

Confirming Ipsen's specialist care globalisation

18th Annual Global Healthcare Conference – Credit Suisse

Friday November 13th, 2009

Dr Jacques-Pierre Moreau – Chief Scientific Advisor

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Disclaimer

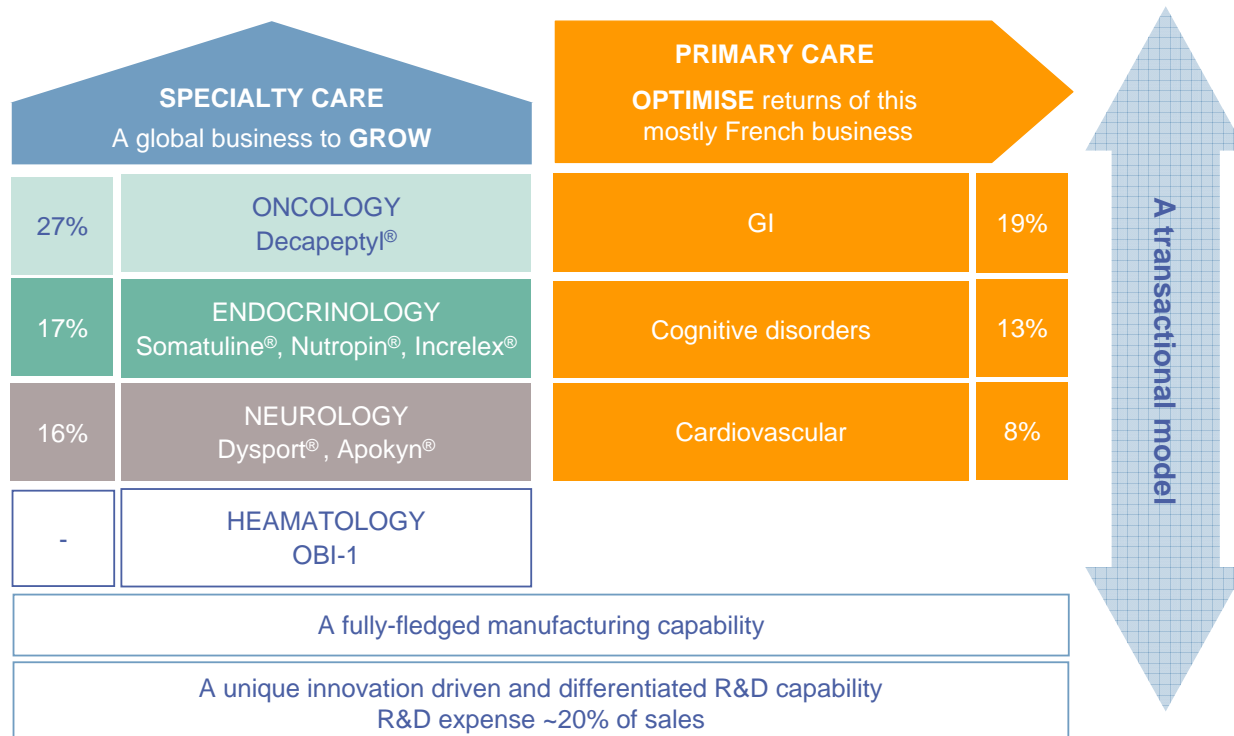
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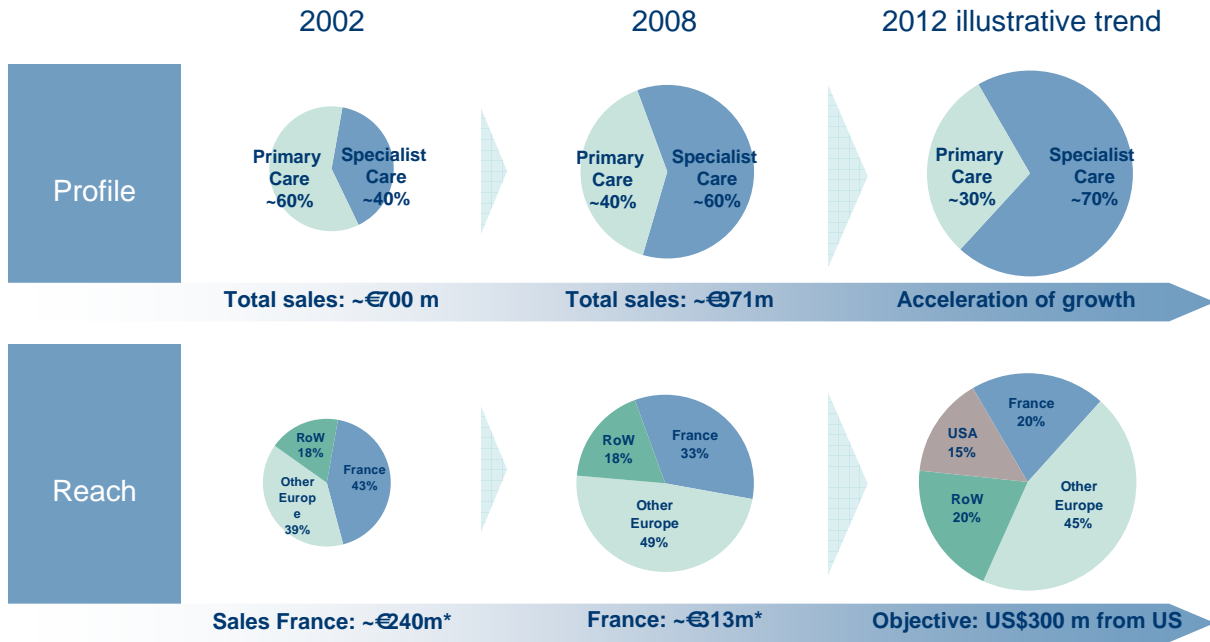
Introduction



Ipsen today : a global, innovation driven, specialty pharma



A reinforced profile and reach



An increasingly transactional model



Ipsen today....

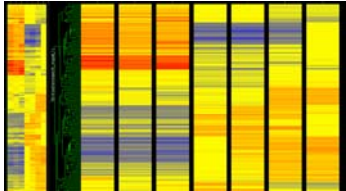


- ➔ Resilience of business in a **difficult macro-economic environment**
- ➔ A **strong and profitable specialty care** growth engine
- ➔ Substantial growth opportunities **through globalization and US entry**
- ➔ A rich and well balanced R&D pipeline, **with potential blockbusters**
- ➔ A strong cash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

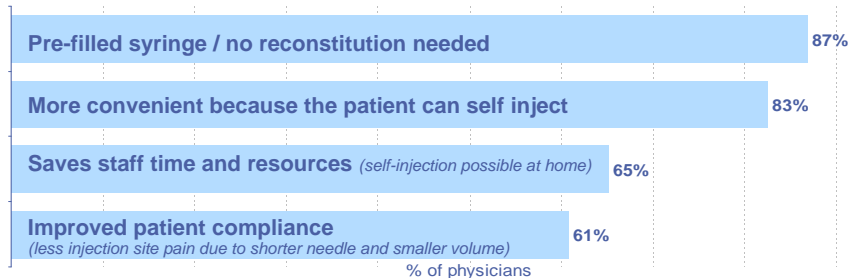
Technologies	Medicinal chemistry	Delivery systems
Target identification, validation and drugability based on clinical observations supported by ...omics technologies	Steroids peptides, proteins engineering aiming at enhanced efficacy, potency, selectivity and safety over the endogenous hormone	Emphasis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

