Paving the way for growth




Disclaimer

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Highlights

An innovation driven International Specialty Pharma Group

A diversified and balanced portfolio of products

A longstanding presence in primary care in France

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

A strategic focus on fast-growing specialist care worldwide

- 49% of 2005 Group sales, **52%** in 2006
- **Endocrinology, oncology and neuromuscular disorders**

A differentiating R&D capability

- Focused on **hormone-dependent diseases, peptide and protein engineering and innovative delivery systems.**
- 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

A market leader in its Targeted Therapeutic Areas

Decapeptyl®

- GnRH analogue - 3 months formulation
- **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
- Innovative Autogel® presentation (28-days and over sustained release formulation)
- **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)
- **n°1 or n°2 in most Ipsen markets**
- Challenger of Botox® (Allergan)

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A continued rigorous execution of the strategy in 2007

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

- Approvals of **Increlex®** in **Europe** and **Somatuline®** in the **US**
- Continued investment in **specialist care R&D**
- In-licensing **6 months SFR of Decapeptyl**
- **Sale of Ginkor Fort®** to an OTC specialist
- **Launch of Adrovance™** in France
- Partnerships with **Medicis** and **Galderma**
- **OBI-1**
- Partnership with **Tercica**
- Preparation of US filing of **Dysport®** ongoing

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A continued sound performance in the first nine months of 2007

Group sales	Volume of drugs sold
+5.5%	+7.2%
Specialist care products sales	**Sales outside Major Western European countries**
+8.5%	+12.1%

First nine months 2007/2006 growth rates

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A differentiating R&D

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Ipsen's peptide engineering and innovative delivery systems

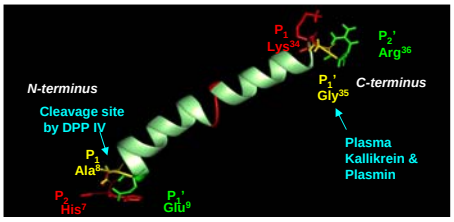
The GLP-1 example

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

Roche opt-in in July 2006

- ✓ ~ €60 m paid upfront
- ✓ ~ €170 m potential additional milestones
- ✓ Mid-teens royalties on WW net sales

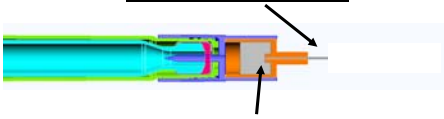
Designing the peptide itself…



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

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

Insulin type needle for subcutaneous injection



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

Example of a pre-filled delivery device presentation (eg. Preloaded pen injector)

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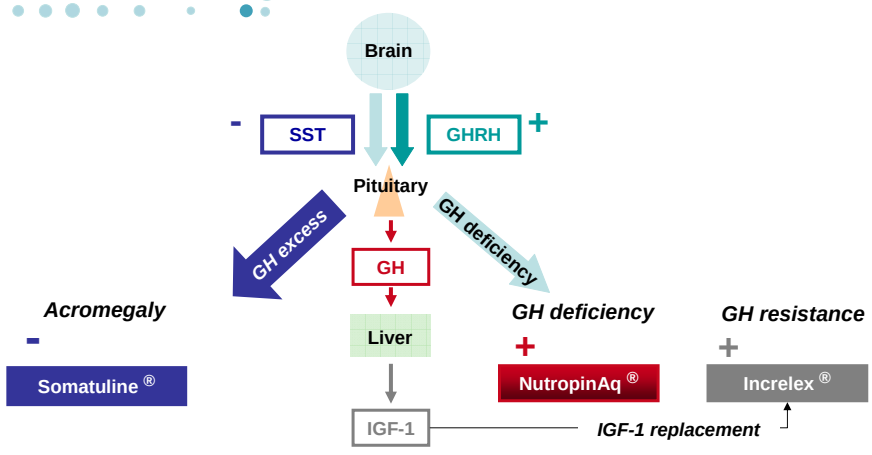
A specific focus on hormone dependent diseases



A global care solution for patients suffering from growth disorders

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Sandostatin® LAR® reconstitution and administration

Step 1
Remove packaging

Step 2
Affix needle

Step 3
Draw up the suspension vehicle (mannitol solution 2ml) into the syringe with one of the needles

Step 4
Insert the needle through the rubber stopper

Step 5
Transfer the suspension vehicle into the vial

Step 6
Gently shake the contents of the vial from side to side, 20 to 30 times until a milky homogeneous suspension is obtained

