

## An innovation driven International Specialty Pharma

Aurel Leven – Paris Investor Lunch  
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## Profile and strategy



## An innovation driven International Specialty Pharma Group

### A strategic focus on specialist care worldwide

- Three targeted areas : Oncology, Endocrinology and Neuromuscular Disorders
- 5 key products accounting for ~ 55% of drug sales
- Growing at a double digit rate

### A historic presence in primary care

- A primary care franchise focused on gastroenterology, cognitive disorders and cardiovascular
- A presence focused on selected geographies including France, China and Russia
- A sound business yielding recurring cashflow and contributing to R&D financing

### A truly differentiating and international R&D capability

- Focused on hormone-dependent diseases, peptide and protein engineering and innovative delivery systems
- R&D expense in excess of 20% of sales
- 4 centers in Boston, Paris, London and Barcelona

### An integrated player

- A fully-fledged peptide manufacturing capability
- Two FDA-approved manufacturing facilities

### A recognised strategic partner

- Alliances with international industry leaders in US, Europe and Japan and best-in-class universities around the world
- Ipsen's business partners include Galderma, Genentech, GTx, Medicis, Roche, Teijin and Tercica



## 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 20.1% of sales spent on R&D in 2007
- 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



## Why is Ipsen different ?



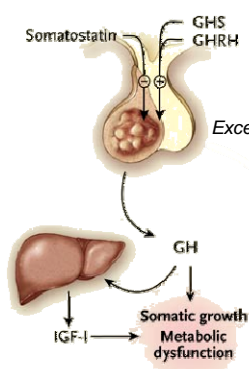
# A UNIQUE CONVERGENCE OF TECHNOLOGIES

## EXAMPLE 1: SOMATULINE



### Pituitary Adenoma -> Excess GH Secretion -> Acromegaly

Non-malignant pituitary tumor



Prepuberty: Gigantism



Postpuberty: soft Tissue Growth



## Acromegaly – medical considerations and prevalence

### Medical Considerations

Significant morbidity and mortality <sup>1,2</sup>  
 2.5 to 5x excess mortality <sup>1</sup>  
 5-10 years less life expectancy <sup>2</sup>  
 GH/IGF-1 normalizes mortality <sup>3,4</sup>

### Prevalence

Prevalence: 60 per 1 million  
 50% receive drug therapy  
 North America: ~ 15,000  
 Europe: ~ 15,000

### Treatment alternatives

Sandostatin® and Sandostatin® LAR®: WW Sales \$1027 m in 2007  
 (of which \$409 m in the US)

Somatuline® Autogel and Somatuline® Depot: WW Sales of €130 m in 2007  
 Somavert

1. Orme SM et al. JCEM 83: 2730-4, 1998
2. Clayton RN et al. J Endocrinol (Suppl 1): S23-9, 1997
3. Abosch A et al. JCEM 83: 3411-8, 1998
4. Swearingen B et al. JCEM 83: 3419-26, 1998

\* source: Terlica



## Somatuline® Autogel® : an improved pharmacokinetic profile



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



Comparison Of pre-filled (RH5) Versus competitor Intramuscular Injection device (LHS)

