




Ipsen overview

Jean-Luc Bélingard, Chairman & Chief Executive Officer
Jacques-Pierre Moreau, Chief Scientific Officer

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Speaking today...




Jean-Luc Bélingard
Chairman and CEO
(Paris)



Jacques-Pierre Moreau
Chief Scientific Officer
(Boston)

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Innovation for patient care

Profile and strategy



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An innovation driven International Specialty Pharma Group

A world-class Group

- > 100 countries. c.4,000 employees, founded in 1929.
- 2005 Sales: €807 m. 2005 EBIT: €185 m (23.0% margin).
- Market capitalisation (as of September 12, 2006): €2.3 bn

- 47% of 2005 Group sales in 2005, 45% in 1H 2006
- Gastroenterology, cognitive disorders and cardiovascular.

A diversified and balanced portfolio of products with more than 20 field proven products

A longstanding presence in primary care in France

A clear strategic focus on fast-growing specialist care worldwide

A differentiating R&D capability

- 49% of Group 2005 sales in 2005, 52% in 1H 2006
- Targeted Therapeutic areas:
Oncology, neuromuscular disorders and endocrinology

A recognised strategic partner

- Focused on (i) hormone-dependent diseases, (ii) peptide and protein engineering and (iii) innovative delivery systems.
- 700 staff, 2005 R&D expense: 20.9% of sales.
- Alliances with international industry leaders in US, Europe and Japan and best-in-class universities around the world.

Note: Figures are IFRS, Proforma

A diversified and balanced portfolio of products

	+4.4%	2005/2004 sales growth	+10.4%	
Primary care: A sound business platform				Specialist care: Growth engines
<p>Smecta®</p> <ul style="list-style-type: none"> ~ €68 m sales in 2005 France and China: 66% of sales 	+4.9%	+6.0%		<p>Oncology</p> <p>26% of sales</p> <p>Decapeptyl®</p> <ul style="list-style-type: none"> ~ €211 m sales in 2005 G5: 67% of sales
<p>Tanakan®</p> <ul style="list-style-type: none"> ~ €121 m sales in 2005 France: 73% of sales 	+4.0%	+20.4%		<p>Endocrinology</p> <p>11% of sales</p> <p>Somatuline®</p> <ul style="list-style-type: none"> ~ €82 m sales in 2005 G5: 70% of sales Expected US filing: 4Q06
<p>Nisis/Nisisco®</p> <ul style="list-style-type: none"> ~ €42 m sales in 2005 France: 100% of sales 	+4.3%	+12.4%		<p>Neuromuscular Disorders</p> <p>12% of sales</p> <p>Dysport®</p> <ul style="list-style-type: none"> ~ €33 m sales in 2005 G5: 51% of sales Expected US filing: 2007
<p>GROUP: +7.4%</p>				

Note: "sales" refer to 2005 sales
"G5" is defined as France + UK + Spain + Italy + Germany

A market leader in our Targeted Therapeutic Areas

Decapeptyl®

- GnRH analogue - 3 months formulation – longer Sustained Release Formulations (“SRF”) under development
- n°1 or n°2 in most Ipsen markets
- Long lasting relationships with target audiences and EU urology organisations
- Main competitors: Enantone (Takeda), Zoladex (Astra-Zeneca)

Somatuline®

- Somatostatin analogue
- Specific know-how of Ipsen in innovative SRF with the Autogel presentation: 28-days and over SRFs
- n°1 or n°2 in most Ipsen markets
- Main competitors: Sandostatin (Novartis)

Dysport®

- Botulinum Toxin of Type A
- Efficient and field proven product (launched in 1991), an attractive alternative to the market leader
- n°1 or n°2 in most Ipsen markets in medical indications
- Challenger of Botox (Allergan)

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Targeted Therapeutic Areas and International markets drive our expansion

H1 06 and H1 05 sales by therapeutic area

Therapeutic Area	H1 05	H1 06	% Change
Other	19.6	16.6	-15.3%
Primary Care	190.0	192.2	+1.2%
Targeted Therapeutic Areas	194.5	221.8	+14.0%
Total	404.1	430.6	+6.6%

H1 06 and H1 05 sales by geographical area

Geographical Area	H1 05	H1 06	% Change
RoW	51.1	61.6	+20.6%
Rest of Europe	79.0	93.3	+18.1%
Major W. European countries	273.9	275.6	+0.6%
Total	404.1	430.6	+6.6%

