2009, confirming Ipsen’s biotech specialty care profile
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Objectives for today

1. 2009 achievements
2. 2009 detailed financials
3. US snapshot
4. Outlook
2009 achievements

Jean-Luc Bélingard
Chairman & CEO
Major initiatives, in a rigorous execution of the Group’s strategy

**Grow and Globalise Ipsen’s *specialty care* business**

- 4 products in the US, 3 global
- 6 products in launch phase
- Decapeptyl® 6M approved in Europe
- Rich phase II/III programmes
- Out licensing of non-core compounds

**Optimize Ipsen’s *primary care* business**

- Rich deal with Menarini on Adenuric®
- Promising headline results for taspoglutide (Roche)
- BLI-800 (Braintree)
## All key milestones delivered in 2009

### Phase I
- BIM-28131 (Ghrelin) Phase I initiation
- BN-83495 Phase I results Breast cancer

### Phase II/ III
- BN-83495 Phase II initiation Endometrial cancer
- IGF-I+GH co-admin Phase II interim results

### Regulatory
- Dysport® (aesthetics) FDA approval
- Dysport® (therapeutic) FDA approval
- Somatuline® Depot US NET Phase III initiation

### Launch
- Dysport® (aesthetics) Launch by Medicis
- Dysport® (therapeutic) Launch
- Azzalure® Approval in Europe
- Azzalure® Launch by Galderma
- Decapeptyl® 6 Months Approval
- Adenuric® Partnership(s) and launches

### Other
- BIM-23A760 Phase II initiation
- Dysport® (therapeutic) FDA approval
- Dysport® (aesthetics) Launch by Medicis
- Phase II interim results
- Phase III initiation
All financial objectives have been met in 2009

<table>
<thead>
<tr>
<th></th>
<th>Financial objectives Q1-09</th>
<th>Bayer Settlement</th>
<th>Financial objectives Q3-09</th>
<th>2009 performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug sales</td>
<td>+ 7.0 – 9.0%</td>
<td></td>
<td>+ 7.6%</td>
<td></td>
</tr>
<tr>
<td>Other Revenues</td>
<td>Around €45m</td>
<td></td>
<td>Approx. €80m</td>
<td>€79.6 millions</td>
</tr>
<tr>
<td>Adjusted operating margin(^1)</td>
<td>14.0%</td>
<td></td>
<td>17.0 – 17.5%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Normative Tax rate</td>
<td>18.0 - 20.0%</td>
<td></td>
<td></td>
<td>6.3%</td>
</tr>
</tbody>
</table>

NOTE 1: in percentage of sales, prior to any accounting implications in connection with the purchase accounting of its acquisitions in North America
A strong profitability in 2009

A strong EPS performance in 2009

... driven by...

- A fast growing specialty care activity
- Strong partnerships
- Continued cost control initiatives
- Efficient tax optimization
- Successful outcome of Bayer dispute

... despite...

- Economic conditions in Eastern Europe
- 4 products in launch phase in the US
- Price and generic pressure in Primary care
- Increased R&D footprint
Ipsen continues to outgrow its main competitors

- 2009 sales of Dysport®
  +18.0% y-o-y at constant currency

- 2009 sales of Somatuline®
  +18.2% y-o-y at constant currency

- 2009 sales of NutropinAq®
  +26.5% y-o-y at constant currency

Strong and continued specialty care dynamics
  +13.9% y-o-y at constant currency
2009 detailed financial performance

Claire Giraut
Chief Financial Officer
Top line evolution

Sales by therapeutic area

Sales by region

Other revenues evolution

Total revenues evolution

Drug related
Primary care
Specialist care
ROW
North America
Other European Countries
European G5

Other revenues
Milestones
Royalties received
Other Revenues
Sales

FULL YEAR 2009 RESULTS
Evolution of main P&L expenses

**COGS (% of sales)**

- 2008: 22.7%
- 2009: 23.0%

**Research & Development**

- 2008: 166.9%
- 2009: 163.1%

**Sales & Marketing**

- 2008: 355.0
- 2009: 396.1
  - Royalties paid: +8.9%
  - Taxes: +12.7%
  - Selling expenses: +11.6%

