

# Confirming Ipsen's specialist care globalisation

## 2009 Full Year Results Road Show March 08, 2010

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Mrs. Claire Giraut - EVP Administration and Finance  
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Mr. Pierre Kemula – Investor Relations Manager



## Disclaimer

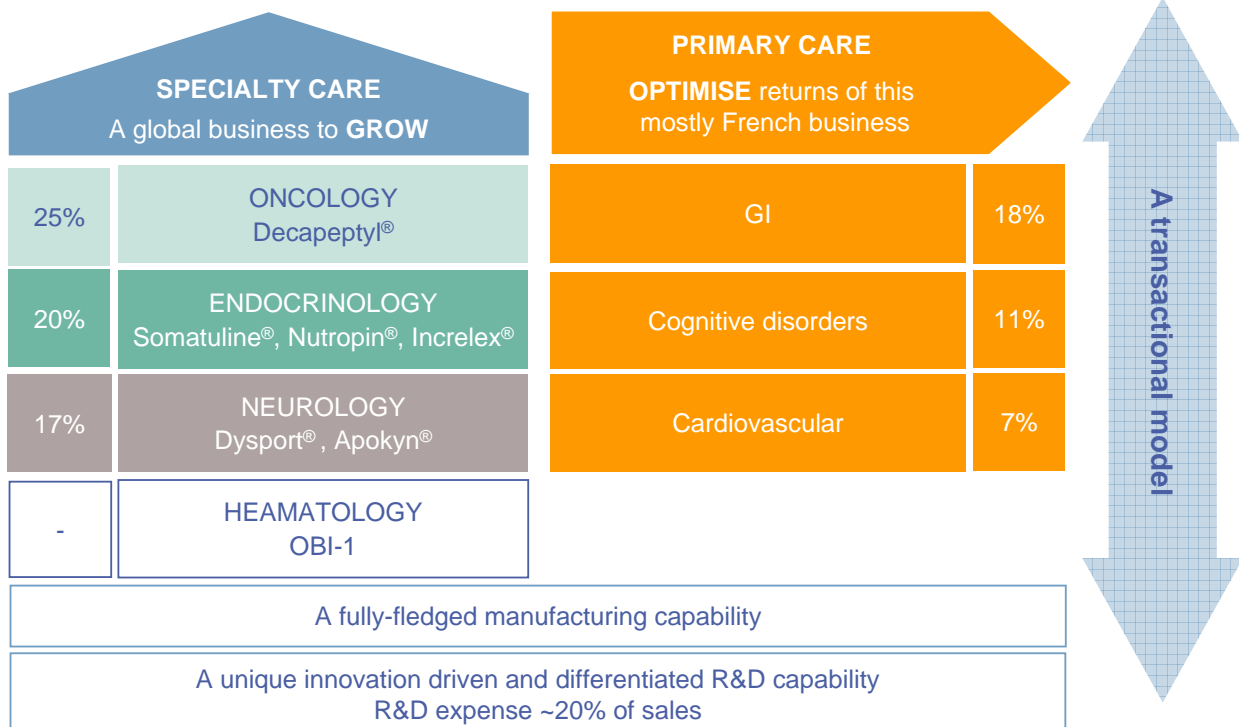
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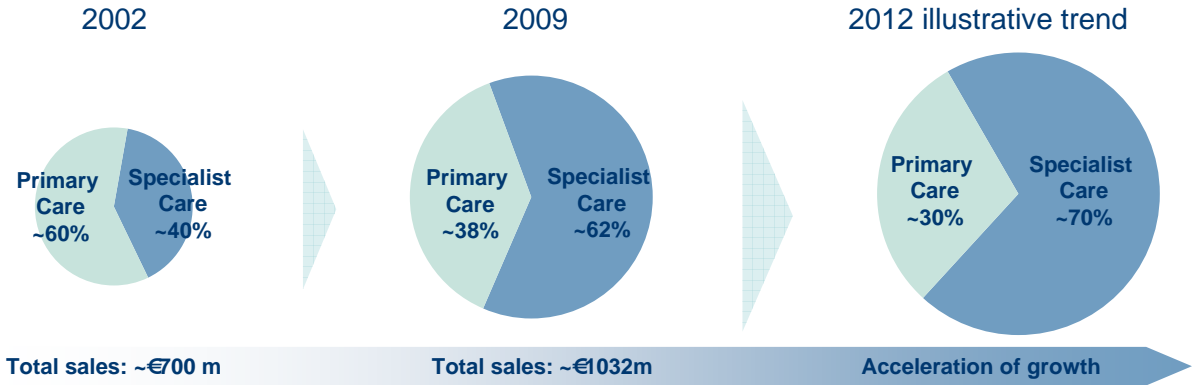
# Introduction



## Ipsen today : a global, innovation driven, specialty pharma

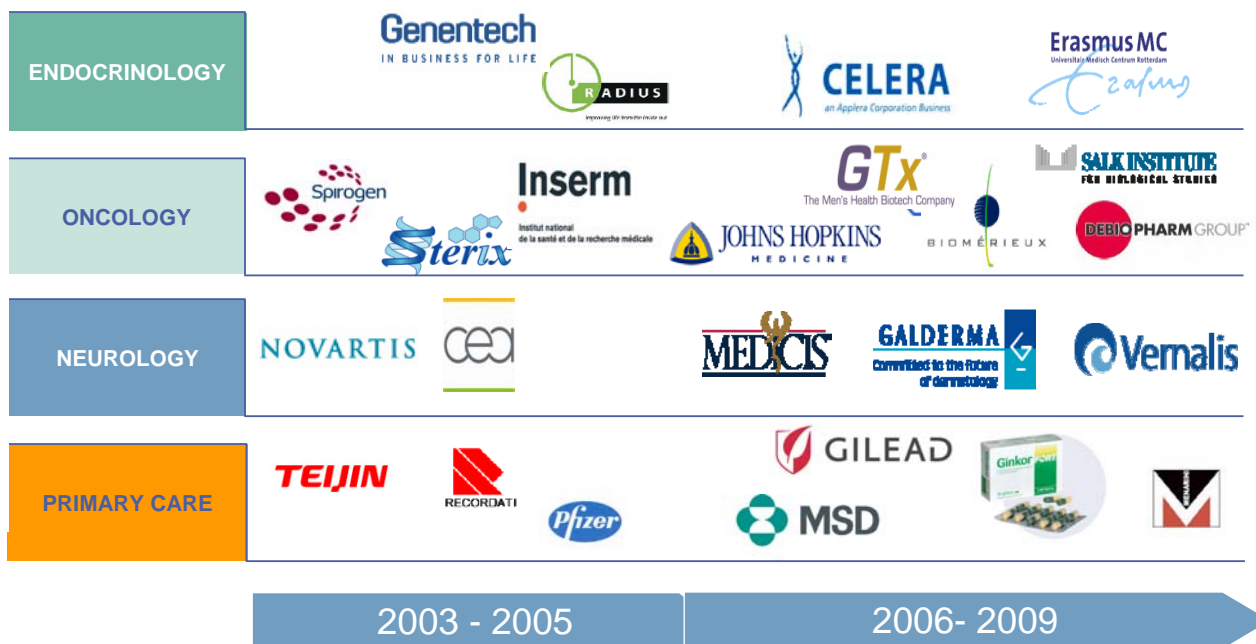


## A reinforced profile



## Confirming Ipsen's biotech specialty care profile

## An increasingly transactional model



## Truly Differentiated R&D Capabilities

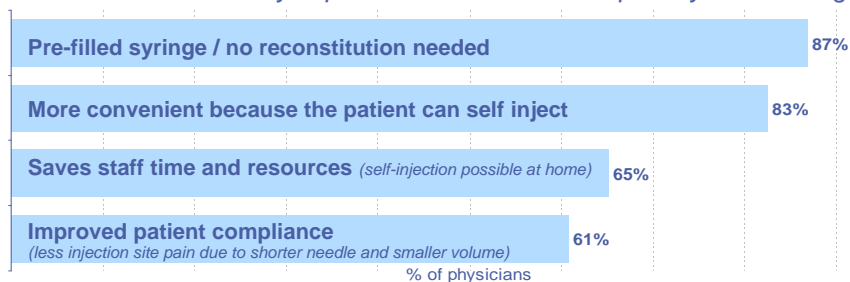


### Example 1 : Somatuline<sup>®</sup> Depot, an improved presentation

	Sandostatin LAR <sup>®</sup>	Somatuline <sup>®</sup> Autogel <sup>®</sup>
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<sup>®</sup> Depot to your acromegaly patients?\*\*\*

