



Full year 2006 results

Roadshow – Goldman Sachs
Mr Jean-Luc Bélingard – Chief Executive Officer
Mrs Claire Giraut – Chief Financial Officer
Mr David Schilansky – Investor Relations Officer

London - April, 4, 2007



Disclaimer



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An innovation driven International Specialty Pharma Group

A world-class Group

- > 100 countries. c.4,000 employees, founded in 1929.
- 2006 Sales: €862 m. 2006 operating income: €187 m
- Market capitalisation (as of March 1, 2007): ~€2.8 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, 45% in 2006
- Gastroenterology, cognitive disorders and cardiovascular.

A clear strategic focus on fast-growing specialist care worldwide

- 49% of 2005 Group sales, 52% in 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, 2006 R&D expense: 20.7% of sales.

A recognised strategic partner

- Alliances with international industry leaders in US, Europe and Japan and best-in-class universities around the world.

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Note: Figures are IFRS



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**
- Challenger of Botox® (Allergan)

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2006 results highlights

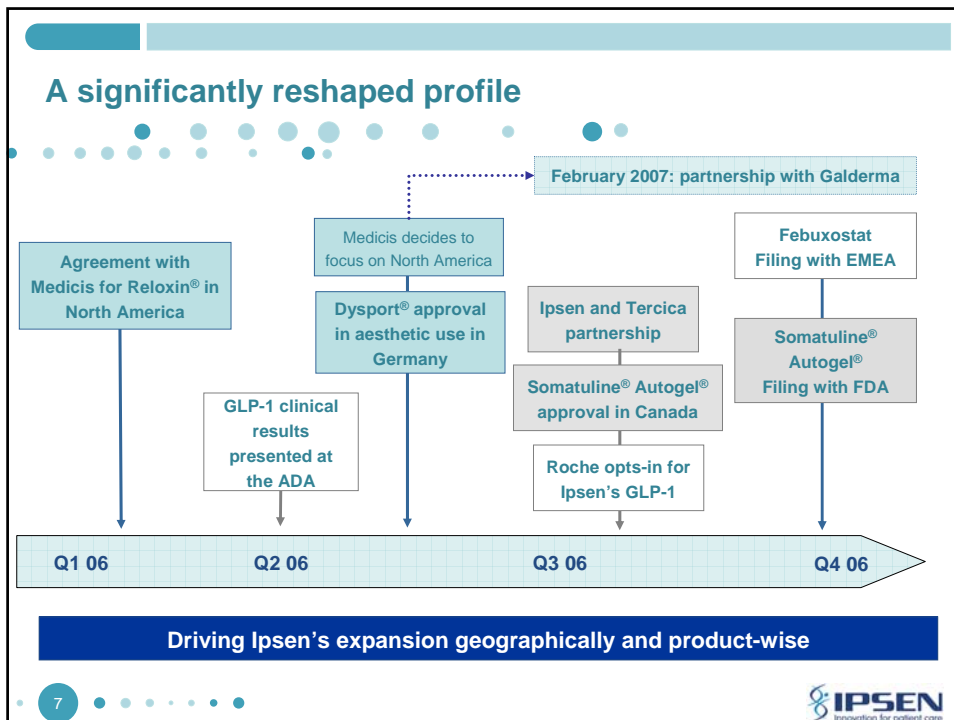
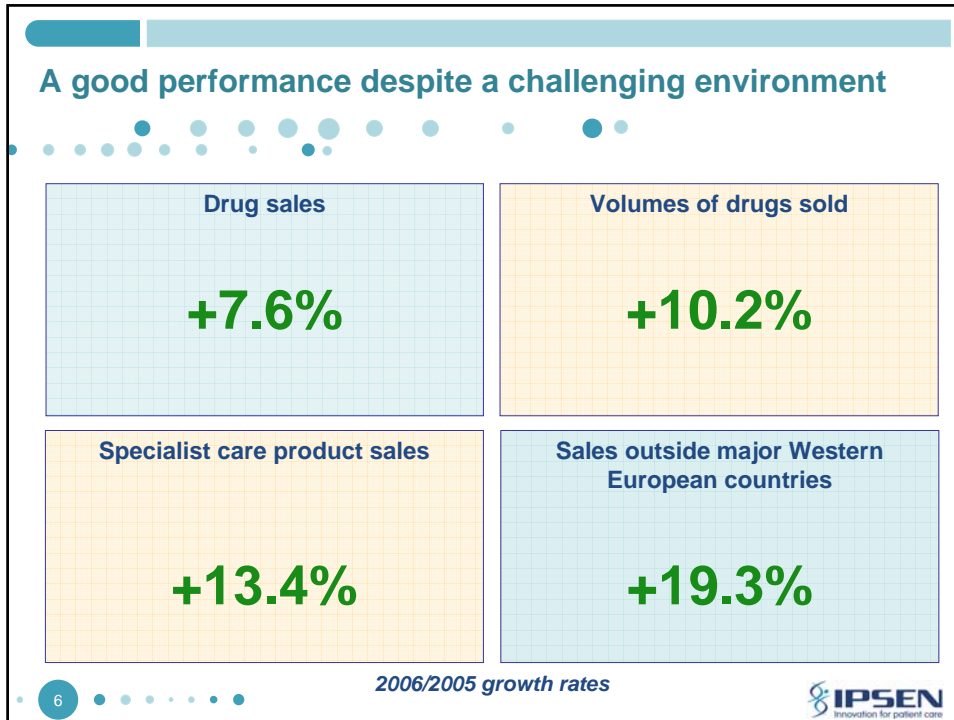
Jean-Luc Bélingard
Chairman & Chief Executive Officer



