





Ipsen overview



Investors Group Meeting - UBS
Mr Jean-Luc Bélingard – Chief Executive Officer
Mrs Claire Giraut – Chief Financial Officer
Mr David Schilansky - Investor Relations Officer
 Paris, 30th November 2006



Disclaimer

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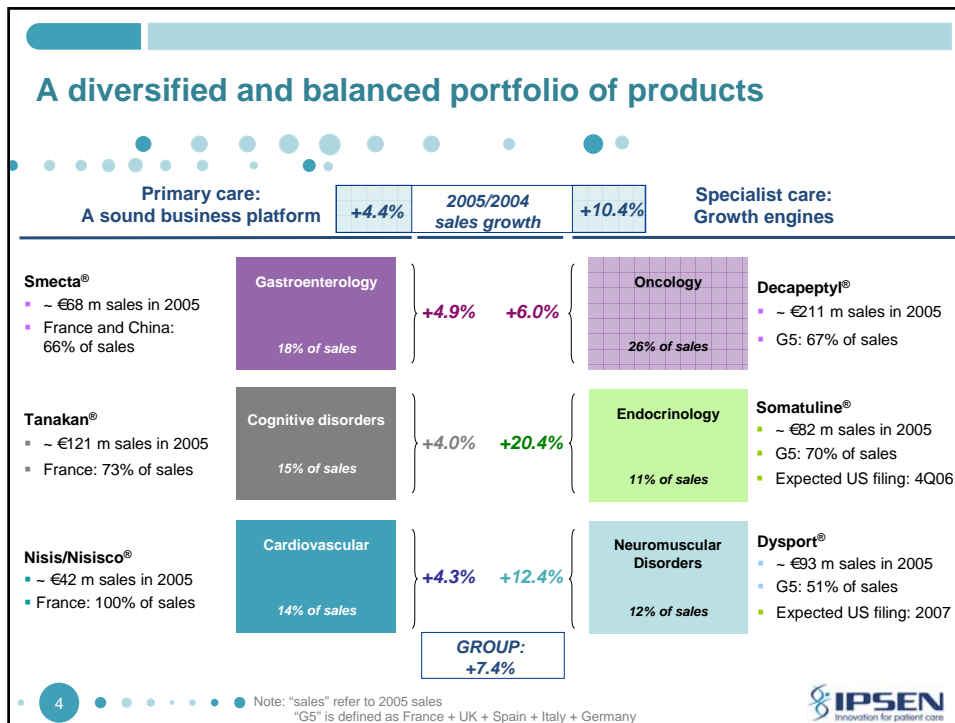



Profile and strategy

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 October 1, 2006): €2.6 bn
- A diversified and balanced portfolio of products with more than 20 field proven products**
 - A longstanding presence in primary care in France**
 - 47% of 2005 Group sales in 2005, 45% in 1H 2006
 - Gastroenterology, cognitive disorders and cardiovascular.
 - A clear strategic focus on fast-growing specialist care worldwide**
 - 49% of Group 2005 sales in 2005, 52% in 1H 2006
 - Targeted Therapeutic areas: Oncology, neuromuscular disorders and endocrinology
- A differentiating R&D capability**
 - 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.
- A recognised strategic partner**
 - Alliances with international industry leaders in US, Europe and Japan and best-in-class universities around the world.

Note: Figures are IFRS, Proforma



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

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

1 Strong R&D Capabilities	2 Extended International Network	3 Experienced and Proactive Teams	4 Financial Flexibility
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Key Growth Boosters

1 US expansion (4 NDAs)	2 Strong R&D pipeline (9 NCEs)	3 Partnerships (Medicis, Roche...)
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A differentiating R&D

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...