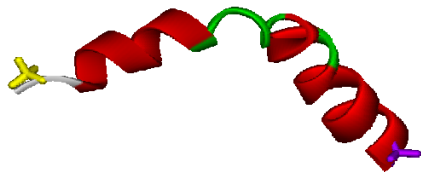


\* In selected countries

## 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

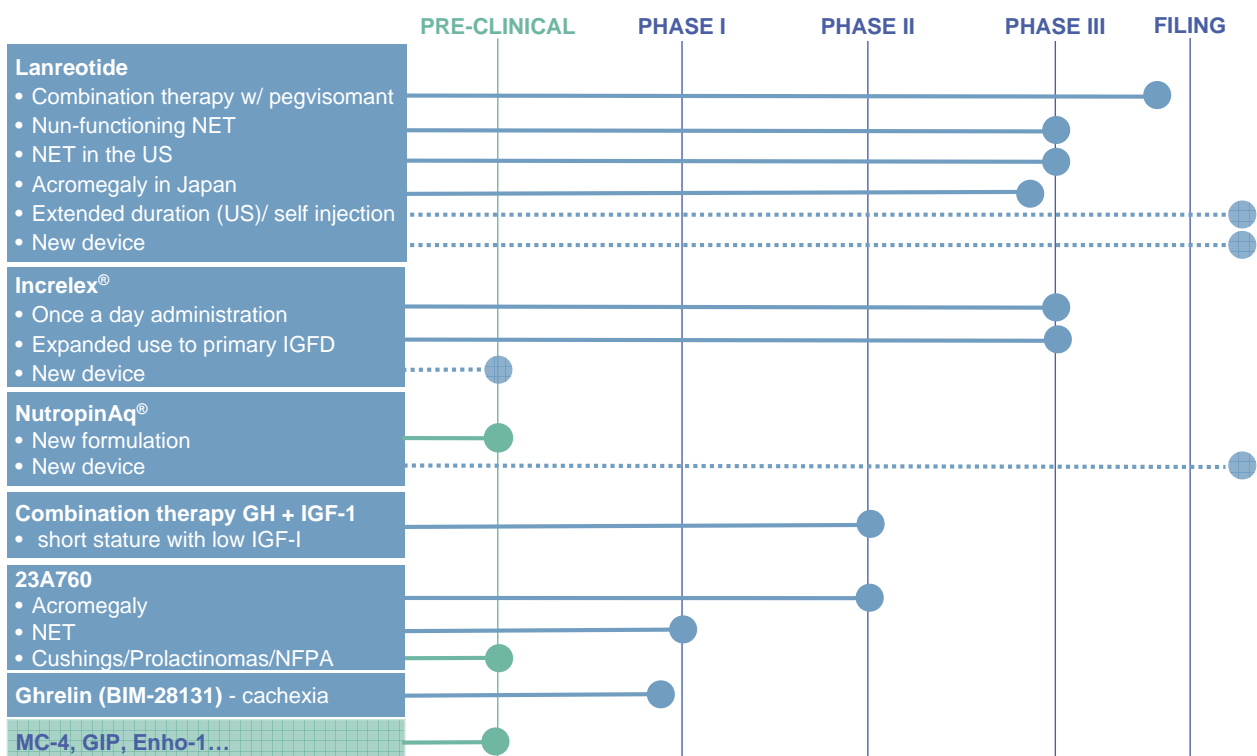


### Expected needle gauge

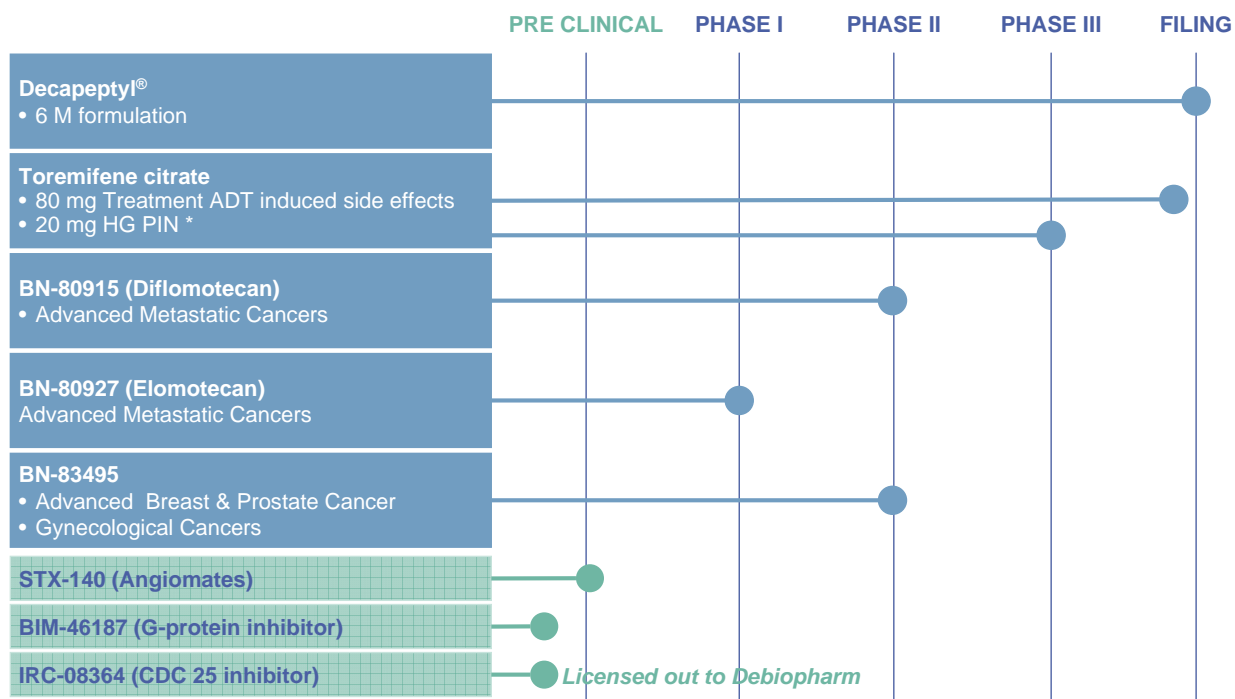
- (LAR) → 23G  
Quarter inch long
- Taspoglutide Liquid SRF → 29G  
**Insulin type needle** for subcutaneous injection