Example 1 : 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?***

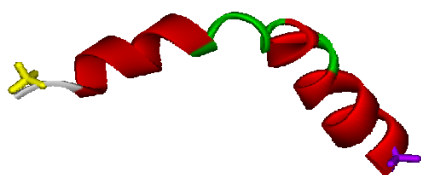


* In selected countries

Example 2 : a 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



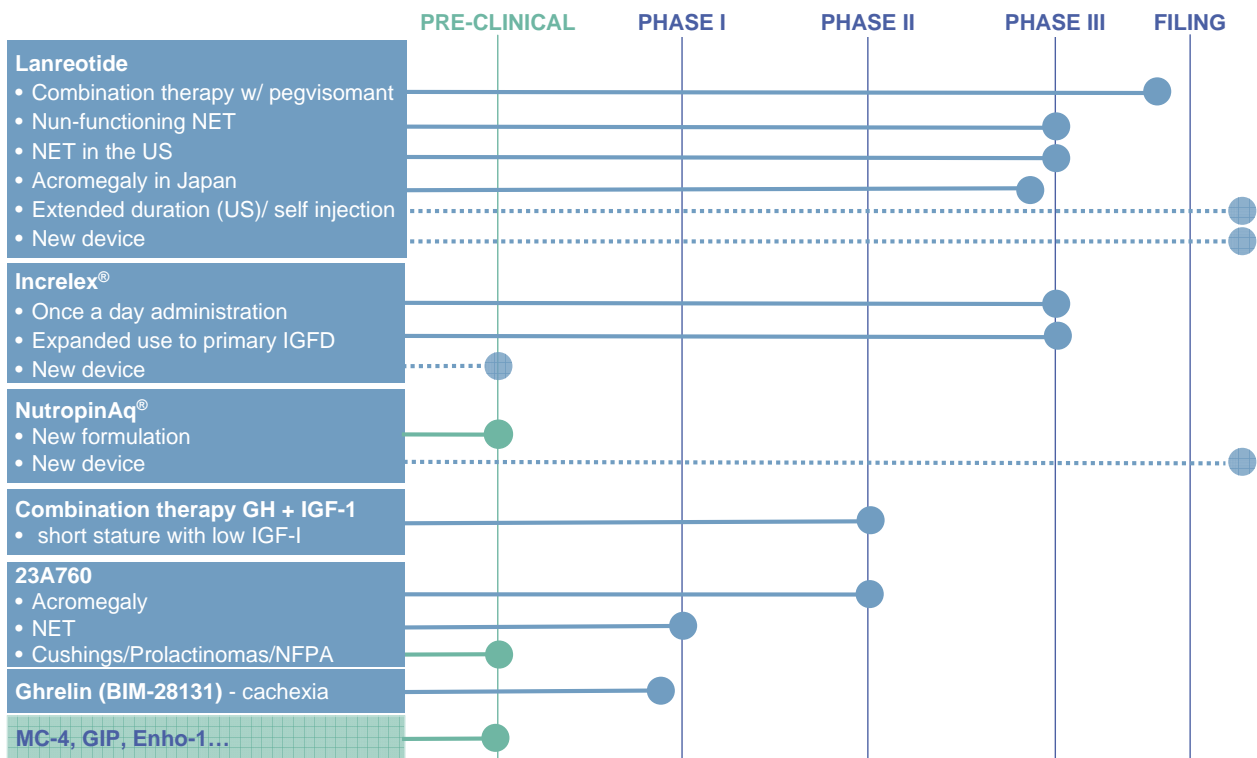
Expected needle gauge

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

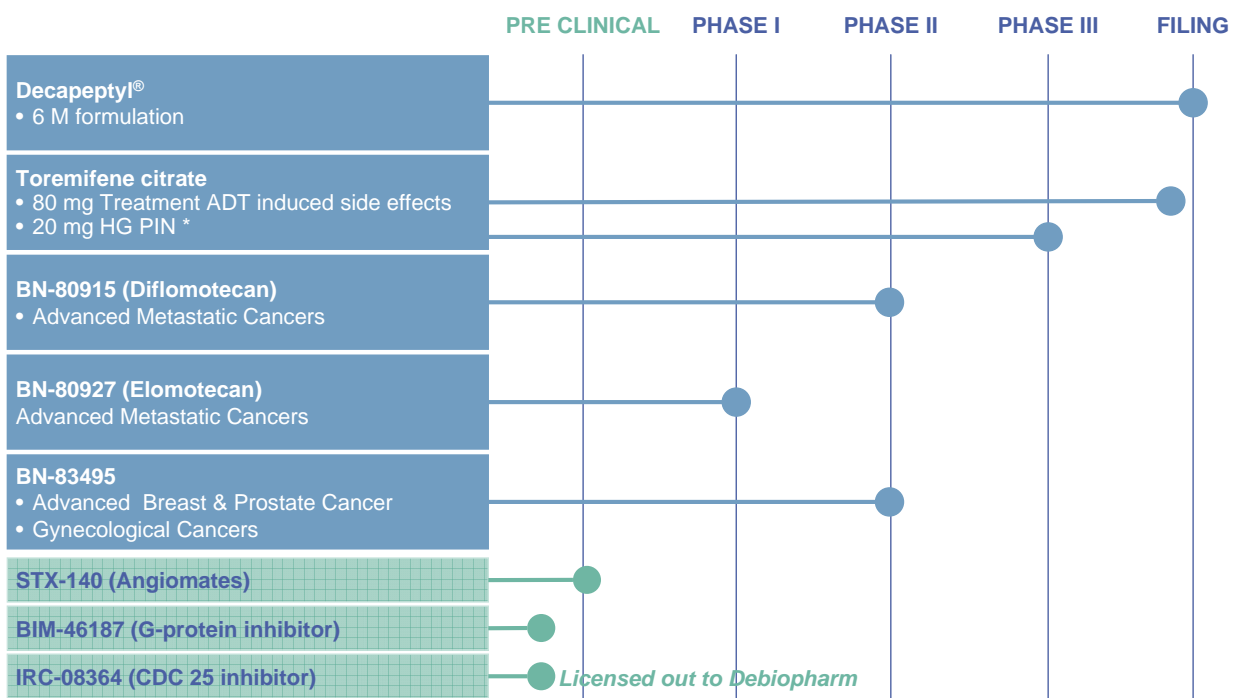
50 to 300 µl of highly concentrated aqueous solution devoid of excipient

A rich and promising pipeline

A rich endocrinology pipeline



A promising Oncology pipeline



Outlook and progress on the remaining milestones



2009 financial objectives confirmed

Drug sales growth of 7.0 to 9.0%

Other revenues¹ of approximately €30 million

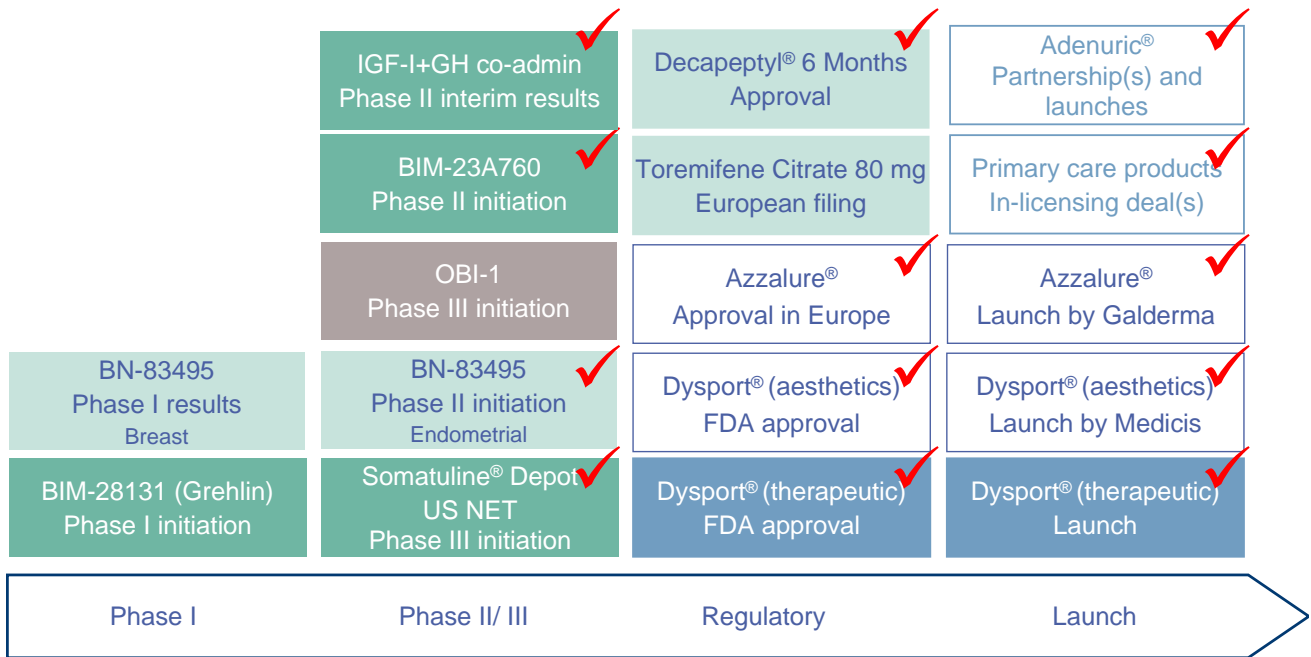
Operating margin before goodwill allocation² of 17.0% - 17.5%

The above objectives include the full Kogenate® royalty stream

1- Defined as the total of milestone payments received under licence agreements, royalties received from third parties and other revenue (including for example co-promotion revenues)

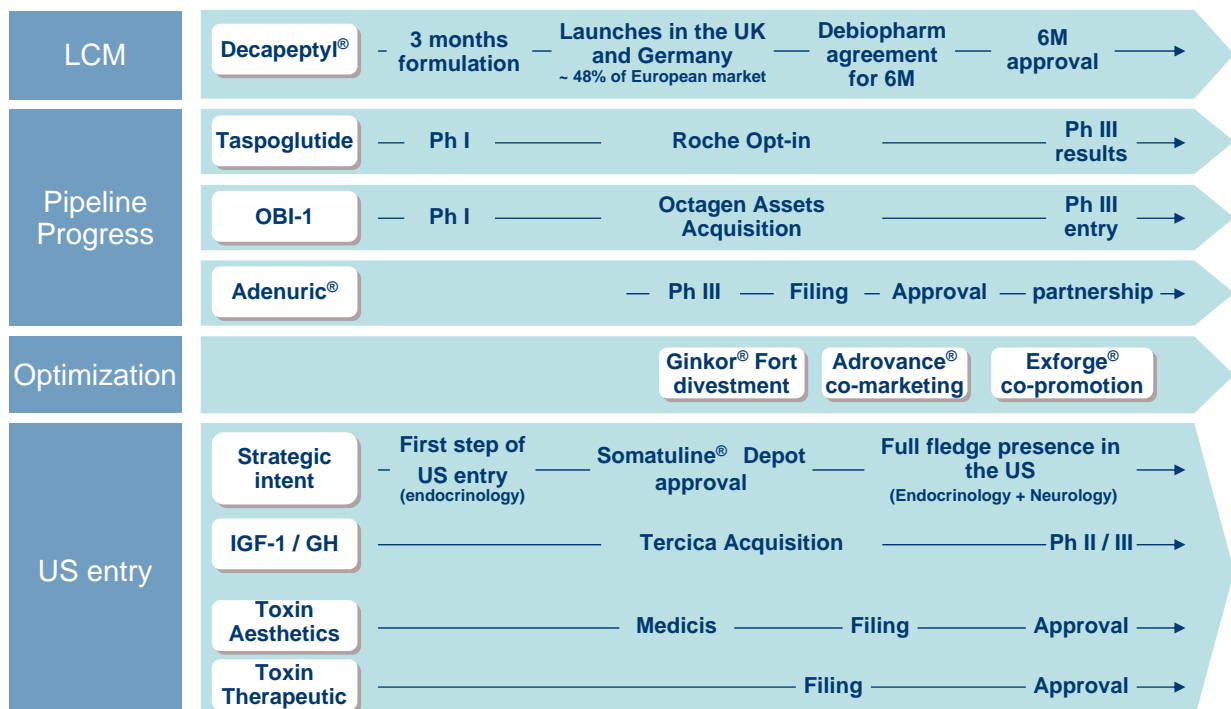
2- These financial objectives do not include items resulting from purchase price accounting impacts related to the Group's transactions in North America