Step 7
Draw up as much of the suspension as possible

Step 8
Remove needle and push air from syringe

Step 9
Attach the other needle

Step 10
Inject 2ml by deep intramuscular injection

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Somatuline® Autogel® : convenient administration

Comparison Of pre-filled (RHS) Versus competitor Intramuscular Injection device (LHS)

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

Improved pharmacokinetic profile - Equivalent efficacy and safety

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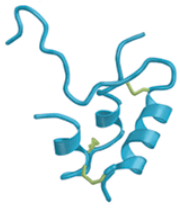
Increlex®

	Increlex®
Indications (US)	**Severe PIGFD**
Formulation	**Liquid, ready for use** **Multiuse vial; 18 month shelf life;** **30 days once vial is opened**
Dosing	**0.12 mg/kg twice daily**
Status in Europe	**Launch expected in October 2007**



Ribbon structure of IGF-1

increlex™
(mecasermin [rDNA origin] injection)

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A strong R&D pipeline to fuel future growth

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®	Severe primary IGF-1 deficiency	Approved in the EU
BIM 51077	Type 2 diabetes	Partnered with Roche
OBI-1	**Haemostasis**	**Phase II**
febuxostat	Symptomatic hyperuricaemia	Under regulatory review in the EU

LIFE CYCLE MANAGEMENT PROGRAMMES

Decapeptyl®	Pre-menopausal breast cancer 6 month SRF (prostate)	Phase III Phase III
Somatuline Autogel®	Non functioning neuro endocrine tumors	Phase III
Somatuline® Depot	**Acromegaly**	**Approved in the US**
Somatuline Autogel®	Co-administration with Pegvisomant	Phase III
Dysport®	**Cervical Dystonia**	**US filing expected in 2007**
Reloxin®	Aesthetic medicine	Under regulatory review in the EU
Reloxin®	**Aesthetic medicine**	**US: Partnered with Medicis**
Tanakan®	Mild cognitive impairment related to age	Phase III

Purple: Oncology / Green: Endocrinology / Blue: Neuromuscular disorders

In Bold: US projects

This table excludes pre-clinical projects

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Outlook

A rich newsflow expected short term

Dopastatin

- Phase I initiation in Q4

Dysport®: Cervical dystonia

- Preparation of filing by Ipsen with the FDA ongoing

Reloxin®: Glabellar lines

- Preparation of filing by Medicis with the FDA ongoing

Botulinum toxin type A in Europe: aesthetic medicine indications

- Inclusion of US data ongoing

Febuxostat: Hyperuricaemia

- Filed on October 2, 2006, currently undergoing review

✓ **Somatuline® Autogel®: Acromegaly**

- Approved for marketing in the US by the FDA on August 30, 2007 (PDUFA date)

✓ **Increlex®: Severe primary IGF-1 deficiency**

- Launch in Europe by Ipsen in October 2007

Financial objectives confirmed - translating confidence

	March 19, 2007 objectives	New objectives
Sales	**6.5 to 7.5% growth** **excluding** the price cut on Tanakan®	**6.5 to 7.5% growth** **including** the price cut on Tanakan®
Total revenues	**4.0 to 5.0% growth** **excluding** the price cut on Tanakan®	**4.0 to 5.0% growth** **including** the price cut on Tanakan®
Reported operating margin	**22.0 to 23.0% (in % of sales)** **excluding** the price cut on Tanakan®	**22.0 to 23.0% (in % of sales)** **including** the price cut on Tanakan®

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Back-up #1

Financials

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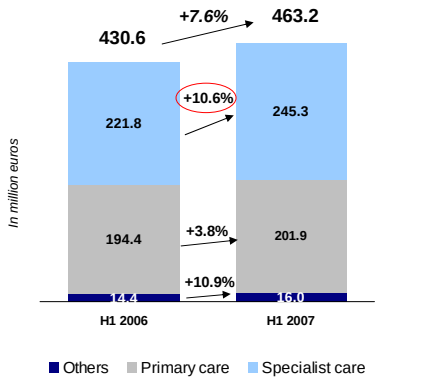
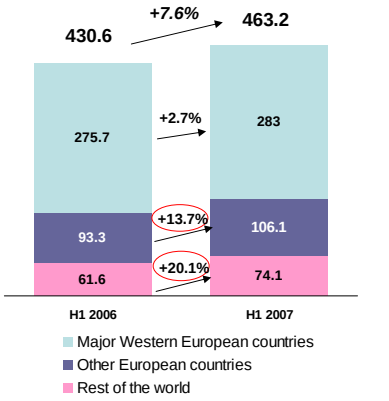
Sales evolution