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

## A rich endocrinology pipeline

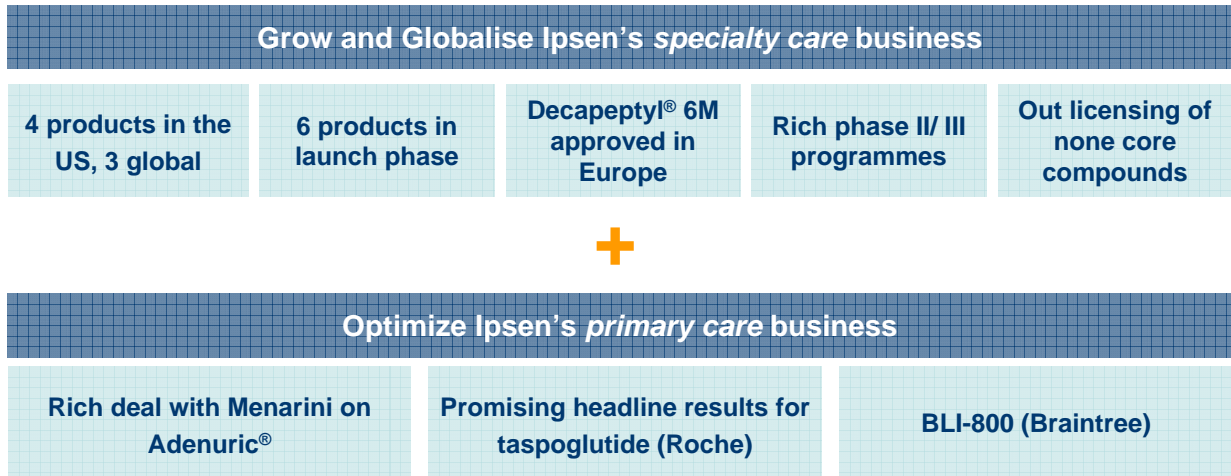


## A promising Oncology pipeline

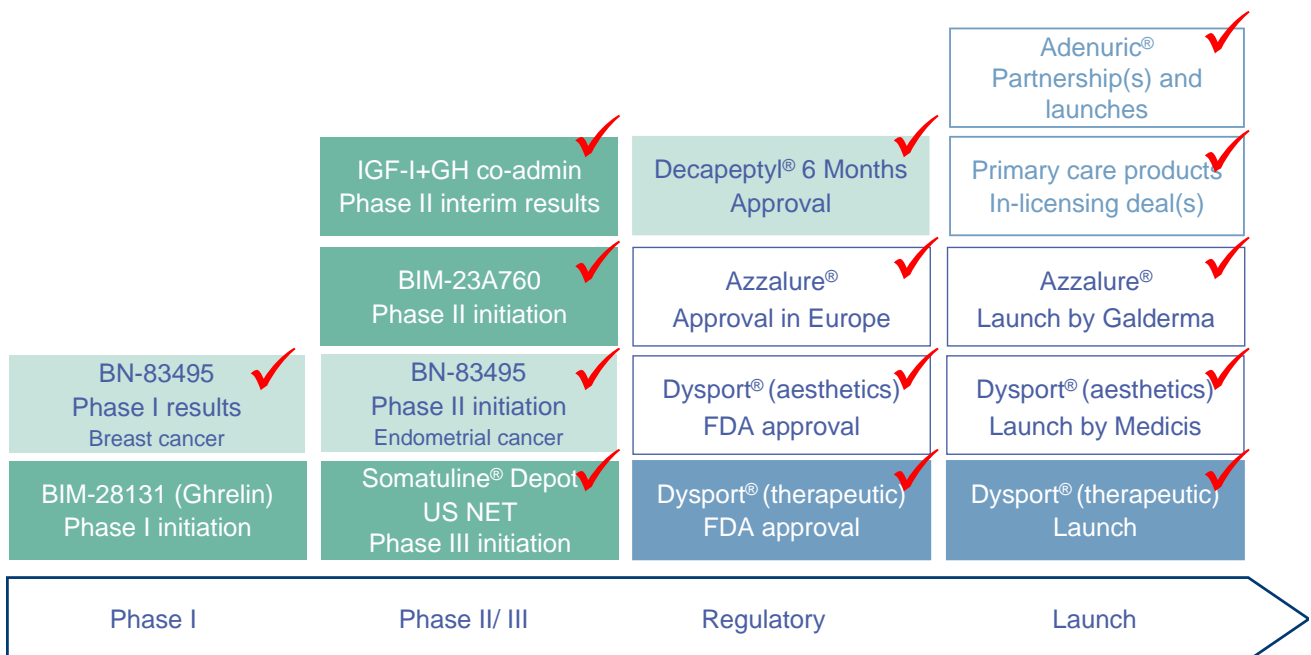


## Progress and Outlook

## 2009: major initiatives, in a rigorous execution of the Group's strategy



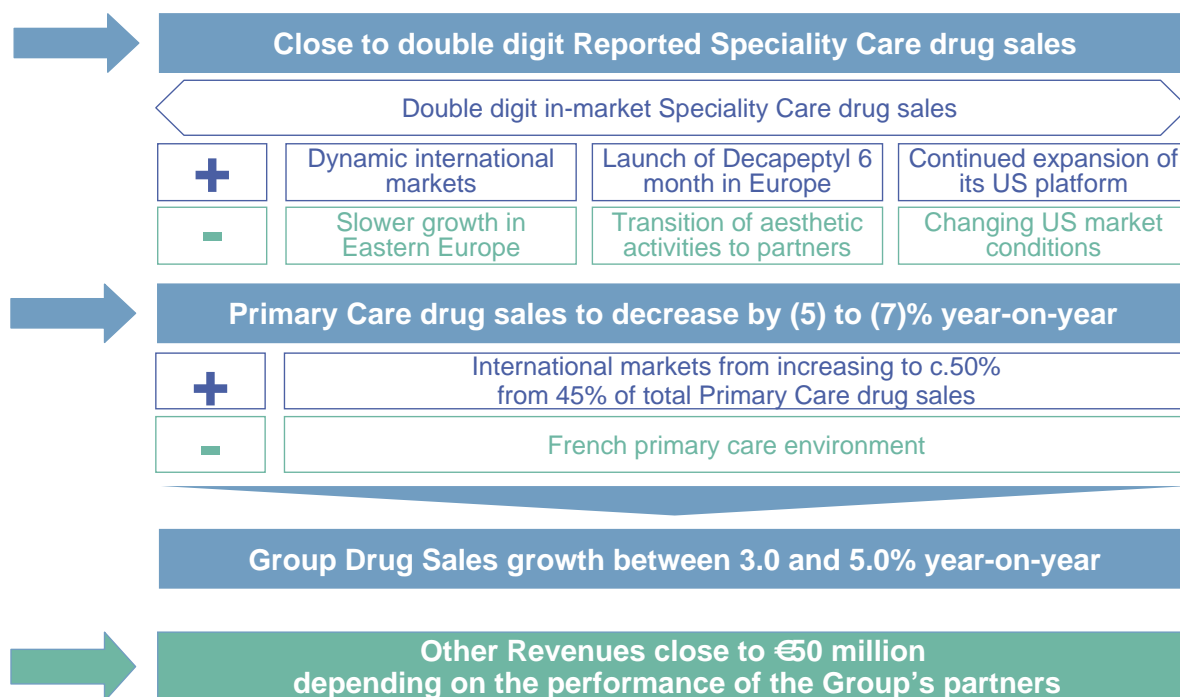
## All key milestones delivered in 2009



## All financial objectives have been met in 2009

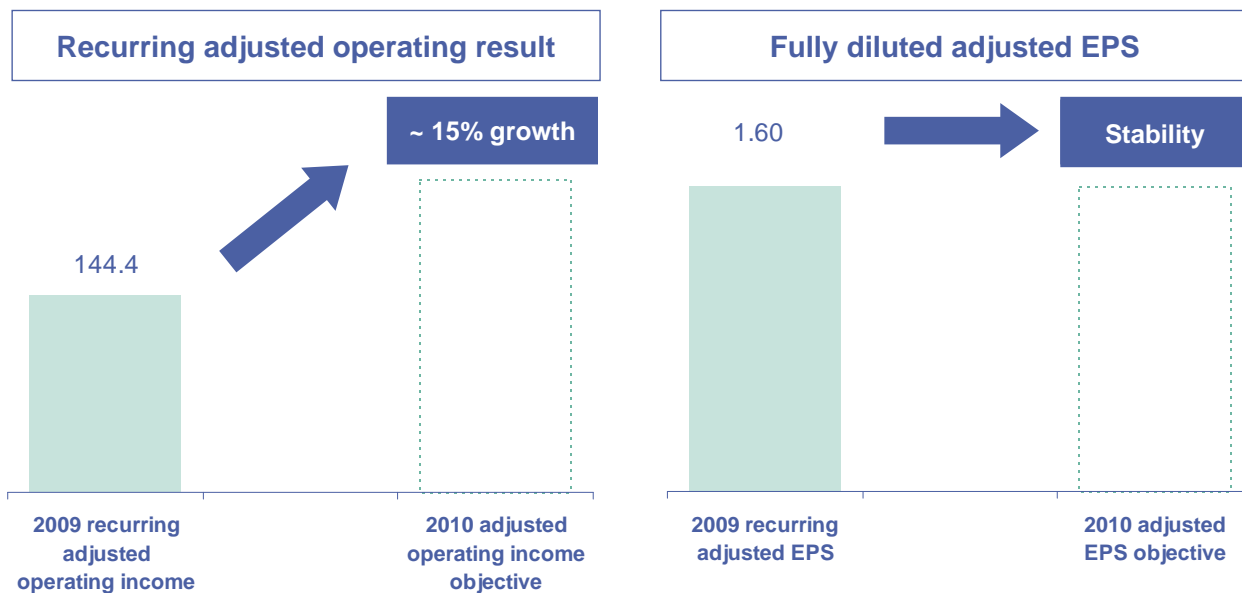
	Financial objectives Q1-09	<i>Bayer Settlement</i> → Financial objectives Q3-09	2009 performance
Drug sales	+ 7.0 – 9.0%		+ 7.6% ✓
Other Revenues	Around €45m	Approx. €30m	€9.6 millions ✓
Adjusted operating margin <sup>1</sup>	14.0%	17.0 – 17.5%	17.8% ✓
Normative Tax rate	18.0 - 20.0%		6.3% ✓

