

First half 2009: confirming Ipsen's specialist care globalisation

Autumn Conference – Cheuvreux
Paris, Wednesday September 30th, 2009

Mr Jean-Luc Bélingard – Chief Executive Officer

Mr David Schilansky – Investor Relations and Financial Officer

Mr Pierre Kemula – Investor Relations Manager



Disclaimer

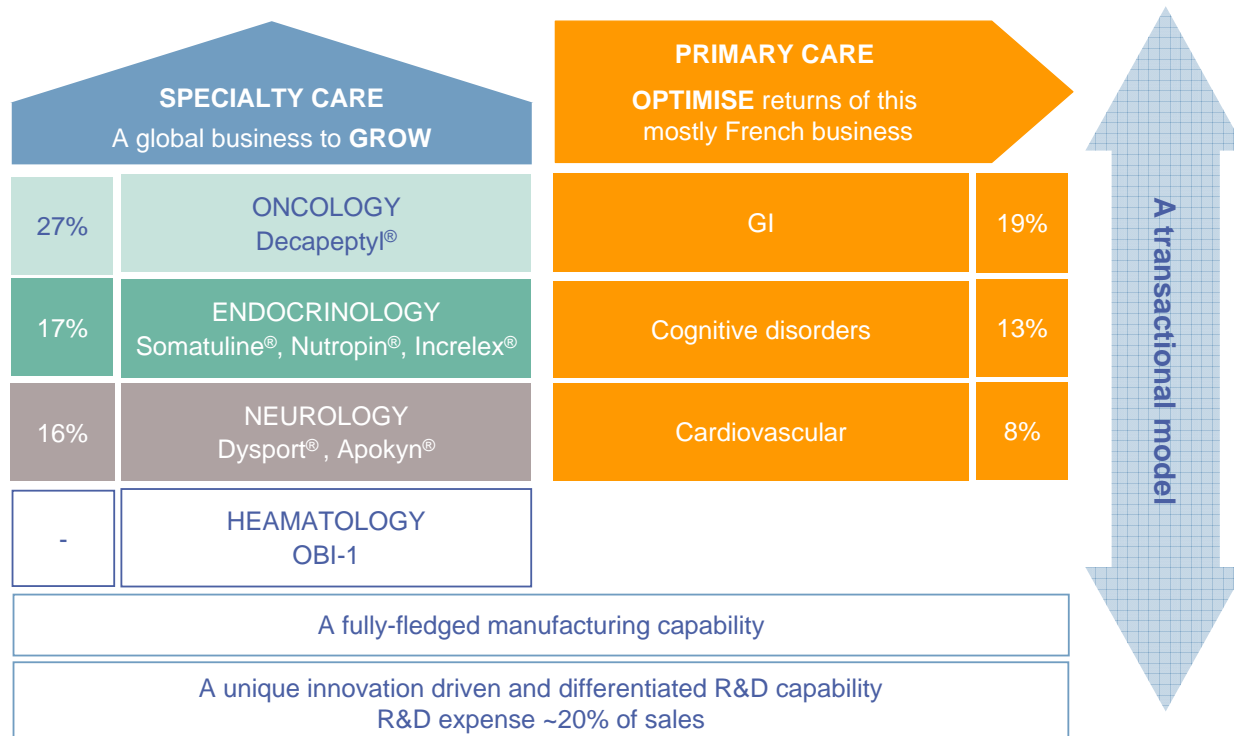
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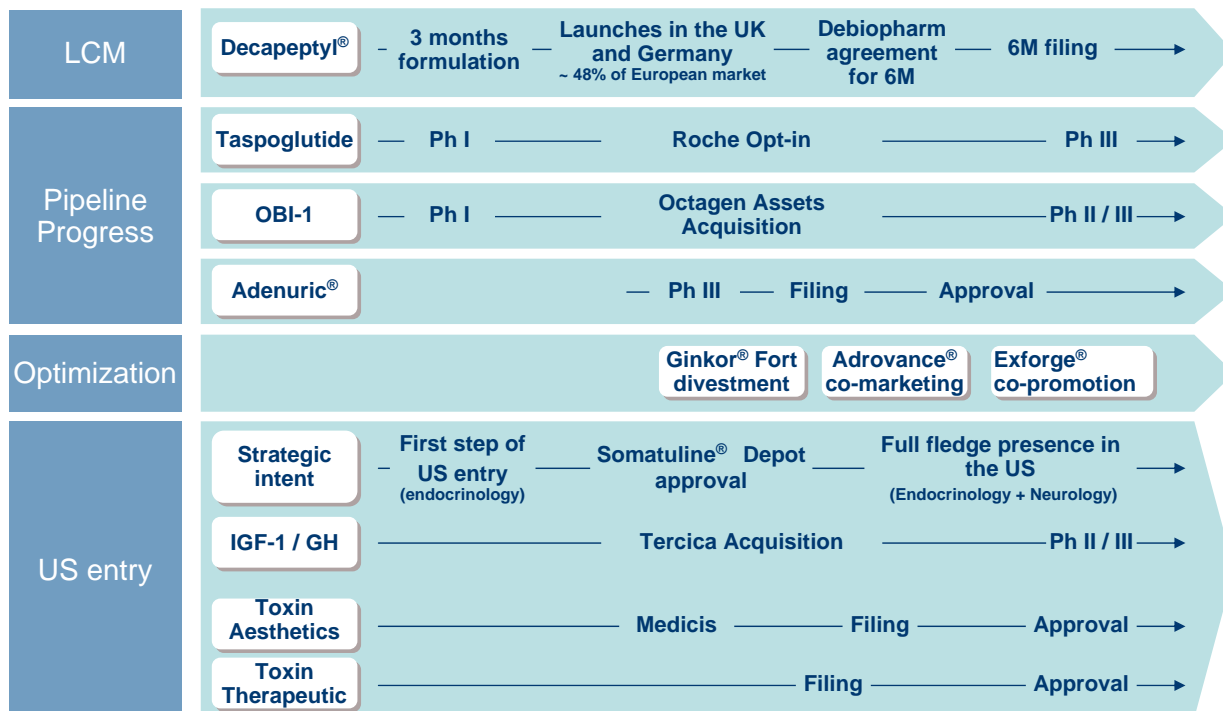
Introduction



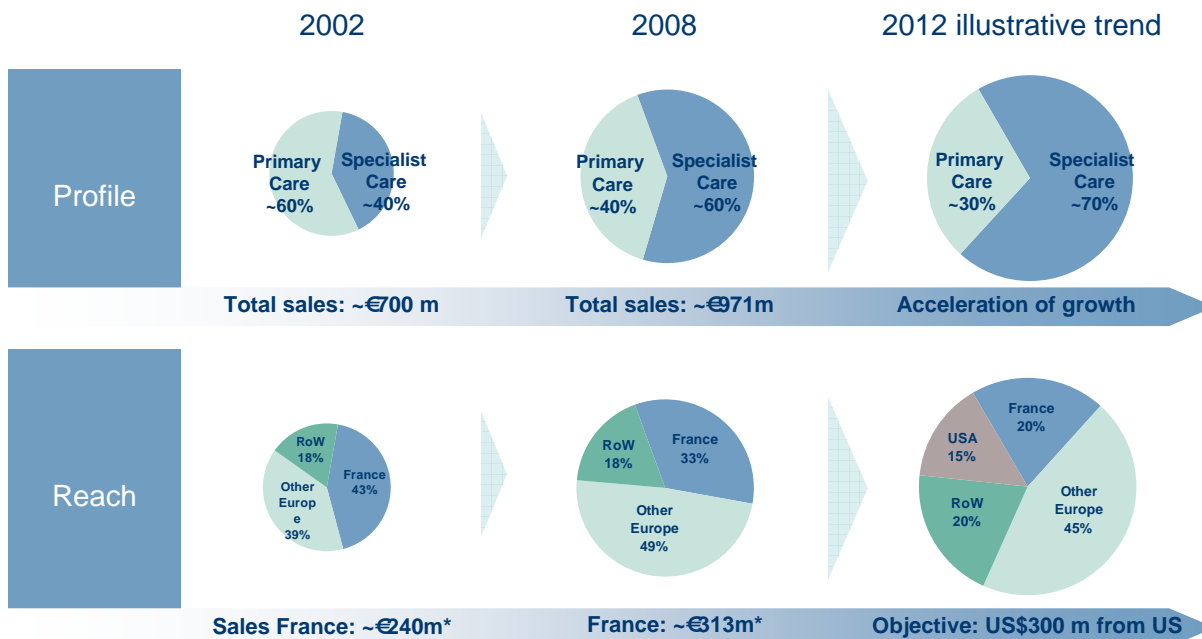
Ipsen today : a global, innovation driven, specialty pharma



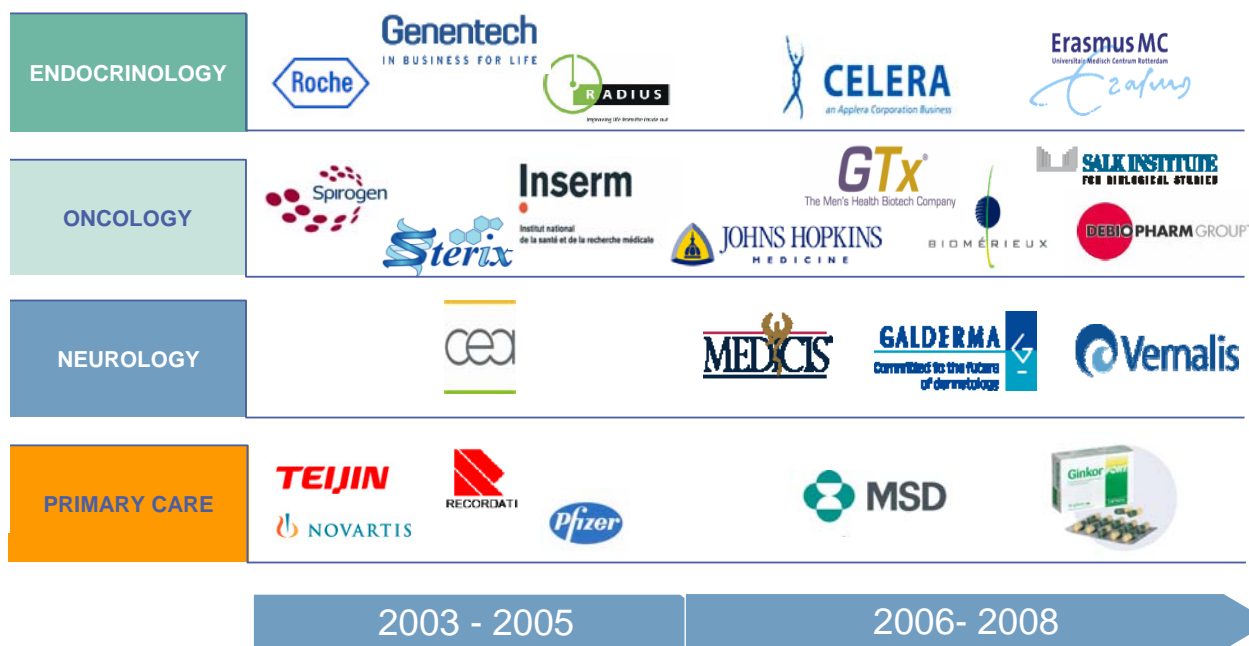
Ipsen has consistently delivered on its strategic milestones...



... reinforcing the Group's profile and reach



An increasingly transactional model



Ipsen today....