Financial objectives exceeded

	2006 objectives	2006 actuals	
Sales	6.5 to 7.5% growth	+6.8%	In line
Reported operating margin	21.5 to 22.0% ⁽¹⁾ (in % of sales)	21.7%	In line
Recurring operating margin	23.7% (excluding the negative impact of a non-recurring payment of €8.4 million to Inamed and a €7.3 million impairment charge relating to Testim®.)		Exceeded

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





2006 results highlights

Claire Giraut
Chief Financial Officer





Ipsen's Full Year 2006 Results

2006 P&L

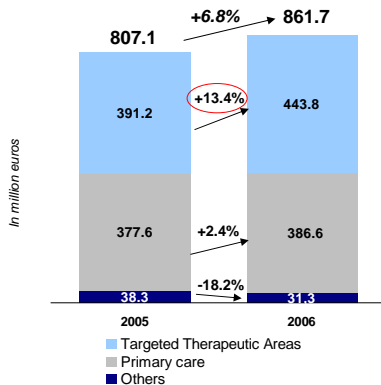
in million euros	2005		2006	% change	
	Pro forma				
Sales	807.1	861.7		+6.8%	
Other revenue	80.7	83.6		+3.5%	Other revenue
Total revenue	887.9	945.3		+6.5%	- Lower Kogenate® royalties - Medicis / Roche Milestone - In 2005, income of € 10 millions in connection with the termination of a research contract
Cost of goods sold	(171.0)	(181.4)		+6.0%	
Research and Development expenses	(169.0)	(178.3)		+5.5%	
Selling, General and administrative expenses	(364.1)	(383.0)		+5.2%	
Other operating income and expenses	1.2	0.2			
Restructuring costs	0.5	(7.3)			COGS improvement despite downward price pressures
Impairment losses					
Operating income	185.3	187.2		+1.0%	Productivity improvement in sales & marketing expenses
in % of sales	23.0%	21.7%			
Recurring operating income	177.8	204.1		+14.8%	Including € 8.4 million paid to Inamed
in % of sales	22.0%	23.7%			
Net finance cost and others	(6.6)	0.1			Impairment of Testim™ for € 7.3 millions
Income tax	(34.2)	(40.9)			
Effective tax rate of continuing operations	19.1%	21.8%			Effective tax rate of 21.8%
loss from associate		(1.7)			Use of UK capital losses brought forward
Profit from continuing operations	144.6	144.8		+0.1%	Recurring effective tax rate : 25.6 % (24.0 % in 2005)
Profit / (loss) from discontinued operations	4.4	(0.3)			Loss from Tercica
Consolidated profit	149.0	144.5		-3.0%	
in % of sales	18.5%	16.8%			
Recurring consolidated profit	128.9	148.9		15.6%	
Earnings per share (fully diluted)	2.2	1.71			
Recurring earnings per share (fully diluted)	1.91	1.77			