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IFRS, H1-2005 pro forma

2005 financials at a glance

In € millions	2005	2004	05/04 growth
Sales	807.1	751.5	+7.4%
EBIT	185.3	156.5	+18.4%
EBIT margin	23.0%	20.8%	
Net profit	148.6	117.6	+26.4%
Net margin	18.4%	15.7%	
EPS ⁽¹⁾ (diluted - in € per share)	2.20	2.01	+9.5%
Cash flow from operations	176.9	124.7	+41.8%

Sales at constant perimeter

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

Note (1): based on average number of shares during the period

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Strategy: Grow, Optimise, Globalise

Mission Statement

To be a worldwide best-in-class provider of innovative 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

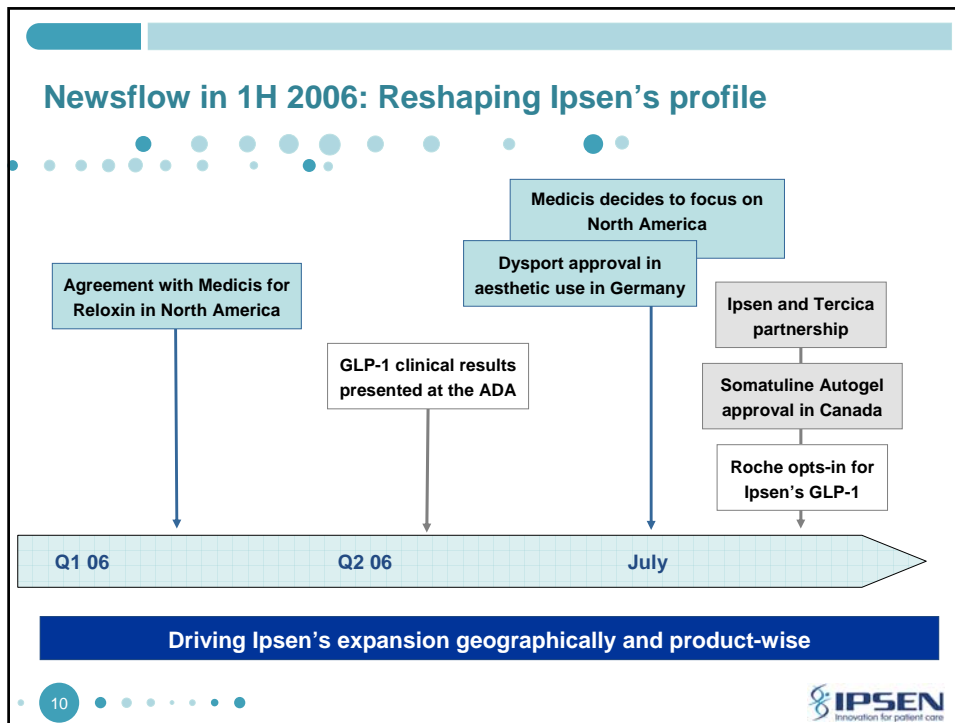
- 1 **Strong R&D Capabilities**
- 2 **Extended International Network**
- 3 **Experienced and Proactive Teams**
- 4 **Financial Flexibility**

Key Growth Boosters

- 1 **US expansion** (4 NDAs)
- 2 **Strong R&D pipeline** (7 NCEs)
- 3 **Partnerships** (Medicis, Roche...)

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A unique convergence of capabilities

A differentiating R&D focused on...


1 **Hormone dependent diseases**
2 **Peptide and protein engineering**
3 **Innovative delivery systems**

A competitive R&D capability with...