- ➔ Resilience of business in a difficult macro-economic environment
- ➔ A strong and profitable specialty care growth engine
- ➔ Substantial growth opportunities through globalization and US entry
- ➔ A rich and well balanced R&D pipeline, with potential blockbusters
- ➔ A strong cash flow generation and balance sheet

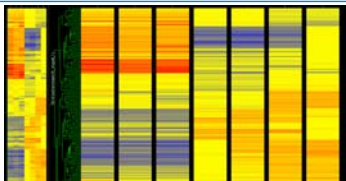


Truly Differentiated R&D Capabilities



Defining Ipsen's competitive edge in R&D

Hormones provide well defined templates with matching targets both novel or validated

Resident know how based on the integration of basic discovery technologies

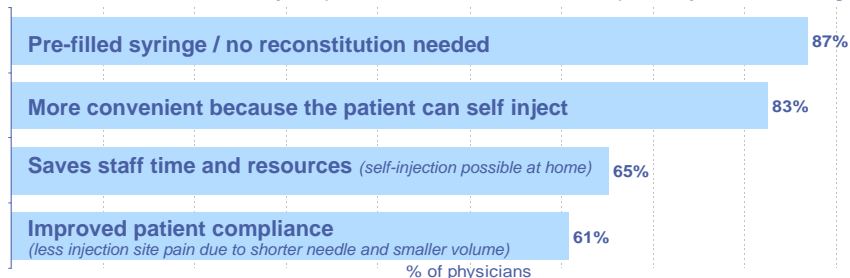
Technologies	Medicinal chemistry	Delivery systems
<p>Target identification, validation and drugability based on clinical observations supported by ...omics technologies</p>	<p>Steroids peptides, proteins engineering aiming at enhanced efficacy, potency, selectivity and safety over the endogenous hormone</p>	<p>Emphasis on improved pharmacological properties, optimization of dosing regimen and improved patients compliance and convenience</p>
		

Somatuline® Depot: an improved presentation

	Sandostatin LAR®	Somatuline® Autogel®
Administration	2.0 ml Intramuscular	0.3 ml – 0.5 ml Subcutaneous
Presentation	Powder vial + solvent filled syringe + 2 needles	Pre-filled syringe
Injection technique	10 steps needed to reconstitute	Ready to use Self administration*



For what reasons would you prescribe Somatuline® Depot to your acromegaly patients?***



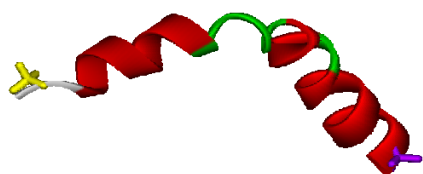
* In selected countries

** Study Sample: A total of 50 US endocrinologists completed a 30-minute online questionnaire between April 4 - 17, 2008
25 High Volume Endocrinologists: Endocrinologists who see 11 or more acromegaly patients in a year
25 Low Volume Endocrinologists: Endocrinologists who see between 5-10 acromegaly patients in a year

An example of this unique technology convergence: taspoglutide

Once-a-week injection

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



Expected needle gauge

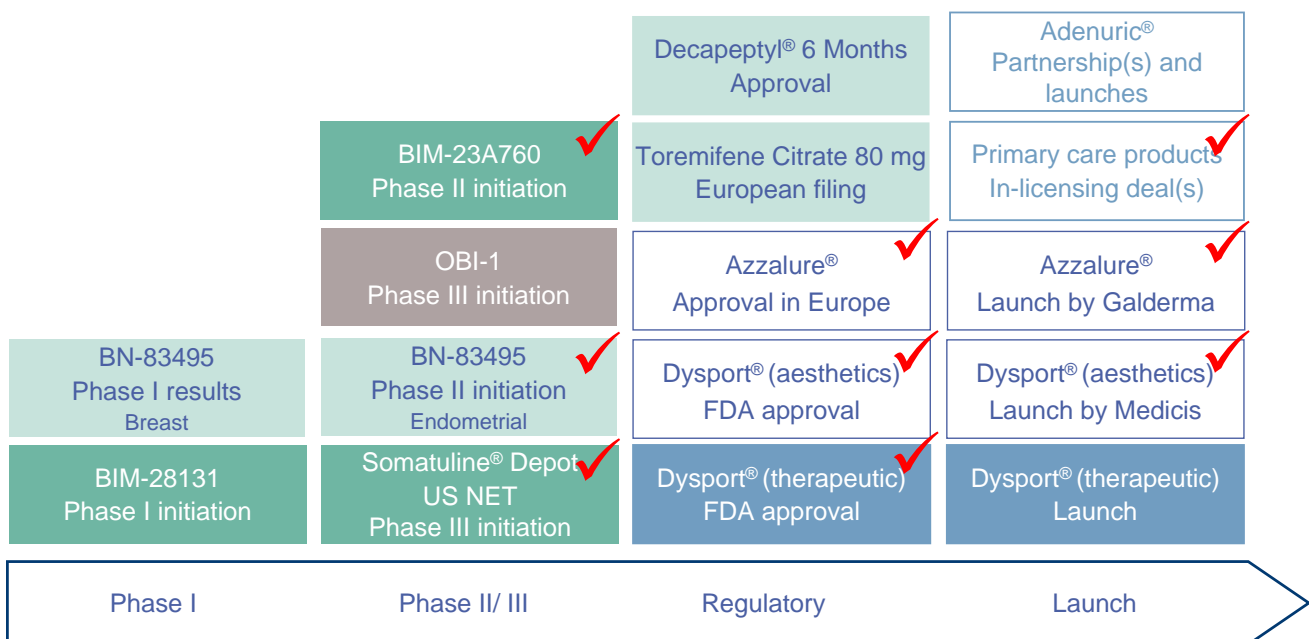
- (LAR) → 23G
Quarter inch long
- Taspoglutide Liquid SRF → 29G
Insulin type needle for subcutaneous injection

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

First half 2009 achievements



A rigorous execution of key milestones



A strong commercial performance in the first half 2009

**6.3% Drug sales growth,
in line with our full-year objective**

**A solid 11.5% specialist care sales growth,
with endocrinology up 32.7% year-on-year**

Stabilisation in Eastern Europe, with Q2 sales up 1.0% year-on-year

**Dynamic growth in the US, with Somatuline[®],
Increlex[®] and Apokyn[®] generating \$23 million, up 33% Q2 over Q1**

A strong profitability and cash generation

25.0% operating margin pre-goodwill allocation

A 'clean operating margin'* of 18.0%, compared with 21.6% a year ago

€147 m generated by operating activities, versus €124 m a year ago

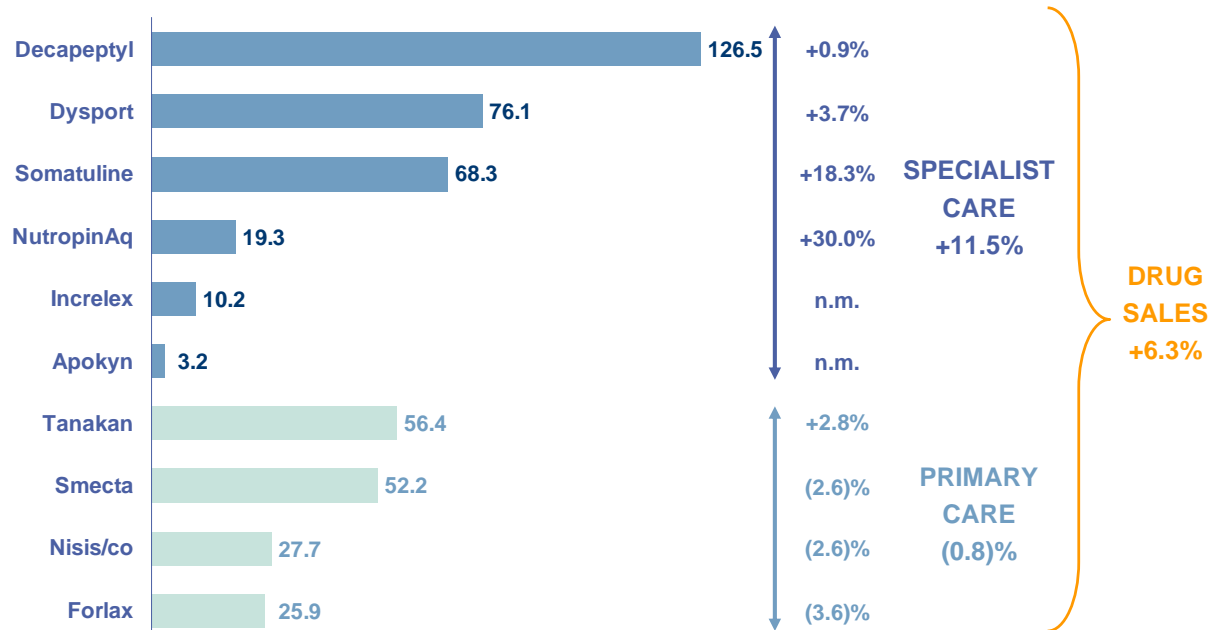
**€139 m net cash position as at June 30, 2009,
post €203 m net cashed-out on US acquisitions in H2 08**