All key milestones delivered year-to-date



17 FIRST HALF 2009 RESULTS

A track record for consistently delivering on strategic milestones

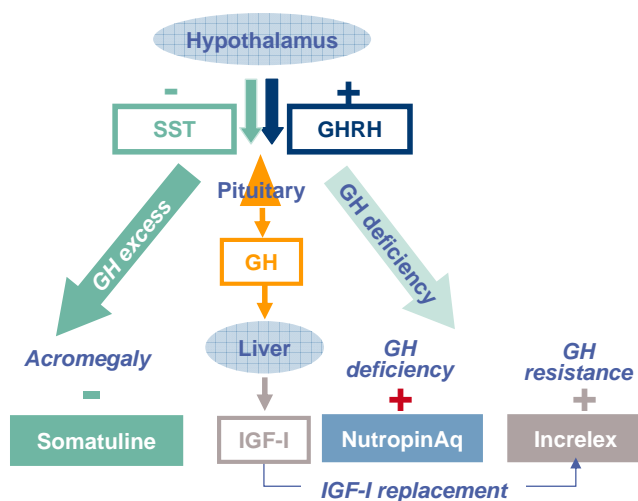


18 FIRST HALF 2009 RESULTS

An endocrinology franchise outgrowing competition



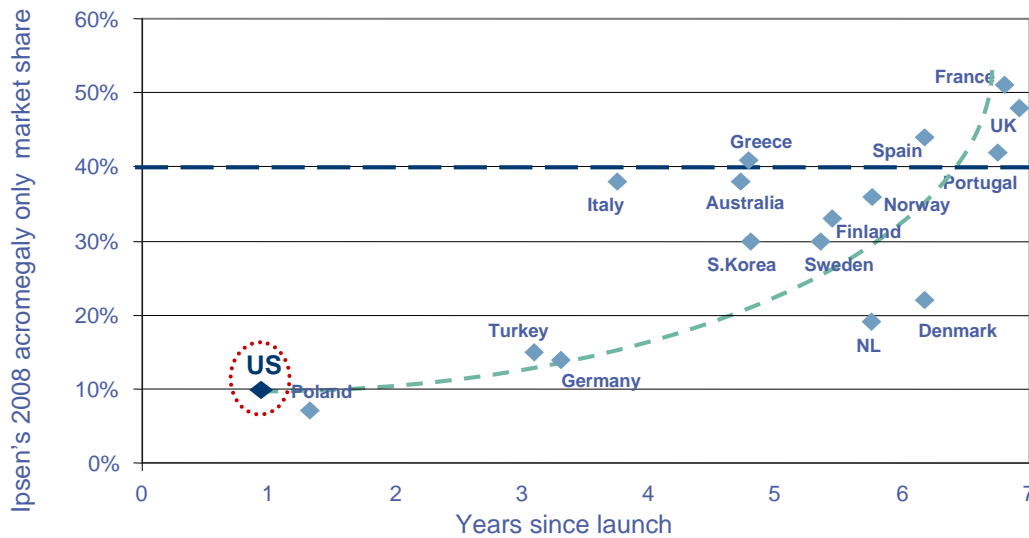
A unique focus on pituitary disorders and hormone dependent diseases



A strong franchise

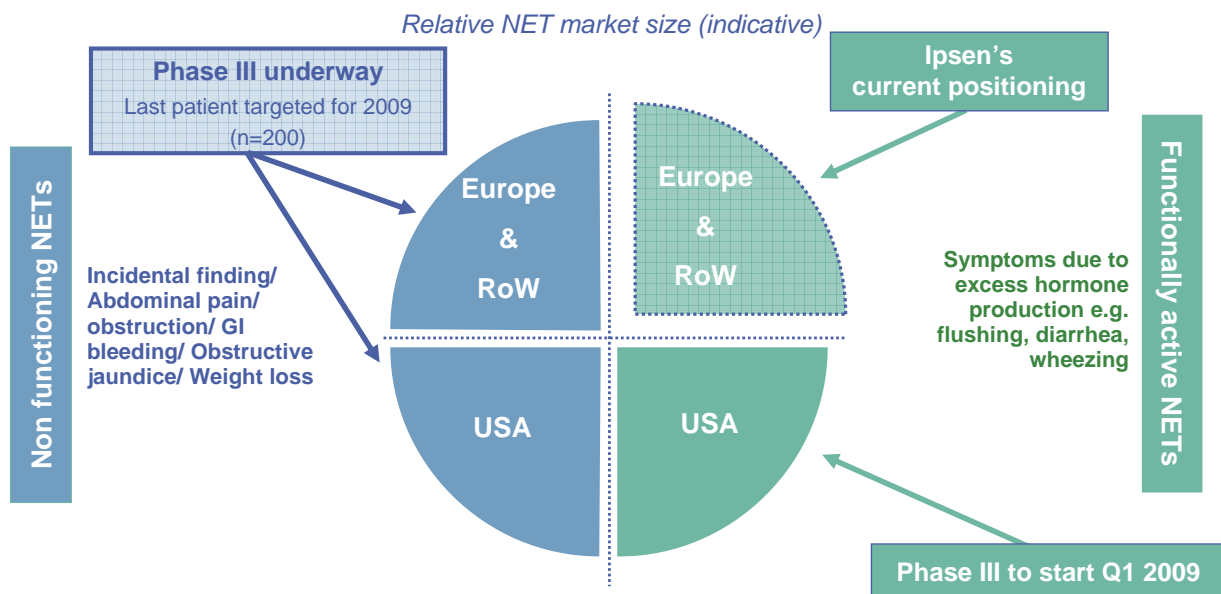
- A range of products addressing today Short Stature, Acromegaly and NET
 - High morbi-mortality
 - Debilitating pathologies
 - High unmet medical needs
- Somatuline®, NutropinAq® and Increlex® contributed to ~16 % of 2008 Group sales, ie. ~ €158 million.
- A fast growing franchise: sales doubled in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

Physician demand

- 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

Reimbursement success

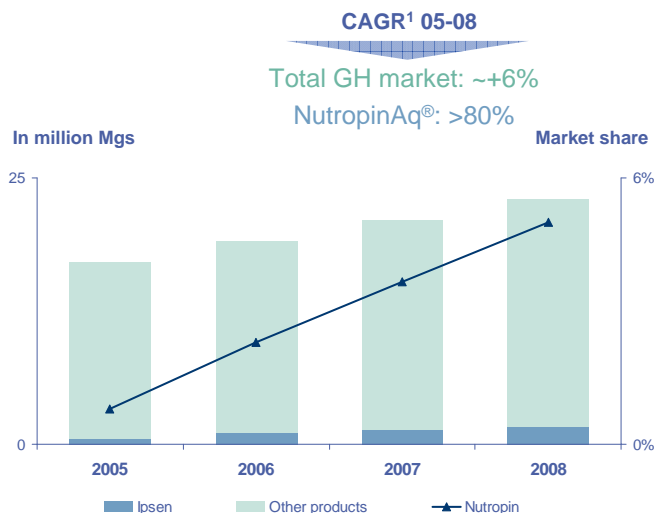
- ~ 90% of private and public covered lives have formulary access
- 75% Increlex patients approved upon final decision (similar to GH)

Patient experience

- 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

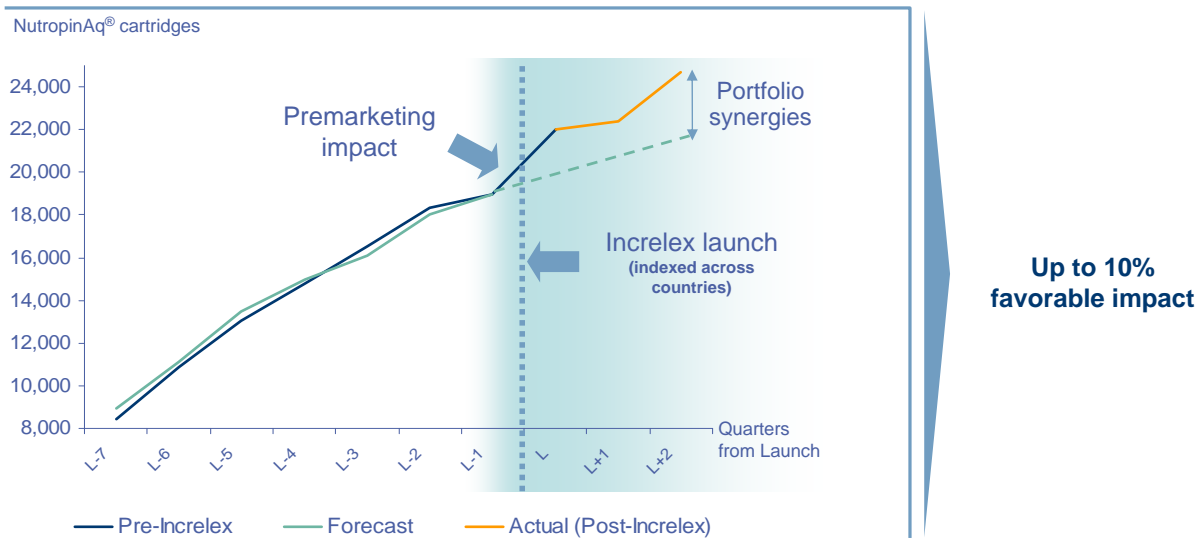
GH market



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

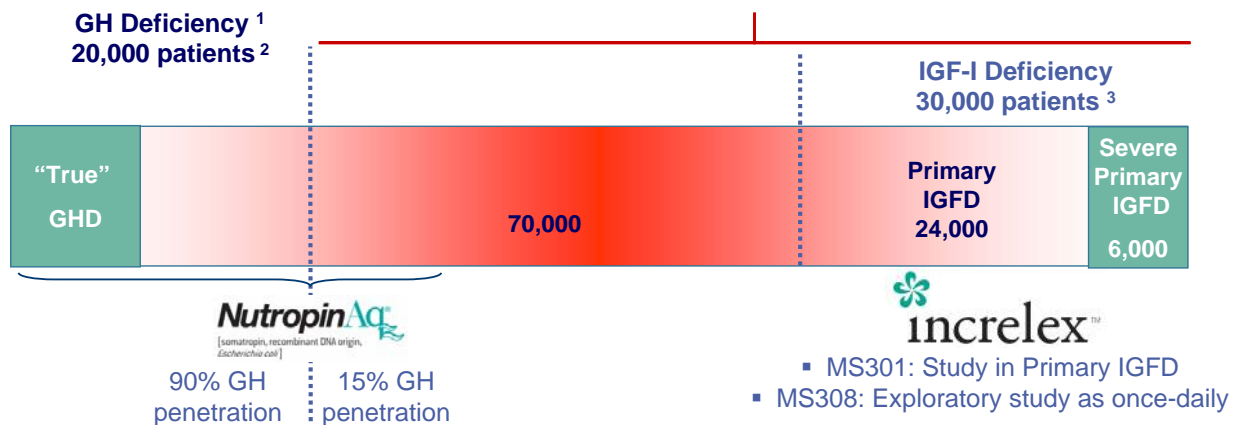
NutropinAq® + Increlex®: evidence of portfolio synergy