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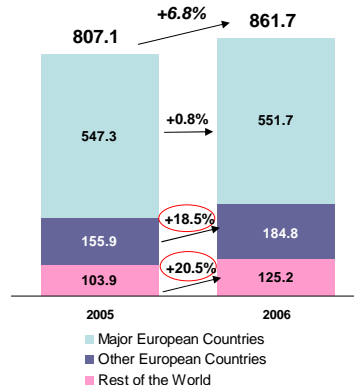


Sales evolution

2005 and 2006 sales by therapeutic area



2005 and 2006 sales by geographical area



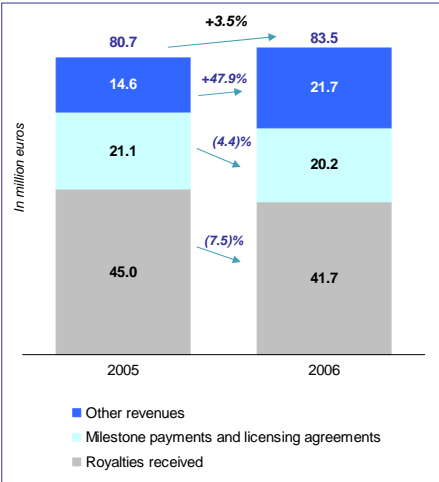
Targeted Therapeutic Areas and International markets drive our expansion

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Other revenues evolution

- **Royalties received**
 - Kogenate® licence, (€38.7 million in 2006, down 7.8% year-on-year vs. €42.0 million in 2005): Q1 2005 had been particularly high due to the carry-over of some 2004 royalties into 2005
- **Milestone payments and licensing agreements**
 - Milestones received in relation with the Roche, Medicis and Recordati partnerships
 - In 2005, an income of €10.0 million was recorded in connection with the termination of a research contract.
- **Other revenues**
 - Higher billings for R&D services within the framework of existing partnerships (GLP-1...)
 - Co-promotion revenues slightly down notably because of the negative impact of the early termination of the co-promotion contract for Zoxan® with Pfizer.



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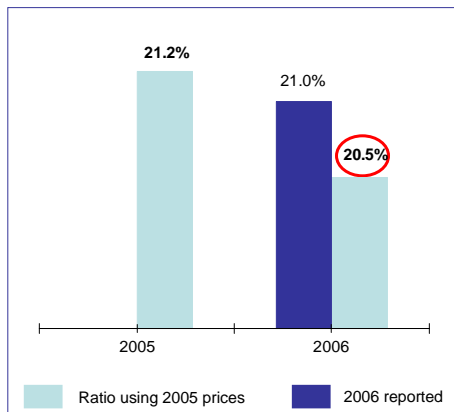
Cost of goods sold evolution

Positives

- Fast growing targeted therapeutic areas (favourable "mix effect")
- Productivity efforts

Negatives

- Price decreases (€19.4 million) mechanically reduce COGS ratio



A significant improvement in the cost of goods sold despite a challenging environment

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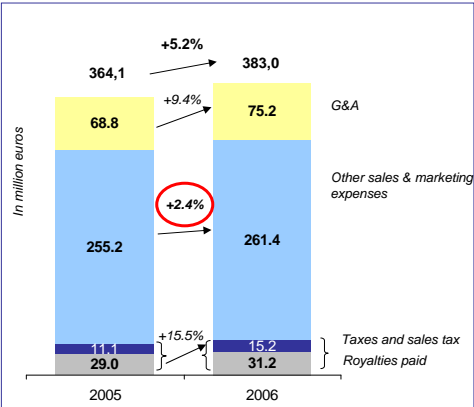
SG&A expenses evolution

Other sales and marketing expenses

- Other sales and marketing expenses up by only 2.4%, significantly below the sales growth level: reflects the success of **productivity improvement programmes**
- Increase in royalties paid to third parties and in taxes and sales taxes in France

