

Ipsen

London, 21st March, 2006



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. 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.



Agenda

- **Ipsen today**
- Profile and strategy
- Solid financial structure and recurring cash flow generation
- Closing remarks

3



Ipsen today

Ipsen at a Glance

An innovation driven International Specialty Pharmaceutical Group with more than 75 years of operations

- Diversified portfolio of more than **20 field proven products** marketed in more than **100 countries**
- **Longstanding presence in primary care** (gastroenterology, cognitive disorders and cardiovascular)
- **Strategic focus on three Targeted Therapeutic Areas** (oncology, endocrinology and neuromuscular disorders)
- **International R&D presence**, with R&D expenditure representing 20.9% of consolidated sales in 2005
- Nearly **4,000 employees**, including close to 700 dedicated to R&D
- **Recognised strategic partner** with international industry leaders in US, Europe and Japan
- Experienced and international management; clear corporate governance designed for public listed company
- Consolidated 2005 sales and operating income of €807m and €185m respectively

Ipsen's mission statement: innovation for patient care

Note: IFRS, Proforma

4



Ipsen management team



Jean-Luc Bélingard
Chairman and CEO
(Paris)



Claire Giraut
Executive VP,
CFO (Paris)



Jacques-Pierre Moreau
Executive VP,
CSO (Boston)



Alain Haut
Executive VP,
Human Resources
(Paris)



Christophe Jean
Executive VP,
COO
(Paris)



Alistair Stokes
Executive VP,
Corporate Development
(London)

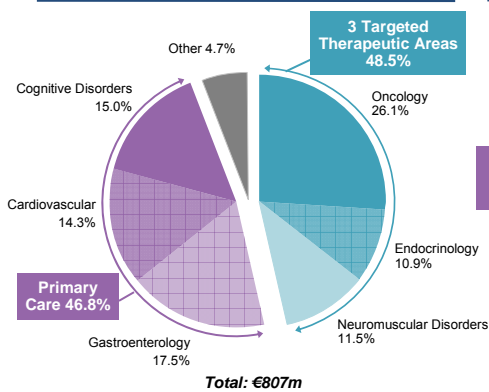


Peter Wilson
Executive VP, Manufacturing
and Supply Organisation
(London)

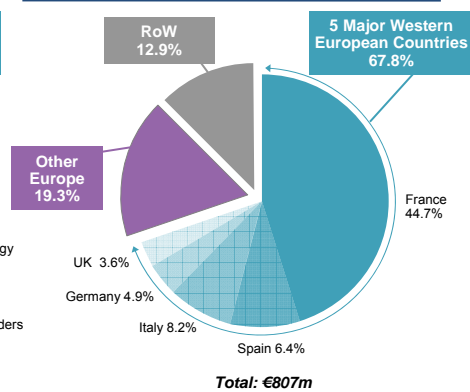
5

Ipsen: balanced portfolio and international business

2005 Net Sales by Therapeutic Area



2005 Net Sales by Geographical Area









More than 20 field-proven marketed products in more than 100 countries

Note: IFRS pro forma figures
"Other" includes other miscellaneous products and other pharmaceutical ingredients

6

Overview of Ipsen's marketed product portfolio

	Therapeutic Focus	Leading Products	
Targeted Therapeutic Areas	Oncology	▪ Decapeptyl	
	Endocrinology	▪ Somatuline ▪ NutropinAq ▪ Testim	
	Neuromuscular Disorders	▪ Dysport	
Primary Care	Gastroenterology	▪ Smecta ▪ Forlax	
	Cognitive Disorders	▪ Tanakan	
	Cardiovascular	▪ Ginkor Fort ▪ Nisis/Nisisco	

All product names listed in this document are either licensed to the Ipsen Group or are registered trademarks of the Ipsen Group or its partners

Clear strategy and strong development model

Mission Statement

To be a worldwide best-in-class provider of innovative and well-tolerated drugs, addressing unmet medical needs in its targeted therapeutic areas

Strategic Priorities

- 1 **GROW** top-line and profits in the Targeted Therapeutic Areas by providing innovative drug therapy
- 2 **OPTIMISE** returns of primary care through selected product life cycle management, partnerships and focused investments
- 3 **GLOBALISE** through active geographical expansion policy

Key Company Levers

- 1 Strong R&D Capabilities
- 2 Extended International Network
- 3 Experienced and Proactive Teams
- 4 Reinforced Financial Flexibility