“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

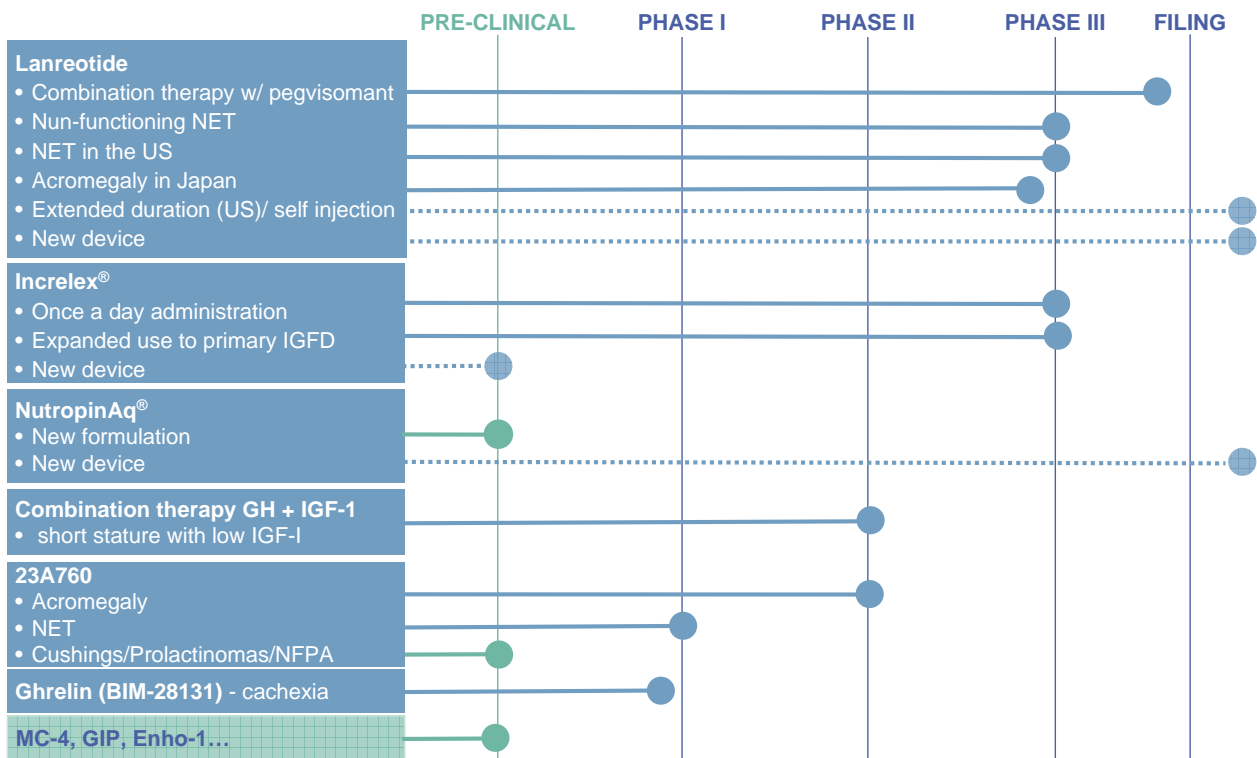
Ipsen is redefining the treatment of short stature

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



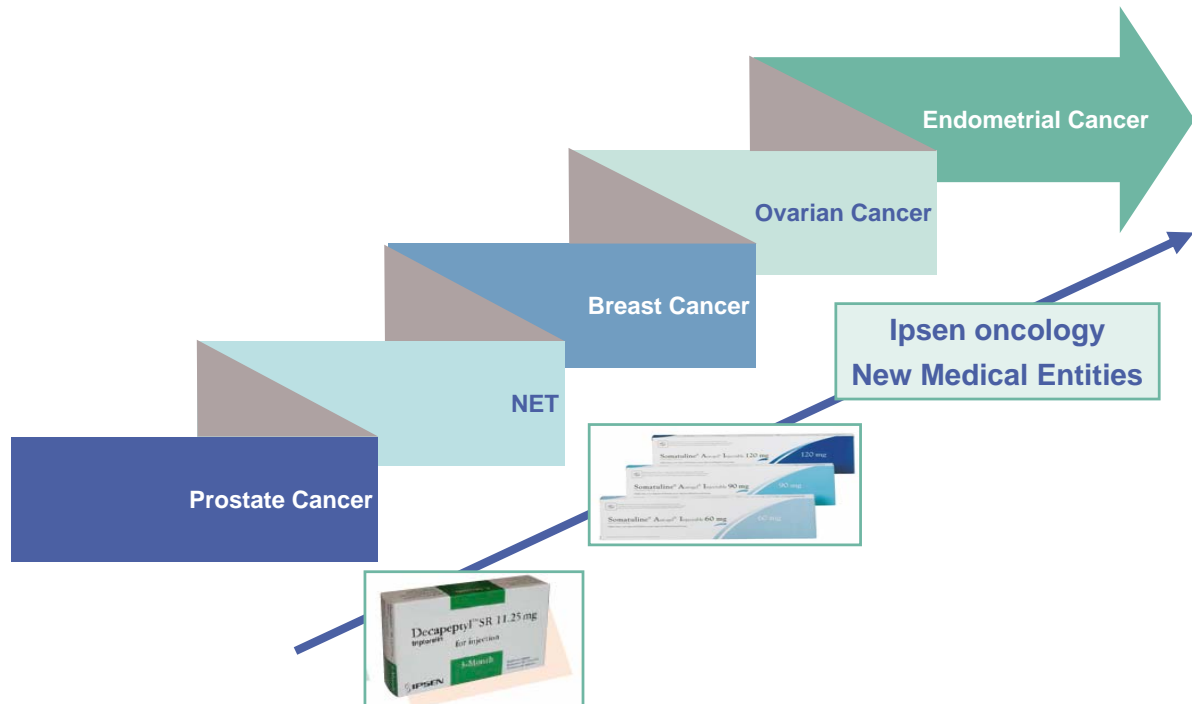
COMBO in IGFD

- 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



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

Confirming Ipsen as a leader in Hormone Dependent Cancers

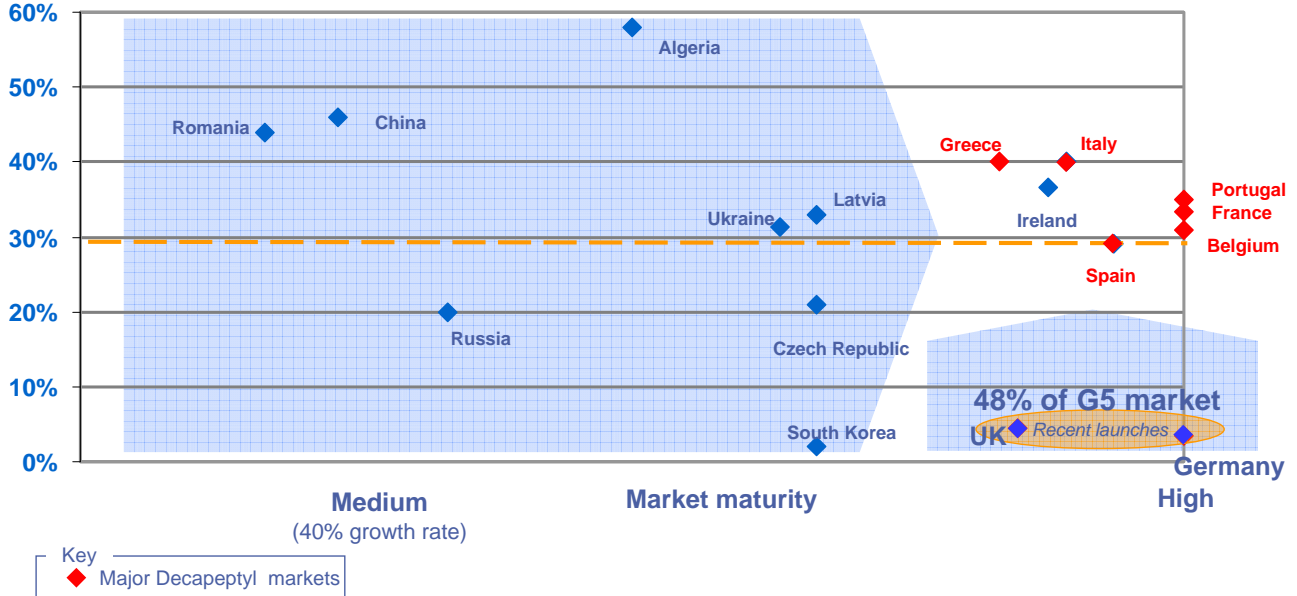


Decapeptyl® 3 months formulation: a competitive product profile

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	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="background-color: #4F81BD; color: white;">Competitor 1</th> <th style="background-color: #4F81BD; color: white;">Competitor 2</th> <th style="background-color: #4F81BD; color: white;">Competitor 3</th> </tr> </thead> <tbody> <tr> <td> <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 </td> <td> <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 </td> <td> <ul style="list-style-type: none"> Ready to use implant Very large needle : need of local anesthesia </td> </tr> </tbody> </table>	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
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Decapeptyl®: strong positions, and poised to grow