H1 2006 and 2007 sales by therapeutic area



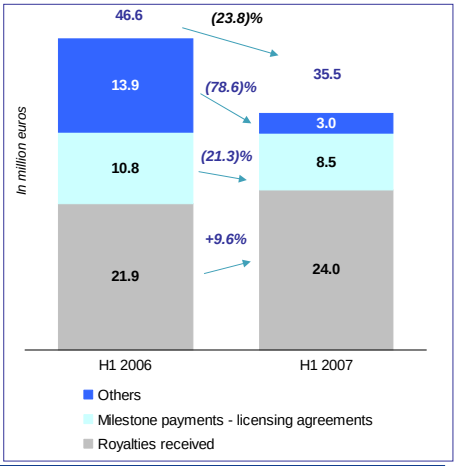
H1 2006 and 2007 sales by region



Sustained double-digit growth in specialist care and international markets

Other revenues evolution

- **Royalties received**
  - Kogenate® royalties up 13.1%
- **Milestone payments and licensing agreements**
  - Roche, Medicis and Recordati partnerships
- **Others**
  - No more billings for R&D services for research on BIM 51077 (partnered out with Roche) and on a new GH formulation (end of the research phase end of 2006)
  - H1 06 included co-promotion revenues for Zoxan®



Reduction of R&D services rebilling, mostly for GLP-1

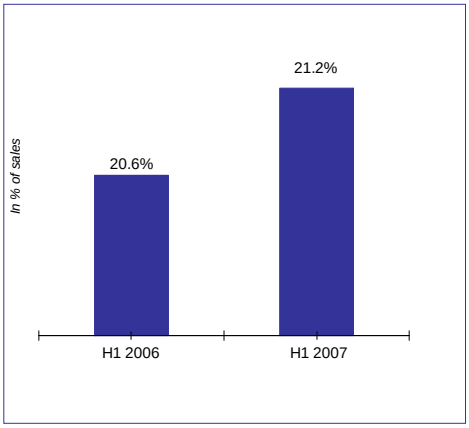
Cost of goods sold evolution

Negatives

- Price cuts (€6.9 million) mechanically reduce COGS ratio
- Strong increase of in-licensed products

Positives

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



Price cuts and growth of in-licensed products have more than offset Ipsen's favourable mix effect and productivity efforts

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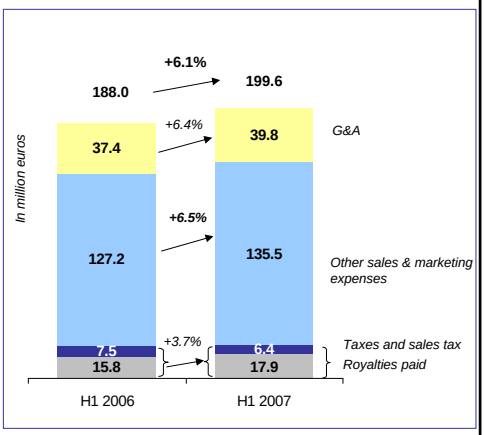
SG&A costs evolution

Other sales & marketing expenses

- Contained Marketing & Sales costs increase - below sales growth level
- **Increase in royalties paid to third parties** (up 12.8%) partly offset by lower tax on sales in France

G&A

- **Reinforcement of certain administrative functions** related to the Group's expansion in international markets -below sales growth level



Sales & Marketing costs growth below sales growth despite the launch costs of Increlex® and Adrovance™

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R&D expenses evolution

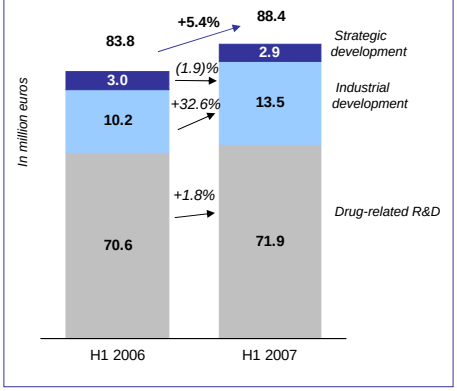
Drug-related R&D

Major R&D projects:

- **Preparation of US filing for Dysport®**
- Clinical trials of long acting Triptorelin
- Strengthening of clinical development teams