## Top line objectives for 2010



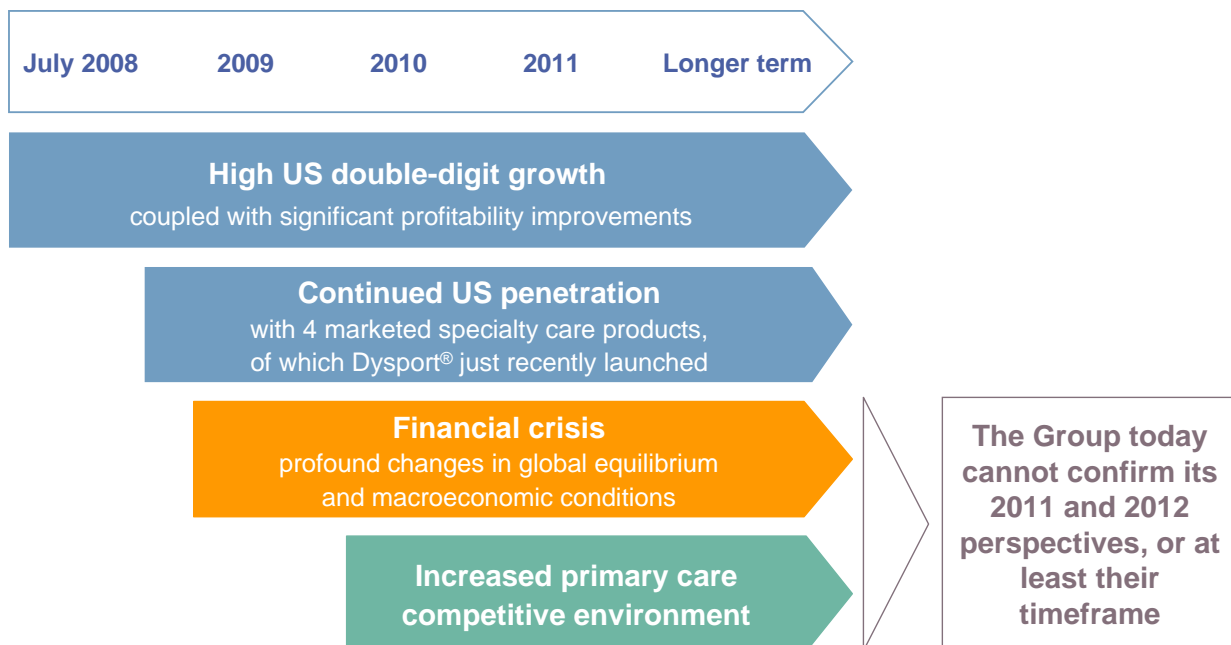


## Profitability objectives for 2010

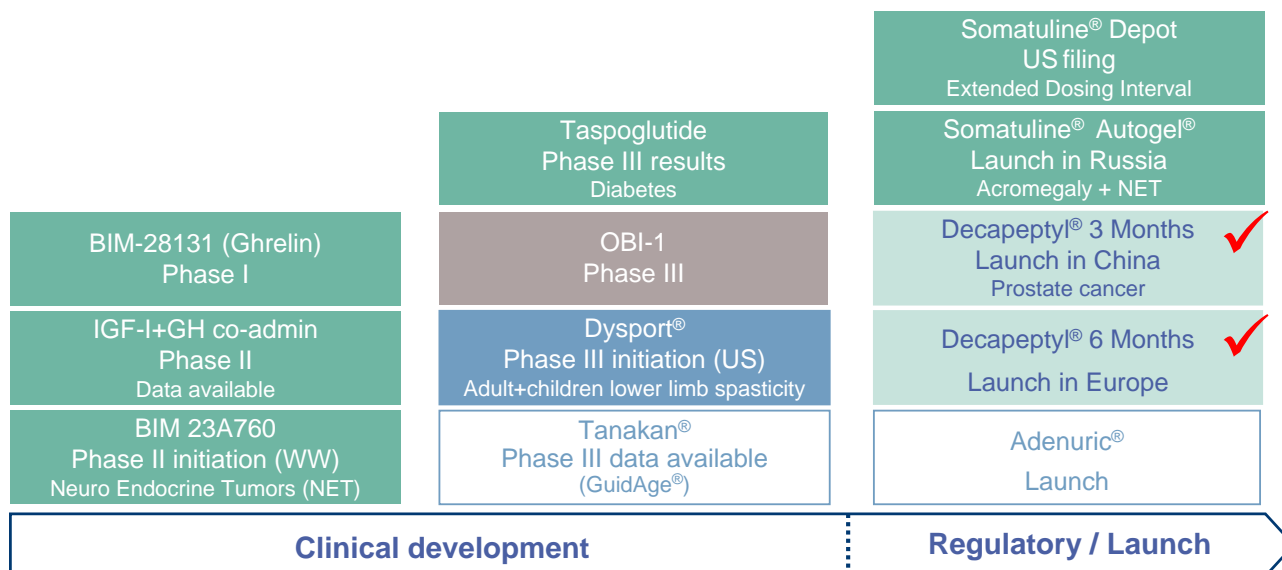


The Group targets an increase of its adjusted operating result and a relative stability of its consolidated income in a context of a significantly expanded R&D footprint

## In the longer term...



## A rich newsflow in 2010, already initiated



Continuous and rigorous execution of Ipsen's strategy

→ Specialty care growth & globalization, and increase in R&D efficacy

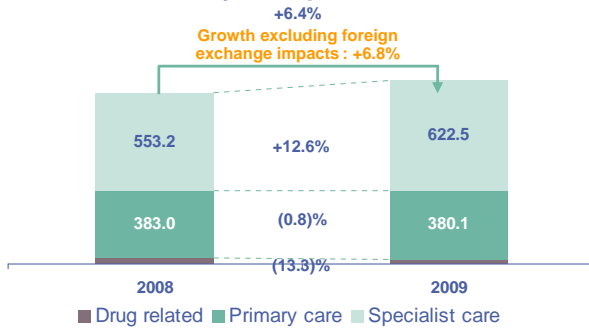
→ Primary care contribution optimization

## APPENDIX

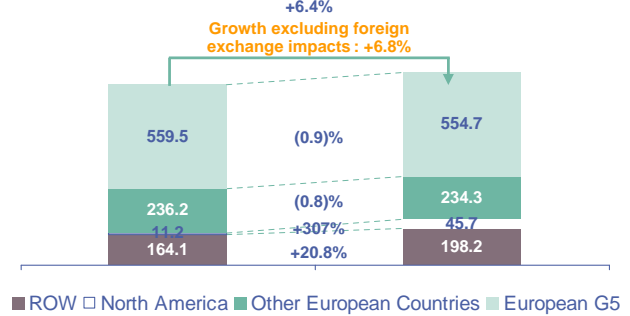
### Full year 2009 detailed financial performance

## Top line evolution

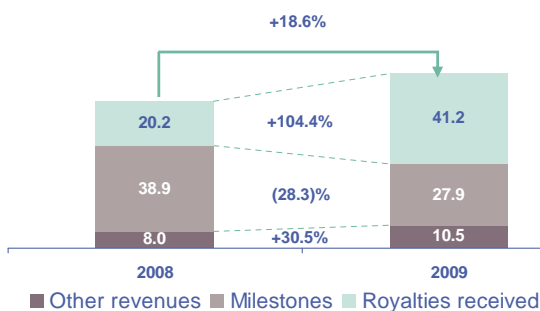
### Sales by therapeutic area



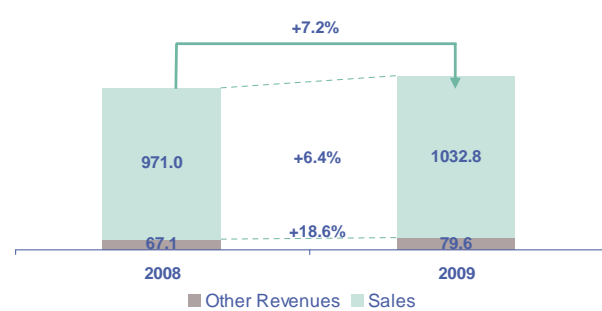
### Sales by region



### Other revenues evolution

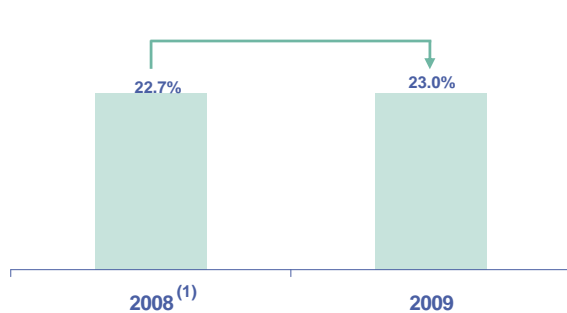


### Total revenues evolution

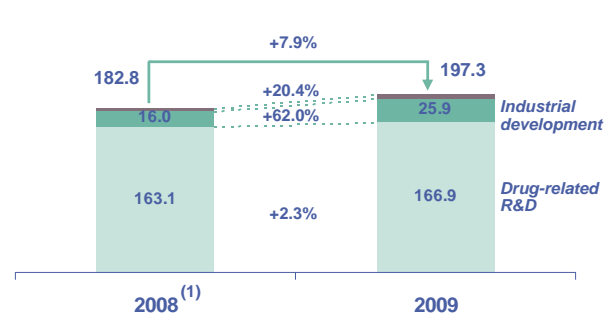


## Evolution of main P&L expenses

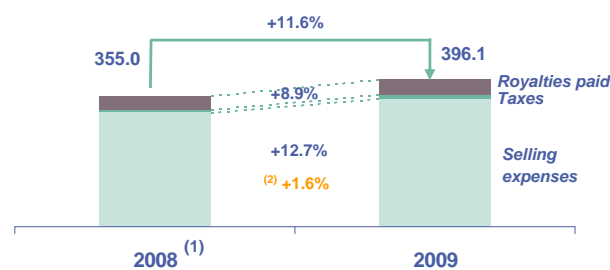
### COGS (% of sales)