- ④ **4 R&D specialized centres (Boston, Paris, Barcelona, London)**
- ⑤ **A staff of 700**
- ⑥ **20.9% of sales spent on R&D in 2005**
- ⑦ **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: 9 NCEs


NEW CHEMICAL ENTITIES

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)	Advanced metastatic cancers	Phase I
Acapodene®	Treatment of Androgen Deprivation Therapy induced iatrogenic effects	Phase III
Increlex® (1)	Severe primary IGF-1 deficiency	<u>Under regulatory review in the EU</u>
BIM 51077	Type 2 diabetes	Partnered with Roche
OBI-1®	Haemostasis	Phase II
Febuxostat®	Symptomatic hyperuricaemia	<u>Under regulatory review in the EU</u>

LIFE CYCLE MANAGEMENT PROGRAMMES

Decapeptyl®	Pre-menopausal breast cancer 4 -6months SRF (prostate)	Phase III Phase III
Somatuline Autogel®	Non functioning neuro endocrine tumors	Phase III
Somatuline Autogel®	Acromegaly	US filing in 4Q06
Somatuline Autogel®	Co-administration with Pegvisomant	Phase III
NutropinAq®	Non-GH deficient short stature	<u>Under regulatory review in the EU</u>
Dysport®	Cervical Dystonia	Phase III US filing expected in 2007
Dysport®	Myofascial pain	Phase II
Reloxin®	Aesthetic medicine	<u>Under regulatory review in the EU</u> US: Partnered with Medicis - filing expected in 2007
Tanakan®	Mild cognitive impairment related to age	Phase III

Purple: Oncology / Green: Endocrinology / Blue: Neuromuscular disorders
In Bold: US projects - NDAs
This table excludes pre-clinical projects
NOTE (1): Upon closing of the transaction with Tercica

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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

50 to 300µl of highly concentrated aqueous solution devoid of excipient

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 (RHS) Versus competitor intramuscular injection device (LHS)

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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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 **IPSEN**
Innovation for patient care

Outlook



 **IPSEN**
Innovation for patient care

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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Most of the building blocks are in place to further accelerate Ipsen's growth beyond 2006

Roche opt-in for GLP-1 analogue

First marketing approval ever of an Ipsen product in N.Am. with Somatuline® Autogel® in Canada + Approval of Dysport® in aesthetic in Germany


Product portfolio extension with Increlex® in Europe + Platform to commercialise Somatuline® Autogel® in the US

Strategic partnership in the US with Tercica in endocrinology + Partnership in the US with Medicis in aesthetic medicine