Industrial development

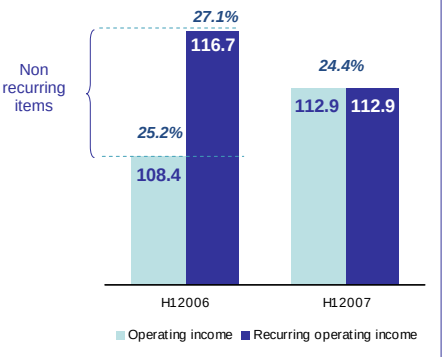
- **Preparation for future pre-approval inspections by the FDA** at some of the Group's manufacturing sites, in the context of the filing of **Dysport® and Somatuline® Autogel®** in the US



A continued commitment to R&D

Operating income evolution

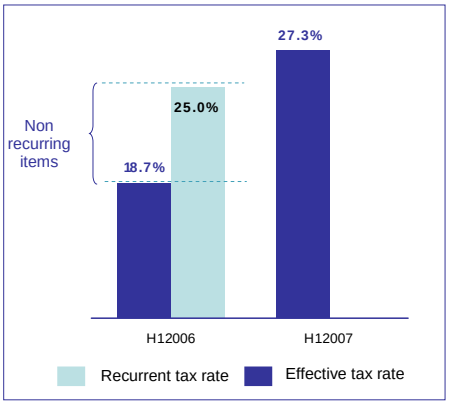
- **Sustained price pressure**
- **Lower "other revenues", especially R&D rebilling (BIM 51077) and co-promotion revenues (Zoxan®)**
- **Strong sales of in-licensed products and drug related activities softened favorable mix improvement**
- **Increlex® and Adrovance™ launch costs**



Operating income (€ millions) and operating margin (in % of sales)

Income Tax evolution

- **In the first half 2007, the Group's effective tax rate amounted of 27.3%,**
  - Impacted by a reduction in the value of deferred tax assets in Netherlands following a tax rate cut in this country
- **In the first half 2006, the effective tax rate, which amounted to 18.7%, benefited from:**
  - The non-recurring effect of the use in the UK of capital losses
  - A change in the computation rules of tax credits on research expenses in France



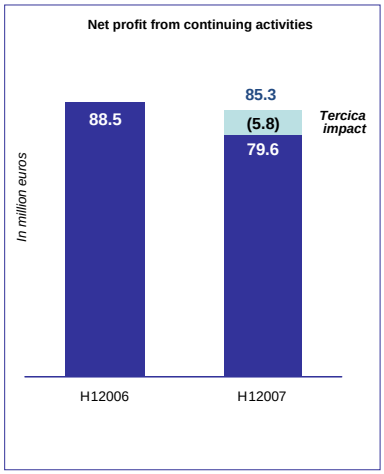
Back to a normative tax rate given the absence of non-recurring elements

Main P&L impacts of Tercica in IFRS

In € millions	H1 2007	Comments
• Change in fair value of warrant		
• Change in fair value of conversion option of Note		
• Interests on Convertible Note		
Impact on financial income	**(2.3)**	▪ **Change in fair value of the Convertible note, warrant, net of financial interest and after FX impact**
• Loss from associates	(3.0)	▪ **Loss from associates (25%) on H1-2007**
• Purchase accounting	(0.5)	▪ **Net depreciation of Increlex®**
Loss from associates	**(3.5)**	
Impact on consolidated net profit	**(5.8)**	
EPS impact (in €)	*(0.07)*	

Net income evolution

- **Lower other revenues (no BIM51077 R&D rebilling) and increased self-financed R&D**
- **Return to normative tax rate**
- **Impact (1) of Tercica**



(1): Includes the impacts of convertible bonds and warrants on financial result and losses from associates

Cash flow statement

in million euros	H1 2006	H1 2007
Cash Flow before change in working capital	**89.6**	**112.6**
(Increase) / Decrease in working capital	40.6	(65.3)
Net cash flow generated by operating activities	**130.2**	**47.3**
Acquisition of property, plant & equipment and intangible assets	(25.2)	(30.7)
Deposit paid	-	(4.3)
Investment in securities held for sale	-	(12.1)
Net cash flow used in investing activities	**(25.2)**	**(47.1)**
Net change in borrowings	(31.8)	2.3
Dividends paid	(50.6)	(50.4)
Share buyback	-	(18.0)
Net cash flow used in financing activities	**(82.4)**	**(66.1)**
Discontinued operations	**1.6**	**2.2**
Change in cash and cash equivalent	**24.2**	**(63.7)**
Closing Net Cash(1)	**193.3**	**198.4**