G&A

- Increase in the costs of corporate functions, notably due to the **stock exchange listing** of the Group, as well as **reinforcement of certain administrative functions** related to the Group's expansion in international markets



Significant productivity improvements achieved in 2006

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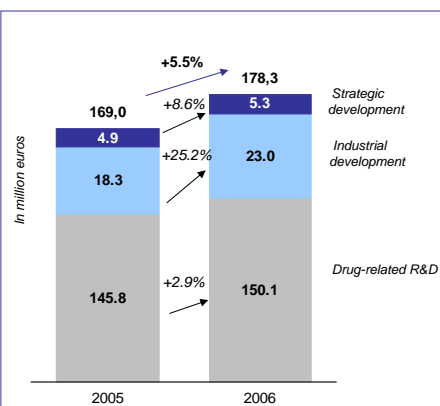
R&D expenses evolution

Drug-related research and development

- Major research and development projects:
- preparation of **NDA for Somatuline® Autogel®**
 - continuation of phase III clinical trials for Dysport® in the USA
 - finalisation of BIM 51077 development programmes agreed within the partnership with Roche, until July 2006
 - strengthening of clinical development teams

Industrial development

- Preparation for **pre-approval inspections by the FDA** at some of the Group's manufacturing sites, in the context of future launches of Dysport® and Somatuline® Autogel® in the US



A sustained level of R&D in a context of preparation for registrations

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Ipsen's Full Year 2006 Results


Balance sheet evolution

In million euros

	Assets		Liabilities	
	31-dec-05	31-dec-06	31-dec-05	31-dec-06
Goodwill	188.8	188.8	Equity	619.8
Property, plans & equipments	187.8	198.2	Minority interests	1.3
Intangible assets	39.8	68.2	Long-term financial debts	53.3
Other non-current assets	18.4	147.3	Other non-current liabilities	17.6
Total non-current assets	434.8	602.5	Short-term debts	10.3
Total current assets	495.0	603.4	Other current liabilities	226.1
<i>Incl. cash and cash equivalents</i>	<i>202.0</i>	<i>285.5</i>	Liabilities directly associated with non-current assets classified as discontinued operations	14.1
Non-current assets classified as discontinued operations	12.7	8.4	Total Liabilities	942.5
Total assets	942.5	1214.3		
Net (Debt) / Cash	138.5	252.9		

A recurring cash flow generation and an increased financial flexibility

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Milestones cashed in but not yet recognised as revenues

Milestones cashed in before December 31, 2006 but not yet recognised as revenues

(in million euros)	December 31, 2006	December 31, 2005
Total cashed in :	184.3	21.8
<i>These payments will be recognised in time as follows:</i>		
2007	13.6	9.6
2008 and beyond	170.7	12.2

Guaranteed future revenues to fuel Ipsen's growth

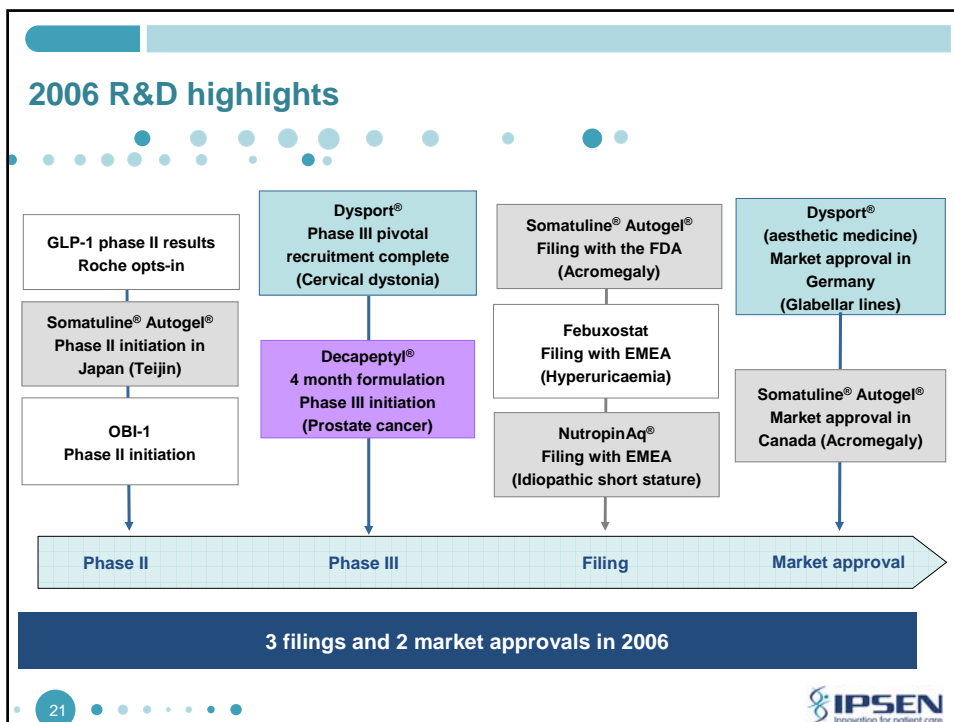
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2006 R&D highlights and 2007 outlook