Attractive "International Specialty Pharma" Business Model

Agenda

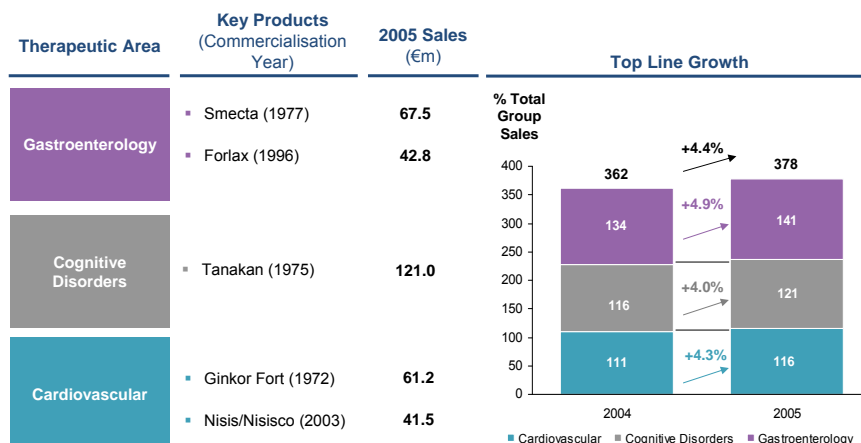
- Ipsen Today
- **Profile and strategy**
- Solid financial structure and recurring cash flow generation
- Closing Remarks

9



Profile and strategy

A sound business platform of primary care products, a recurring growth



Recurring cash flow generation, contributing to financing of R&D and future growth

Note: Product commercialisation year into brackets, IFRS, pro forma figures

10



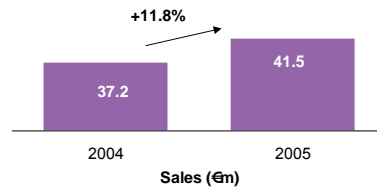
A sound business platform of primary care products: optimising returns with focused investments

Main Portfolio Management initiatives

Cognitive Disorders	<p>Tanakan</p> <ul style="list-style-type: none"> Launched in 1975 Currently being studied for prevention of Alzheimer's disease
Gastroenterology	<p>Smecta</p> <ul style="list-style-type: none"> Launched in 1977 Focused R&D to improve product characteristics
Cardiovascular	<p>Nisis/Nisisco</p> <ul style="list-style-type: none"> Partnership signed with Novartis in May 2003

Nisis/Nisisco Example

- Commercialised in France by existing GP sales force
- Outperformance of market growth on the highly competitive hypertensives market



Leveraging sales force and know-how to generate growth and cash flows

The targeted therapeutic areas: the Group top line growth

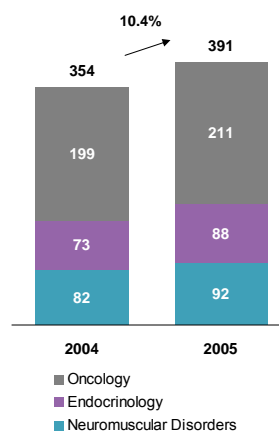
3 Targeted Therapeutic Areas

Oncology	<ul style="list-style-type: none"> 2005 sales: €211m Key Product: Decapeptyl <ul style="list-style-type: none"> Since 1986 In more than 60 countries¹
Endocrinology	<ul style="list-style-type: none"> 2005 sales: €88m Key Product: Somatuline <ul style="list-style-type: none"> Since 1995 In more than 50 countries¹
Neuromuscular Disorders	<ul style="list-style-type: none"> 2005 sales: €92m Key Product: Dysport <ul style="list-style-type: none"> Since 1991 In more than 70 countries¹

3 Growth Engines



Top Line Growth



¹ Marketing authorisations
Note: IFRS, proforma, on a comparable perimeter.