First half 2009 detailed financial performance



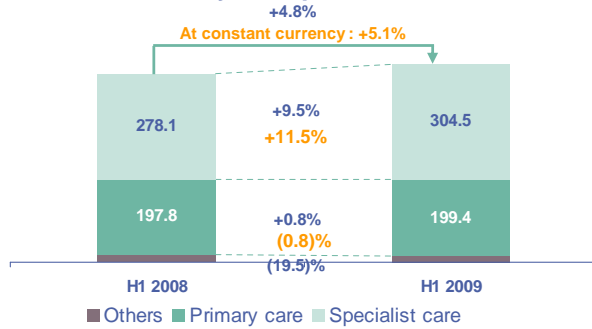
Main products performances

Sales in € million

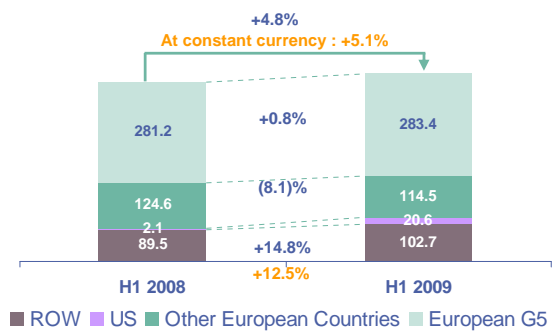


Top line evolution

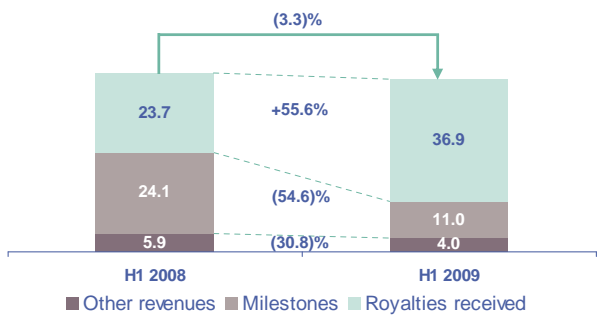
Sales by therapeutic area



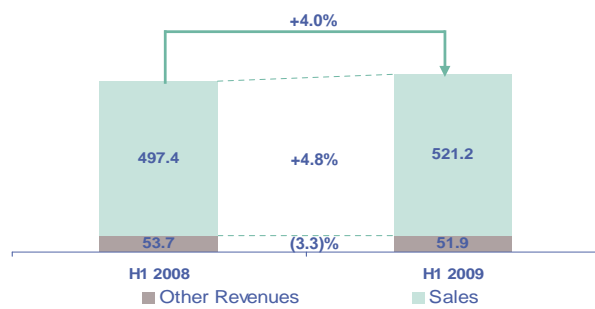
Sales by region



Other revenues evolution

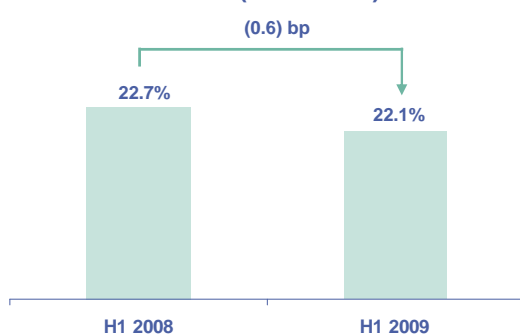


Total revenues evolution

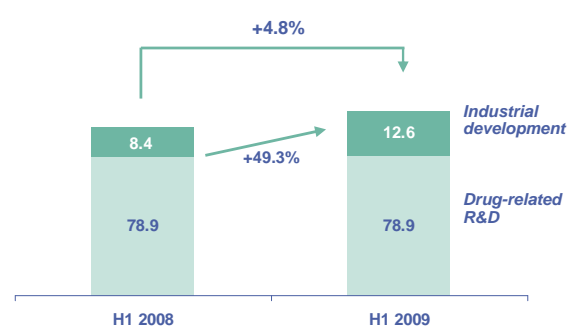


P&L – above EBIT

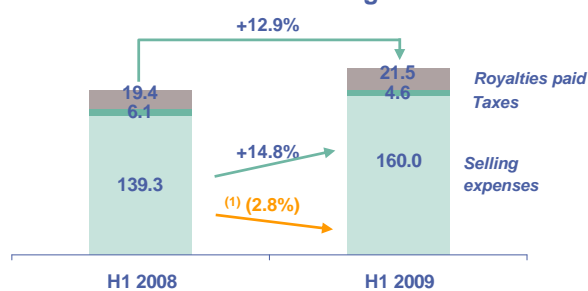
COGS (% of sales)



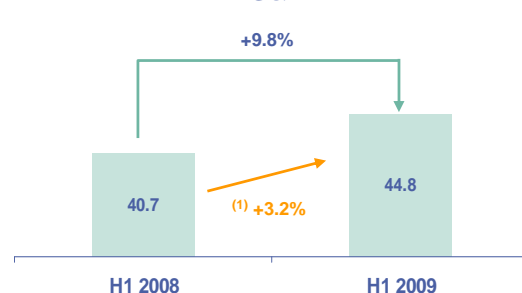
Research & Development



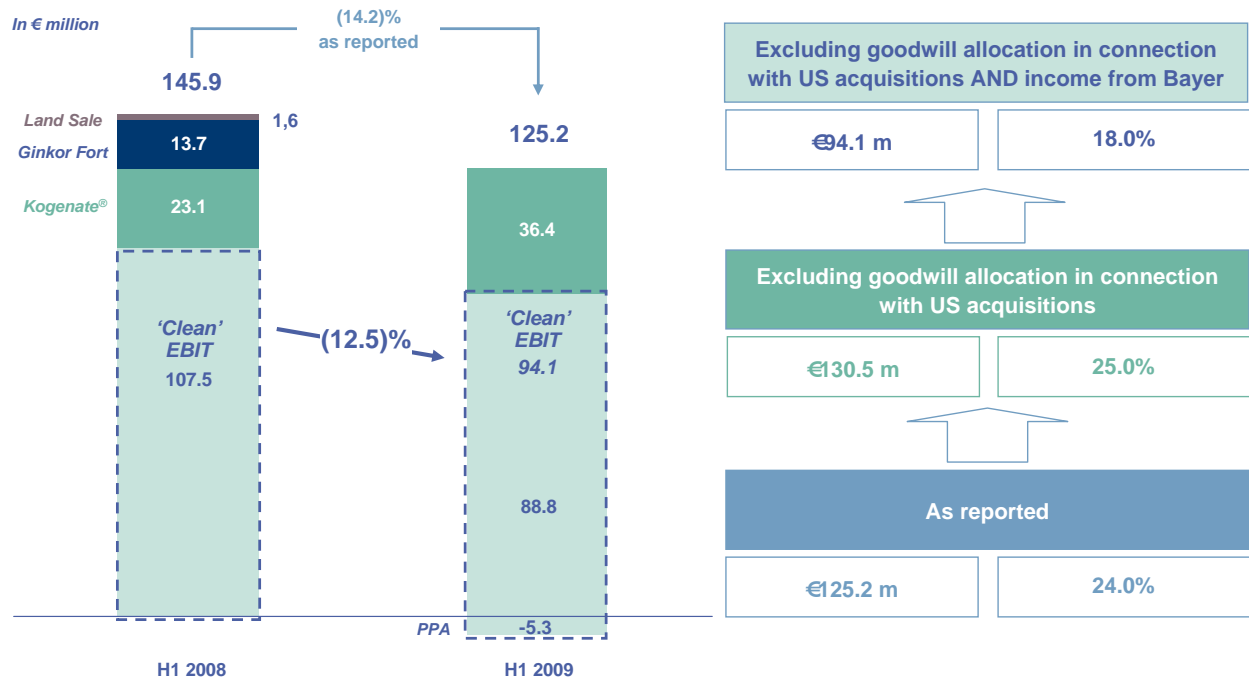
Sales & Marketing



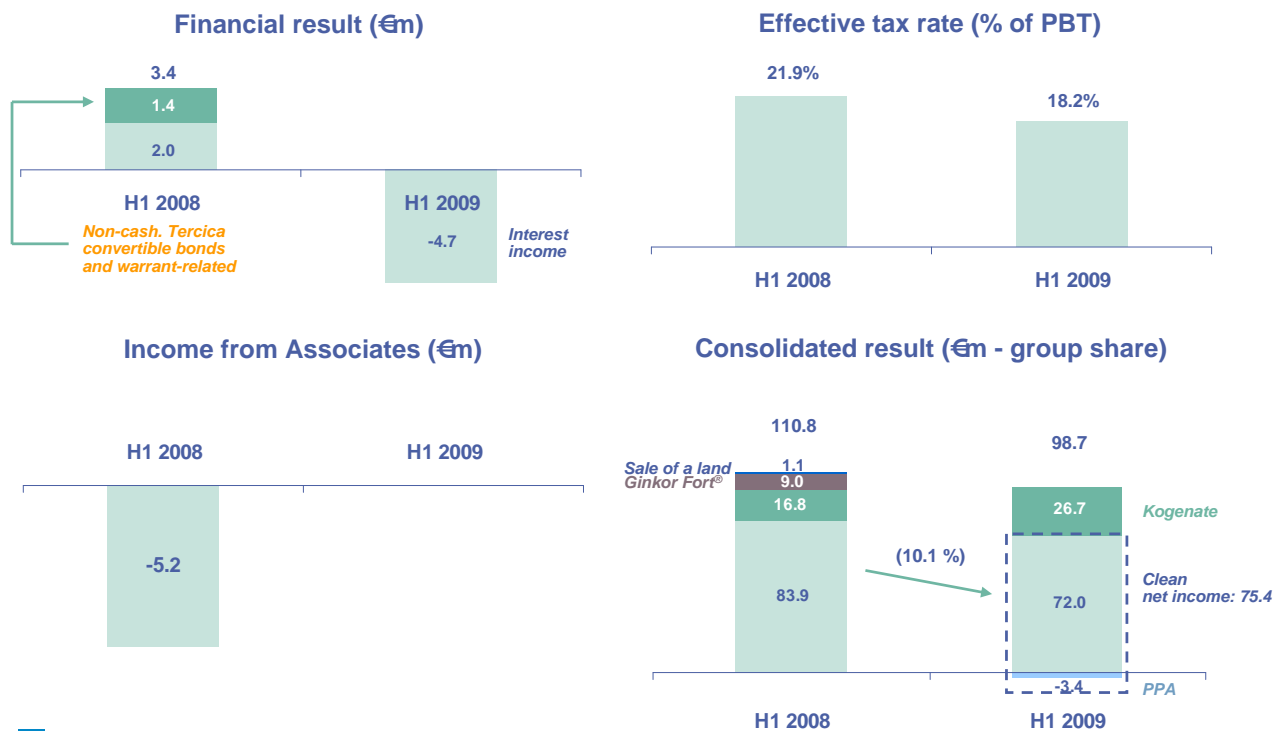
G&A



P&L - EBIT



P&L – below EBIT



Balance Sheet evolution

	Assets			Liabilities	
	31 Dec 08	30 Jun 09		31 Dec 08	30 Jun 09
<i>- In million of euros</i>			<i>- In million of euros</i>		
Goodwill	(^(*) 290.8	290.8	Equity	(^(*) 885.0	928.4
Property, plans & equipments	237.9	244.7	Minority interests	1.6	1.8
Intangible assets	(^(*) 232.9	239.3	Total equity	(^(*) 886.6	930.2
Other non-current assets	(^(*) 112,9	140.5	Long-term financial debts	160,4	12.7
Total non-current assets	(^(*) 874.5	915.3	Other non-current liabilities	(^(*) 196,4	276.3
Total current assets	(^(*) 688.6	589.7	Short-term debts	8.3	8.0
<i>Incl. cash and cash equivalents</i>	239.6	140.2	Other current liabilities	307.8	275.1
Assets / discontinued operations	1.3	0.7	Liabilities / discontinued operations	4.9	3.5
Total assets	1 564,4	1 505.8	Total Liabilities	1 564,4	1 505.8
Net Cash	66.2	118.9			

Cash flow statement

	30 Jun 08	30 Jun 09	Comments
<i>- In million of euros</i>			
Cash Flow before change in working capital	141.3	121.5	
- Increase / Decrease in working capital	(17.1)	25.7	Deferred revenues net increase: €+56.7m (Medicis / Galderma)
Net cash flow generated by operating activities	124.1	147.2	Receivables, payables, inventory and others: €-31.0m
Investment in intangible assets and property, plant & equipment	(34.2)	(25.6)	
Others	1.8	(6.8)	
Net cash flow used in investing activities	(32.4)	(32.4)	Tangible assets: €-14.7m Intangible assets: €-10.9m
Net change in borrowings	(9.8)	(159.4)	
Dividends paid	(55.2)	(58.2)	
Others	0.1	-	
Net cash flow used in financing activities	(64.9)	(217.6)	reimbursement of credit facility: €150m Shares buy back: €6m
Discontinued operations	(1.0)	(0.2)	
Change in cash and cash equivalent	25.8	(103.0)	
Impact of exchange rate fluctuations	(3.0)	4.8	
Closing cash & cash equivalents	263.7	139.1	
Closing Net Cash	239.4	118.9	

CEO update

Jean-Luc Bélingard

Chief Executive Officer



A productive and unique R&D

Some major projects moving through the pipeline appear to have significant and higher-than-expected market potential

GH+IGF-I
combination therapy

BN-83495
in 4 indications

BIM-23A760

OBI-1



An extremely limited attrition:
Over the past 5 years, few major R&D project have been stopped

The Group will ensure the means necessary to develop these new chemical entities match their potential

North America: timely acquisitions



**Positive feedbacks received for Dysport®:
opportunity in therapeutic use could be larger than anticipated:
probable acceleration of launch and intensification of sales & marketing efforts**



**Differentiated and competitive products addressing significant markets
driven by strong and committed local teams**

**After a transition phase in the context of intense launch activities, Ipsen remains
confident on the success of its products in North America in the long term**

Primary care: toward opportunities

Forlax® :

Mitigation strategy currently in force

Smecta® :