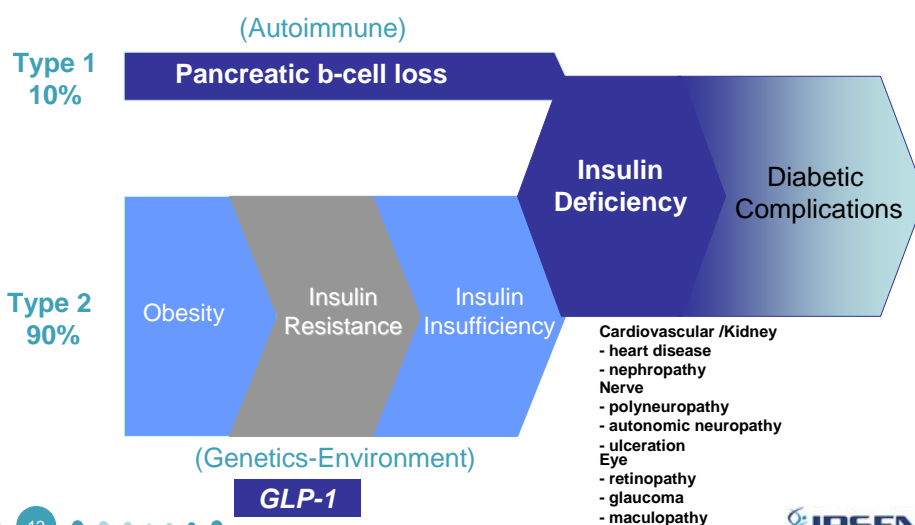


# A UNIQUE CONVERGENCE OF TECHNOLOGIES

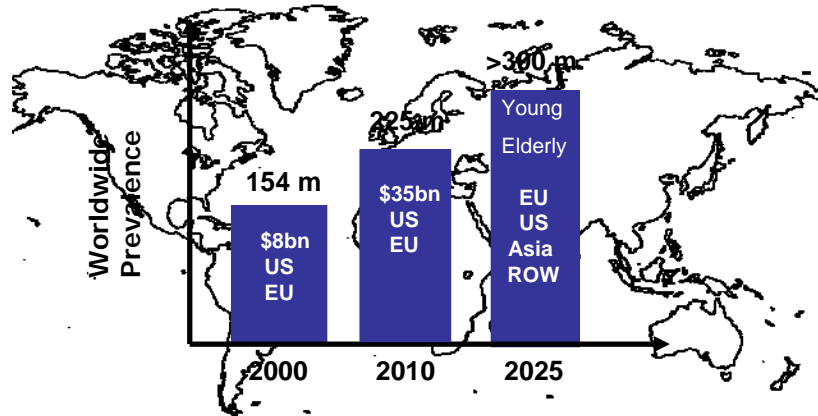
## EXAMPLE 2: GLP-1

Focus on diabetes and GLP-1 analogs

### Diabetes overview



## Diabetes market is expanding



Source: IMS Health Medical Dynamics data, 2002

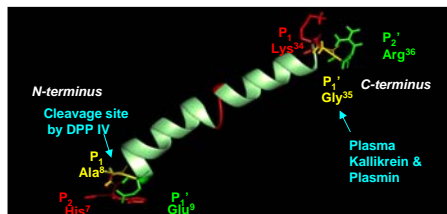
13

## Ipsen's GLP-1: leveraging our technological platforms

- ✓ 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**

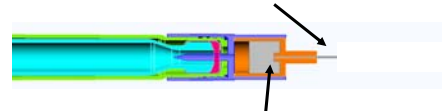
*Designing the peptide itself...*



Human GLP-1(7-36)NH<sub>2</sub> 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)

### Roche opt-in in July 2006

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

# FIELD PROVEN PRODUCTS SOLD WORLDWIDE, WITH A STRONG EXPOSURE TO EMERGING COUNTRIES

## ENTERING THE WORLD'S LARGEST MARKET



### 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)

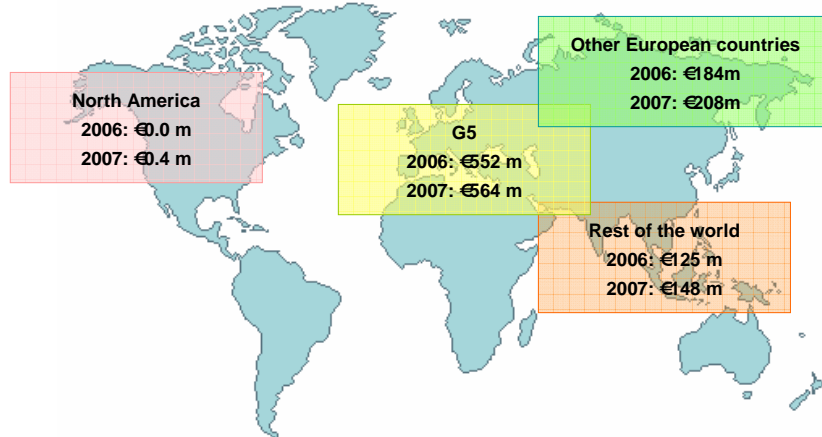
#### Dysport®

- 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)





Ipsen is present in 127 countries representing c. 36% <sup>(1)</sup> of the world's pharmaceutical market...