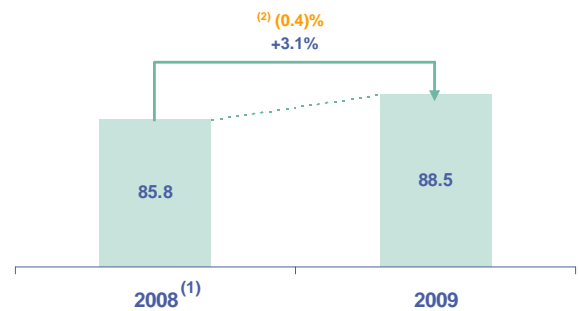
### Research & Development



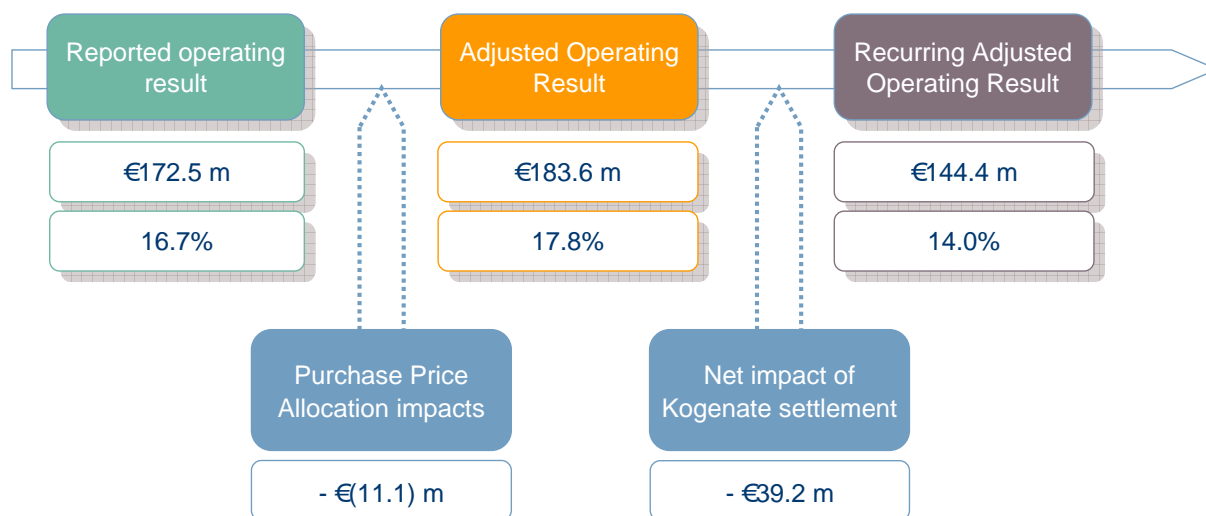
### Sales & Marketing



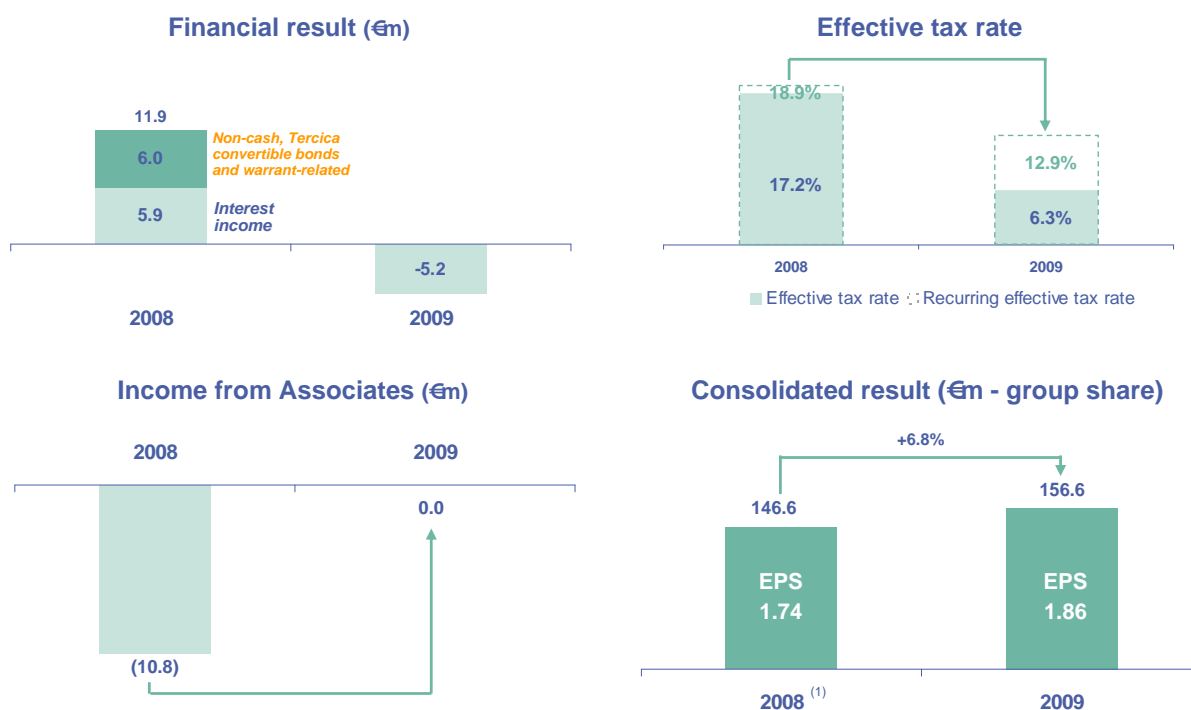
### G&A



## P&L – 2009 operating result and margin



## P&L – below EBIT



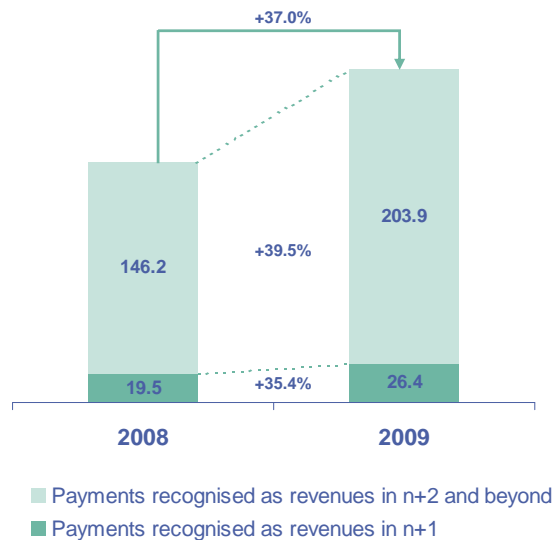
## Balance Sheet evolution

(€m)

	Assets		Liabilities		
	31 Dec 08	31 Dec 09	31 Dec 08	31 Dec 09	
<b>Goodwill</b>	290.8	290.2	<b>Equity</b>	885.0	982.6
<b>Property, plans &amp; equipments</b>	237.9	251.8	<b>Minority interests</b>	1.6	1.7
<b>Intangible assets</b>	232.9	237.0	<b>Total equity</b>	886.6	984.3
<b>Other non-current assets</b>	112.9	145.5	<b>Long-term financial debts</b>	162.7	12.2
<b>Total non-current assets</b>	874.5	924.5	<b>Other non-current liabilities</b>	194.2	270.3
<b>Total current assets</b>	688.6	652.4	<b>Short-term debts</b>	10.6	21.4
<i>Incl. cash and cash equivalents</i>	239.6	218.6	<b>Other current liabilities</b>	305.4	286.7
<b>Discontinued operations</b>	1.3	0.0	<b>Discontinued operations</b>	4.9	2.0
<b>Total assets</b>	1,564.4	1,576.9	<b>Total Liabilities</b>	1,564.4	1,576.9
<b>Net Cash</b>	66.2	185.6			

## Significant increase of partnership related deferred revenues

Total Milestones cashed-in but not yet recognised as revenues



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®

## Cash flow statement

€m	31 Dec 08	31 Dec 09	
<b>Cash Flow before change in working capital</b>	<b>196.3</b>	<b>192.7</b>	▪ Net increase in deferred revenues from partnerships: +€73.9m
- Increase/ Decrease in working capital	7.4	64.9	
<b>Net cash flow generated by operating activities</b>	<b>203.7</b>	<b>257.6</b>	
Investment in tangible assets	(61.4)	(40.3)	
Investment in Intangible assets	(33.8)	(24.7)	
Others	(190.3)	(6.3)	
<b>Net cash flow used in investing activities</b>	<b>(285.5)</b>	<b>(71.3)</b>	
Net change in borrowings	141.0	(151.3)	▪ Reimbursement of syndicated credit facility €(150) m
Dividends paid	(55.0)	(58.0)	
Others	(7.0)	(5.4)	
<b>Net cash flow used in financing activities</b>	<b>79.0</b>	<b>(214.8)</b>	
Discontinued operations	0.7	(1.0)	
<b>Change in cash and cash equivalent</b>	<b>(2.1)</b>	<b>(29.5)</b>	
Impact of exchange rate fluctuations	(1.5)	(2.4)	
<b>Closing cash &amp; cash equivalents</b>	<b>237.3</b>	<b>205.4</b>	
<b>Closing Net Cash</b>	<b>66.2</b>	<b>185.6</b>	