Capitalising on the strength of the brand



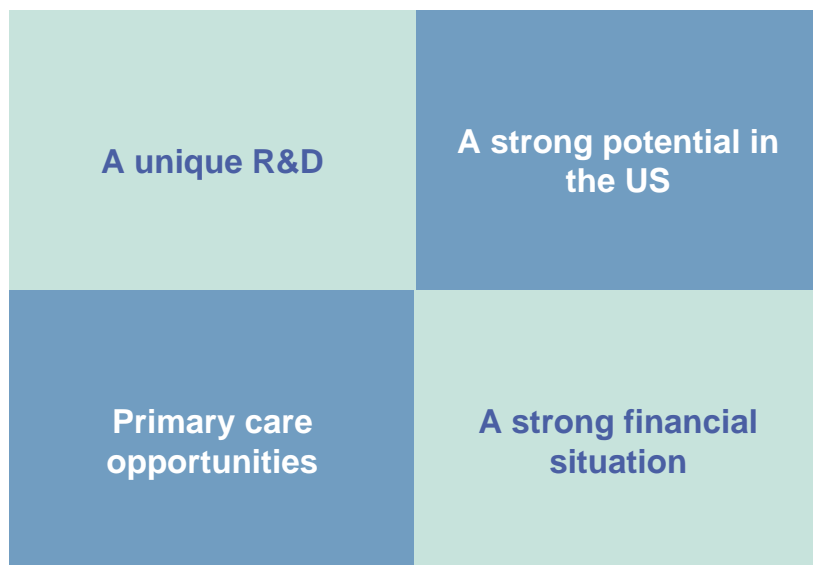
**Ipsen's primary care products:
Strong brands, strong recognition, significant market potential**



**Strong sales networks, with significant presence in emerging markets,
notably China and Russia**

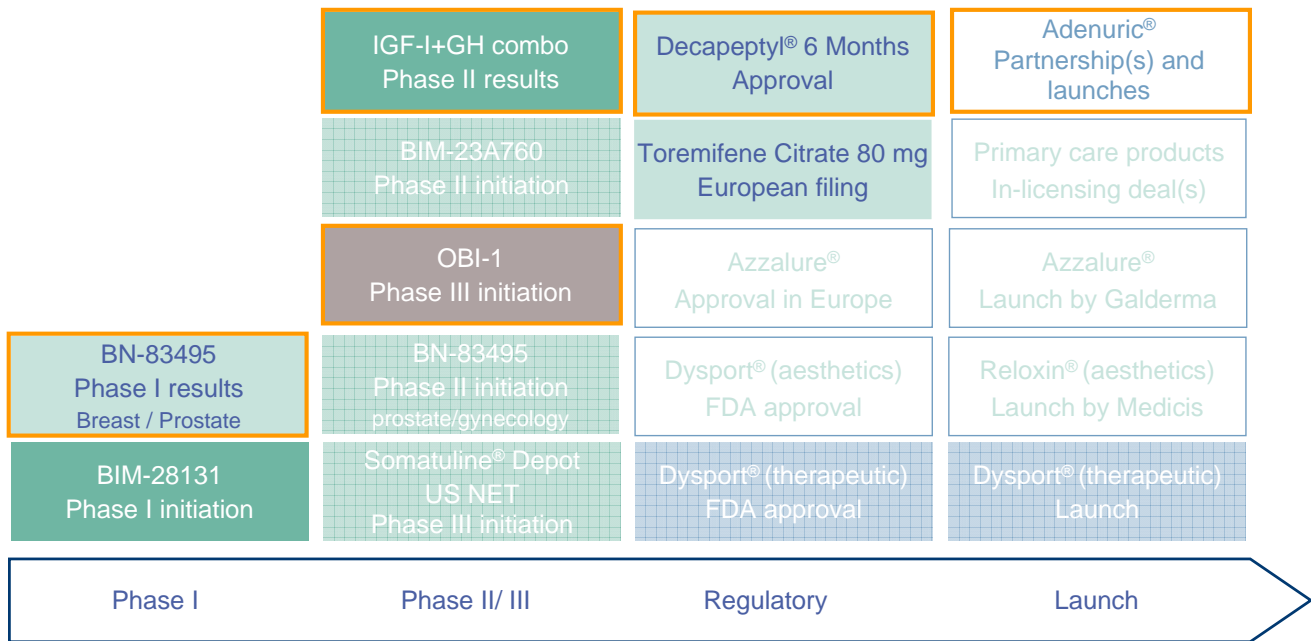
**Ipsen is regularly evaluating the business opportunities
presented by the evolution of the primary care environment**

Ipsen is moving up toward a reinforced profile, with enhanced growth potential



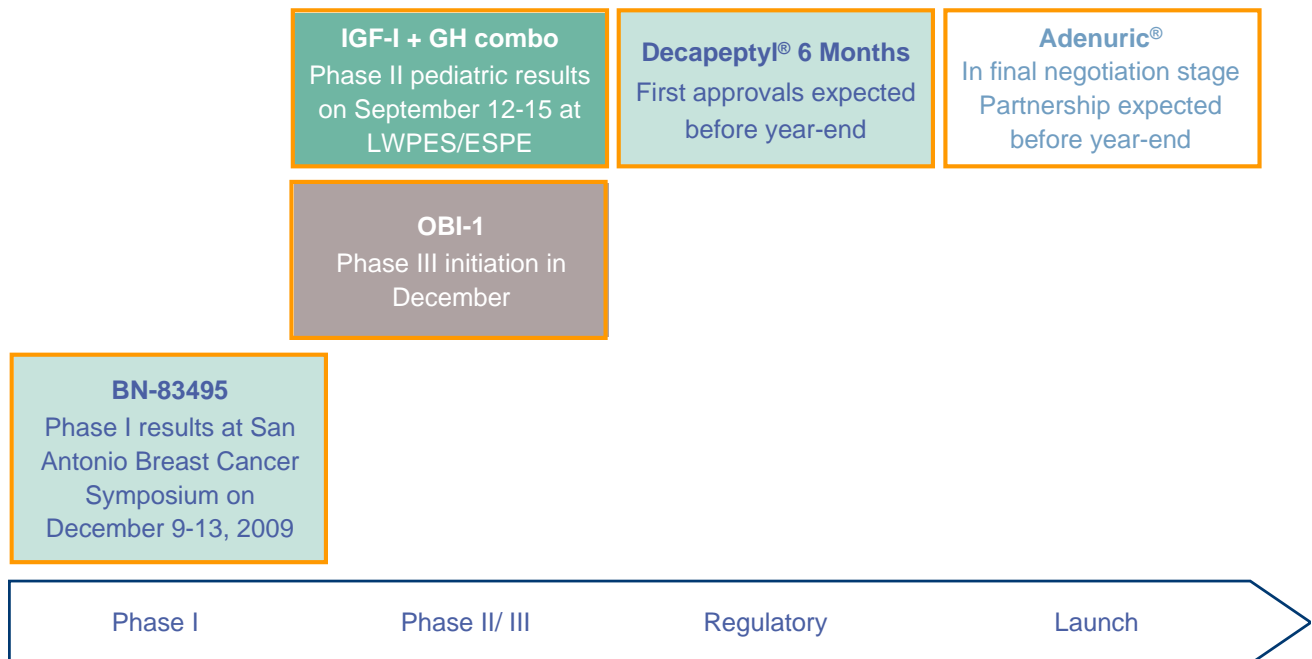
Outlook and progress on the remaining milestones

A rigorous execution of key milestones



31 FIRST HALF 2009 RESULTS

Delivering on our key objectives...



32 FIRST HALF 2009 RESULTS

Outlook

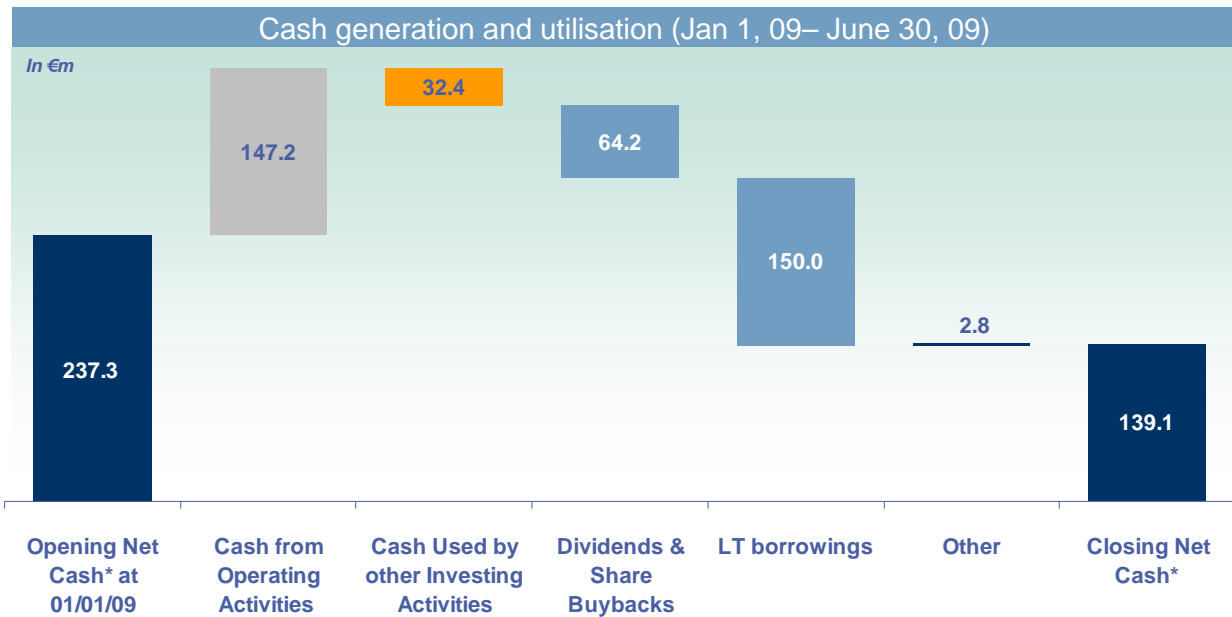
2009 financial objectives confirmed

Drug sales growth of 7.0 to 9.0%

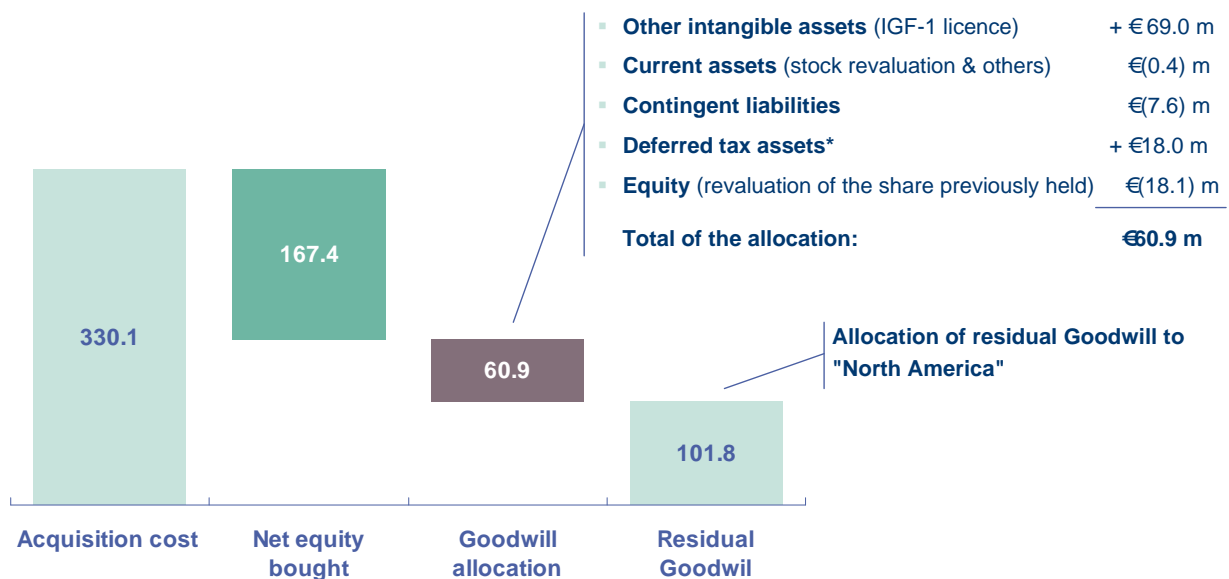
Operating margin pre-Kogenate royalty and before goodwill allocation of around 14.0%