Jacques-Pierre Moreau
Chief Scientific Officer

Strengthening our franchise in Uro-oncology

KEY PRODUCT: DECAPEPTYL® 3 MONTHS

- ✓ Active ingredient:
 - Triptorelin (GnRH analogue)
- ✓ Main indications:
 - Prostate cancer
- ✓ Commercialisation:
 - Over 60 countries (25 in Europe)
- ✓ 2006 sales
 - €211 millions
 - 64% in G5 countries
- ✓ 2006 growth
 - +8.6% in volumes
 - +5.1% in sales

ACAPODENE®

Prevention of prostate cancer ("HG-PIN")

Phase II - option

ACAPODENE®

treatment of multiple side effects of androgen deprivation therapy (ADT) for advanced prostate cancer

Phase III

DECAPEPTYL® 4 MONTHS

Phase III initiation

DECAPEPTYL® 6 MONTHS

Phase II initiation targeted in Q2 2007

An active product life cycle management

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Acapodene® – Selective Estrogen Receptor Modulator (SERM)

I. High Grade PIN
- Prevention of Advancement to PC

II. Prostate Cancer
- Prevention of ADT Side Effects

LHRH ADT

Hot flashes
Gynecomastia
Osteoporosis Fractures

LHRH ADT + Acapodene®

Side Effects of ADT

■ Stimulation

■ Inhibition

Source: GTx

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Strengthening our franchise in Endocrinology

KEY PRODUCT: SOMATULINE® AUTOGEL®	KEY PRODUCT: NUTROPIN AQ®
<ul style="list-style-type: none"> ✓ Active ingredient: <ul style="list-style-type: none"> ▪ Somatostatin analogue ✓ Main indications : <ul style="list-style-type: none"> ▪ Acromegaly ▪ NET ✓ Commercialisation: <ul style="list-style-type: none"> ▪ Over 40 countries ✓ 2006 sales <ul style="list-style-type: none"> ▪ €92 million ▪ 68% made in G5 countries ✓ 2006 sales growth <ul style="list-style-type: none"> ▪ +12.8% 	<ul style="list-style-type: none"> ✓ Active ingredient: <ul style="list-style-type: none"> ▪ Recombinant GH ✓ Main indications : <ul style="list-style-type: none"> ▪ Growth retardations ▪ Acquired GH deficit ✓ Commercialisation: <ul style="list-style-type: none"> ▪ Over 30 countries ✓ 2006 sales <ul style="list-style-type: none"> ▪ €15 millions ▪ 81% made in G5 countries ✓ 2006 sales growth <ul style="list-style-type: none"> ▪ Approximately multiplied by 3

DOPASTATIN

Initiation of phase I targeted in 2007

INCRELEX®

Severe primary IGF-1 deficiency
Under regulatory review

Building a first-class portfolio for the treatment of growth disorders

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Regulation of GH secretion

The diagram illustrates the hormonal regulation of Growth Hormone (GH) secretion. The **Brain** releases **SST** (Somatostatin, inhibitory) and **GHRH** (Growth Hormone Releasing Hormone, stimulatory) to the **Pituitary** gland. The Pituitary secretes **GH**, which acts on the **Liver** to produce **IGF-1**. This process is regulated by feedback loops: GH excess leads to **Acromegaly** (treated with **Somatuline®**), GH deficiency leads to **GH deficiency** (treated with **NutropinAq®**), and GH resistance leads to **GH resistance** (treated with **Increlex®**). IGF-1 replacement is also shown as a treatment for GH deficiency.