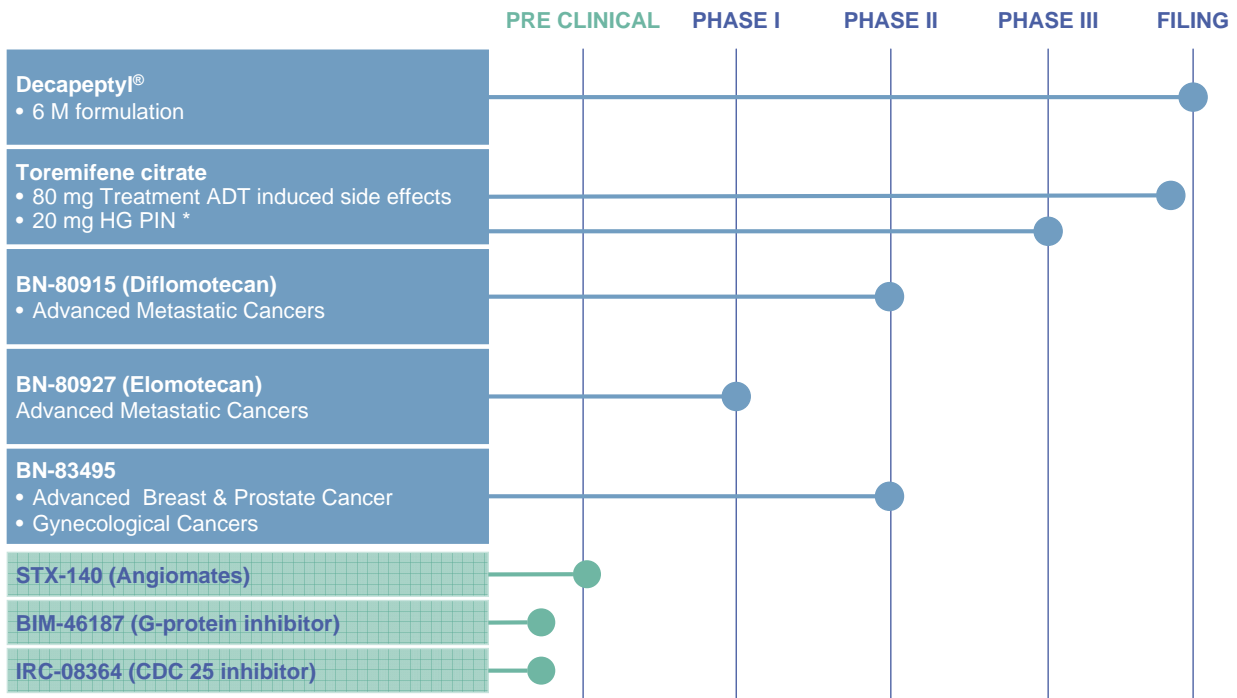
Current market share



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
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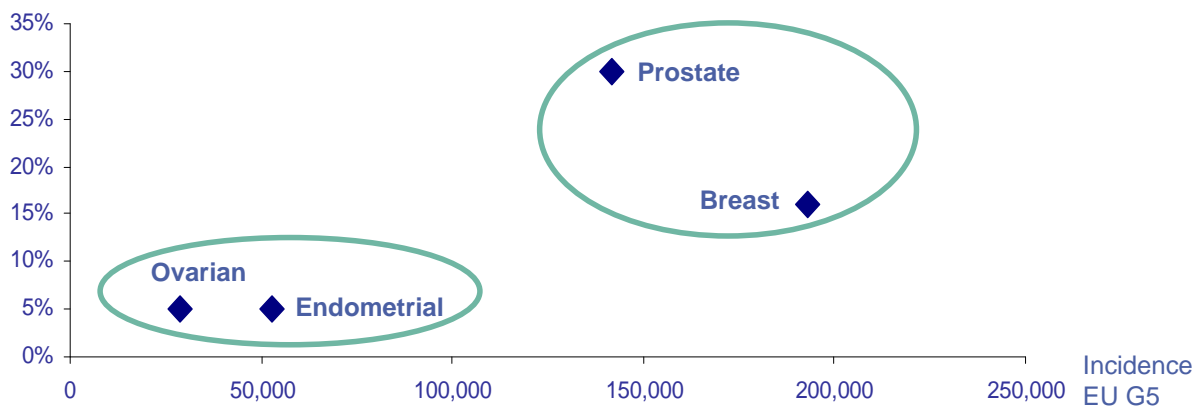
A promising Oncology pipeline



BN-83495

Moving up to higher prevalence diseases and higher unmet medical needs

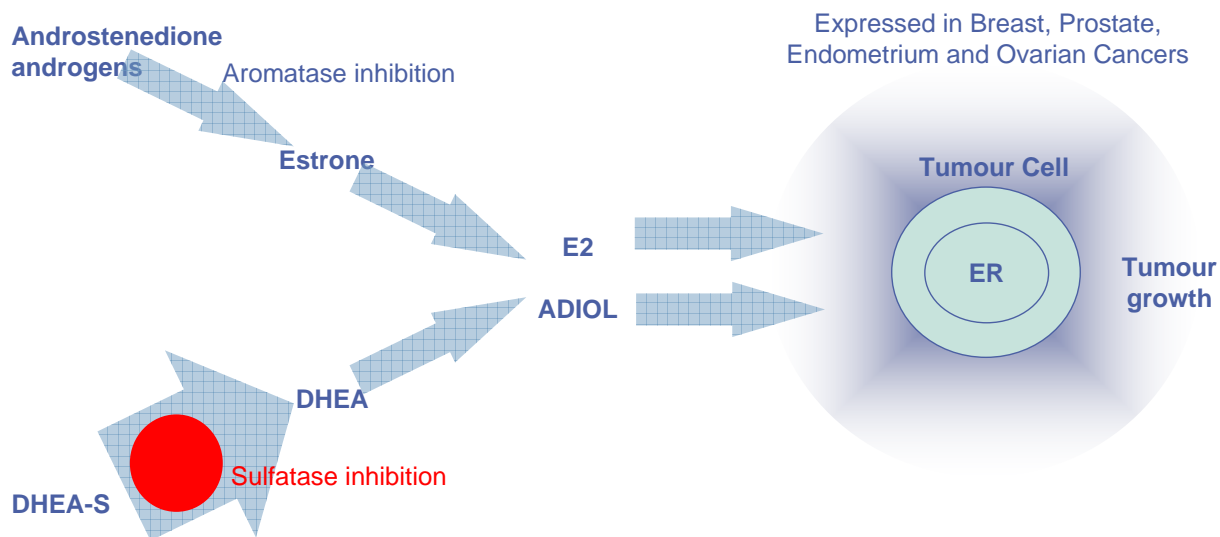
5 year survival stage IV disease



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

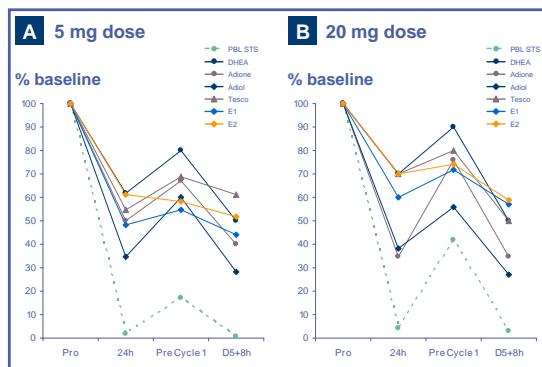
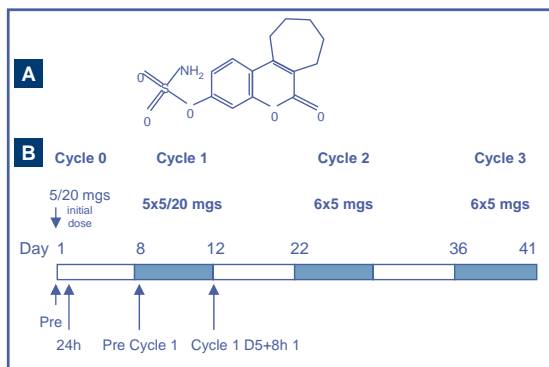


Adiol can bind to oestrogen receptor and stimulate tumour growth (90% Adiol derived from DHEA-S in post-menopausal women)

First clinical study in Breast Cancer patients

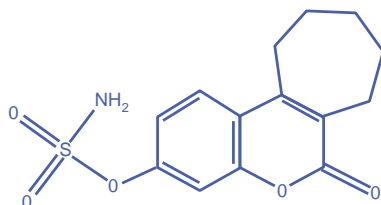
STS inhibition leads to significant reduction in circulating steroids and induces clinical benefit**

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

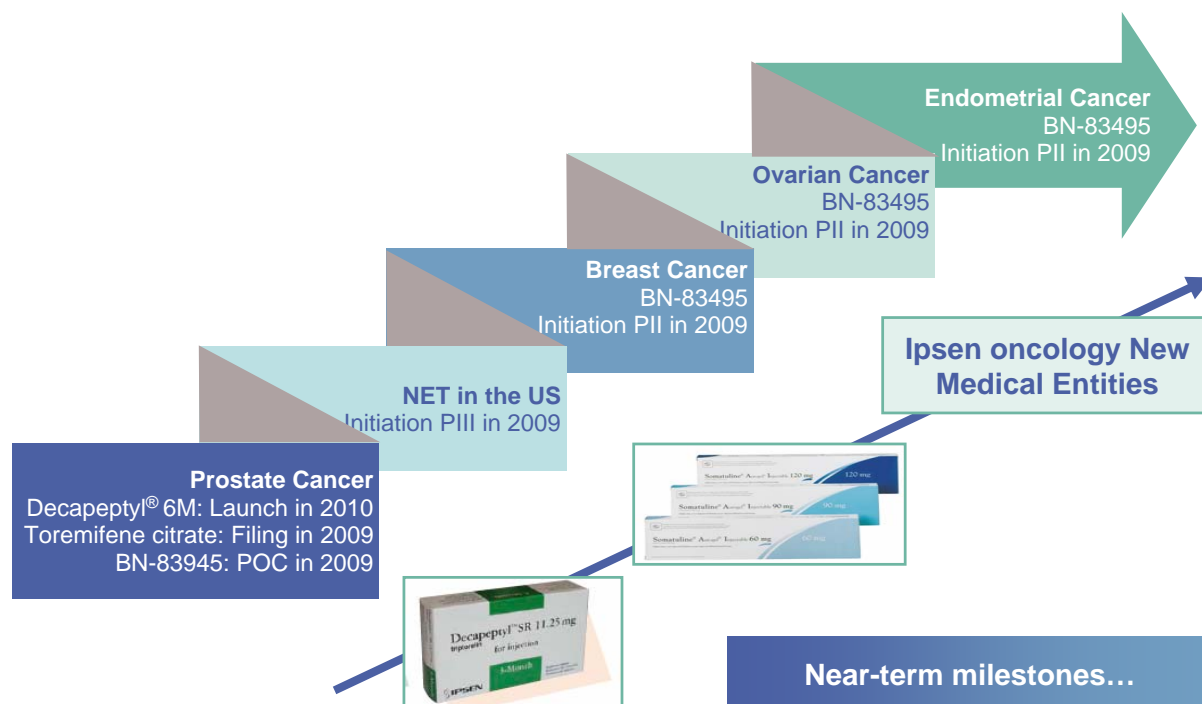
Early clinical POC in metastatic Breast Cancer