Potentially, a company transforming partnership

Enhanced overall market coverage

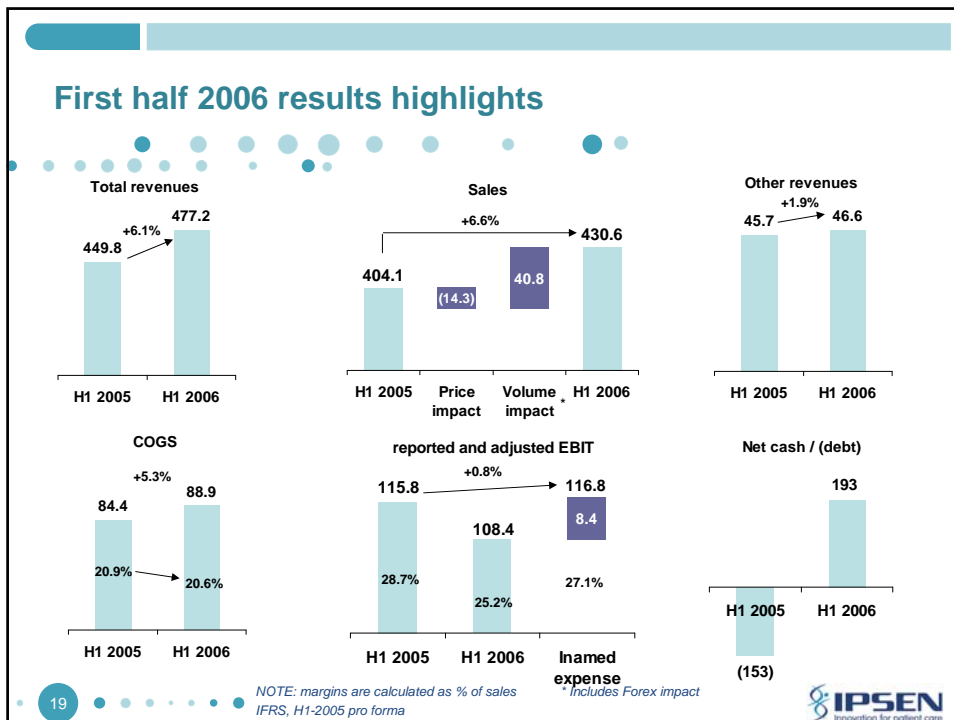
US entry

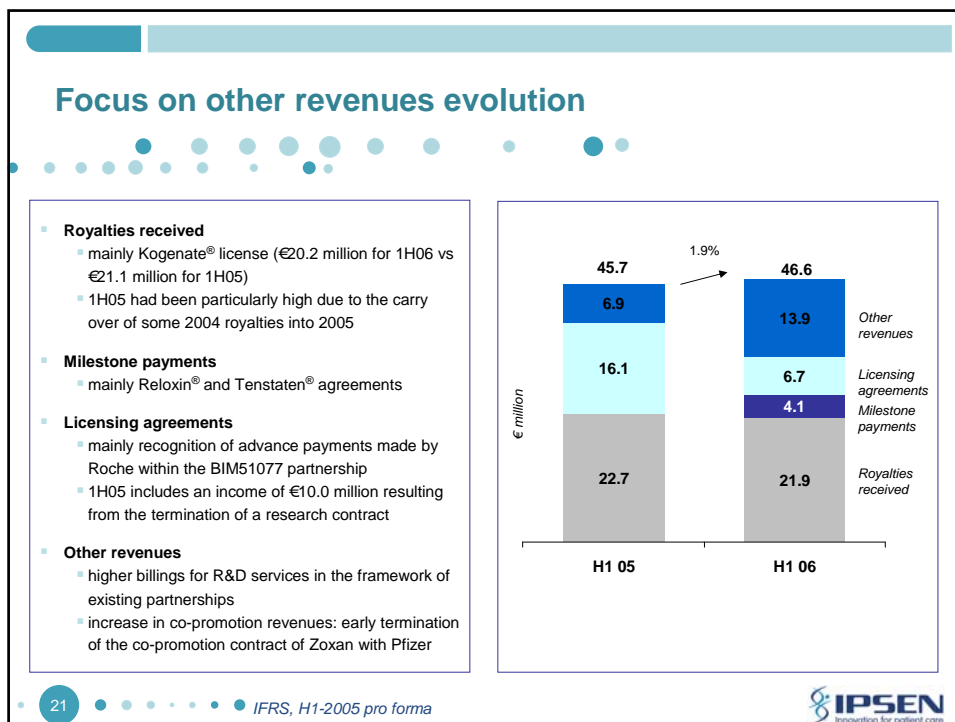