Building a global care solution for patients suffering from growth disorders

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An enhanced focus in the Neuromuscular disorders franchise

KEY PRODUCT: DYSPORT®

- ✓ Botulinum toxin type A
- ✓ Commercialisation:
 - Over 70 countries
- ✓ 2006 sales
 - €113 million
- ✓ 2006 sales growth
 - +22.5%

Botulinum toxin in aesthetic medicine indications in the US

with **MEDICIS**

Filing targeted in 2007

Botulinum toxin in aesthetic medicine indications in Europe

with **GALDERMA**

Under regulatory review

DYSPORT® US

Filing targeted in 2007

Options for commercialisation currently under review

Maximisation of value creation through partnerships in aesthetic medicine and a strategic positioning on therapeutic indications

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2007 newsflow

- Dopastatin**
 - Phase I initiation
- Dysport®: Cervical dystonia**
 - Filing with the FDA in the US
- Reloxin®: Glabellar lines**
 - Filing by Medicis with the FDA in the US
- NutropinAq®: Idiopathic short stature**
 - Under regulatory review in Europe
- Somatuline® Autogel®: Acromegaly**
 - Under regulatory review in the US (PDUFA date: August 30, 2007)
- Increlex®: Severe primary IGF-1 deficiency**
 - Under regulatory review in Europe (target date for approval disclosed by Tercica: Q2 2007)
- Febuxostat: Hyperuricaemia**
 - Under regulatory review in Europe
- Botulinum toxin type A in Europe: aesthetic medicine indications**
 - Under regulatory review in Europe
 - Ipsen has decided, in consultation with its European partner Galderma, to broaden the European filings at the earliest opportunity in 2007 with the full US clinical data, on both efficacy and safety, carried out by Medicis, in order to ensure a fully competitive profile

2 filings targeted in the US (NDAs) and 5 dossiers under regulatory review

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Outlook

Jean-Luc Bélingard
Chairman and Chief Executive Officer



A rich newsflow in the future...

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


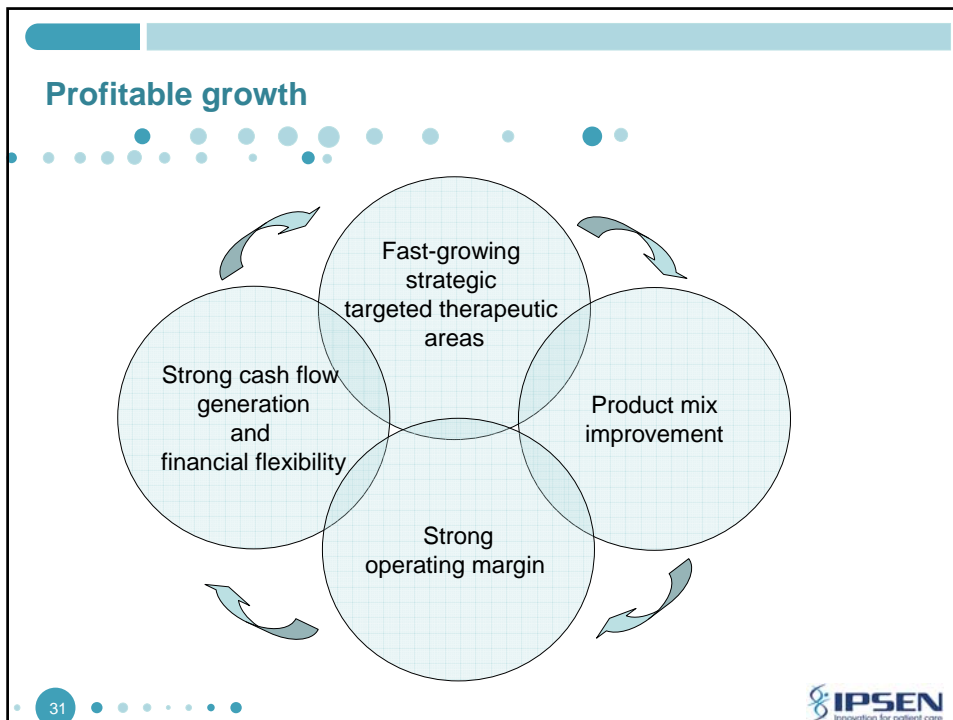
5 dossiers under regulatory review	Specialist care products licensing-in opportunities will be examined	Choice of a partnership options for Ginkor Fort®	Rationalisation of certain non strategic activities	Somatuline Autogel®: the first global product for Ipsen	Choice of a partnership option for the commercialisation of Dysport® in North America
				2 NDA (Reloxin® and Dysport®) to file with the FDA	
				OBI-1	