1 **4 R&D specialized centres (Boston, Paris, Barcelona, London)**
2 **A staff of 700**
3 **20.9% of sales spent on R&D in 2005**
4 **A unique convergence of technological platforms**

A recognised strategic partner

Ipsen has built a strong network of centres of research excellence and industry leaders


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A strong R&D pipeline to fuel future growth: 7 NCEs

		Compound	Indication	Current Status
Specialist Care	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 4Q06
		BIM 51077	Type 2 diabetes	Partnered with Roche
		NutropinAq®	Idiopathic short stature	Phase III
	Neuromuscular Disorders	Dysport®	Cervical Dystonia Myofascial pain	Phase III – Filing scheduled in 2007 in US Phase II
		Dysport® /Reloxin®	Aesthetic medicine	Under regulatory review in Europe Phase III – Filing schedule in 2007 in US
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	Filing scheduled in 2H06

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Note: excludes pre-clinical programmes.
In yellow: NCE's / In white: Life Cycle Management



BIM-51077: illustrating Ipsen's R&D capabilities

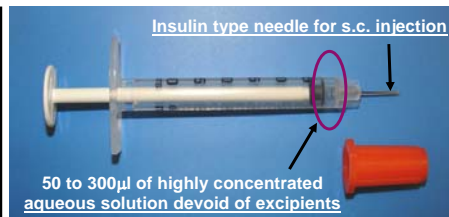
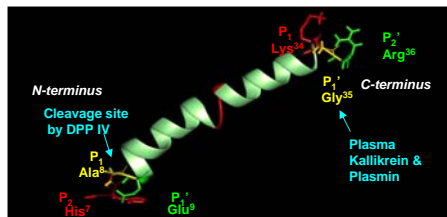
- ✓ Equal / greater potency compared to native compound
- ✓ Extended metabolic half-life: 22x more stable in plasma
- ✓ Complete retention of incretin properties
- ✓ Strong patent positions

Roche opt-in in July 2006

- ✓ €56 m paid upfront + €3 m in 2007
- ✓ €170 m potential additional milestones
- ✓ Mid-teens royalties on WW net sales

Designing the peptide itself...

...so that it fits Ipsen's innovative delivery systems technologies



Human GLP-1(7-36)NH2 is cleaved in plasma at both N- & C termini: modification of positions 8 & 35

Syringe used for BIM51077 SRF: - 0.3mL TERUMO Myjector U-100 with 29G1/2 (0.33 X 12 mm)

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Somatuline® Autogel® : convenient administration

	Somatuline® Autogel®	Sandostatin LAR®
Indications	Acromegaly, NET (EU only)	Acromegaly, NET
Administration route	Subcutaneous (s.c.)	Intramuscular (i.m.)
Volume injected	0.4 ml	2.0 ml
Needle length	20mm	40mm
Formulation	Ready to use	Powder for reconstitution



Comparison Of pre-filled Versus competitor Intramuscular Injection device



Somatuline® autogel®

lanreotide

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Entering the North American market




US strategy: Creating a global endocrinology franchise with Tercica

- Cross-Licensing agreement for Somatuline® Autogel® in North America and Increlex™ in Europe & other territories
- Ipsen becomes Tercica's largest shareholder, with a 25% stake and with the ability to increase its stake to 40%

- ✓ Implementation of Somatuline® US strategy
- ✓ Enhanced Endocrinology portfolio with the combination of Somatuline®, NutropinAq® and Increlex, creating a “global care solution” for patients suffering from growth disorders
- ✓ Building a platform in endocrinology in the US through a staged and flexible equity investment in Tercica

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US strategy: gaining exposure to the North American aesthetic market with Medicis

- Licensing agreement for Reloxin[®] in North America
- Restylane[®] & Reloxin[®] synergistic concept
- Fast growing US aesthetic market

- ✓ Implementation of Reloxin[®] US strategy with Medicis, a leading dermatology company in the US (#1 dermal filler, #1 sales force)
- ✓ Up to c. \$230 million in total upfront and milestones payments, including c. \$125 million already paid to Ipsen in 2006
- ✓ 30% royalty payment on Medicis' net sales (including supply price)