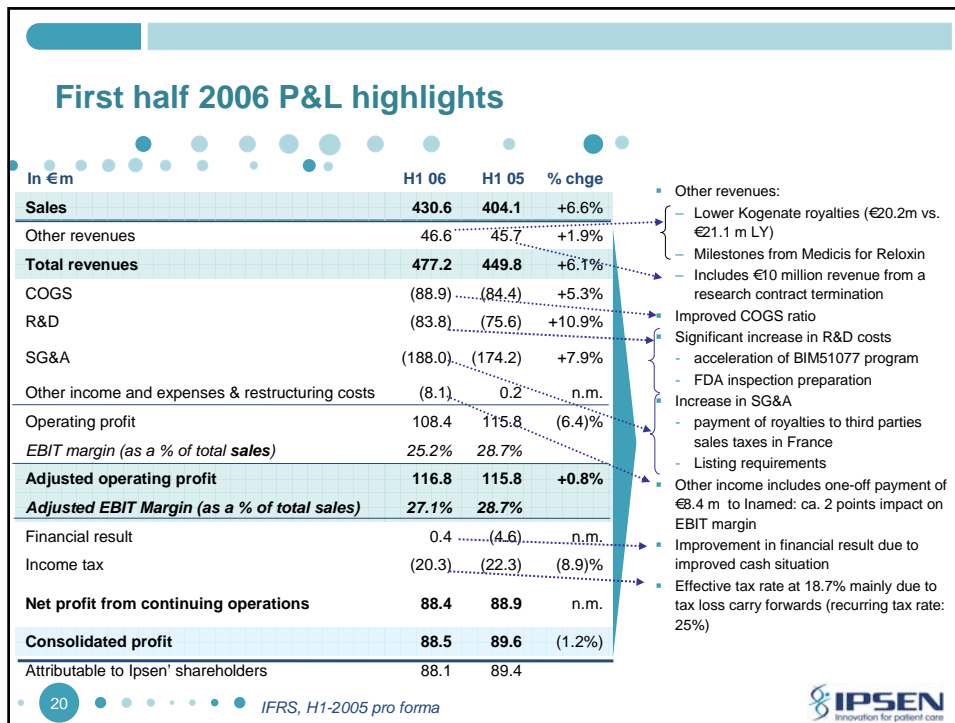
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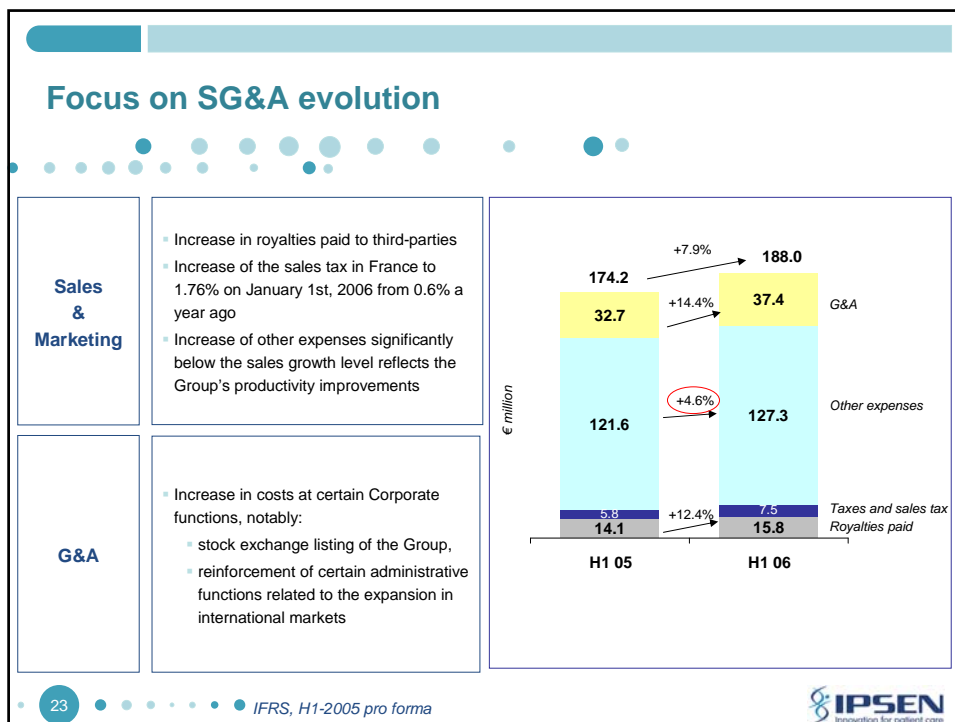
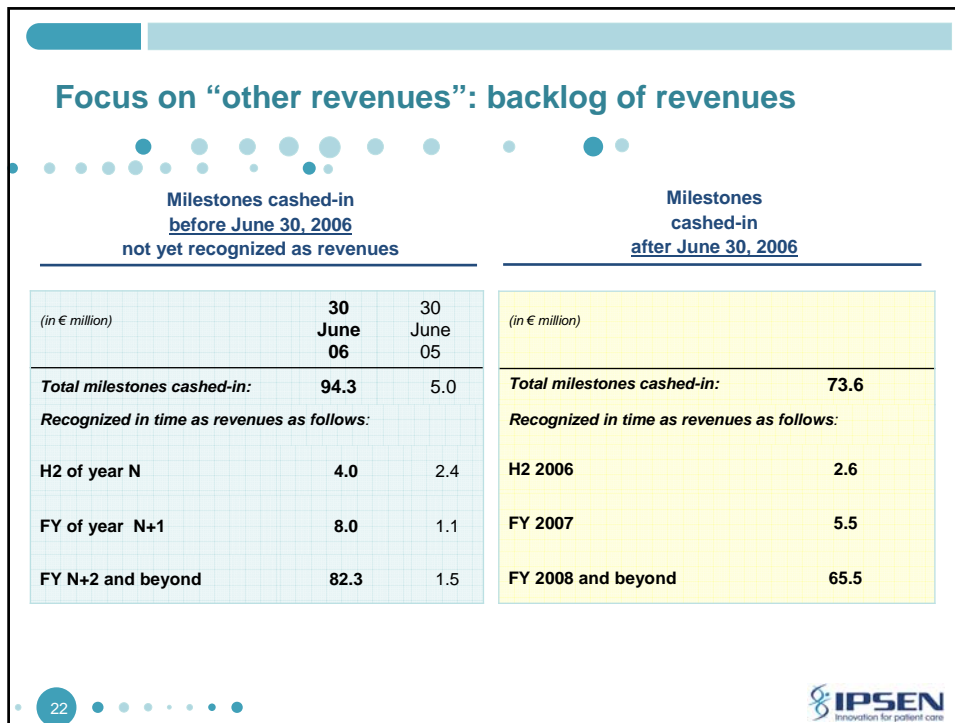
Back-up #1