Focused presence in rapidly growing targeted therapeutic areas: visible medium term growth drivers

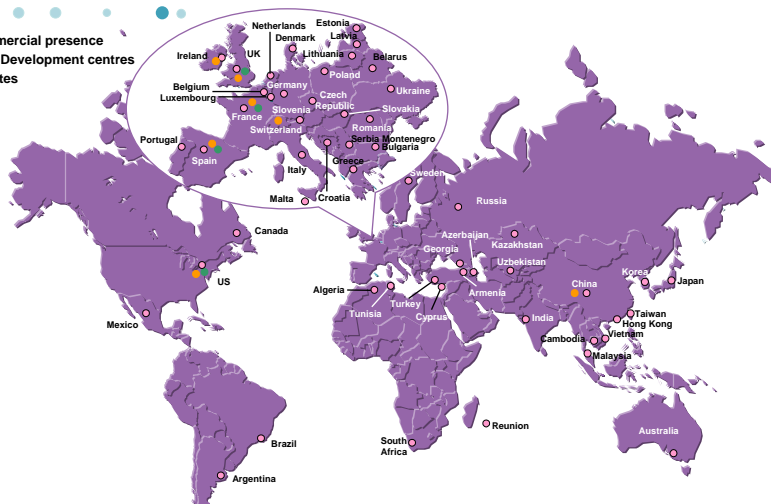
	Oncology	Endocrinology	Neuromuscular Disorders
Territory Expansion	<ul style="list-style-type: none"> Recent launch of Decapeptyl in strategic markets (Germany, UK) 	<ul style="list-style-type: none"> Somatuline: US registration filing forecasted in 2006 (acromegaly) NutropinAq: <ul style="list-style-type: none"> Recent launches in Europe Further launches expected throughout 2006 Testim: launched in 2005 in 3 European countries 	<ul style="list-style-type: none"> Dysport: US registration filing scheduled in 2007 in Cervical Dystonia
Active Life Cycle Management	<ul style="list-style-type: none"> Decapeptyl: aggressive life cycle management <ul style="list-style-type: none"> e.g. 4-month minimum formulation 	<ul style="list-style-type: none"> Somatuline: development of neuroendocrine tumors indication NutropinAq : ongoing development in new indications 	<ul style="list-style-type: none"> Aesthetic medicine indication: <ul style="list-style-type: none"> Development and distribution agreement signed⁽¹⁾ with Medicis in March 2006 for the US, Canada and Japan. Filing scheduled in 2007 Filing currently under review in Europe

13

(1) Subject to closing of Allergan's tender offer on Inamed

International footprint

- Direct Commercial presence
- Research & Development centres
- Industrial sites



US launches of Somatuline and Dysport: priority will be given to strategic solutions

14

R&D excellence: a unique combination of capabilities

The Four Technological Platforms

Peptide Engineering	Protein Engineering	Medicinal Chemistry	Advanced Drug Delivery Systems
<ul style="list-style-type: none"> Improve the therapeutic properties of naturally occurring peptides Boston R&D centre 	<ul style="list-style-type: none"> Improve the therapeutic properties of naturally occurring proteins Boston R&D centre 	<ul style="list-style-type: none"> Discover enzyme inhibitors for the treatment of cancer and neuromuscular disorders Paris R&D centre 	<ul style="list-style-type: none"> Create and develop innovative parenteral formulations for new or existing products Barcelona R&D centre

The Four R&D Centres Close to the Main Academic Centres

Paris	Boston	Barcelona	London
<ul style="list-style-type: none"> Opened in 1969, further facilities built in 1996 Focus on molecular and cellular oncology together with neuromuscular disorders 	<ul style="list-style-type: none"> Key areas : Synthetic chemistry, Pharmacology, Biotechnology Coordination of R&D activities with FDA Biotechnology unit opened in March 2005 	<ul style="list-style-type: none"> Discovery, design and development of drug delivery systems 	<ul style="list-style-type: none"> Clinical development and regulatory affairs department Develop marketing authorisation strategies

Comprehensive technological range and platforms integration to drive discovery of complex and innovative products

R&D excellence: a rich pipeline to fuel Ipsen future growth: 7 NCEs

	Compound	Indication	Current Status
Targeted Therapeutic Areas	Oncology	Decapeptyl	Combination and longer release formulation Phase II/III
		BN 83495 (STX 64)	Post-menopausal breast cancer Phase I
		BN 2629 (SJG-136)	Advanced metastatic cancers Phase I
		Diflomotecan (BN 80915)	Advanced metastatic cancers Phase II
		Elomotecan (BN 80927)	Metastatic tumors Phase I
	Endocrinology	Somatuline Autogel	Neuro endocrine tumors Acromegaly Phase III Filing scheduled in the US in 2006
		BIM 51077	Type 2 diabetes Phase II
		NutropinAq	Idiopathic short stature Phase III
	Neuromuscular Disorders	Dysport	Cervical Dystonia Myofascial pain Phase III – Filing scheduled in 2007 in USA Phase II
		Dysport/Reloxin	Aesthetic medicine Under regulatory review in Europe Phase III – Filing schedule in 2007 in USA
Primary Care	Cognitive Disorders	Tanakan	Mild cognitive impairment related to age Phase III
Others	Haematology	OBI-1	Haemophilia Phase II
	Rheumatology	Febuxostat (TMX-67)	Symptomatic hyperuricaemia Regulatory strategy to be confirmed during 2006