Financial appendices

Cash flow generation



Allocation of the Tercica purchase price accounting



Milestones Cashed in but not yet Recognised as Revenues

- In million of euros

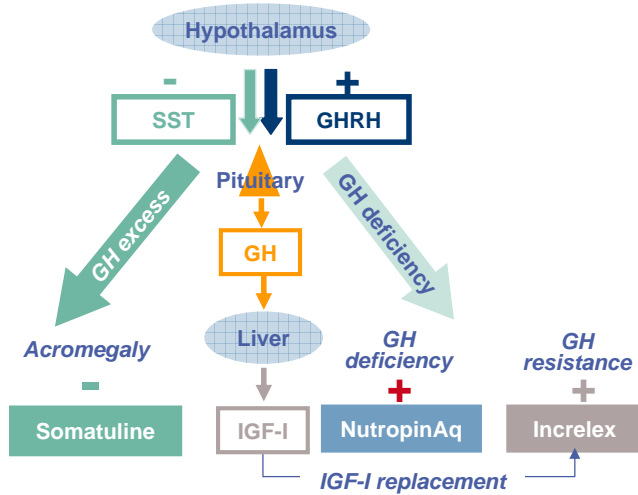
	30 Jun 08	30 Jun 09
Payments recognised as revenues in year N+1	11.2	12.1
Payments recognised as revenues in years N+2 and beyond	205.7	195.2
Total Milestones cashed in but not yet recognised as revenues	216.9	207.3



Decrease linked to global consolidation of Tercica and elimination of deferred revenues on Somatuline US

An endocrinology franchise outgrowing competition

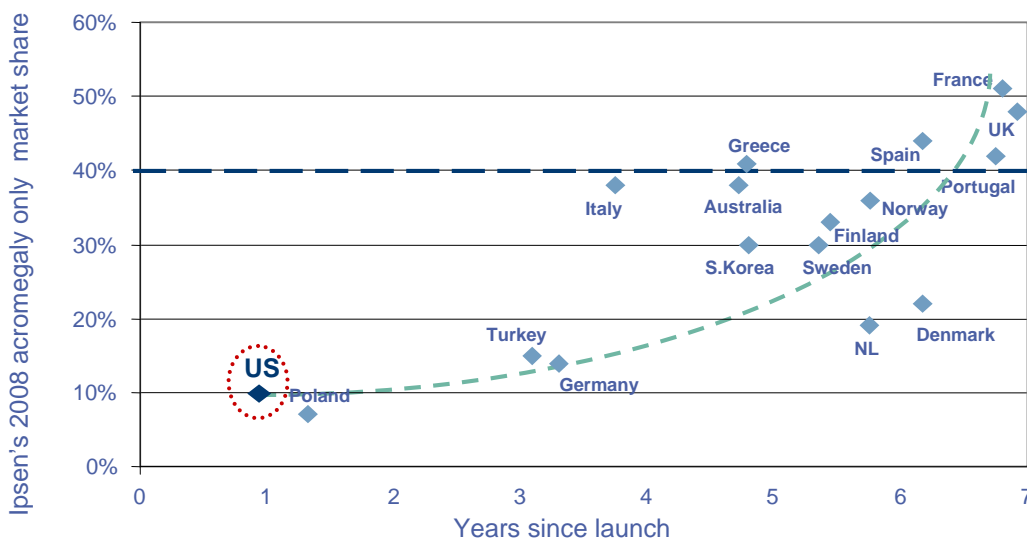
A unique focus on pituitary disorders and hormone dependent diseases



A strong franchise

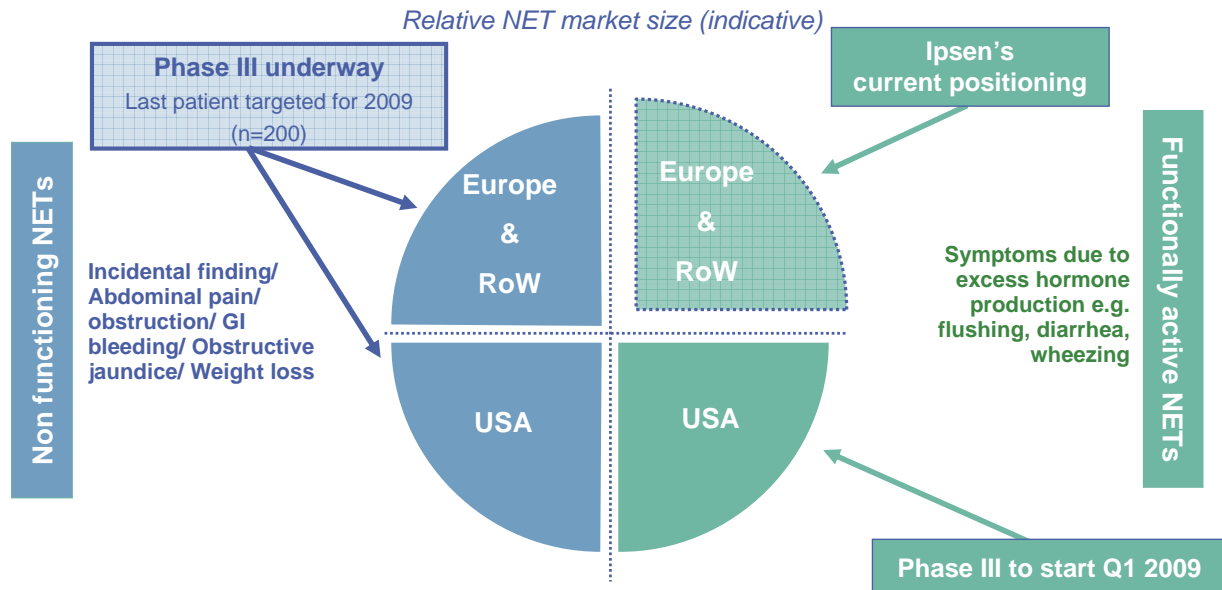
- A range of products addressing today Short Stature, Acromegaly and NET
 - High morbi-mortality
 - Debilitating pathologies
 - High unmet medical needs
- Somatuline®, NutropinAq® and Increlex® contributed to ~16 % of 2008 Group sales, ie. ~ €158 million.
- A fast growing franchise: sales doubled in the past 3 years

Somatuline® Depot is poised to grow and gain market share



Somatuline® market share is directly correlated to its time on market

Somatuline® offers significant life cycle growth opportunities

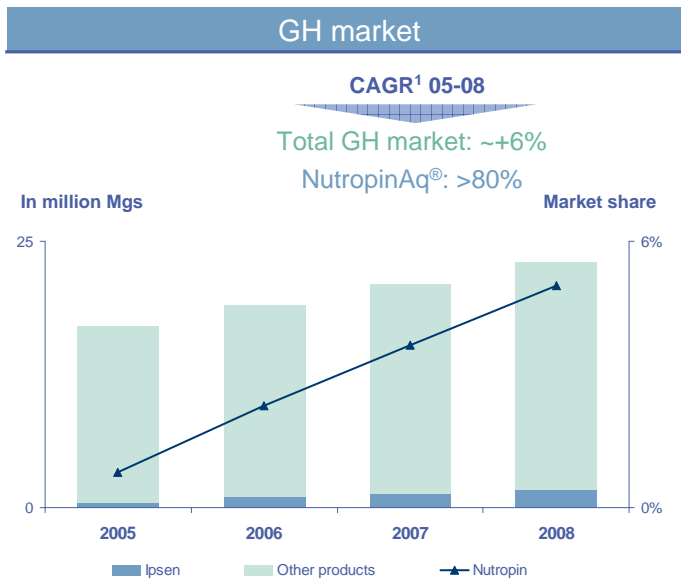


Significant scope for expansion

Increlex® in the US : steady performance with continued growth expectations

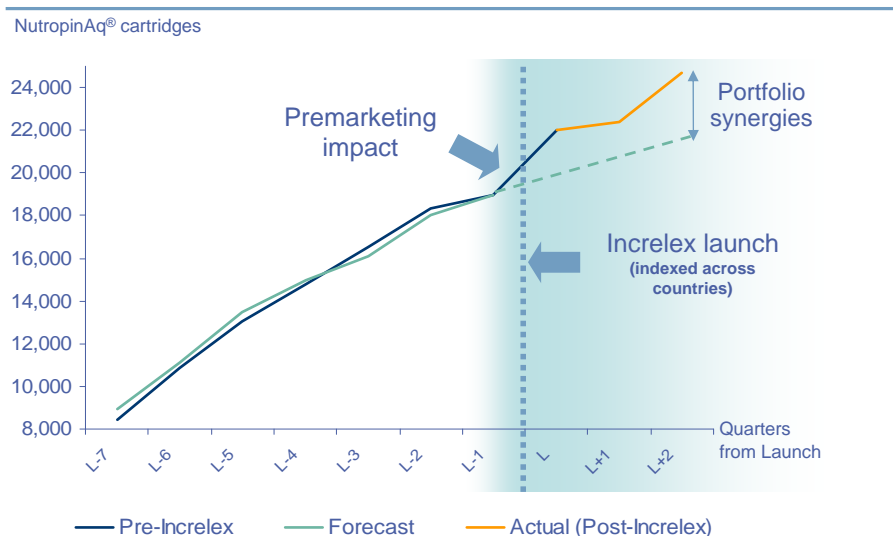
<p>Physician demand</p>	<ul style="list-style-type: none"> Target audience : ~1,000 US paediatric endocrinologists Up to 20% of Rx come from new prescribers each month 2/3 of pediatric endocrinologists have prescribed Increlex®; 78% continued prescription
<p>Reimbursement success</p>	<ul style="list-style-type: none"> ~ 90% of private and public covered lives have formulary access 75% Increlex patients approved upon final decision (similar to GH)
<p>Patient experience</p>	<ul style="list-style-type: none"> Sharp increase in patients on Increlex® initially GH-naïve to 60% in '08 from 30% in '07 Dose increasing to appropriate targets, to 100 mcg/kg BID in '08 from 70 mcg/kg BID in '07 Younger patients initiated with Increlex®, to average age at start of 10.0 years old in '08 from 11.5 years in '07

NutropinAq[®] in Ipsen territories is steadily gaining market share



- NutropinAq[®] attributes**
- 1st liquid formulation launched WW
 - A simple and user friendly pen
 - An experienced post marketing surveillance database
 - A dedicated experienced and professional team