Financials









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	619.8
Tangible Assets	186.1	187.8	Minority Interests	1.5	1.3
Intangible Assets	38.9	39.8	Long-Term Financial Debt	22.9	53.3
Other fixed Assets	55.4	18.4	Other non current liabilities	106.6	17.6
Total non-current Assets	469.2	434.8	Short-Term Financial Debt	8.6	8.8
Total Current Assets	556.0	495.0	Other current Liabilities	209.6	227.6
Incl. Cash and Equivalents	226.2	202.0	Liabilities associated with current asset held for sale	9.4	14.1
Non-current assets held for sale	6.1	12.7	Total Liabilities	1,031.3	942.5
Total Assets	1,031.3	942.5	Net (debt) / cash	193.3	138.8

IFRS, pro forma

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 Innovation for patient care

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



 Innovation for patient care

Back-up #2


Tercica transaction details

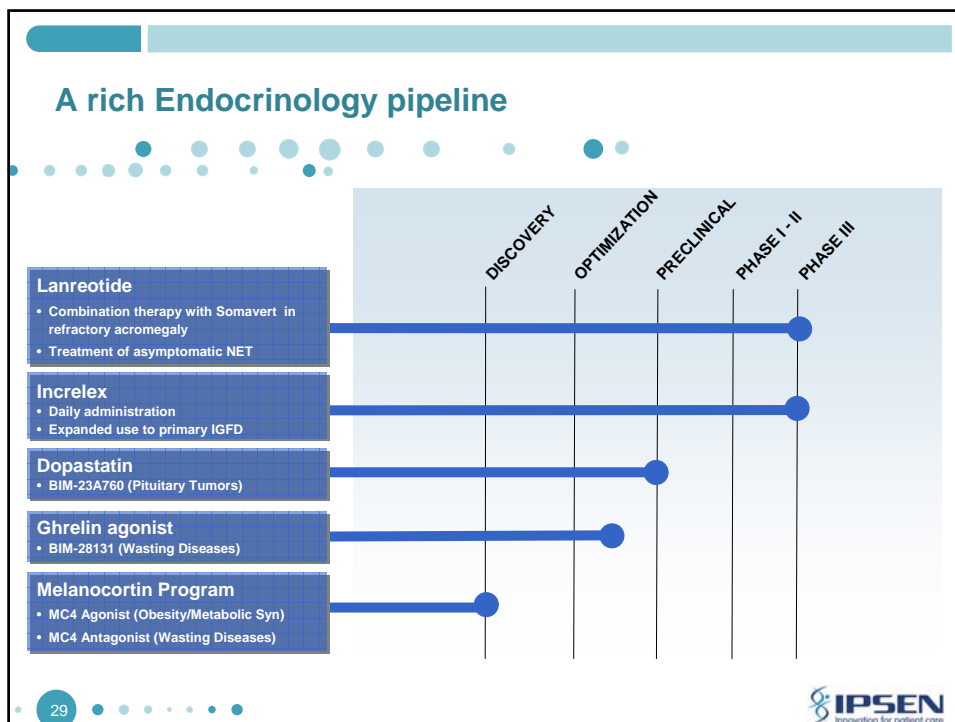
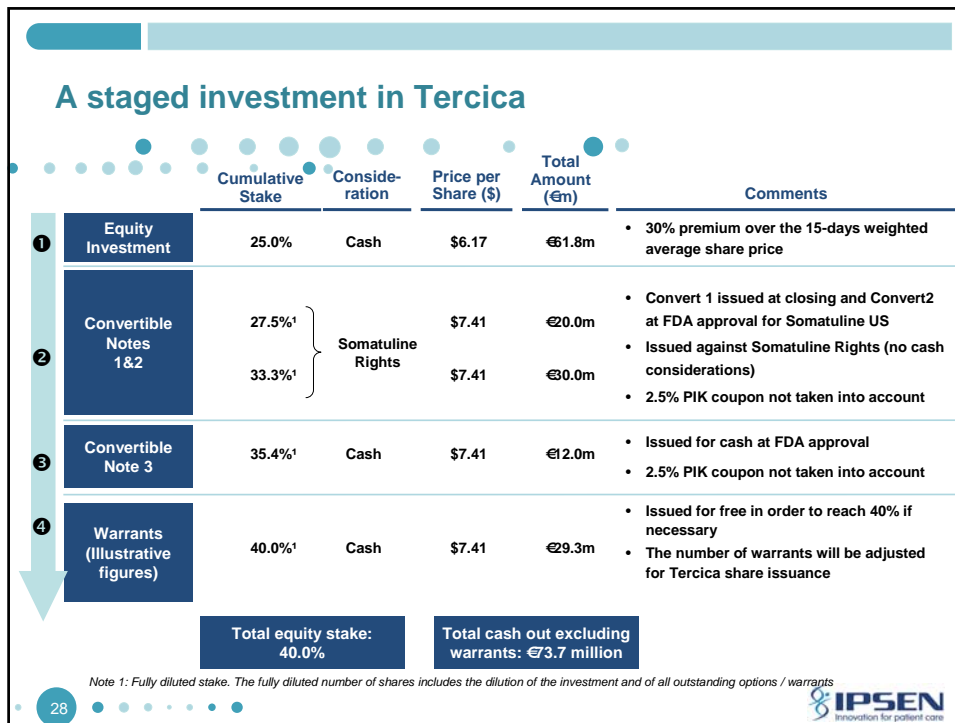