**G&A**

- 2008: 85.8
- 2009: 88.5
  - (2) (0.4)%
  - +3.1%

**NOTE 1**: Adjusted for the impacts related to purchase price accounting in connection with the Group’s acquisitions.

**NOTE 2**: in orange: outside North America.
P&L – 2009 operating result and margin

- Reported operating result: €172.5 m, 16.7%
- Adjusted Operating Result: €183.6 m, 17.8%
- Recurring Adjusted Operating Result: €144.4 m, 14.0%

Purchase Price Allocation impacts: - €(11.1) m
Net impact of Kogenate settlement: - €39.2 m

Margins expressed in % of sales
P&L – below EBIT

Financial result (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-cash, Tercica convertible bonds and warrant-related</th>
<th>Interest income</th>
<th>Total (Non-cash, Interest income)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>11.9</td>
<td>6.0</td>
<td>17.9</td>
</tr>
<tr>
<td>2009</td>
<td>6.0</td>
<td>5.9</td>
<td>11.9</td>
</tr>
</tbody>
</table>

Effective tax rate

- 2008: 18.9%
- 2009: 12.9%

Income from Associates (€m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income from Associates</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>(10.8)</td>
</tr>
<tr>
<td>2009</td>
<td>0.0</td>
</tr>
</tbody>
</table>

Consolidated result (€m - group share)

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>Total (EPS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>1.74</td>
<td>146.6</td>
</tr>
<tr>
<td>2009</td>
<td>1.86</td>
<td>156.6</td>
</tr>
</tbody>
</table>

NOTE 1: Adjusted for the impacts related to purchase price accounting in connection with the Group’s acquisitions
## Balance Sheet evolution

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 08</th>
<th>31 Dec 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goodwill</td>
<td>290.8</td>
<td>290.2</td>
</tr>
<tr>
<td>Property. plans &amp; equipments</td>
<td>237.9</td>
<td>251.8</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>232.9</td>
<td>237.0</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>112.9</td>
<td>145.5</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>874.5</td>
<td>924.5</td>
</tr>
<tr>
<td>Total current assets</td>
<td>688.6</td>
<td>652.4</td>
</tr>
<tr>
<td>Incl. cash and cash equivalents</td>
<td>239.6</td>
<td>218.6</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>1.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Total assets</td>
<td>1,564.4</td>
<td>1,576.9</td>
</tr>
<tr>
<td>Net Cash</td>
<td>66.2</td>
<td>185.6</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>31 Dec 08</th>
<th>31 Dec 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equity</td>
<td>885.0</td>
<td>982.6</td>
</tr>
<tr>
<td>Minority interests</td>
<td>1.6</td>
<td>1.7</td>
</tr>
<tr>
<td>Total equity</td>
<td>886.6</td>
<td>984.3</td>
</tr>
<tr>
<td>Long-term financial debts</td>
<td>162.7</td>
<td>12.2</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>194.2</td>
<td>270.3</td>
</tr>
<tr>
<td>Short-term debts</td>
<td>10.6</td>
<td>21.4</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>305.4</td>
<td>286.7</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>4.9</td>
<td>2.0</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>1,564.4</td>
<td>1,576.9</td>
</tr>
</tbody>
</table>

### Notes
- **Net Cash** includes cash and cash equivalents.
- **Total Liabilities** includes discontinued operations.
Significant increase of partnership related deferred revenues

**Total Milestones cashed-in but not yet recognised as revenues**

<table>
<thead>
<tr>
<th>Year</th>
<th>Payments recognised as revenues in n+2 and beyond</th>
<th>Payments recognised as revenues in n+1</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>146.2</td>
<td>19.5</td>
</tr>
<tr>
<td>2009</td>
<td>203.9</td>
<td>26.4</td>
</tr>
</tbody>
</table>