...and entered in late 2006 the largest market, North America, accounting for 52% <sup>(1)</sup> of total

NOTE 1: source: IMS health report 2002



### Ipsen offers a high exposure to fast growing emerging markets

#### 2006 and 2007 sales by region

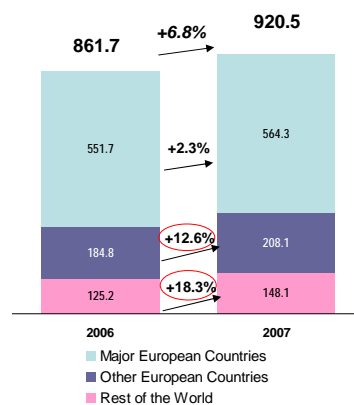
- 2007 sales outside the G5: €356
- ✓ 14.9% growth year-on-year

A market leader in China with Decapeptyl<sup>®</sup> and Smecta<sup>®</sup>

#### Extensive coverage of fast growing:

- ✓ Russia
- ✓ ex-CIS countries
- ✓ Brazil, Argentina
- ✓ North Africa
- ✓ Middle East

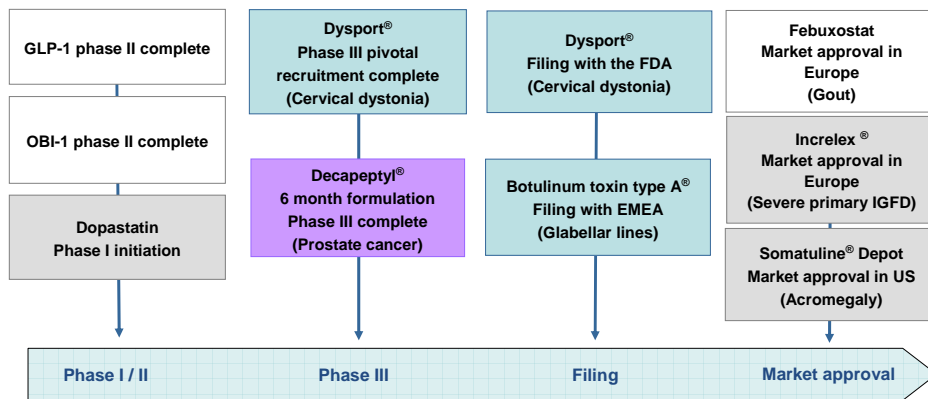
#### 2006 and 2007 sales by region



## A rich pipeline and a busy newsflow



## 2007 /2008 Research & Development highlights



2 filings and 3 approvals



## A strong 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	<b>Approved in the EU</b>
BIM 51077	Type 2 diabetes	Phase II Partnered with Roche
OBI-1	Haemostasis	Phase II
febuxostat	Symptomatic hyperuricaemia	<b>Approved in the EU</b>

### 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	<u>Approved in the US</u>
Somatuline Autogel®	Co-administration with Pegvisomant	Phase III
Dysport®	Cervical Dystonia	<u>Under regulatory review in the US</u>
Reloxin®	Aesthetic medicine	<u>Under regulatory review in the EU</u>
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



## Outlook

Jean-Luc Bélingard  
 Chairman and Chief Executive Officer



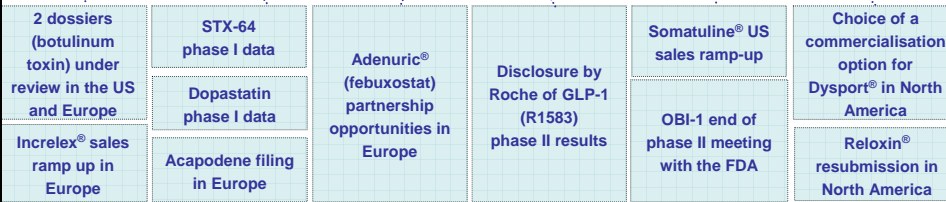
## A rich newsflow in 2008...

### 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



23

**IPSEN**  
Innovation for patient care

## ALL TO DRAFT

### Financial objectives

	2008 objectives	2007 actuals
Sales	6.5 to 7.5% growth	€20.5 millions
Total revenues	7.0 to 8.0% growth	€89.7 millions
Reported operating margin	22.0 to 23.0% (in % of sales)	22.7%

The above objectives are set notably (i) at **constant currency** <sup>(1)</sup> and (ii) **excluding** the impact of the **divestment of Ginkor Fort®**

NOTE 1 : using a 1.4xx €/€ exchange rate

**IPSEN**  
Innovation for patient care

## Conclusion

All financial objectives have been met

Somatuline Depot approved and launched in the US

Increlex approved and launched in Europe

Febuxostat approved in Europe

Adrovan<sup>®</sup> launched in France

All clinical trials progressing on track