Key terms of the cross licensing agreements

	Ipsen Commercialisation of Increlex	Tercica Commercialisation of Somatuline
Territory	Worldwide ex USA, Canada and Japan	USA and Canada
Duration	15 Years ¹	15 Years ¹
Upfront Payment	€10m (paid upon closing)	\$25m (paid with a convertible upon closing)
Milestone on MA grant	€15m (paid upon MA in EU)	€30m (paid with a convertible upon MA in U.S.)
Royalty on Net Sales	sliding scale (from 15 to 25%) based upon net sales of the product, in addition to supply price of 20% of net sales	sliding scale (from 15 to 25%) based upon net sales of the product, in addition to supply price of 20% of net sales



NOTE1: The longer of the patent protection or 15 years. Period after which licence is fully paid and irrevocable






Back-up #3

Product information





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 more than 60 countries, including 25 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




<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Classification</div> <ul style="list-style-type: none"> ▪ Ephmra class: H4V ▪ ATC code: H1C ▪ Active substance: lanreotide 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Mechanism of action</div> <ul style="list-style-type: none"> ▪ Analogue of somatostatin 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Approved Indications / Prevalence</div> <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⁾
<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Territories</div> <ul style="list-style-type: none"> ▪ Approved in more than 50 countries (including more than 25 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®) 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Target Audience</div> <ul style="list-style-type: none"> ▪ Endocrinologists ▪ Gastroenterologists ▪ Oncologists 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Patent Position</div> <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



<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Classification</div> <ul style="list-style-type: none"> ▪ ATC code: M3A, S1X 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Mechanism of action</div> <ul style="list-style-type: none"> ▪ Active substance: Botulinum toxin of Type A 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Approved Indications / Prevalence</div> <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)
<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Target Audience</div> <ul style="list-style-type: none"> ▪ Neurologists ▪ Physical medicine and rehabilitation ▪ Neuro-paediatricians, Ear-nose and throat specialists, Ophthalmologists ▪ Dermatologists, Plastic surgeons 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Territories</div> <ul style="list-style-type: none"> ▪ First launch in the UK in 1991 ▪ Approved in more than 70 countries 	<div style="background-color: #1a3d4d; color: white; padding: 5px; margin-bottom: 10px;">Patent Position</div> <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®

- 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®

- 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®

- 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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Contacts & useful information

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Stock info:

Outstanding number of shares (November 2006): 84,024,683
Approx. market capitalisation (November 2006): €2.8 bn

Tickers BBG: IPN FP
RTRS: IPN.PA

Listing Euronext Paris

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