Financial objectives

	2007 objectives ⁽¹⁾	2006 actuals
Sales	6.5 to 7.5% growth	€61.7 millions
Total revenues	4.0 to 5.0% Growth	€45.3 millions
Reported operating margin	22.0 to 23.0% (in % of sales)	21.7%

NOTE 1 : before taking into account any price decrease on Tanakan® in France and before taking into account any change in situation unknown to this date

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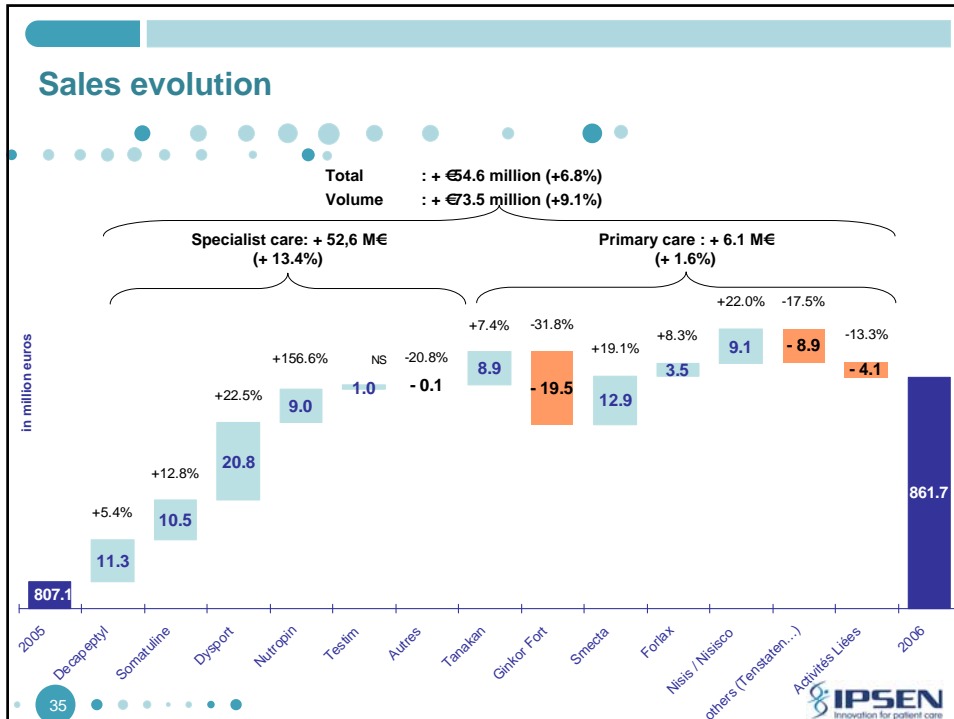
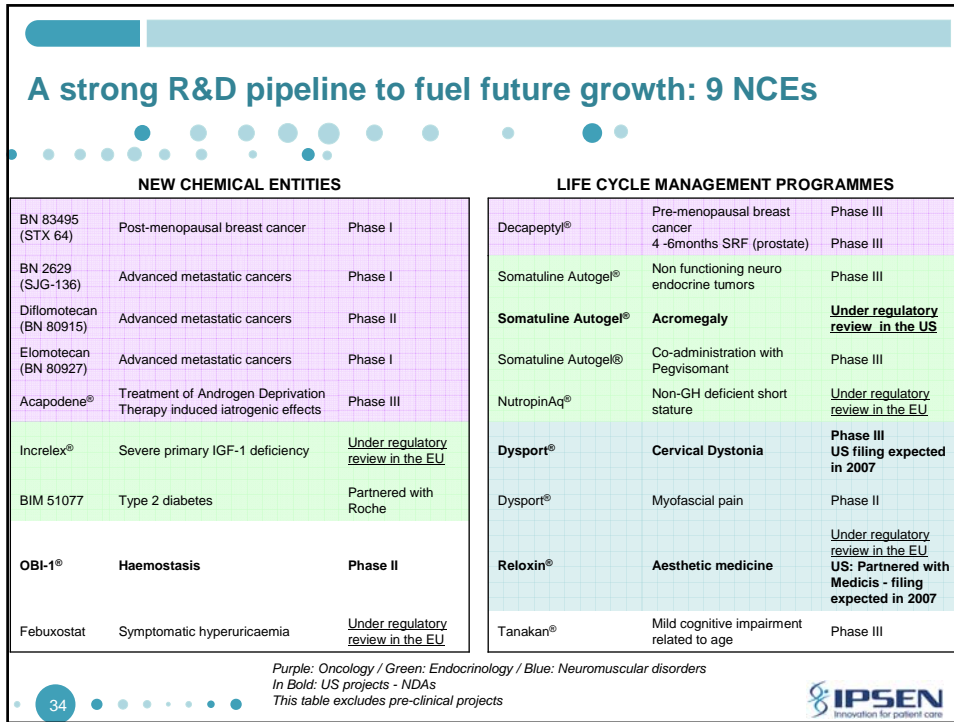
Appendices