Strong management track record

Key Achievements Over Last Three Years

Strategic Focus	<ul style="list-style-type: none">▪ Strengthening of management team, organisational structure and processes▪ Definition of therapeutic focus and strategic priorities▪ Implementation of cross-functional Disease Area Teams▪ Disposal of non-core businesses
Strategic Partnership with Tier 1 Players	<ul style="list-style-type: none">▪ More than 10 key agreements with Pharma leading companies
R&D	<ul style="list-style-type: none">▪ Medical sciences as a priority▪ Re-engineering of development▪ Strict alignment of R&D pipeline with Group strategy▪ Opening of Biotech unit in March 2005 in Boston
Successful Geographical Expansion	<ul style="list-style-type: none">▪ Re-engineering of commercial operations▪ Successful launch of key products in strategic geographies▪ Partnership in Japan▪ Partnership in the US for aesthetic medicine indications of Reloxin® (1).
Strong Financial Performance	<ul style="list-style-type: none">▪ Organic Sales growth 04-05: +7.4%▪ Operating income growth: 04-05: + 18.4%▪ Net Income growth 04-05: +26.4%

19

(1) Subject to closing of Allergan's tender offer on Inamed



Agenda

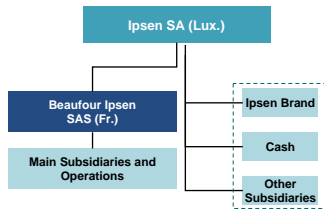
- Ipsen today
- Profile and strategy
- **Solid financial structure and recurring cash flow generation**
- Closing remarks

20



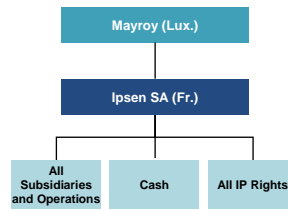
Simplification of the Group's structure

Group structure as at 31 December 2004



- 100% Ipsen Pharmaceutica BV (NL)
- 46.59% Ipsen Ltd (UK)
- 49.71% Biomeasure (US)
- 1.00% BB&cie

Group structure since 30 June 2005



- Subsidiaries and brands contributed to Beaufour Ipsen SAS
- Capital increase of Beaufour Ipsen SAS
- Transformation of Beaufour Ipsen SAS into Beaufour Ipsen SA
- Beaufour Ipsen SA renamed Ipsen SA
- Ipsen SA (Lux.) renamed Mayroy (Lux.)

Pro forma accounts reflect Ipsen's recent reorganisation
Overall economic perimeter left unchanged in this reorganisation

21

Key Figures

In €m	2004	2005	Growth % 2004-2005
Organic Sales	751.5	807.1	7.4%
EBITDA	194.5	214.9	10.5%
% of Sales	25.9%	26.6%	
Operating Income	156.5	185.3	18.4%
% of Sales	20.8%	23.0%	
Net Income (Group share)	117.6	148.6	26.4%
% of Sales	15.7%	18.4%	

Organic Sales: Sales on a comparable perimeter
IFRS, pro forma, 2004 adjusted to exclude disposed GP business in Spain from continuing operations