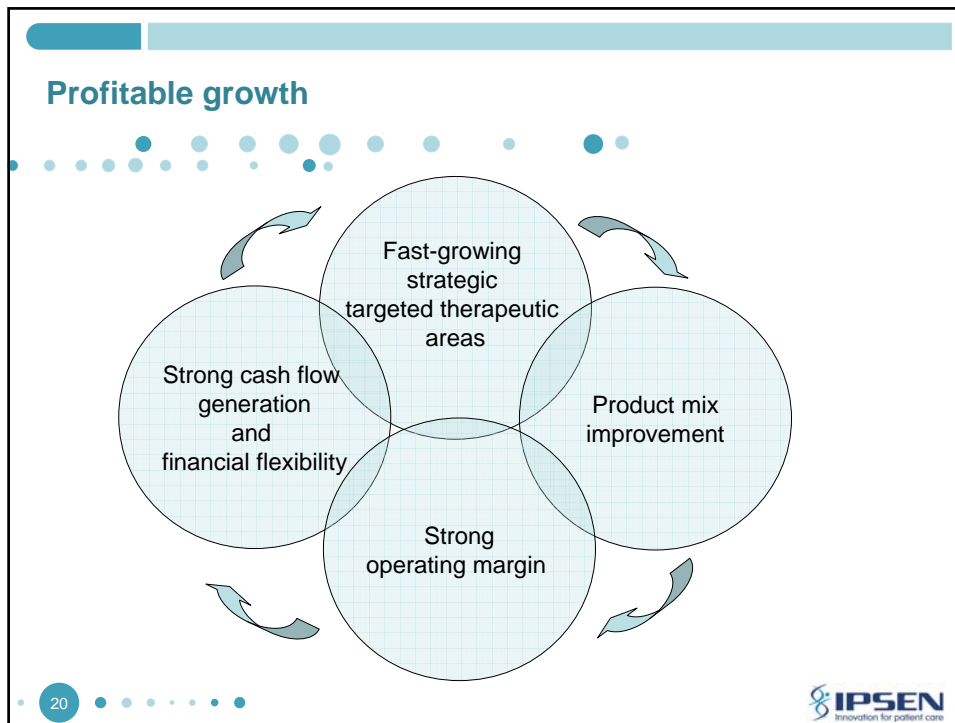
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Outlook



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Full year 2006 objectives

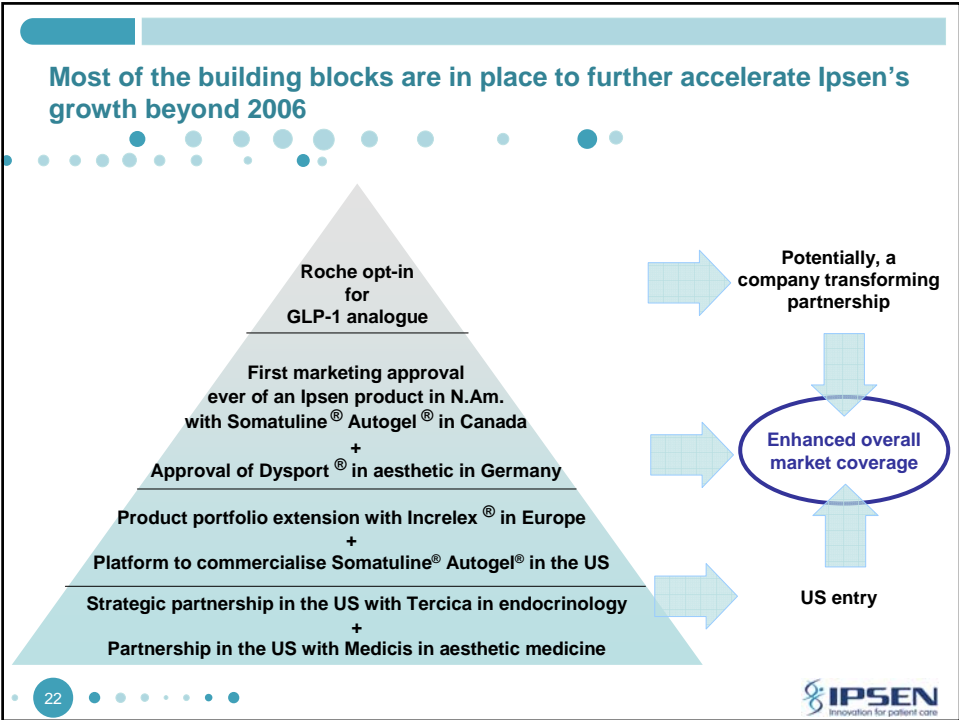
	Objectives FY06	Actuals FY05
Sales	6.5 to 7.5% growth	+7.4%
Reported EBIT	21.5 to 22.0% ⁽¹⁾ (of sales)	23.0% (of sales)

2006 annual objectives maintained

NOTE 1: Including the negative impact of a non-recurring expense of €8.4 million paid in the first half of 2006 to Inamed and excluding any loss from associates from Tercica