- H1 2006 benefited for important milestone payments from Medicis
- Decrease of tax payable €24.4m
- Build up of Adrovance inventory
- Increase of receivables linked with higher sales
- Capex required to maintain industrial facilities (~€16 m);
- First milestone payment in connection with the acquisition of a patent from Erasmus MC;
- increase of €8.2 million in working capital requirements for investment activities

(1) Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities plus or minus derivative financial instruments

Balance sheet evolution

in million euros — Assets	31-dec-06	30-jun-07
Goodwill	188.8	188.8
Property, plans & equipments	198.2	199.7
Intangible assets	68.2	71.3
Other non-current assets	147.3	157.6
Total non-current assets	**602.5**	**617.4**
Total current assets	**603.4**	**597.5**
Incl. cash and cash equivalents	*285.5*	*221.1*
Non-current assets classified as discontinued operations	8.4	2.1
Total assets	**1,214.3**	**1,217.0**
Net Cash (1)	**252.9**	**198.4**

in million euros — Liabilities	31-dec-06	31-jun-07
Equity	726.5	756.8
Minority interests	1.4	1.7
Long-term financial debts	21.6	24.6
Other non-current liabilities	195.4	199.3
Short-term debts	10.9	10.3
Other current liabilities	247.7	216.2
Liabilities directly associated with non-current assets classified as discontinued operations	10.8	8.1
Total Liabilities	**1,214.3**	**1,217.0**

(1) Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities plus or minus derivative financial instruments

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Milestones cashed in but not yet recognised as revenues

Milestones cashed in before June 30, 2007 but not yet recognised as revenues

(in million euros)	**June 30, 2007**	June 30, 2006
Total cashed in :	192.7	94.3
These payments will be recognised in time as follows:		
H2 2007	8.3	4.0
2008	17.2	8.0
2009 and beyond	167.2	82.3

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Back-up #2

Tercica transaction details

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

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

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A staged investment in Tercica

		Cumulative Stake	Consideration	Price per Share ($)	Total Amount (€m)	Comments
❶	Equity Investment	25.0%	Cash	$6.17	€61.8m	• 30% premium over the 15-days weighted average share price
❷	Convertible Notes 1&2	27.5%[1]	Somatuline Rights	$7.41	€20.0m	• Convert 1 issued at closing and Convert2 at FDA approval for Somatuline US • Issued against Somatuline Rights (no cash considerations) • 2.5% PIK coupon not taken into account
		33.3%[1]		$7.41	€30.0m	
❸	Convertible Note 3	35.4%[1]	Cash	$7.41	€12.0m	• Issued for cash at FDA approval • 2.5% PIK coupon not taken into account
❹	Warrants (Illustrative figures)	40.0%[1]	Cash	$7.41	€29.3m	• Issued for free in order to reach 40% if necessary • The number of warrants will be adjusted for Tercica share issuance

Total equity stake: 40.0%

Total cash out excluding warrants: €73.7 million

Note 1: Fully diluted stake. The fully diluted number of shares includes the dilution of the investment and of all outstanding options / warrants

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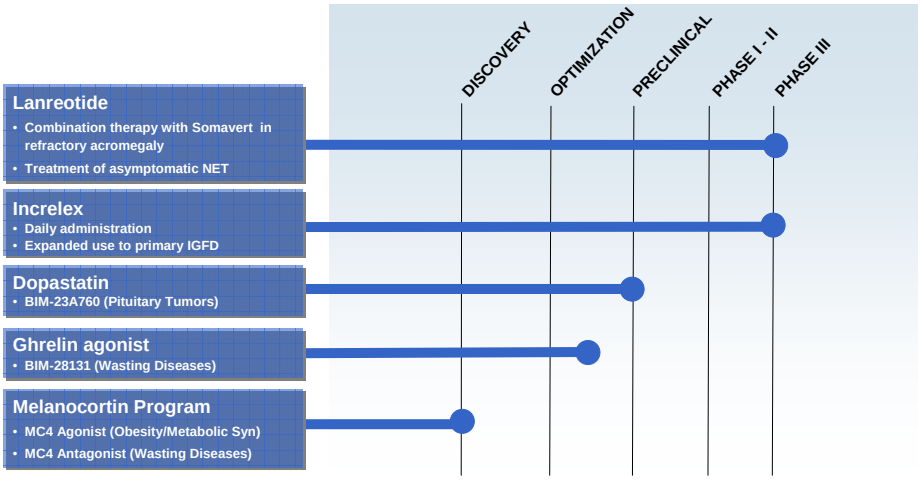
A rich Endocrinology pipeline