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

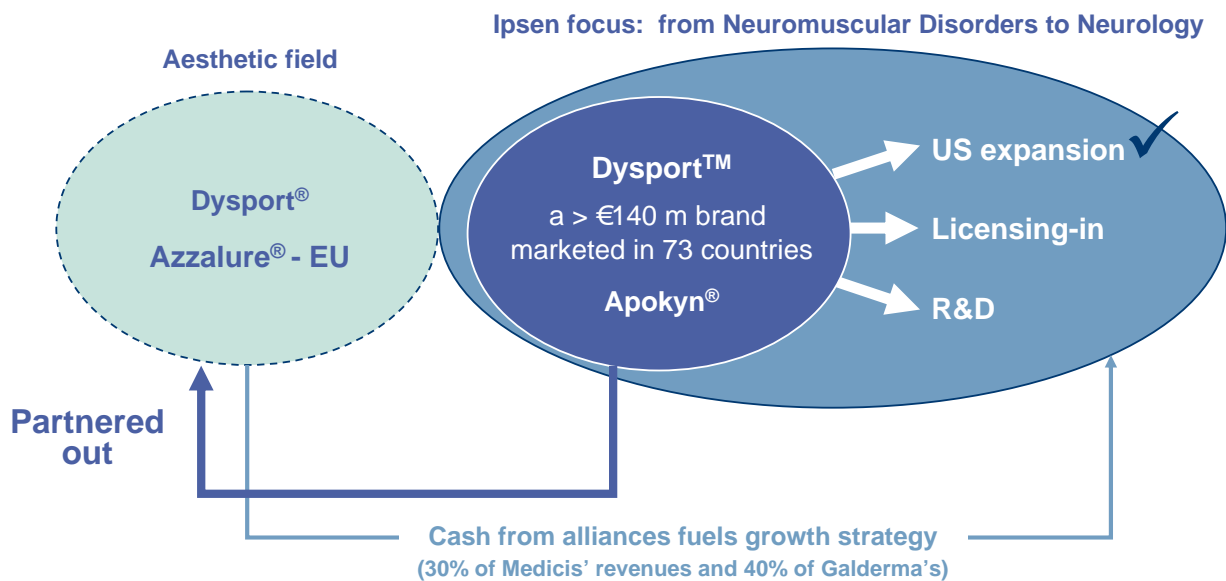
Confirming Ipsen as a leader in Hormone Dependent Cancers



From a Regional Neuromuscular Specialty to a Global Neurology Franchise

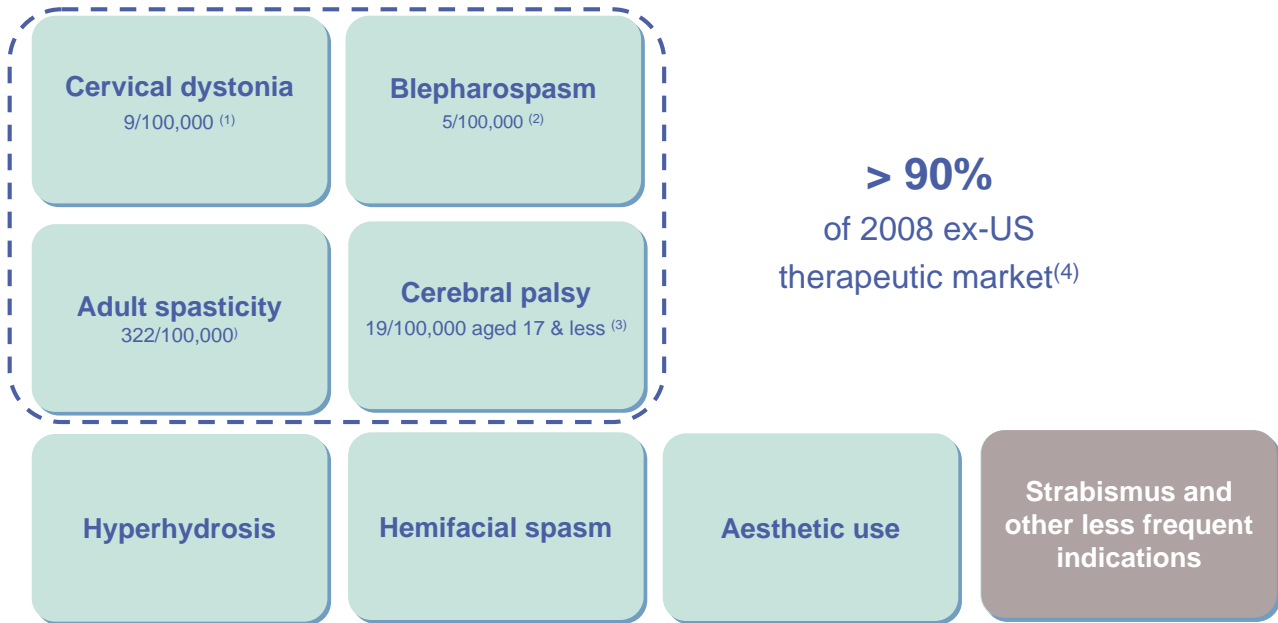


A specific therapeutic focus



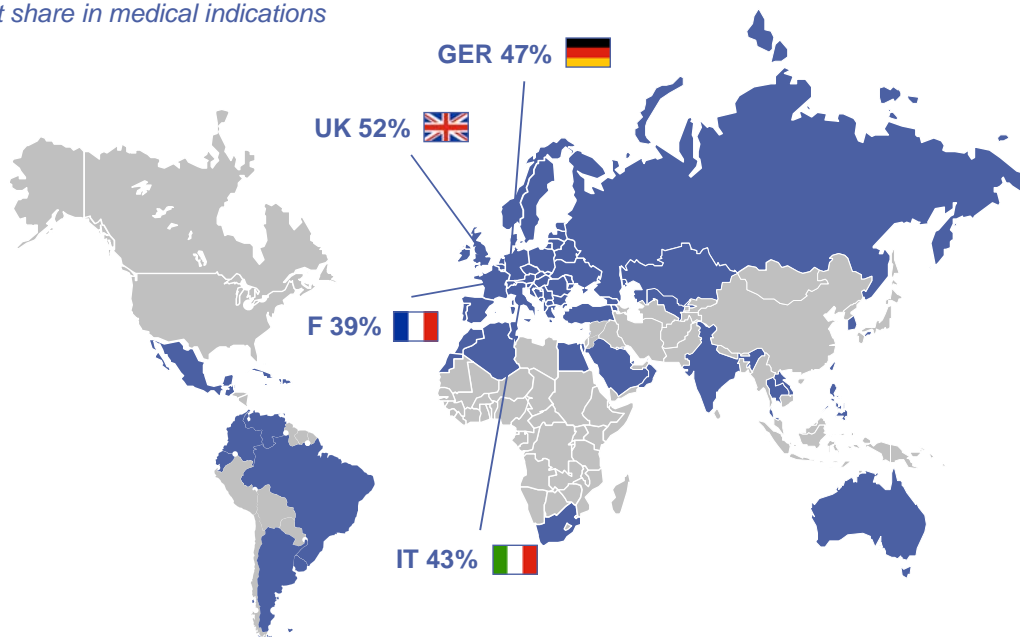
Dysport[®]: the cornerstone of a Neurology franchise

Dysport®: approved ex-US in most key indications



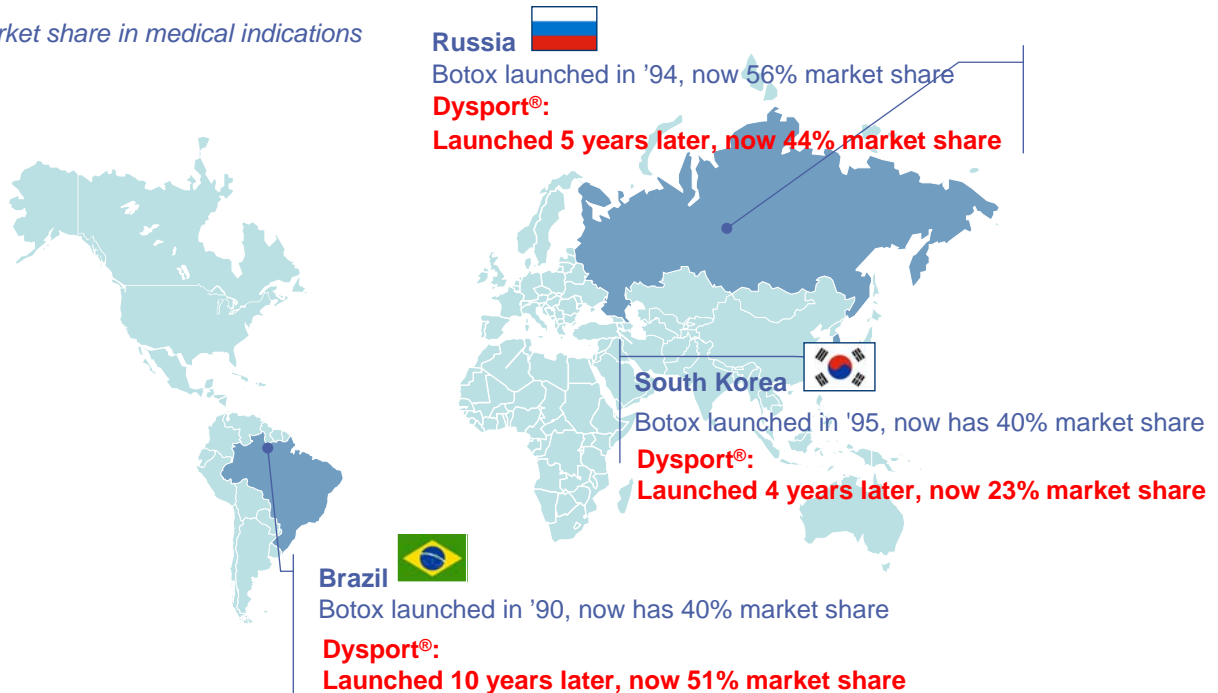
Dysport®: launched in 1991, approved in 73 countries