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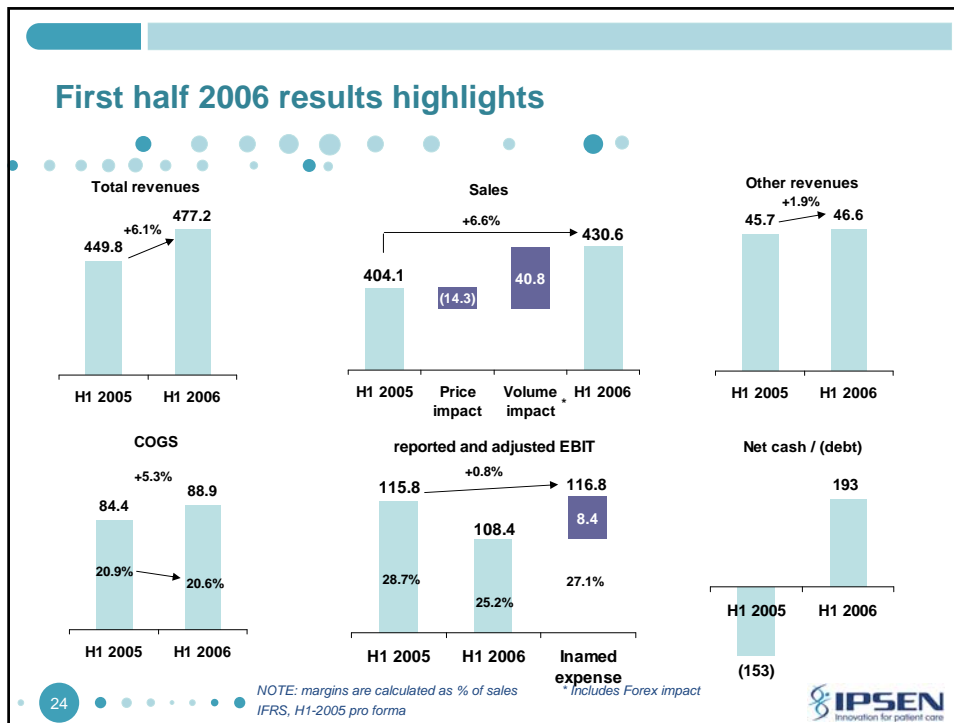


Back-up #1

Financials

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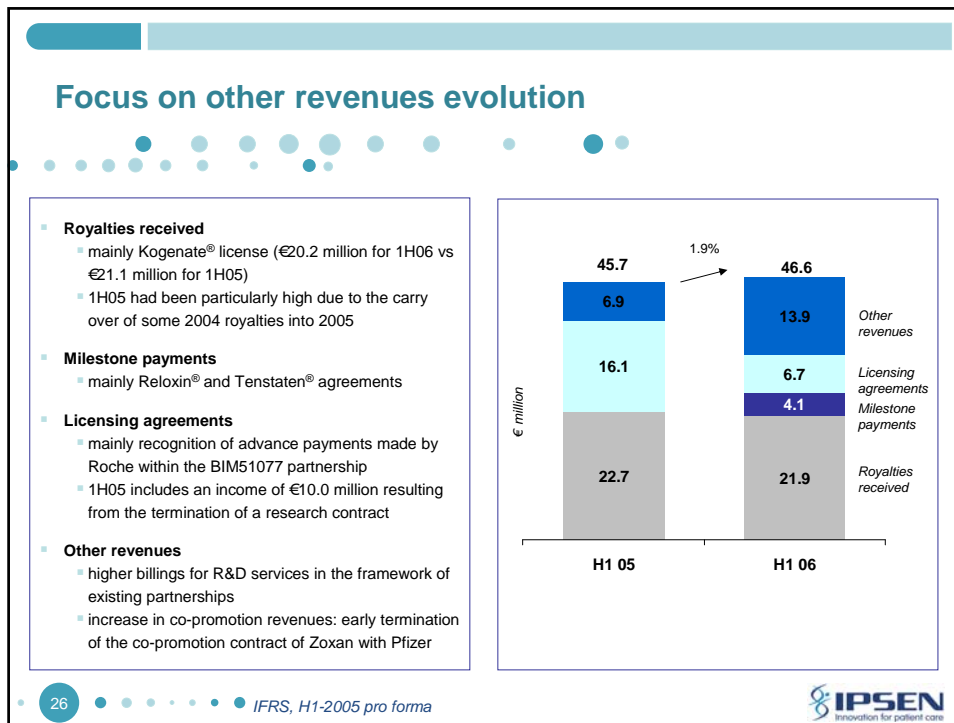