## Appendix

### Focus on the performance of Ipsen's US franchise

## 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

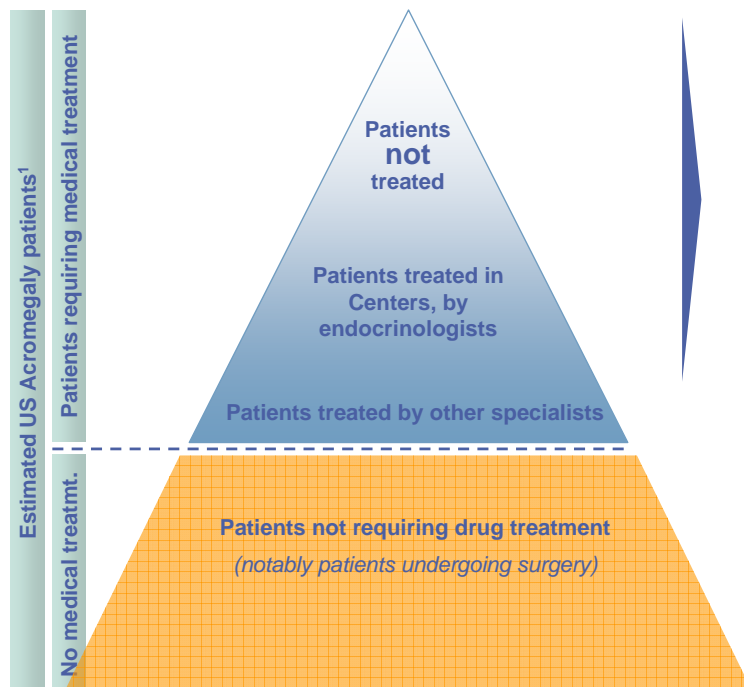
Customer support programs in place, essential to US success  
Implementing PACE program (Patient assistance, Access to services, Continuity of care, Education) for each product

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<sup>®</sup> Depot market in the US

US Market structure – 15 000 to 18 000 patients

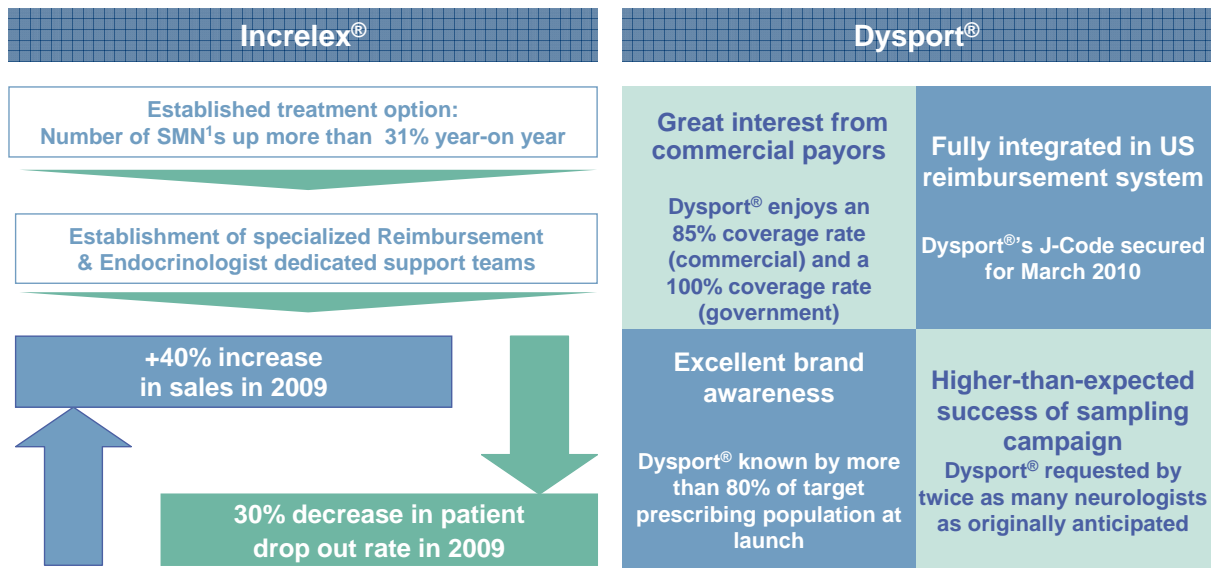


- Good penetration of Somatuline<sup>®</sup> Depot
  - 20% share<sup>2</sup> of endocrinologists prescriptions
  - 40% market share<sup>2</sup> in pituitary centers
- Significant pool of untreated patients
- Relatively low compliance compared to Europe

Drive Somatuline<sup>®</sup> Depot as first line recommendation in Pituitary centers and Endocrinologists

Drive Somatuline<sup>®</sup> Depot access and persistence

## Snapshot on Increlex® and Dysport®



## 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

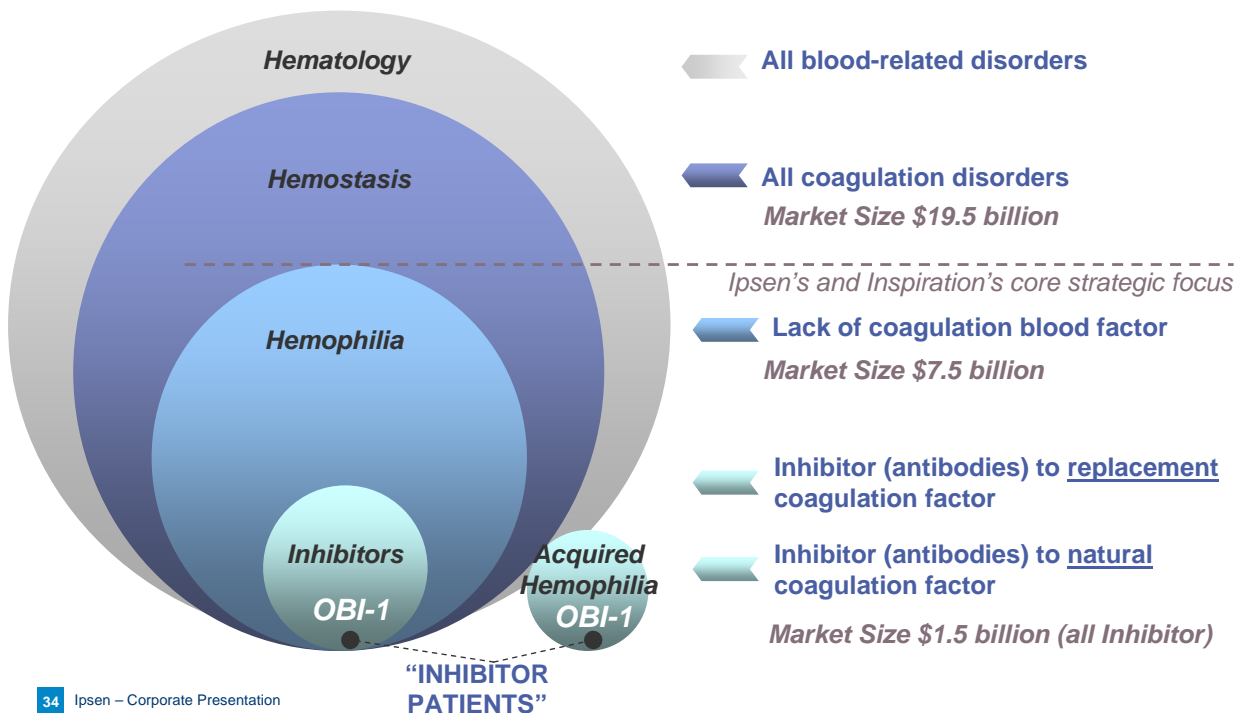


# Appendix

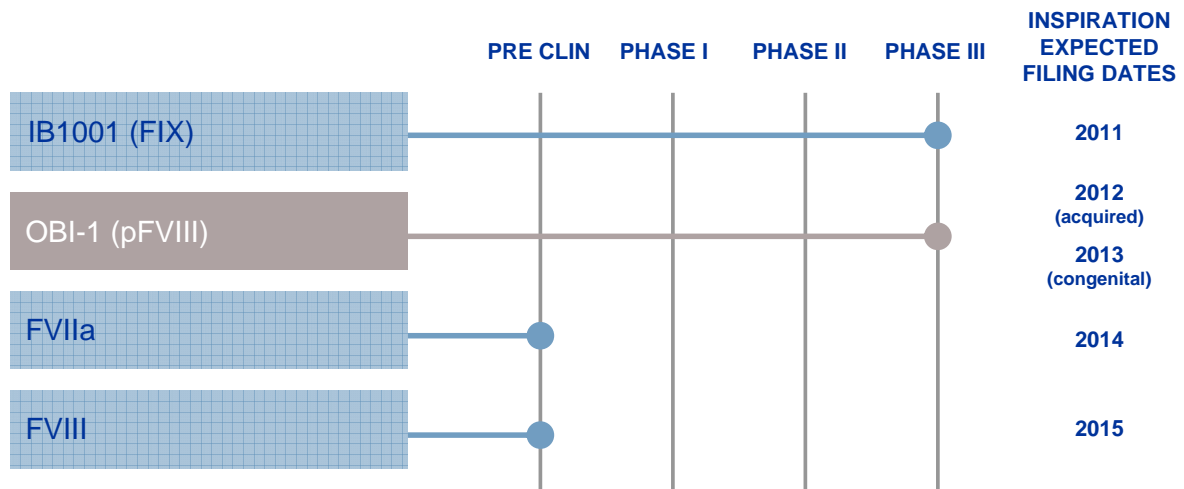
## Partnership with Inspiration in Hematology