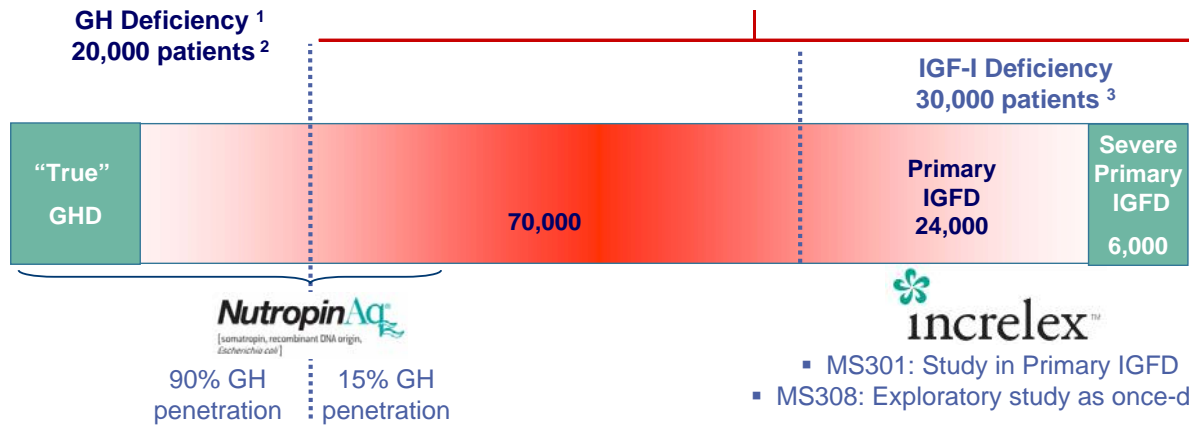
NutropinAq[®] + Increlex[®]: evidence of portfolio synergy



“Ipsen is the only company that can legitimately claim to treat all forms of growth failures through the spectrum of GH deficiency to GH resistance”
Pr. Martin Savage, St Bartholomew’s Hospital, London

Ipsen is redefining the treatment of short stature

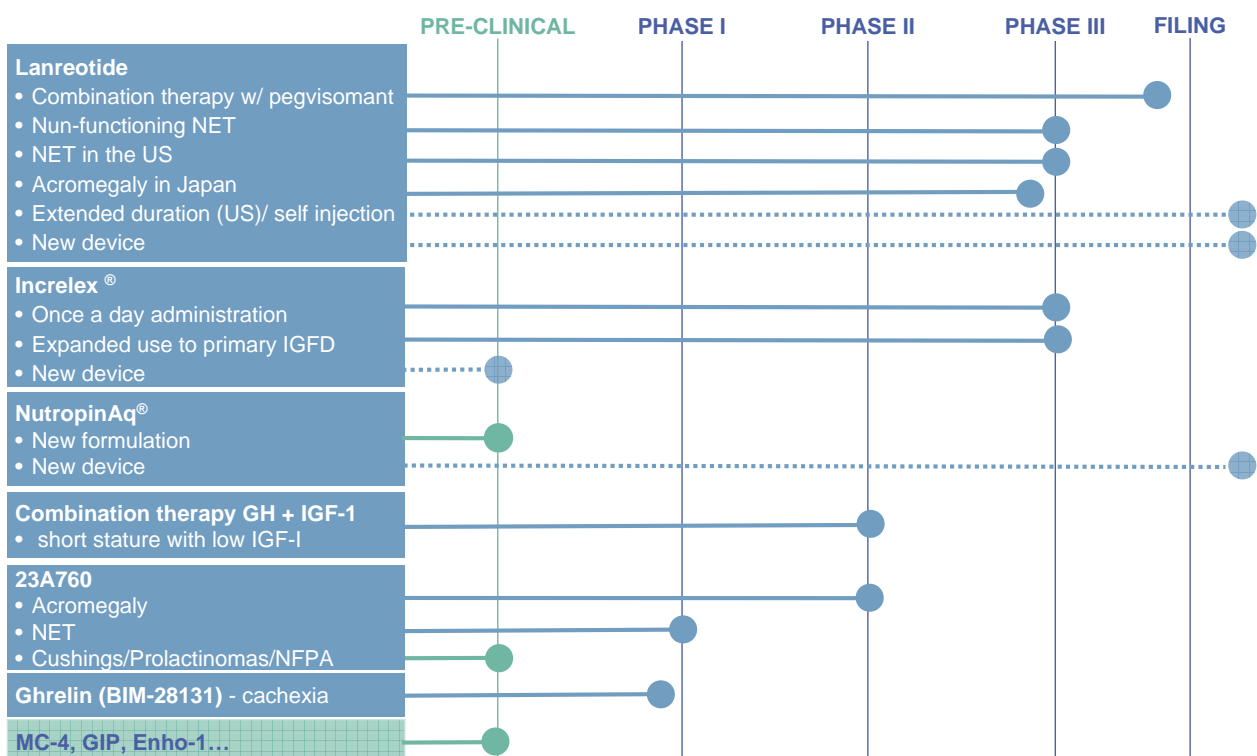
Non-GH Deficient Short Stature: 100,000 patients in the US



COMBO in IGFD

- MS316: Ph.II dose titration study recruitment to be completed by Q2 '09
 - Ph.II study in GH Deficient children to start by end '09

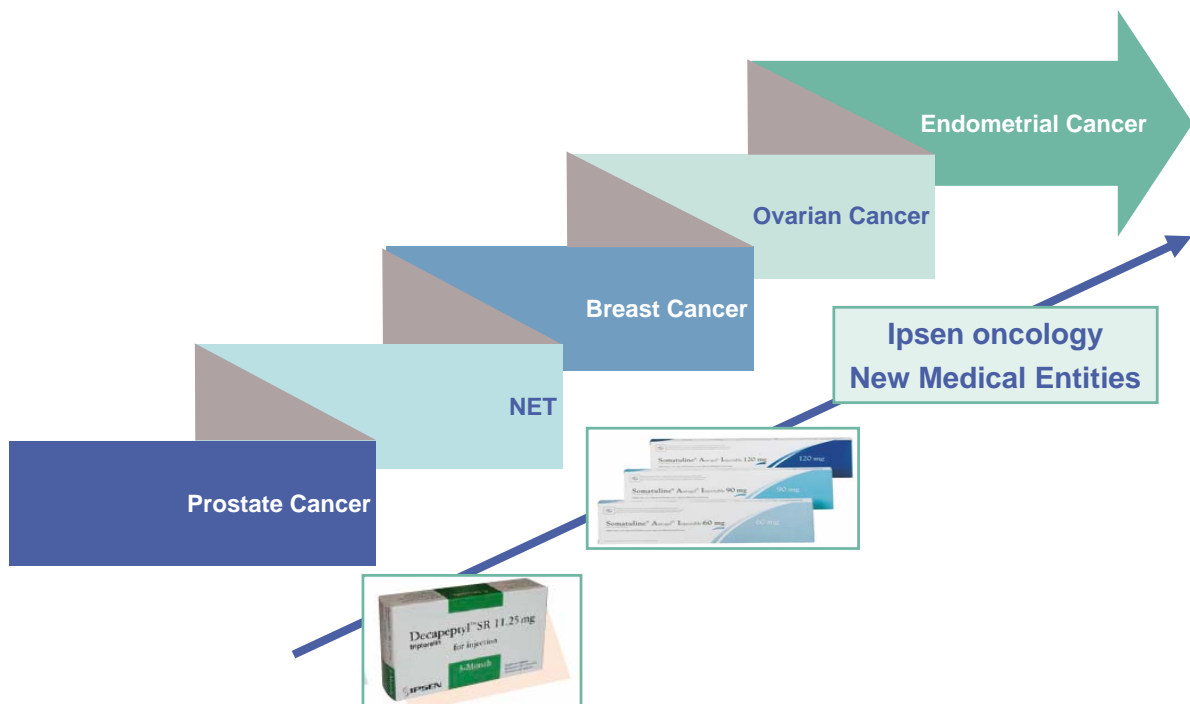
A rich endocrinology pipeline



Confirming Ipsen as a leader in the field of hormone dependent cancers



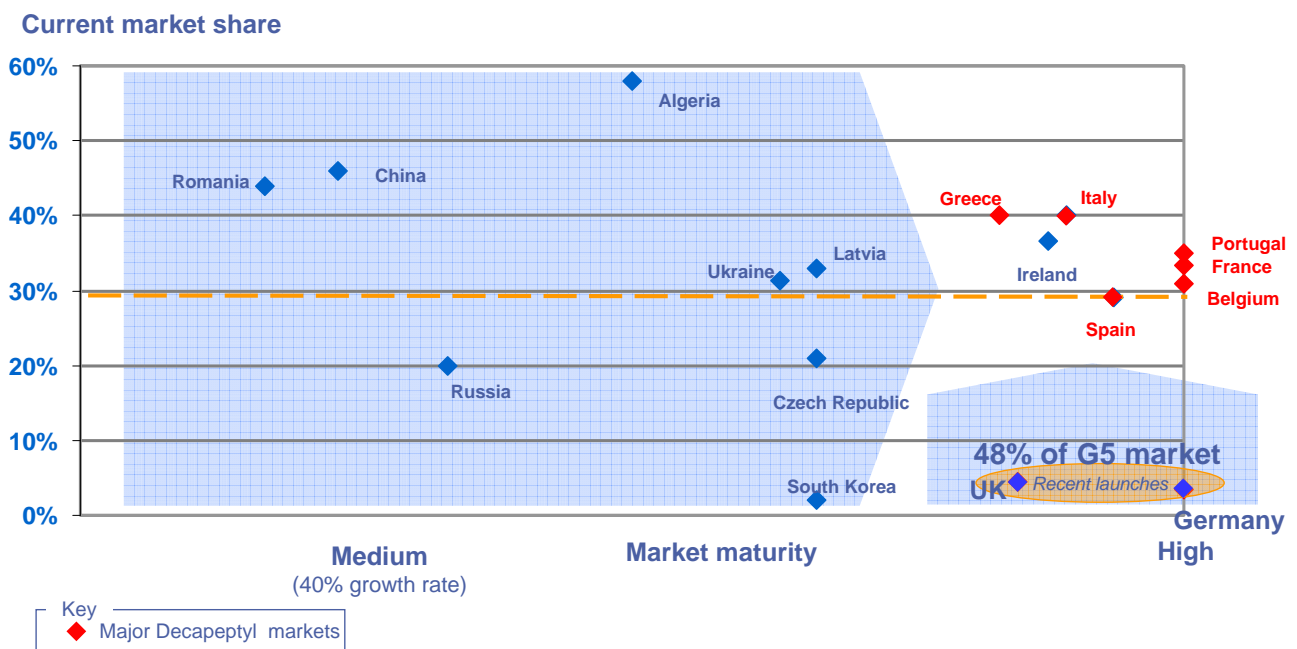
Confirming Ipsen as a leader in Hormone Dependent Cancers



Decapeptyl® 3 months formulation: a competitive product profile

Formulation and efficacy	<ul style="list-style-type: none"> Marketed 1 month (1M) and 3 month (3M) formulations Maintenance of castrate testosterone levels at 3M in 98% of patients¹ At 3M, 91% decrease of PSA levels, showing tumor control 		
Local tolerance/ convenience	<ul style="list-style-type: none"> IM route of administration, good local tolerance Injection not visible for the patient 		
Storage and reconstitution	<ul style="list-style-type: none"> Stored at room temperature 5 steps reconstitution Safety needle system 		
Formulation and efficacy	Competitor 1	Competitor 2	Competitor 3
	<ul style="list-style-type: none"> Various formulations across territories : 1M formulation = 3,75mg or 7,5mg and 3M formulation = 11,25mg or 22,5mg Increased survival rate at 9 months in triptorelin group vs competitor 1² 	<ul style="list-style-type: none"> Conservation between 2 - 4° = needs to be warmed up before reconstitution Manual reconstitution to obtain SR Risk of nodules, abscess 	<ul style="list-style-type: none"> Ready to use implant Very large needle : need of local anesthesia