First half 2006 P&L highlights

In €m	H1 06	H1 05	% chge
Sales	430.6	404.1	+6.6%
Other revenues	46.6	45.7	+1.9%
Total revenues	477.2	449.8	+6.1%
COGS	(88.9)	(84.4)	+5.3%
R&D	(83.8)	(75.6)	+10.9%
SG&A	(188.0)	(174.2)	+7.9%
Other income and expenses & restructuring costs	(8.1)	0.2	n.m.
Operating profit	108.4	115.8	(6.4)%
<i>EBIT margin (as a % of total sales)</i>	<i>25.2%</i>	<i>28.7%</i>	
Adjusted operating profit	116.8	115.8	+0.8%
Adjusted EBIT Margin (as a % of total sales)	27.1%	28.7%	
Financial result	0.4	(4.6)	n.m.
Income tax	(20.3)	(22.3)	(8.9)%
Net profit from continuing operations	88.4	88.9	n.m.
Consolidated profit	88.5	89.6	(1.2%)
Attributable to Ipsen' shareholders	88.1	89.4	

- Other revenues:
 - Lower Kogenate royalties (€20.2m vs. €21.1 m LY)
 - Milestones from Medicis for Reloxin
 - Includes €10 million revenue from a research contract termination
- Improved COGS ratio
- Significant increase in R&D costs
 - acceleration of BIM51077 program
 - FDA inspection preparation
- Increase in SG&A
 - payment of royalties to third parties
 - sales taxes in France
 - Listing requirements
- Other income includes one-off payment of €8.4 m to Inamed: ca. 2 points impact on EBIT margin
- Improvement in financial result due to improved cash situation
- Effective tax rate at 18.7% mainly due to tax loss carry forwards (recurring tax rate: 25%)

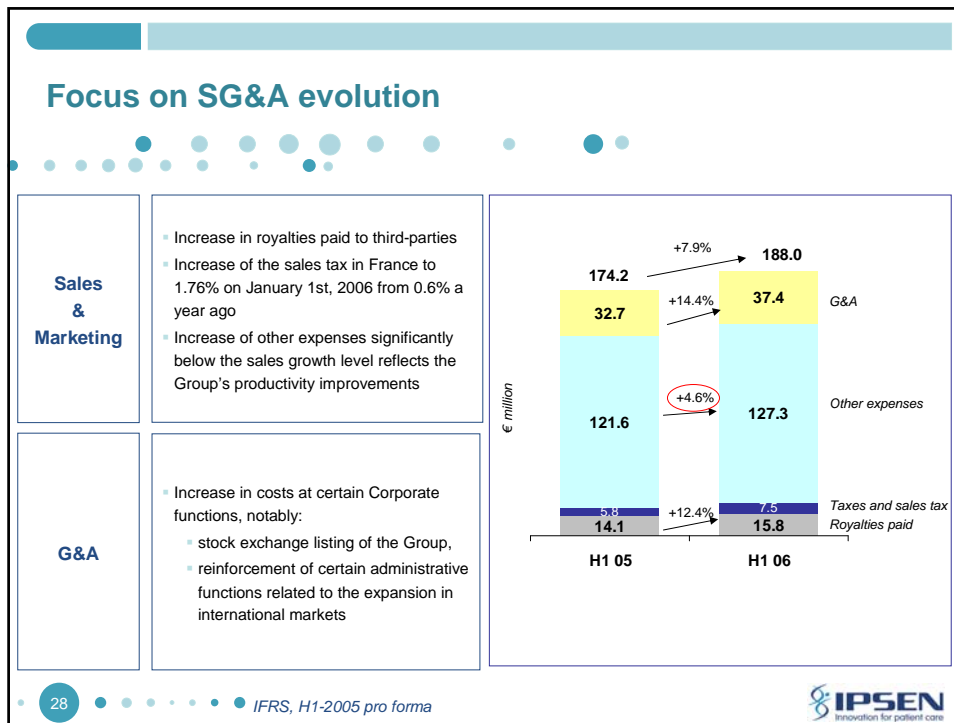
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Focus on "other revenues": backlog of revenues