### Capitalizing on OBI-1; Ipsen's strategic focus is Hemophilia, ...

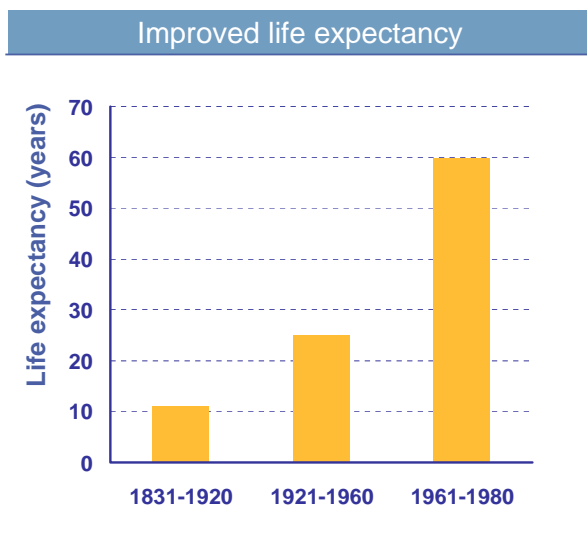


... and combined with Inspiration, serves all hemophilia needs

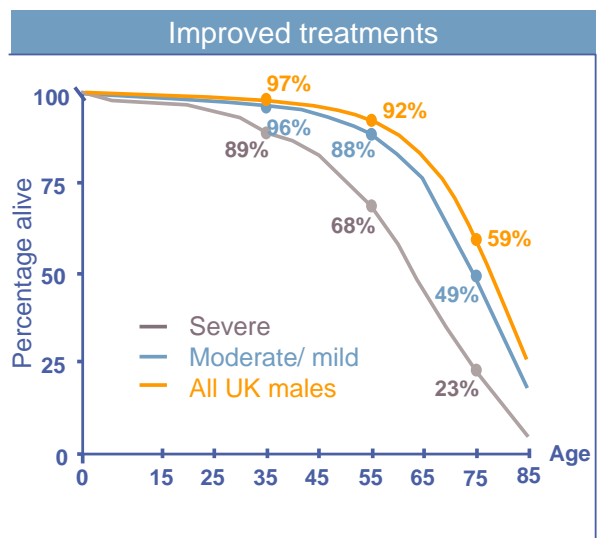


A recombinant product in each segment of the hemophilia market

Despite improved life expectancy and treatment of patients with hemophilia...

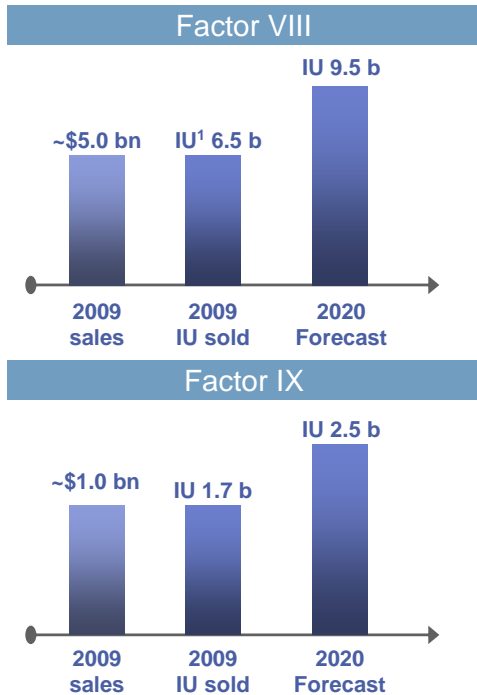


SOURCE: Larsson SA, et al. *Br J Haematol* 1985;59:593-602



Survival in men in the UK with hemophilia who were not infected with HIV and in the general male population of the UK in 1999  
SOURCE: Darby SC. et al. *Blood* 2007;110:815-825

## ...FVIII & FIX market are still underserved globally...



### Low penetration

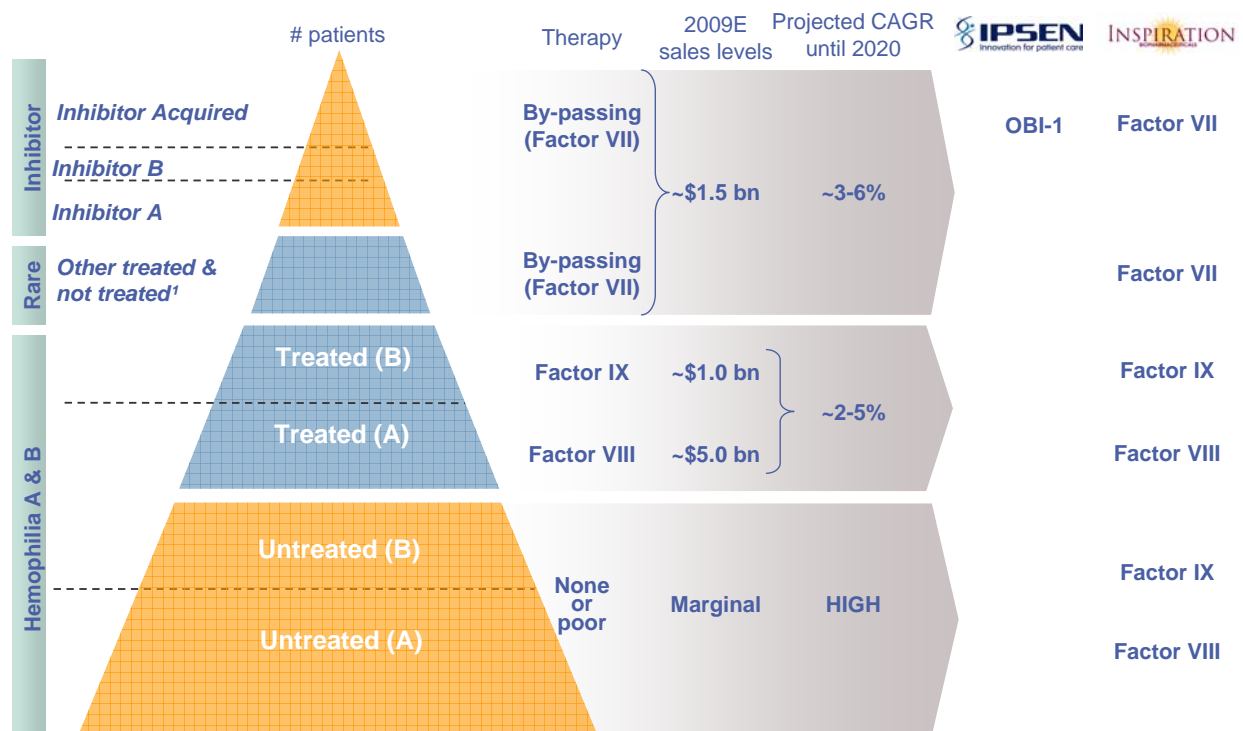
- 70% of hemophilia patients worldwide do not have access to factors

### Long term growth prospects

- 4% to 10% CAGR until 2020
- Driven by prophylaxis in developed world
- Driven by more patients treated in RoW
- 90% recombinant in developed world
- 40% and growing in RoW