Market share in medical indications



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

First half 2009 achievements



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

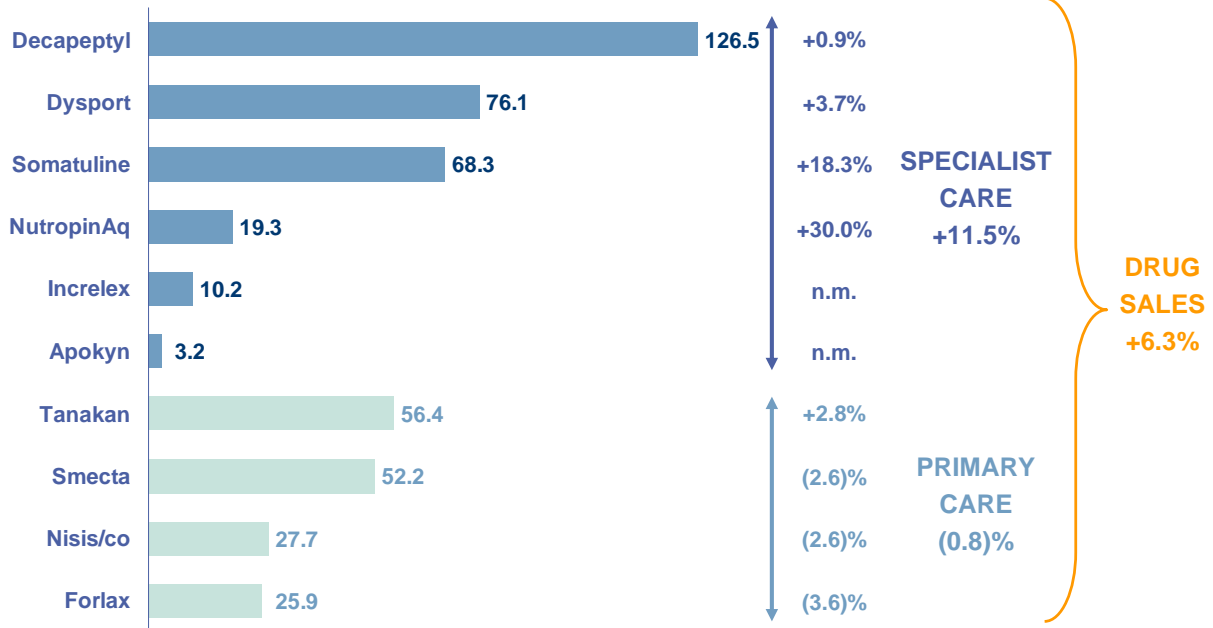
€147 m generated by operating activities, versus €124 m a year ago

€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

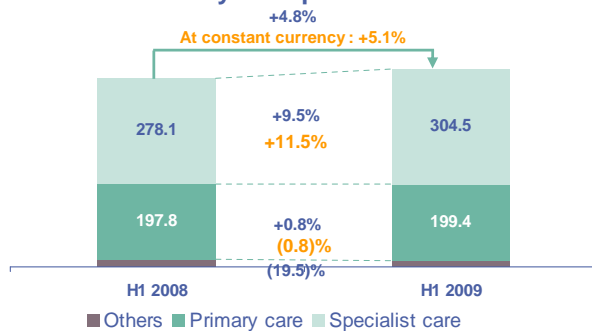
Sales in € million



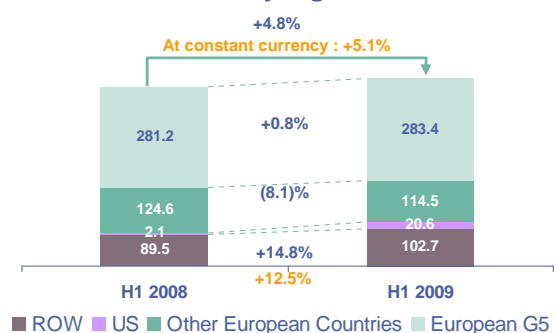
NOTE: % sales growth at constant currency

Top line evolution

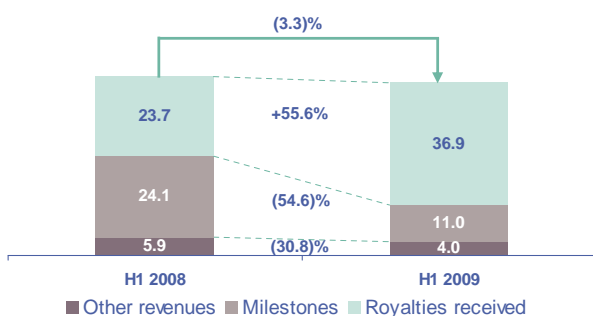
Sales by therapeutic area



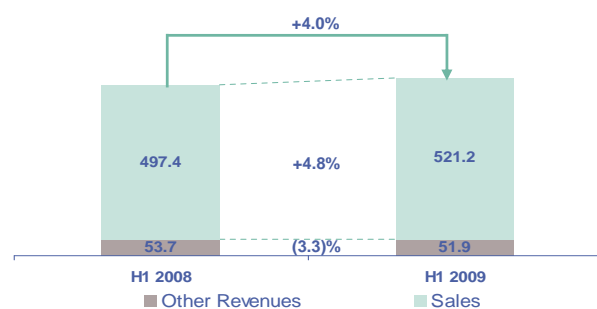
Sales by region



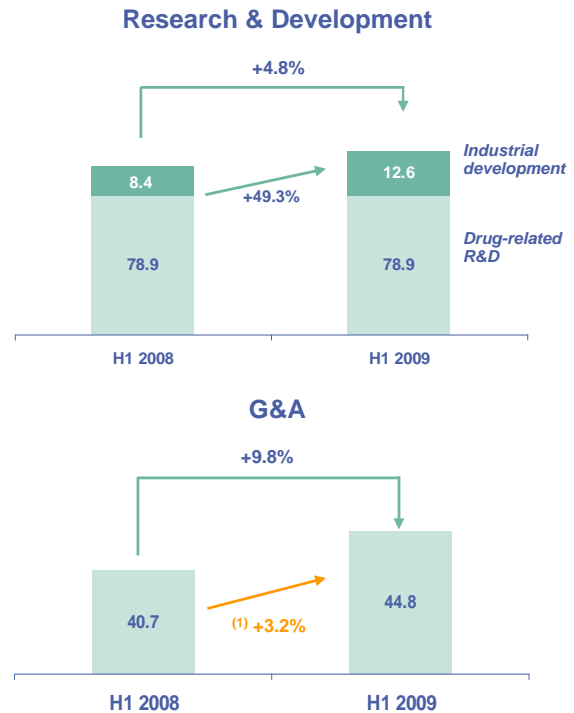
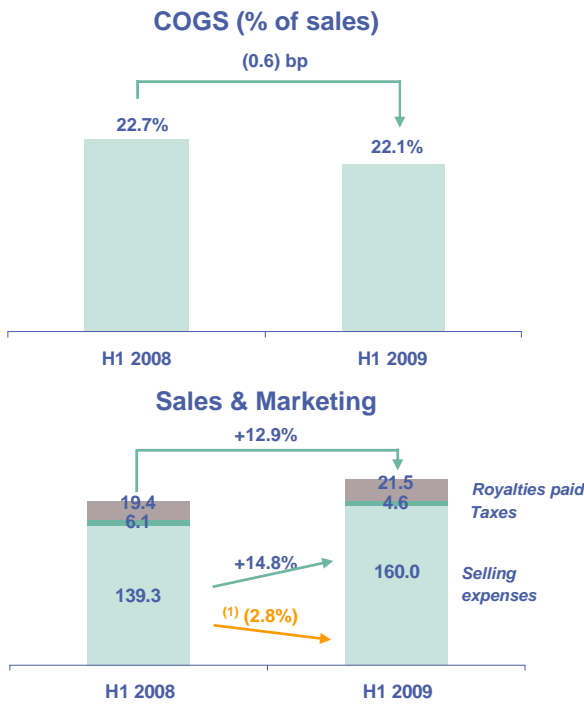
Other revenues evolution