Main Tercica related impacts on Ipsen's P&L

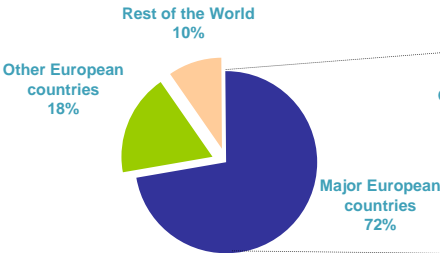
In million euros	2006	
Convertible Note and Warrant		
- Change in fair value of warrant *		<ul style="list-style-type: none"> ▪ Change in the value of financial assets including foreign exchange impacts: <ul style="list-style-type: none"> ▪ Conversion option on Note: €(1.4) million ▪ Warrant: €(2.0) million ▪ Financial interests <ul style="list-style-type: none"> ▪ On convertible Note: + €0.3 million
- Change in fair value of conversion option of Note *		
- Interests on Convertible Note		
Impact on financial income	(3.1)	
Impact on income tax	(0.1)	
Loss of associates	(1.7)	<ul style="list-style-type: none"> ▪ (25%) of the Q4 2006 loss of Tercica and depreciation of the Increlex™ asset after purchase accounting, net of tax
Total impact	(4.9)	

* Evaluation in accordance with the application of the Black & Scholes model.
The parameters (discount rate, peer group volatility, maturity and stock exchange price) changed between 10/13/06 and 12/31/06.

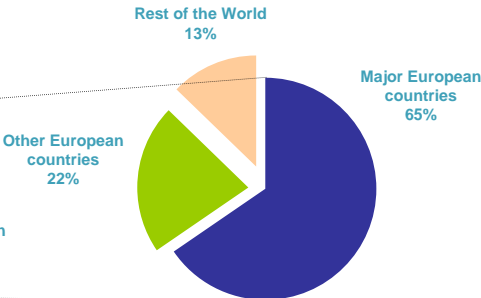


Contribution to operating income by region

Operating income by region in 2005



Operating income by region in 2006



- France, Spain, Italy, Germany and UK
- Other European countries and Eastern European countries
- Asia, North America and Rest of the World