22

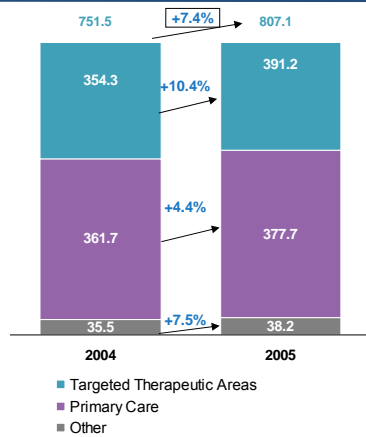
Profitable growth in 2005

In €m	2004	2005	2004-2005 Change	Key Highlights
Sales	751.5	807.1	+7.4%	Dynamic sales growth (+7.4%)
Other Revenues	63.3	80.7	+27.6%	Increase in other revenues: <ul style="list-style-type: none"> Strong royalties (Kogenate – in 2005 42M€, +38% compared with 2004) Milestones from alliances
Total Revenues	814.8	887.9	+9.0%	Improved COGS ratio
COGS	(165.7)	(171.0)	+3.3%	Strong increase of R&D costs
Research & Development Expenses	(143.2)	(169.0)	+18.0%	Increase in G&A
SG&A	(330.4)	(364.1)	+10.2%	
Restructuring, impairment losses and Other	(19.1)	1.7		+18.4% improvement in operating income <ul style="list-style-type: none"> No restructuring costs or loss of value in 2005
Operating Income	156.5	185.3	+18.4%	"Recurring" operating income increased by 6.7% in 2005
As a % of Sales	20.8%	23.0%		Effective tax rate at 19.1% due to: <ul style="list-style-type: none"> Non recurring Recognition tax loss carry forwards Favorable tax rate on milestones income, Research tax credits in several countries Recurring effective tax rate 24% in 2005
Financial Result	(9.3)	(6.6)		
Income Tax	(42.0)	(34.2)		
Effective Tax Rate	28.6%	19.1%		Discontinued operations: After tax impact of divesting GP business in Spain
Net Income from Continuing Operations	105.2	144.6	+37.5%	
Discontinued Operations	12.7	4.4		
Net Profit – Group Share ⁽¹⁾	117.6	148.6	+26.4%	
As a % of Sales	15.7%	18.4%		

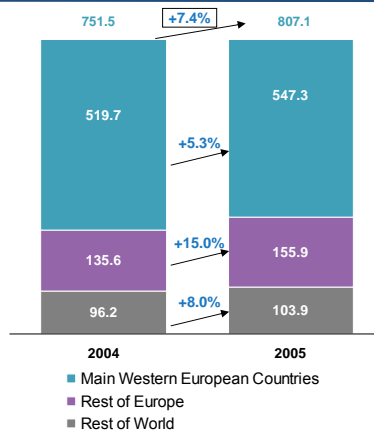
IFRS, pro forma, 2004 adjusted to exclude disposed GP business in Spain from continuing operations
 (1) Excludes €0.4m of minority interests in 2005 and 0.3m in 2004

... driven by specialist products and international markets.

Net sales as of Dec 2005 by therapeutic area



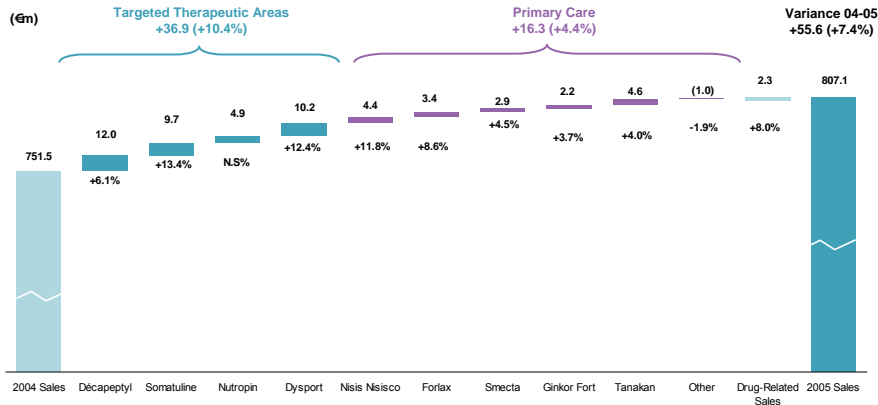
Net sales as of Dec 2005 by geographic area



Note: IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

Evolution of Sales: Products Contribution to 2004-2005 Sales Growth

Top-line Growth Mainly Driven by Targeted Therapeutic Areas Products and New Product Launches



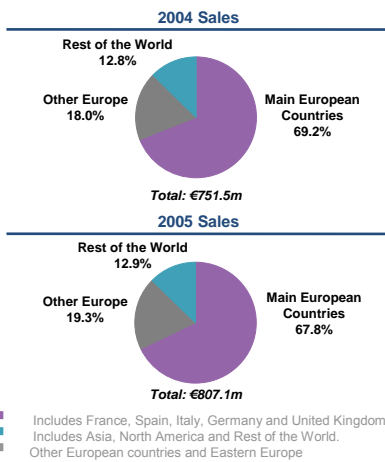
IFRS, pro forma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