- **+37.0%**
- **+39.5%**
- **+35.4%**

**Main milestones cashed-in in 2009**

**May**
- Medicis: $75m upon approval of Dysport®

**March - September**
- Galderma: €20m upon approval and launches of Azzalure®

**October**
- Menarini: €20m upon signing of partnership for Adenuric®
<table>
<thead>
<tr>
<th>Cash Flow statement</th>
<th>31 Dec 08</th>
<th>31 Dec 09</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash Flow before change in working capital</strong></td>
<td>196.3</td>
<td>192.7</td>
</tr>
<tr>
<td>- Increase/ Decrease in working capital</td>
<td>7.4</td>
<td>64.9</td>
</tr>
<tr>
<td><strong>Net cash flow generated by operating activities</strong></td>
<td>203.7</td>
<td><strong>257.6</strong></td>
</tr>
<tr>
<td>Investment in tangible assets</td>
<td>(61.4)</td>
<td>(40.3)</td>
</tr>
<tr>
<td>Investment in Intangible assets</td>
<td>(33.8)</td>
<td>(24.7)</td>
</tr>
<tr>
<td>Others</td>
<td>(190.3)</td>
<td>(6.3)</td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(285.5)</td>
<td>(71.3)</td>
</tr>
<tr>
<td>Net change in borrowings</td>
<td>141.0</td>
<td><strong>(151.3)</strong></td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(55.0)</td>
<td>(58.0)</td>
</tr>
<tr>
<td>Others</td>
<td>(7.0)</td>
<td>(5.4)</td>
</tr>
<tr>
<td><strong>Net cash flow used in financing activities</strong></td>
<td>79.0</td>
<td>(214.8)</td>
</tr>
<tr>
<td>Discontinued operations</td>
<td>0.7</td>
<td>(1.0)</td>
</tr>
<tr>
<td><strong>Change in cash and cash equivalent</strong></td>
<td>(2.1)</td>
<td>(29.5)</td>
</tr>
<tr>
<td>Impact of exchange rate fluctuations</td>
<td>(1.5)</td>
<td>(2.4)</td>
</tr>
<tr>
<td><strong>Closing cash &amp; cash equivalents</strong></td>
<td><strong>237.3</strong></td>
<td>205.4</td>
</tr>
<tr>
<td><strong>Closing Net Cash</strong></td>
<td><strong>66.2</strong></td>
<td><strong>185.6</strong></td>
</tr>
</tbody>
</table>
A focus on the performance of Ipsen’s US franchise

Christophe Jean
Chief Operating Officer
US platform integrated and fully operational

Strong and experienced management team:
New President and General Manager (May 2009)
New leadership team in key positions (Clinical & Medical Affairs, legal, HR, …)

Fully operational managed care organisation (22 FTEs), including Payer Relation Management

Customer support programs in place, essential to US success
Implementing PACE program (Patient assistance, Access to services, Continuity of care, Education) for each product

Full clinical development and regulatory capability in the US allowing for global developments of key programs

4 products now marketed, promoted by a Sales Force of 75
Somatuline® Depot market in the US

US Market structure and # patients

- Good penetration of Somatuline® Depot
  - 20% share\(^2\) of endocrinologists prescriptions
  - 40% market share\(^2\) in pituitary centers
- Significant pool of untreated patients
- Relatively low compliance compared to Europe

Drive Somatuline® Depot as first line recommendation in Pituitary centers and Endocrinologists

Drive Somatuline® Depot access and persistence

NOTE 1: Prevalence of 60 per million
NOTE 2: Q409 market share established by Wolters Kluwer

patients undergoing surgery

Patients not requiring medical treatment

Patients treated in Centers, by endocrinologists

Patients treated by other specialists

Patients not treated

Patients not requiring drug treatment

Estimated US Acromegaly patients\(^1\)