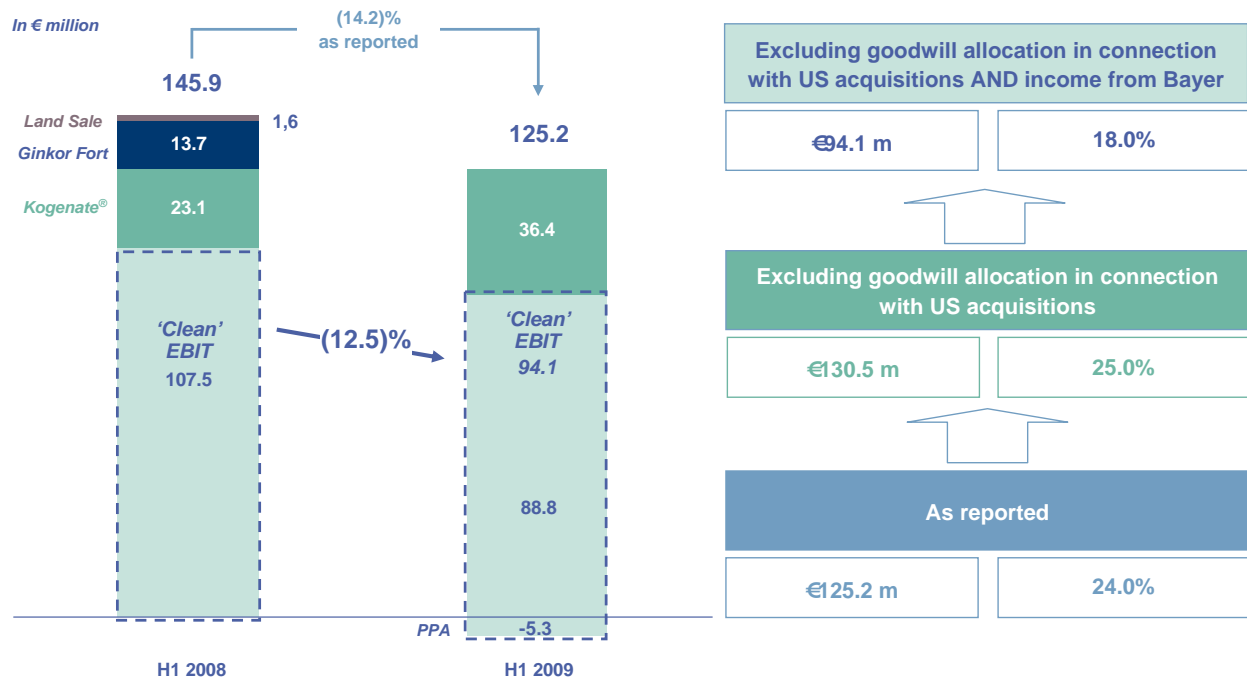
Total revenues evolution



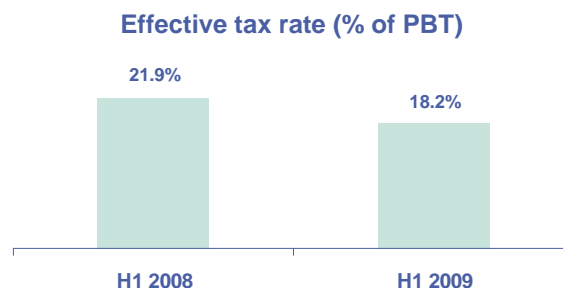
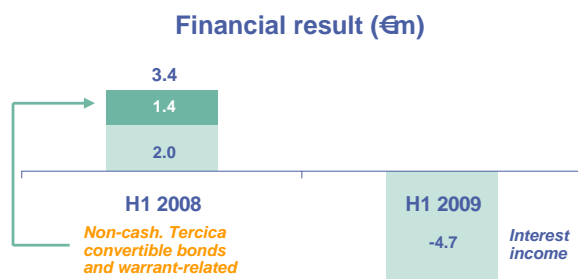
P&L – above EBIT



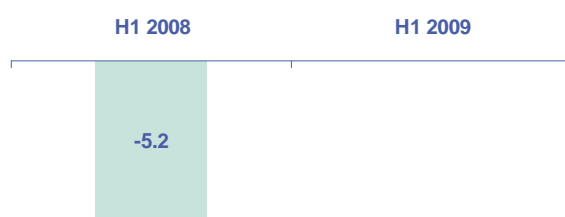
P&L - EBIT



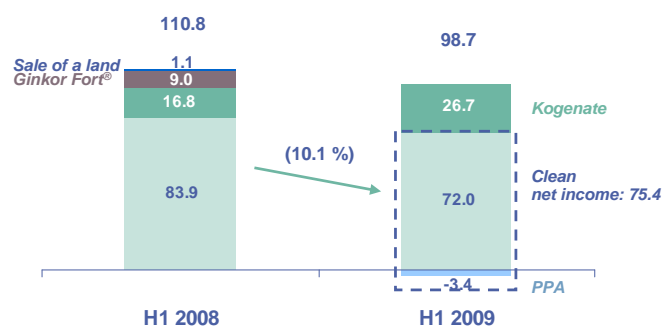
P&L – below EBIT



Income from Associates (€m)



Consolidated result (€m - group share)



Balance Sheet evolution

- In million of euros

	31 Dec 08	30 Jun 09
Goodwill	(¹) 290.8	290.8
Property, plans & equipments	237.9	244.7
Intangible assets	(¹) 232.9	239.3
Other non-current assets	(¹) 112.9	140.5
Total non-current assets	(¹) 874.5	915.3
Total current assets	(¹) 688.6	589.7
<i>Incl. cash and cash equivalents</i>	239.6	140.2
Assets / discontinued operations	1.3	0.7
Total assets	1 564,4	1 505.8
Net Cash	66.2	118.9

- In million of euros

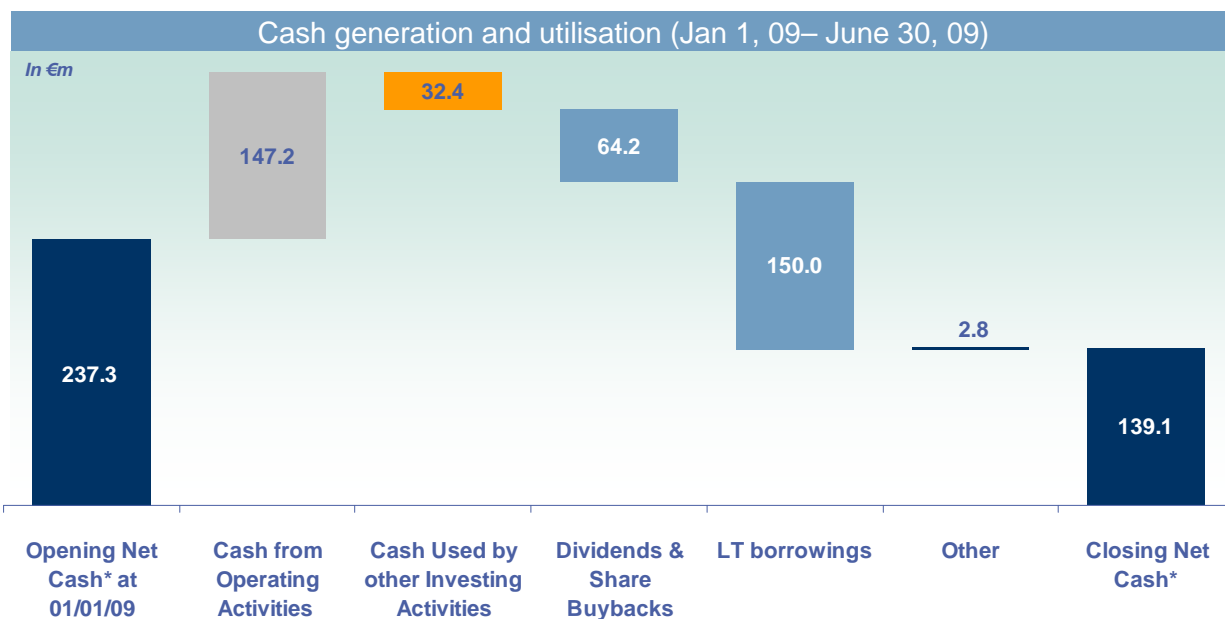
	31 Dec 08	30 Jun 09
Equity	(¹) 885.0	928.4
Minority interests	1.6	1.8
Total equity	(¹) 886.6	930.2
Long-term financial debts	160,4	12.7
Other non-current liabilities	(¹) 196,4	276.3
Short-term debts	8.3	8.0
Other current liabilities	307.8	275.1
Liabilities / discontinued operations	4.9	3.5
Total Liabilities	1 564,4	1 505.8

Cash flow statement

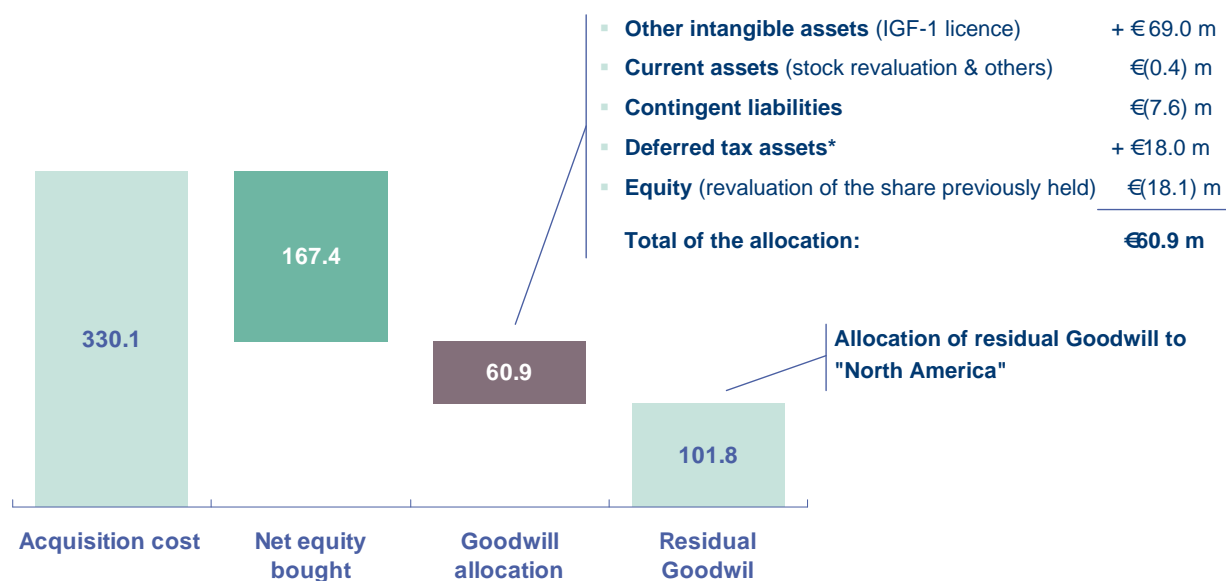
	30 Jun 08	30 Jun 09	Comments
<i>- In million of euros</i>			
Cash Flow before change in working capital	141.3	121.5	
- Increase / Decrease in working capital	(17.1)	25.7	▪ Deferred revenues net increase: €+56.7m (Medicis / Galderma)
Net cash flow generated by operating activities	124.1	147.2	▪ Receivables, payables, inventory and others: €-31.0m
Investment in intangible assets and property, plant & equipment	(34.2)	(25.6)	
Others	1.8	(6.8)	▪ Tangible assets: €-14.7m
Net cash flow used in investing activities	(32.4)	(32.4)	▪ Intangible assets: €-10.9m
Net change in borrowings	(9.8)	(159.4)	
Dividends paid	(55.2)	(58.2)	
Others	0.1	-	▪ reimbursement of credit facility: €150m
Net cash flow used in financing activities	(64.9)	(217.6)	▪ 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	

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