Milestones cashed-in before June 30, 2006 not yet recognized as revenues			Milestones cashed-in after June 30, 2006	
(in € million)	30 June 06	30 June 05	(in € million)	
Total milestones cashed-in:	94.3	5.0	Total milestones cashed-in:	73.6
<i>Recognized in time as revenues as follows:</i>			<i>Recognized in time as revenues as follows:</i>	
H2 of year N	4.0	2.4	H2 2006	2.6
FY of year N+1	8.0	1.1	FY 2007	5.5
FY N+2 and beyond	82.3	1.5	FY 2008 and beyond	65.5

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First half 2006 balance sheet highlights

	Assets (€m)		Liabilities and Shareholders' Equity (€m)	
	30-Jun-06	31-Dec-05	30-jun-06	31-Dec-05
Goodwill	188.8	188.8	Shareholders' Equity	672.7
Tangible Assets	186.1	187.8	Minority Interests	1.5
Intangible Assets	38.9	39.8	Long-Term Financial Debt	22.9
Other fixed Assets	55.4	18.4	Other non current liabilities	106.6
Total non-current Assets	469.2	434.8	Short-Term Financial Debt	8.6
Total Current Assets	556.0	495.0	Other current Liabilities	209.6
Incl. Cash and Equivalents	226.2	202.0	Liabilities associated with current asset held for sale	9.4
Non-current assets held for sale	6.1	12.7	Total Liabilities	1,031.3
Total Assets	1,031.3	942.5	Net (debt) / cash	193.3

IFRS, pro forma

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First half 2006 cash-flow highlights

In €m	H1 06	H1 05
- Cash flow before variation in WCR	89.6	98.3
- (Increase) decrease in WCR	40.6	(35.8)
Net cash flow generated by operating activities	130.2	62.5
Net cash flow used in investment activities	(25.2)	(29.7)
Net cash flow used in financing activities	(82.4)	(88.4)
Net cash flow provided by discontinued activities	1.6	-
Increase (decrease) in cash flow	24.2	(55.6)
Cash and cash equivalent, beginning of year	200.6	92.8
Impact of <i>pro forma</i> treatment	-	(5.6)
Impact of foreign exchange variations	-	0.1
Cash and cash equivalent, end of period	224.8	31.7

- Notably the collection of payments received from Medicis not yet recognised as revenues
- Decrease of OAL
- Increase in inventories and trade receivables
- Tax payable increased resulting from the Medicis payment and by the balance of tax payable related to Group affiliates in France
- Capital expenditures required to maintain the Group's industrial facilities
- Following payments by Medicis, €31.1 million have been reimbursed on Group's credit facilities, therefore reducing utilization to €6.6 million.
- Dividend payment for €50.4 million (vs. €29.3 million in 2005)

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IFRS, H1-2005 pro forma


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Back-up #2

Product information



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Decapeptyl at a Glance




Classification	<ul style="list-style-type: none"> Ephmra class: H1C et L2A ATC code: L2A Active substance: triptorelin 	Approved Indications / Prevalence	<ul style="list-style-type: none"> Prostate cancer <ul style="list-style-type: none"> 1.2% of men over 50 years old in Europe ⁽¹⁾ Endometriosis <ul style="list-style-type: none"> 10% of reproductive-aged women ⁽²⁾ Fibroid tumors (uterine leiomyomas) <ul style="list-style-type: none"> 20% to 25% of reproductive age women ⁽³⁾ Precocious puberty <ul style="list-style-type: none"> 0.05% of children aged 6 to 8 years old ⁽⁴⁾ Female infertility (in vitro fertilisation) <ul style="list-style-type: none"> 14% of reproductive-aged women ⁽²⁾
Mechanism of Actions	<ul style="list-style-type: none"> Analogue of GnRH 	Target Audience	<ul style="list-style-type: none"> Urologists Oncologists Andrologists, Radiotherapy specialists, Paediatricians-endocrinologists, Gynaecologists, Obstetricians and IVF specialists
Territories	<ul style="list-style-type: none"> Approved in 65 countries, including 24 in Europe Exclusive rights held by Ipsen for the marketing of Decapeptyl in EU (except Sweden) and in several other countries 	Patent Position	<ul style="list-style-type: none"> US and Europe patent expiring in 2010