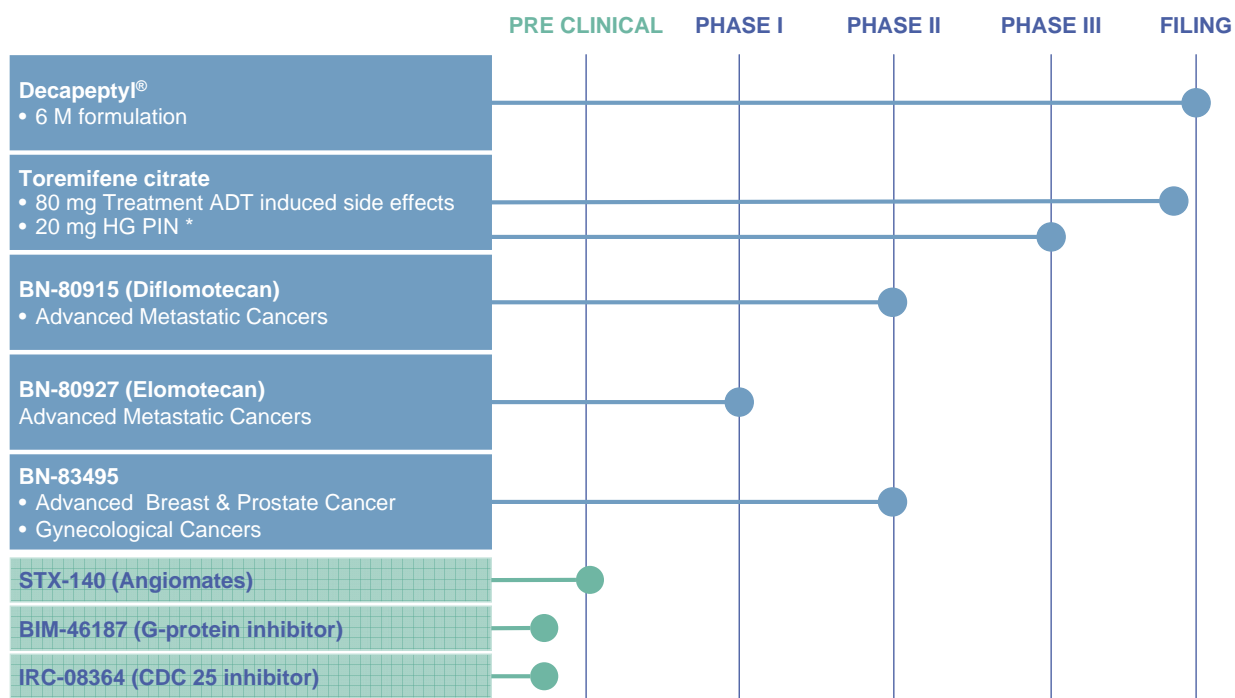
Decapeptyl®: strong positions, and poised to grow



Decapeptyl® 6 month formulation: a more differentiated product profile

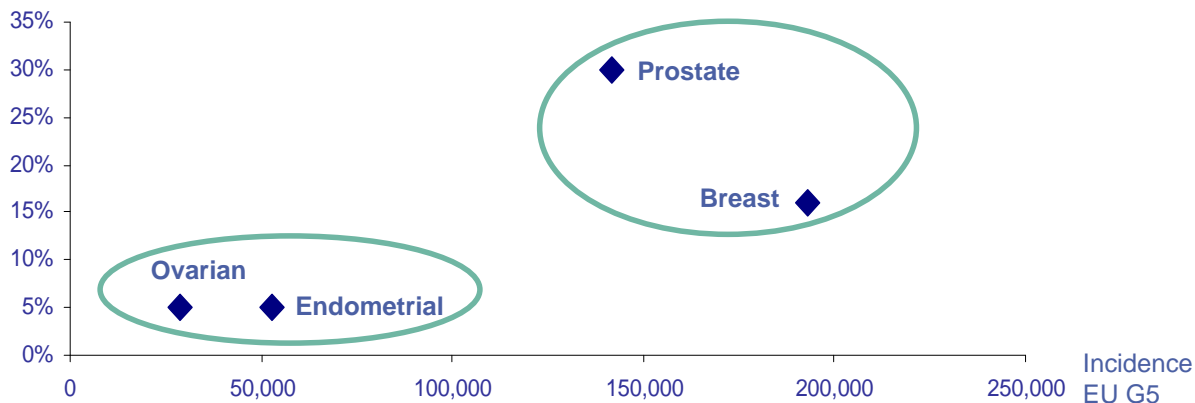
Efficacy	<ul style="list-style-type: none"> ▪ Comparable efficacy to 1 and 3 months formulation <ul style="list-style-type: none"> • Castration levels (testosterone) • Disease control (PSA) 				
Local Tolerance	<ul style="list-style-type: none"> ▪ Limited local side effects (6.7% of patients) 				
Storage and reconstitution	<ul style="list-style-type: none"> ▪ Storage at room temperature (no need to heat up before reconstitution) ▪ 5 Steps to reconstitute, change needle, and inject - IM route 				
Formulation/ Efficacy	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4F81BD; color: white; padding: 5px;">6 month competitor 1</th> <th style="background-color: #4F81BD; color: white; padding: 5px;">6 month competitor 2</th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;"> <ul style="list-style-type: none"> ▪ 80% of patients castrated after 6M² ▪ Testosterone <u>to be tested</u> every 6M*¹ ▪ Formation of Nodules or abscess¹ </td> <td style="padding: 5px;"> <ul style="list-style-type: none"> ▪ Slow release formulation dependent on manual 60 mixture¹ step ▪ Storage at 2-4°: need to heat up for reconstitution¹ </td> </tr> </tbody> </table>	6 month competitor 1	6 month competitor 2	<ul style="list-style-type: none"> ▪ 80% of patients castrated after 6M² ▪ Testosterone <u>to be tested</u> every 6M*¹ ▪ Formation of Nodules or abscess¹ 	<ul style="list-style-type: none"> ▪ Slow release formulation dependent on manual 60 mixture¹ step ▪ Storage at 2-4°: need to heat up for reconstitution¹
6 month competitor 1	6 month competitor 2				
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A promising Oncology pipeline



Moving up to higher prevalence diseases and higher unmet medical needs

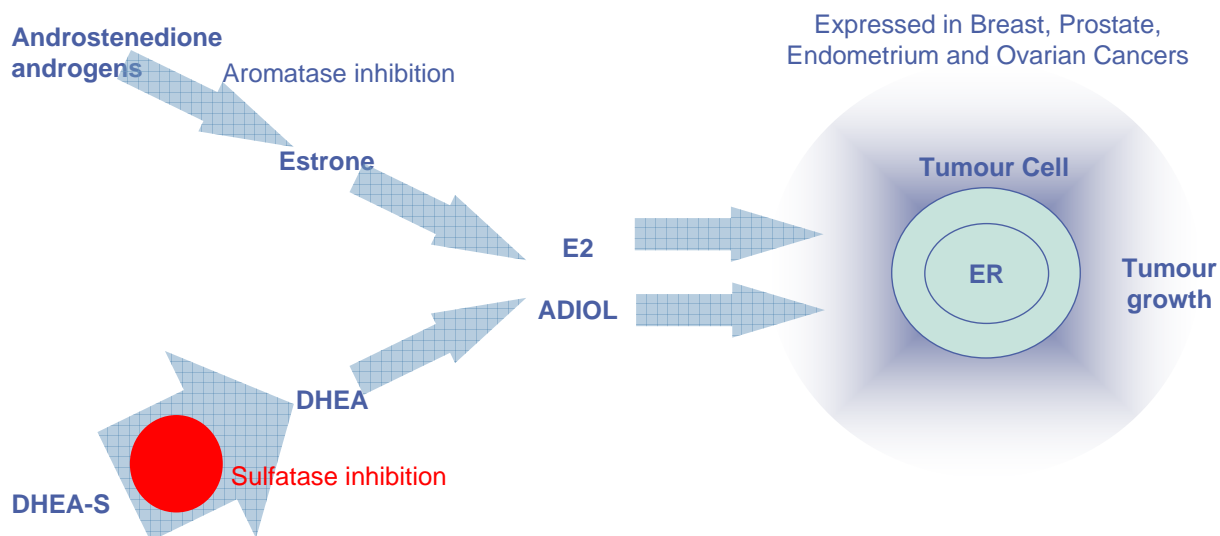
5 year survival stage IV disease



Ipsen New Medical Entities: multi targeted agents aiming at large markets as well as niche indications with large unmet medical needs
BN-83495 is potentially a company transforming product

Rationale for Sulfatase inhibitor development

Inhibition of Androstenediol synthesis from DHEA-S

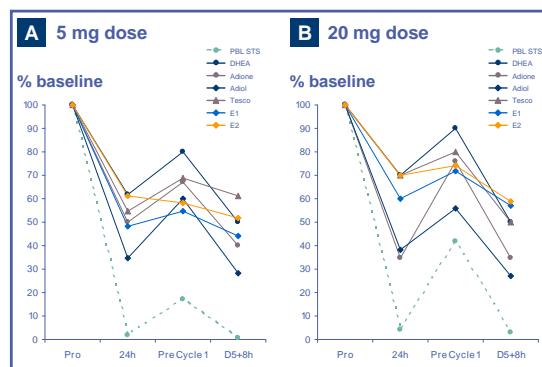
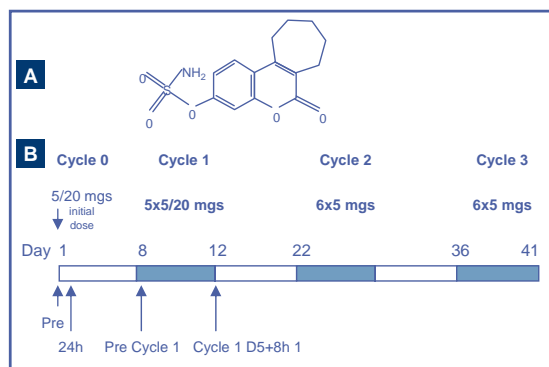


Adiol can bind to oestrogen receptor and stimulate tumour growth
(90% Adiol derived from DHEA-S in post-menopausal women)

First clinical study in Breast Cancer patients

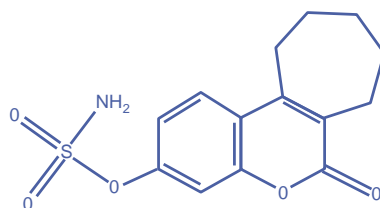
STS inhibition leads to significant reduction in circulating steroids and induces clinical benefit**

First clinical study CR UK * - Daily x 5 dosing



Next step: confirmation of the results in Metastatic Breast Cancer and exploration of the full range of hormonal dependent tumours

BN-83495 in a nutshell: a new mechanism of action and potential therapeutic breakthrough



Tricyclic coumarin sulfamate

Irreversible **Oral** steroid sulfatase (STS) inhibitor

Preclinical data supporting correlation between STS inhibition and tumour suppression in Endocrine Cancers