25



Evolution of Sales: a pan European network

Evolution of Sales by Geography



Key Highlights

- Remains the Group's core area of activity
 - Fuelled by specialist products (Decapeptyl, Somatuline Autogel, Dysport)
 - Growth fostered by new product launches
 - Somatuline Autogel in Italy,
 - Nutropin in main European markets
 - Growth penalized by pressure on prices
-
- Strong growth thanks to specialist products (Decapeptyl, Autogel, Dysport)
 - Dynamic growth in Eastern Europe (+22.9%)
 - Western Europe (+7.2%) penalized by pressure on prices
-
- Dynamic growth in Asia (+13.2%)

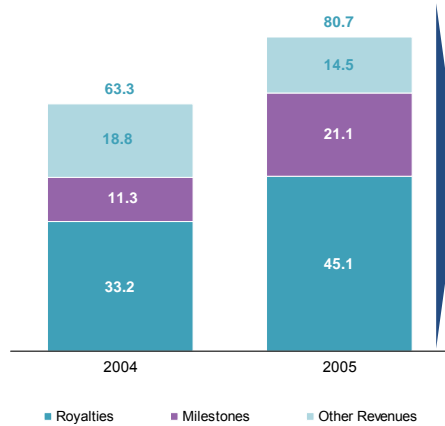
26

IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations



Strong Growth in Other Revenues

Other Revenues Evolution (€m)



Key Highlights

- Solid growth of Kogenate royalties in 2005 (€42 million vs €30.5 million in 2004)
- Quarterly income to be received until Q1 2009 included
- Growth of licensing milestones from partnership agreements (GLP-1 and Diflomotecan notably)
- Other revenues mainly includes invoicing of R&D services and co-promotion revenues within partnership agreements

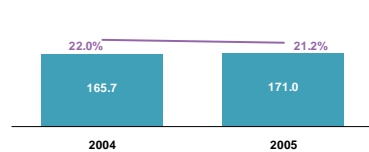
27

IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

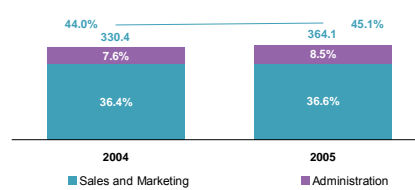


Solid growth of operating income in a context of growing R&D and G&A costs....

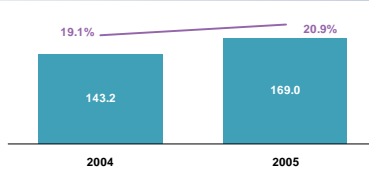
Cost of Goods Sales Evolution (€m and % of Sales)



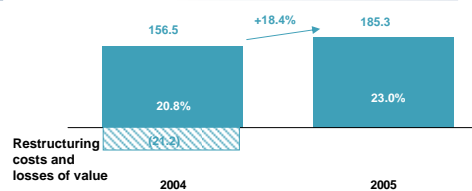
SG&A Evolution (€m and % of Sales)



R&D Expenditure Evolution (€m and % of Sales)



Operating Income Evolution (€m and % of Sales)



28

IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations



A reinforced financial flexibility as of 31 December 2005

	Assets (€m)		Liabilities and Shareholders' Equity (€m)	
	31-Dec-04	31-Dec-05	31-Dec-04	31-Dec-05
Goodwill	188.8	188.8	Shareholders' Equity	313.8 619.8
Tangible Assets	177.8	187.8	Minority Interests	1.2 1.3
Intangible Assets	35.2	39.8	Long-Term Financial Debt	227.5 53.3
Other fixed Assets	13.5	18.4	Other non current liabilities	18.8 17.6
Total non-current Assets	415.3	434.8	Short-Term Financial Debt	12.6 10.3
Total Current Assets	361.0	495.0	Other current Liabilities	202.4 226.1
<i>Incl. Cash and Equivalents</i>	94.3	202.0	Liabilities associated with current asset held for sale	
Non-current assets held for sale		12.7		14.1
Total Assets	776.3	942.5	Total Liabilities	776.3 942.5
			Net (debt) / cash	(145.8) 138.8