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Back-up #3

Product information

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Decapeptyl® at a Glance

Classification
- Ephmra class: H1C et L2A
- ATC code: L2A
- Active substance: triptorelin

Mechanism of Actions
- Analogue of GnRH

Territories
- 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

Approved Indications / Prevalence
- Prostate cancer
  - 1.2% of men over 50 years old in Europe (1)
- Endometriosis
  - 10% of reproductive-aged women (2)
- Fibroid tumors (uterine leiomyomas)
  - 20% to 25% of reproductive age women (3)
- Precocious puberty
  - 0.05% of children aged 6 to 8 years old (4)
- Female infertility (in vitro fertilisation)
  - 14% of reproductive-aged women (2)

Target Audience
- Urologists
- Oncologists
- Andrologists, Radiotherapy specialists, Paediatricians-endocrinologists, Gynaecologists, Obstetricians and IVF specialists

Patent Position
- 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
- Ephmra class: H4V
- ATC code: H1C
- Active substance: lanreotide

Mechanism of action
- Analogue of somatostatin

Territories
- 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®

Approved Indications / Prevalence
- Symptomatic treatment of acromegaly
  - 60 per million inhabitants (1)
- Relief of symptoms associated with neuroendocrine tumors (carcinoids)
  - 15 per million inhabitants (2)

Target Audience
- Endocrinologists
- Gastroenterologists
- Oncologists

Patent Position
- 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	▪ ATC code: M3A, S1X
Mechanism of action	▪ Active substance: Botulinum toxin of Type A
Target Audience	▪ Neurologists ▪ Physical medicine and rehabilitation ▪ Neuro-paediatricians, Ear-nose and throat specialists, Ophthalmologists ▪ Dermatologists, Plastic surgeons
Approved Indications / Prevalence	▪ Hemifacial spasm – 11 per 100,000 inhabitants (1) ▪ Blepharospasm – 5 per 100,000 inhabitants (2) ▪ Spasmodic torticollis – 9 per 100,000 inhabitants (3) ▪ Adult arm spasticity and Adult leg spasticity – 322 per 100,000 inhabitants (4) ▪ Paediatric cerebral palsy spasticity – 19 per 100,000 persons aged 17 and less (4) ▪ Glabellar Lines (Brazil, Mexico, Russia)
Territories	▪ First launch in the UK in 1991 ▪ Approved in more than 70 countries
Patent Position	▪ No patent

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

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A global franchise in Endocrinology

SOMATULINE® AUTOGEL®

- ✓ Active ingredient:
  - ▪ Somatostatin analogue
- ✓ Main indications :
  - ▪ Acromegaly
  - ▪ NET
- ✓ Commercialisation:
  - ▪ Over 40 countries
  - ▪ US (November 2007)
- ✓ 2006 sales
  - ▪ €92 million
  - ▪ 68% in G5 countries
- ✓ 2006 sales growth
  - ▪ +12.8%

NUTROPIN AQ®

- ✓ Active ingredient:
  - ▪ Recombinant GH
- ✓ Main indications :
  - ▪ Growth retardations
  - ▪ Acquired GH deficit
- ✓ Commercialisation:
  - ▪ Over 30 countries
- ✓ 2006 sales
  - ▪ €15 million
  - ▪ 81% in G5 countries
- ✓ 2006 sales growth
  - ▪ Approximately x3

INCRELEX®

- ✓ Active ingredient:
  - ▪ Recombinant hIGF-1
- ✓ Main indications :
  - ▪ Growth failure in children with Severe Primary IGFD
- ✓ Commercialisation:
  - ▪ US
  - ▪ Europe (October 2007)

DOPASTATIN

Initiation of phase I in Q4 2007

A first-class portfolio for the treatment of growth disorders

IPSEN Innovation for patient care

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)

Contacts & useful information

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Stock info:

Outstanding number of shares (November 2007):	**84,024,683**
Approx. market capitalisation (November 2007):	**~€3.2 bn**
Tickers	**BBG: IPN FP** **RTRS: IPN.PA**
Listing	**Euronext Paris**