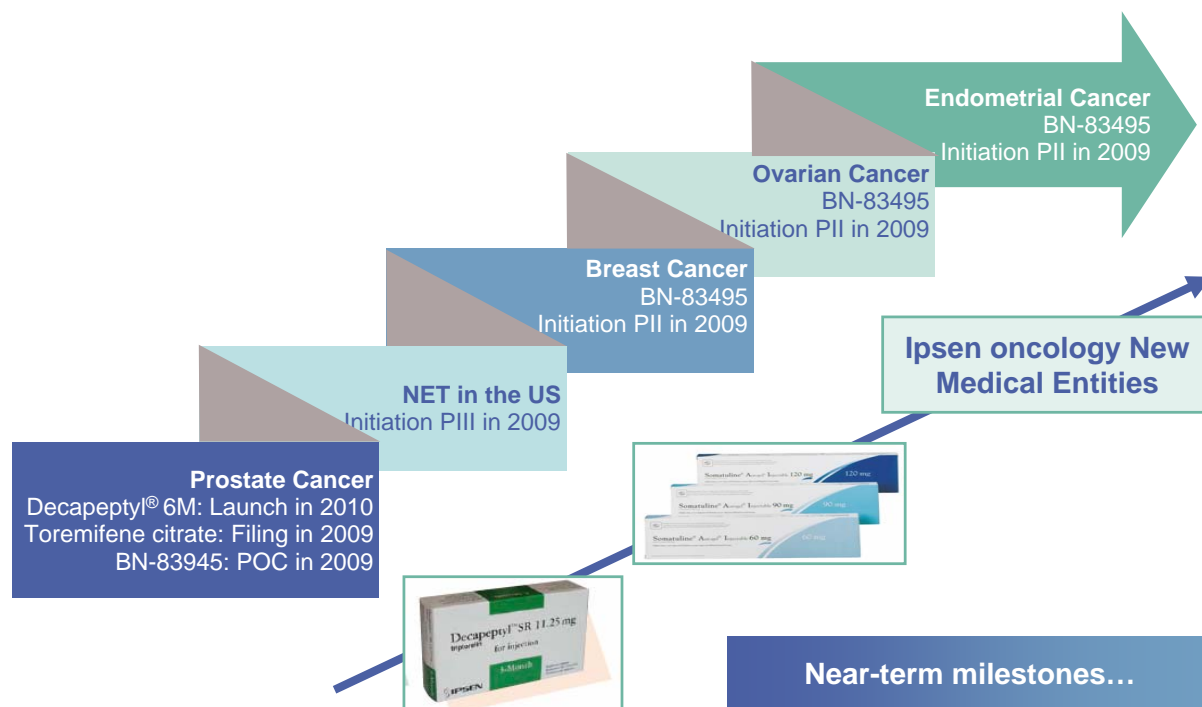
Early clinical POC
in
metastatic Breast Cancer

POC trial
in HR Prostate Cancer
commenced Jan. 2009

POC trials in
Gynecological Cancers
to commence in 2009

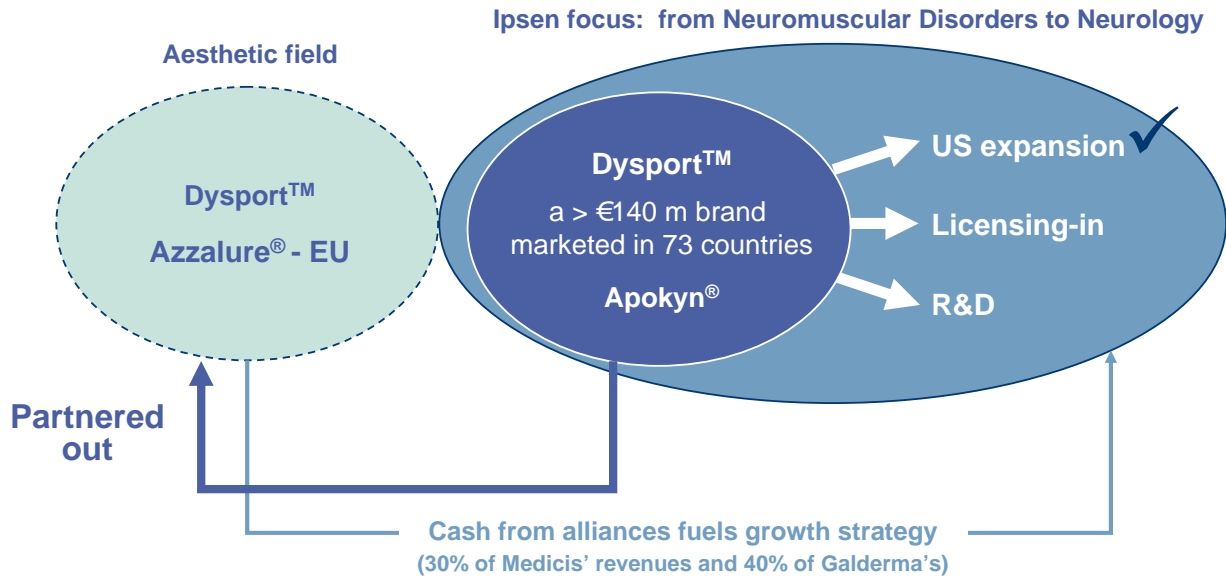
Strong patent platform position & available back-up

Confirming Ipsen as a leader in Hormone Dependent Cancers



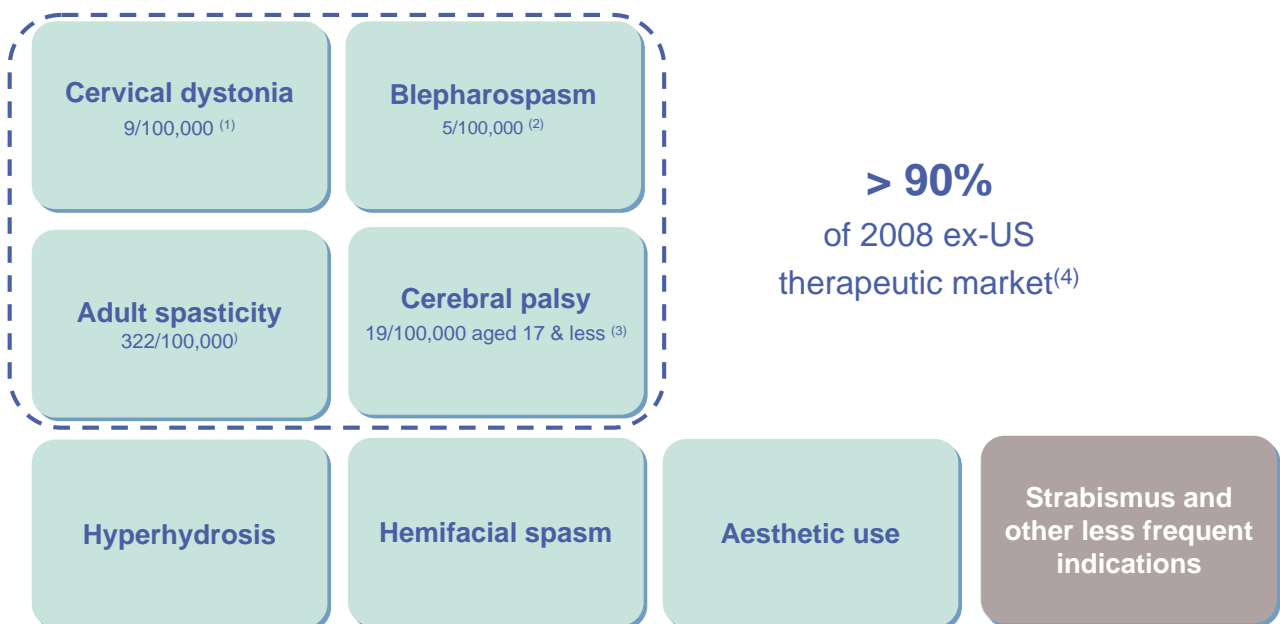
From a Regional Neuromuscular Specialty to a Global Neurology Franchise

A specific therapeutic focus



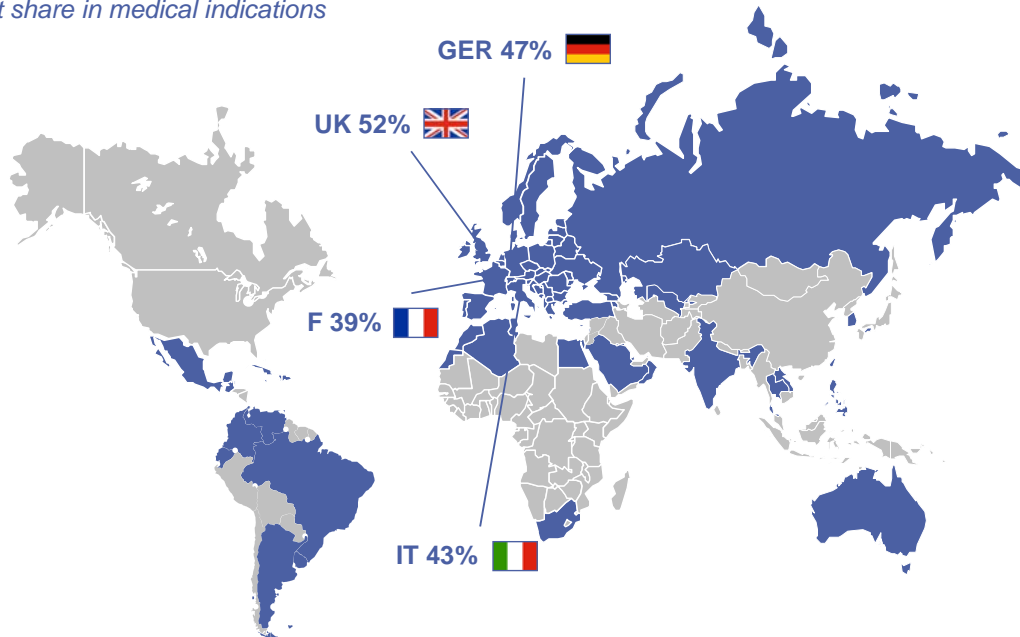
Dysport™: the cornerstone of a Neurology franchise

Dysport™: approved ex-US in most key indications



Dysport™: launched in 1991, approved in 73 countries

Market share in medical indications



In dark blue, countries where Dysport® is marketed

Sources: IMS, Insight Health/ODV, Ipsen estimates

A good track record at catching-up market shares...

Market share in medical indications



Dysport™ in the US: a step further toward a global neurology franchise

1. **Dysport™: a proven track record and field proven product**
2. **A true global product**
3. **A unique focus on medical use**
4. **Focus on US opportunity – strong positioning with well prepared launch**
 - Sound value proposition: the medical treatment alternative
 - Targeted and appropriate sales force
 - Managed care experience
5. **Building up a neurology franchise leveraging the business development capability**
6. **Intense efforts in the discovery area**

A focused haematology presence

An agent targeting both acquired and congenital hemophilia

Congenital hemophilia A *with inhibitors to human FVIII*

- Affects 1:4000 male births
- The development of neutralizing antibodies (inhibitors) to hFVIII following replacement therapy is a major complication
- Inhibitors develop in about 28% of severe patients and in between 3% to 13% of mild and moderate hemophilia A patients
- Patients no longer respond to hFVIII therapy

Acquired hemophilia *Acquired factor VIII inhibitor*

- Affects 1 to 2 individuals in 1,000,000, predominantly in older individuals
- A small proportion of younger patients may develop the disease, predominantly post-partum women
- Clinical manifestation is more severe and anatomically diverse than in congenital hemophilia A
- A mortality rate approaching 20%. Bleeding is often spontaneous or in response to minimal trauma

pFVIII is a promising treatment to stop bleeds in patients with inhibitors to hFVIII

Now preparing for phase 3...

2 prospective clinical trials, in liaison with Medical Community & Regulatory Agencies

Study in patients with acquired factor VIII inhibitor (acquired hemophilia)

Treatment of all acute bleeding episodes

Study in patients with congenital hemophilia A and inhibitors to hFVIII

Treatment of life or limb threatening bleeding episodes

Both will be of similar design
Open label, non comparative prospective studies, with about 40 patients in each study

Standards setting: first ever prospective trial in acquired hemophilia

**Protocols finalization and pre-phase 3 CMC consultations
with regulatory agencies to be completed in H1 2009**

A highly specialized hospital product addressing unmet need

First biologics to conclude Phase 2 resulting from strategic biotechnology platform

Patent protection until 2023 in Europe and US

World-wide commercialization rights

Lean commercial infrastructure

A commercial potential in excess of US\$200 million

Fourth specialty therapeutic focus in Haematology