IFRS, pro forma

29


 IPSEN
Innovation for patient care

Solid and recurring cash-flow generation

(in M€)	2004	2005	
Cash Flow before change in working capital needs	145.7	173.0	■ Improvement of net income
Change in working capital needs	(21.0)	3.9	
Net cash provided by operating activities	124.7	176.9	■ Increase of Milestones received and not yet recognized, decrease of tax liabilities, changes in inventories and receivables offset by increase of payables
Capex	(63.4)	(44.4)	
Financial Capex and Changes in perimeter	(47.4)		
Other	8.3	(8.3)	
Net cash used by investing activities	(102.5)	(52.7)	■ Of which 6,1M€ new laboratory in Wrexham (UK)
Change in debt	79.0	(180.0)	
Dividends paid	(91.9)	(29.3)	
Capital Increase		191.8	■ Long term facilities remain available. €275.6m
Other	1.0	(1.5)	
Net cash used by financing activities	(11.9)	(19.0)	■ Proceeds from the IPO, net of expenses
Impact of discontinued operations	0	12.0	
Change in cash and cash equivalent	10.3	117.2	■ Proceeds from disposal of GP business in Spain
Net Financial (Debt) / Cash	(145.8)	138.8	

IFRS pro forma,

30


 IPSEN
Innovation for patient care

Agenda

-
-
-
-
-
-
-
-
- Ipsen today
- Profile and strategy
- Solid financial structure and recurring cash flow generation
- **Closing remarks**

31



Closing remarks

Key drivers of future performance

-
-
-
-
-
-
-
-
- **Develop existing Targeted Therapeutic Area product portfolio**
 - Geographic expansion: focus on the US
 - Develop new indications: aesthetic medicine indications for Botulinum Toxin
- **Improve resilience of primary care products through strategic actions**
 - Active life-cycle management
 - Leverage on existing sales force infrastructure
- **Maximize value of R&D pipeline**
 - Licensing-out molecules
 - GLP-1 option
 - Develop new partnership agreements
- **Enhance product portfolio and geographical reach**
 - New products launch
 - Seek new licensing-in partnership agreements (endocrinology, oncology)
 - Seek acquisition opportunities in Ipsen targeted areas / in new territories

32



Financial objectives

Key Assumptions

- **Objectives include impacts of recent announcements by French authorities :**
 - Increase of tax on sales, and impact of contractual rebates (« Convention »)
 - 15% price decrease on Ginkor Fort® and its delisting in 2008 - Delisting of Bedelix®
- **No further assumptions have been taken on future price decreases or delisting in France**

Sales

- **2005-2007:** average annual organic growth objective of 6.5 to 7.5%
- **2005-2008:** average annual growth objective of 6.5 to 7.5% maintained, despite delisting of Ginkor Fort as of January 1st 2008

Operating Income

- **2006:**
 - One-off, non recurring payment of USD10 million to Inamed to recover all rights to Reloxin® fully expensed in 2006
 - Excluding this one-off negative impact, maintain our objective to limit the decrease in operating income margin to 100 bps compared to 2005 (due to recent announcements by the French authorities)
- **2007-2008:**
 - objective to gradually restore operating income margin back to 2005 level in 2008

Capex

- **Capex**
 - **2005-2008:** run-rate capex objective of ~€30 to 35m per year
 - **2006-2008:** additional capex of €70 to 80m may be required

Dividend

- Dividend payout target of around 30% depending on performance

33

¹ Organic growth: growth at constant perimeter

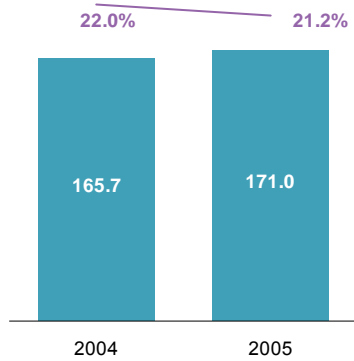
Conclusion

1. **Balanced and resilient product portfolio**
 - A sound business platform of primary care products
 - Focused presence in rapidly growing targeted therapeutic areas
2. **International footprint**
3. **R&D excellence**
4. **Successful strategy of R&D and commercial partnerships**
5. **Strong management track record**
6. **Solid financial structure and recurring cash flow generation**

34

Continued improvement in Cost of Goods Sold

Cost of Goods Sold Evolution (€m)



■ Cost of Goods Sold
 — Cost of Goods Sold as % of sales

Key Highlights

- Continuous improvement in cost of goods sold thanks to increased volumes, favorable product mix and productivity savings, despite negative impact of price decreases

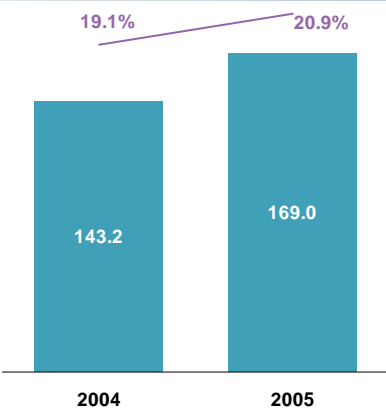
IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

