’s objective is therefore to double its sales between now and 2020 by repositioning the Group and implementing an innovative business model

*“Focus resources and investments, invest in growth, leverage the potential of our geographical footprint.”*

To achieve these ambitious targets, Ipsen’s strategy project is based on three key actions:

- focus resources and investments on target areas with high therapeutic value and on innovative R&D and industrial platforms specializing in peptides and toxins. This will enable us to tap the full potential of our products,
- invest in growth by pursuing product life-cycle management programs and developing new compounds,
- leverage the potential of our geographical footprint by increasing our presence in the United States and emerging markets.

Ipsen will focus on four franchises. In two of them, Neurology and Endocrinology, which will capitalize on the potential of Dysport® and Somatuline® respectively, Ipsen will cover the entire value chain, from research through to marketing. In the other two franchises, Uro-oncology (drawing strength from the potential of Decapeptyl®) – and Hemophilia (based on our alliance with Inspiration Biopharmaceuticals), Ipsen will also work with partners in order to benefit from the specific expertise of other players in these fields.

Ipsen holds all the cards to shape its future and with the strategy project the Group will optimize its resources to reach ambitious growth targets.

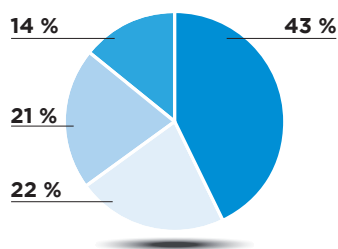
With the support and commitment of Ipsen’s many talented employees, I am confident that the Group will not only take up the challenges before us but turn them into opportunities.

**Marc de Garidel**  
Chairman and Chief Executive Officer

# 2010 Key Figures

- DIRECT COMMERCIAL PRESENCE IN 49 COUNTRIES
- DRUGS MARKETED IN 115 COUNTRIES
- CLOSE TO 4,500 EMPLOYEES WORLDWIDE, OF WHICH OVER 900 CONTRIBUTE TO R&D
- TOTAL REVENUES OF OVER €1BILLION: MORE THAN TWO THIRDS OF WHICH ARE GENERATED OUTSIDE FRANCE; CLOSE TO TWO THIRDS OF WHICH ARE GENERATED IN SPECIALTY CARE
- R&D EXPENDITURE OF MORE THAN €220 MILLION REPRESENTING OVER 20% OF SALES

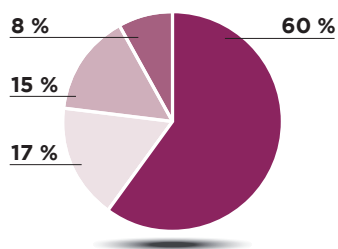
BREAKDOWN OF HEADCOUNT BY JOB CATEGORY



- Operations
- Manufacturing & Supply Organization
- Research & Development
- Administration and other

Total 4,489

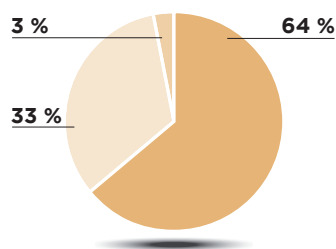
BREAKDOWN OF HEADCOUNT BY GEOGRAPHICAL AREA



- Major Western European countries
- Rest of Europe
- North America
- Rest of the world

Total 4,489

2010 SALES BY THERAPEUTIC AREA



- Specialty care
  - 25 % Oncology
  - 22 % Endocrinology
  - 17 % Neurology
- Primary care
  - 17 % Gastroenterology
  - 9 % Cognitive disorders
  - 6 % Cardiovascular
  - 1 % Other primary care products
- Drug-related activities

## SALES

€ 1,100.2 M      2009 : €1,032.8 M

## CONSOLIDATED NET PROFIT

€ 95.7 M      2009 : €157.2 M

## R&D EXPENDITURE

€ 221.1 M      2009 : €197.3 M

## ADJUSTED OPERATING INCOME

€ 183.2 M      2009 : €144.4 M

The implementation of this project is 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. Completed June 3, 2011. Company Registration RCS Nanterre 419 838 529