No medical treatment

FULL YEAR 2009 RESULTS
Snapshot on Increlex® and Dysport®

**Increlex®**
- Established treatment option:
  Number of SMN1s up more than 31% year-on-year
- Establishment of specialized Reimbursement & Endocrinologist dedicated support teams
- +40% increase in sales in 2009
- 30% decrease in patient drop out rate in 2009

**Dysport®**
- Great interest from commercial payors
  - Dysport® enjoys an 85% coverage rate (commercial) and a 100% coverage rate (government)
- Fully integrated in US reimbursement system
  - Dysport®’s J-Code secured for March 2010
- Excellent brand awareness
  - Dysport® known by more than 80% of target prescribing population at launch
- Higher-than-expected success of sampling campaign
  - Dysport® requested by twice as many neurologists as originally anticipated

NOTE 1: Statement of Medical Necessity
A change in US context

- Difficult economic situation impacting finances of patients
- Increased pressure from commercial payers with tougher reimbursement criteria
- Enforcement of strict compliance environment
Outlook

Jean-Luc Bélingard
Chairman & CEO
### Top line objectives for 2010

**Close to double digit Reported Speciality Care drug sales**

- **Double digit in-market Speciality Care drug sales**
- **Positive**:
  - Dynamic international markets
  - Launch of Decapeptyl 6 month in Europe
  - Continued expansion of its US platform
- **Negative**:
  - Slower growth in Eastern Europe
  - Transition of aesthetic activities to partners
  - Changing US market conditions

**Primary Care drug sales to decrease by (5) to (7)% year-on-year**

- **Positive**:
  - International markets from increasing to c.50% from 45% of total Primary Care drug sales
- **Negative**:
  - French primary care environment

**Group Drug Sales growth between 3.0 and 5.0% year-on-year**

**Other Revenues close to €50 million depending on the performance of the Group’s partners**

The above objectives are set at constant currency.
Profitability objectives for 2010

The Group targets an increase of its adjusted operating result and a relative stability of its consolidated income in a context of a significantly expanded R&D footprint.

2010 objective excludes any potential non recurring items

Recurring adjusted operating result

- 2009 recurring adjusted operating income: 144.4
- 2010 adjusted operating income objective: ~15% growth

Fully diluted adjusted EPS

- 2009 recurring adjusted EPS: 1.60
- 2010 adjusted EPS objective: Stability
In the longer term...

July 2008  2009  2010  2011  Longer term

**High US double-digit growth**
- coupled with significant profitability improvements

**Continued US penetration**
- with 4 marketed specialty care products,
  - of which Dysport® just recently launched

**Financial crisis**
- profound changes in global equilibrium
- and macroeconomic conditions

**Increased primary care competitive environment**

The Group today cannot confirm its 2011 and 2012 perspectives, or at least their timeframe.
A rich newsflow in 2010, already initiated

**Clinical development**

- **BIM-28131 (Ghrelin)**
  - Phase I
  - **Taspoglutide**
    - Phase III results
    - Diabetes

- **IGF-I+GH co-admin**
  - Phase II
  - Data available
  - **OBI-1**
    - Phase III

- **BIM 23A760**
  - Phase II initiation (WW)
  - **Dysport®**
    - Phase III initiation (US)
    - Adult+children lower limb spasticity
  - **Tanakan®**
    - Phase III data available
    - (GuidAge®)

**Regulatory / Launch**

- **Somatuline® Depot**
  - US filing
  - Extended Dosing Interval

- **Somatuline® Autogel®**
  - Launch in Russia
  - Acromegaly + NET

- **Decapeptyl® 3 Months**
  - Launch in China
  - Prostate cancer

- **Decapeptyl® 6 Months**
  - Launch in Europe

- **Adenuric®**
  - Launch

**Continuous and rigorous execution of Ipsen’s strategy**

- Specialty care growth & globalization, and increase in R&D efficacy
- Primary care contribution optimization