35



Long-Term Commitment to R&D

R&D Expenditure Evolution (€m)



■ R&D — R&D as % of Sales

Key Highlights

- Main R&D projects in 2005
 - Phase III clinical trials to prepare FDA filing on Somatuline® (filing expected in 2006) & Dysport®/Reloxin® (filing expected in 2007)
 - GLP-1 project (BIM 51077), in partnership with Roche

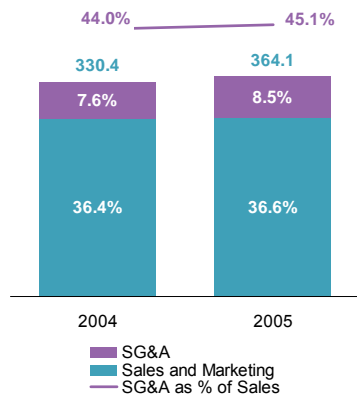
IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

36



Sales and marketing costs contained, reinforcement of corporate and control structures

SG&A Evolution (€m)



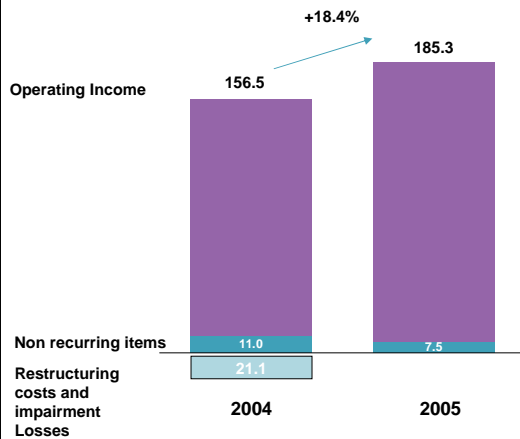
Key Highlights

- G&A costs increase due to reinforcement of corporate functions and increased control staff in Eastern Europe.
- Sales & marketing costs maintained
 - Increase in royalties paid (+12.1%) and taxes (+41.4%).....
 - Offset by productivity improvements in sales forces and marketing costs (+6.5% growth versus 7.4% sales growth)

IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

Regularly Improving Operating Income despite higher R&D efforts

(€m)



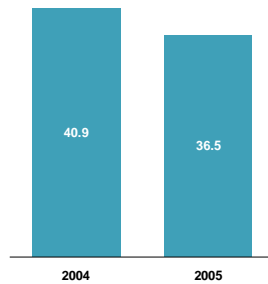
Key Highlights

- 2004 negatively impacted by restructuring costs and impairment losses
- R&D costs increase by 18% in 2005
- Growth of recurring operating income in 2005: +6.7% despite growth of R&D costs

IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

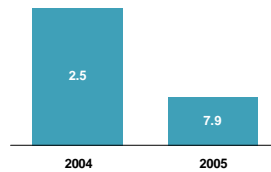
Focus on Capital Expenditure

Tangible Capex (€m)



▪ €6.1m investment in 2005 in new QC laboratories in Wrexham (UK)

Intangible Capex (€m)

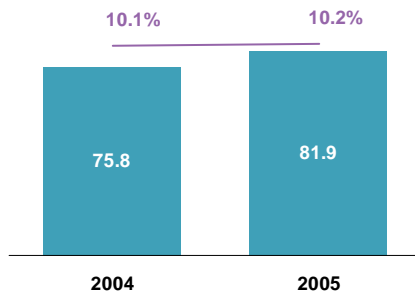


▪ Milestones paid, patents and software

IFRS, pro forma. 2004 adjusted to exclude disposed Spain GP business from continuing operations

Working Capital Evolution

Working Capital Evolution (€m)



■ Working Capital¹
 — Working Capital as % of Sales¹

¹ Working Capital is calculated as current assets (deferred tax assets + inventories + debtors + other clients) less current liabilities (creditors + other debt + deferred tax liabilities).
 IFRS, pro forma

Key Highlights

- Growth of current liabilities due to milestone received and not yet recognized in the P&L, and to various tax liabilities recorded in 2005 and not yet paid on 31 December 2005
- Decrease of differed tax liabilities thanks to lower effective tax rate in 2005
- Growth of inventories and receivables offset by increase of payables