Source: (1) DaVinci Cancer Perspectives 2005; (2) Datamonitor, Endometriosis; (3) Cancer Weekly; (4) Diagnostics Business Matters

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Somatuline at a Glance




Classification	<ul style="list-style-type: none"> Ephmra class: H4V ATC code: H1C Active substance: lanreotide 	Approved Indications / Prevalence	<ul style="list-style-type: none"> Symptomatic treatment of acromegaly <ul style="list-style-type: none"> 60 per million inhabitants ⁽¹⁾ Relief of symptoms associated with neuroendocrine tumors (carcinoids) <ul style="list-style-type: none"> 15 per million inhabitants ⁽²⁾
Mechanism of action	<ul style="list-style-type: none"> Analogue of somatostatine 	Target Audience	<ul style="list-style-type: none"> Endocrinologists Gastroenterologists, Oncologists
Territories	<ul style="list-style-type: none"> Approved in 53 countries (including 24 in Europe) Indicated for acromegaly and symptoms associated with neuroendocrine tumors (NET) in most countries Worldwide exclusive production and marketing rights owned by Ipsen (for both Somatuline and Somatuline Autogel) 	Patent Position	<ul style="list-style-type: none"> Somatuline Autogel: US and Europe patent expiring in 2015 Somatuline: Europe patent expiring in 2009 for most countries

Source: (1) Clinical Endocrinology; (2) C. Tebbi, MD; eMedicine

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Dysport at a Glance



Classification	<ul style="list-style-type: none"> ATC code: M3A, S1X 	Approved Indications / Prevalence	<ul style="list-style-type: none"> Hemifacial spasm <ul style="list-style-type: none"> – 11 per 100,000 inhabitants ⁽¹⁾ Blepharospasm <ul style="list-style-type: none"> – 5 per 100,000 inhabitants ⁽²⁾ Spasmodic torticollis <ul style="list-style-type: none"> – 9 per 100,000 inhabitants ⁽³⁾ Adult arm spasticity and Adult leg spasticity <ul style="list-style-type: none"> – 322 per 100,000 inhabitants ⁽⁴⁾ Paediatric cerebral palsy spasticity <ul style="list-style-type: none"> – 19 per 100,000 persons aged 17 and less ⁽⁴⁾ Glabellar Lines (Brazil, Mexico, Russia)
Mechanism of action	<ul style="list-style-type: none"> Active substance: Botulinum toxin of Type A 	Territories	<ul style="list-style-type: none"> First launch in the UK in 1991 Approved in 69 countries
Target Audience	<ul style="list-style-type: none"> Neurologists Physical medicine and rehabilitation Neuro-paediatricians, Ear-nose and throat specialists, Ophthalmologists Dermatologists, Plastic surgeons 	Patent Position	<ul style="list-style-type: none"> No patent

Source: (1) Q J Med V95; (2) www.blepharospasm.org; (3) Movement disorders V10; (4) www.cdc.gov

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Primary Care: a strong historic presence in France

Tanakan®	<ul style="list-style-type: none"> Field-proven over 30 years, very strong brand name in France On-going large scale clinical trials in Europe and US (NIH) in Alzheimer prevention. First EU Alzheimer indication approval granted in Belgium in 2004 Competitors: Trivastal (Servier), Praxilene (Lipha Santé), Sermion (Sanofi-Aventis)
Smecta®	<ul style="list-style-type: none"> Strong brand recognition in all its markets by patients and doctors Cost-effective and field proven product for more than 25 years with very favourable safety profile Long-standing know-how in clay sourcing Competitors: Imodium and Arestal (Janssen Cilag), Ercefuryl (Sanofi-Aventis)
Forlax®	<ul style="list-style-type: none"> 1st clinical development in paediatric field for a constipation drug Cost-effective and field proven product (launched in 1996) with very favourable safety profile Competitors: Duphalac (Solvay Pharma), Movicol (Norgine Pharma)

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Thank you !

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Stock info:

Outstanding number of shares (September 2006): 84,024,683
Approx. market capitalisation (September 2006): €2.3 bn

Tickers BBG: IPN FP
RTRS: IPN.PA

Listing Euronext Paris

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