**Most important unmet need today:  
Enable access to treatment to more patients**

## ...resulting in high unmet medical needs in all segment of hemophilia

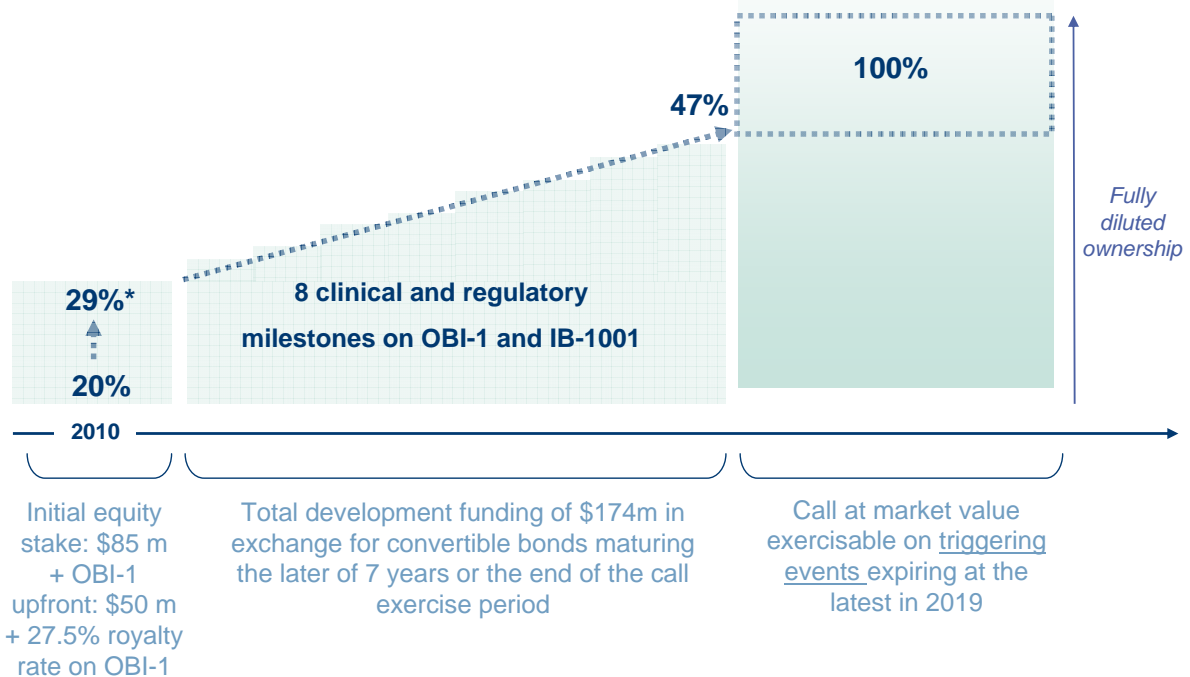


## Building a unique hemophilia product franchise

	Inspiration	Wyeth	Baxter	CSL Behring	Bayer	Novo Nordisk
FIX	Phase III	BeneFIX	Phase I	Mononine plasma derived	-	Phase I
OBI-1	Phase III	-	-	-	-	-
FVIIa	Preclinical	Preclinical	-	Preclinical	Phase I	Novoseven
FVIII	Preclinical	Refacto Xyntha	Phase I	Phase I / II	Kogenate/ Advate	Phase III

Inspiration will be the company with the most comprehensive portfolio of hemophilia solutions

## A progressive path to control linked to clinical, regulatory and commercial milestones of OBI-1 and IB-1001

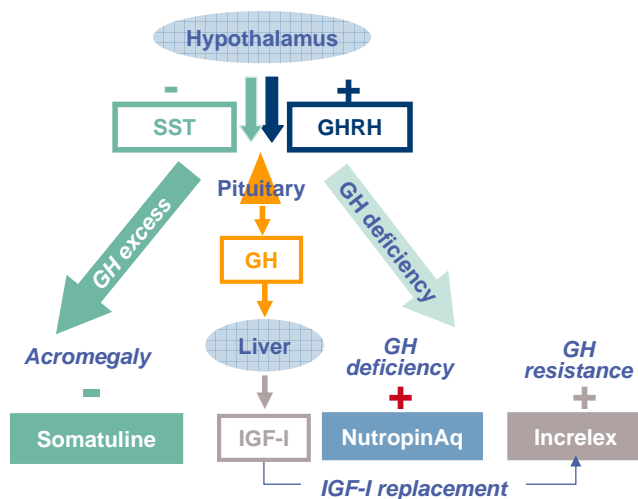


# BACK UP SLIDES

## Endocrinology



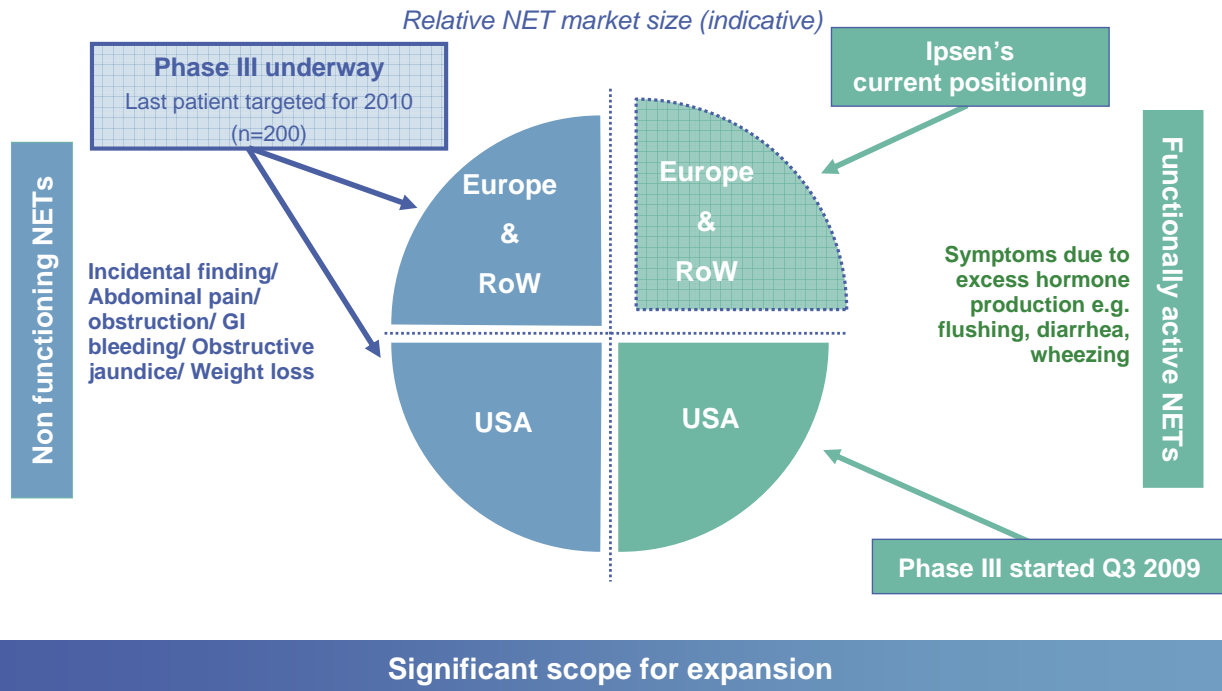
### A unique focus on pituitary disorders and hormone dependent diseases



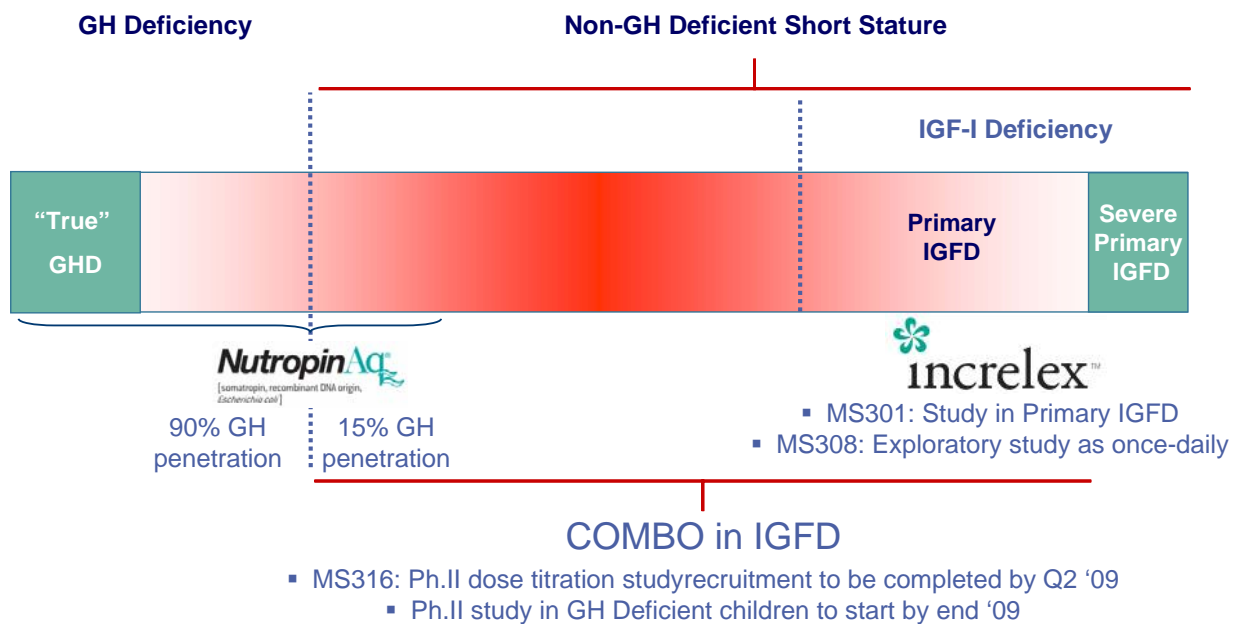
#### A strong franchise

- 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® offers significant life cycle growth opportunities



## Ipsen is redefining the treatment of short stature



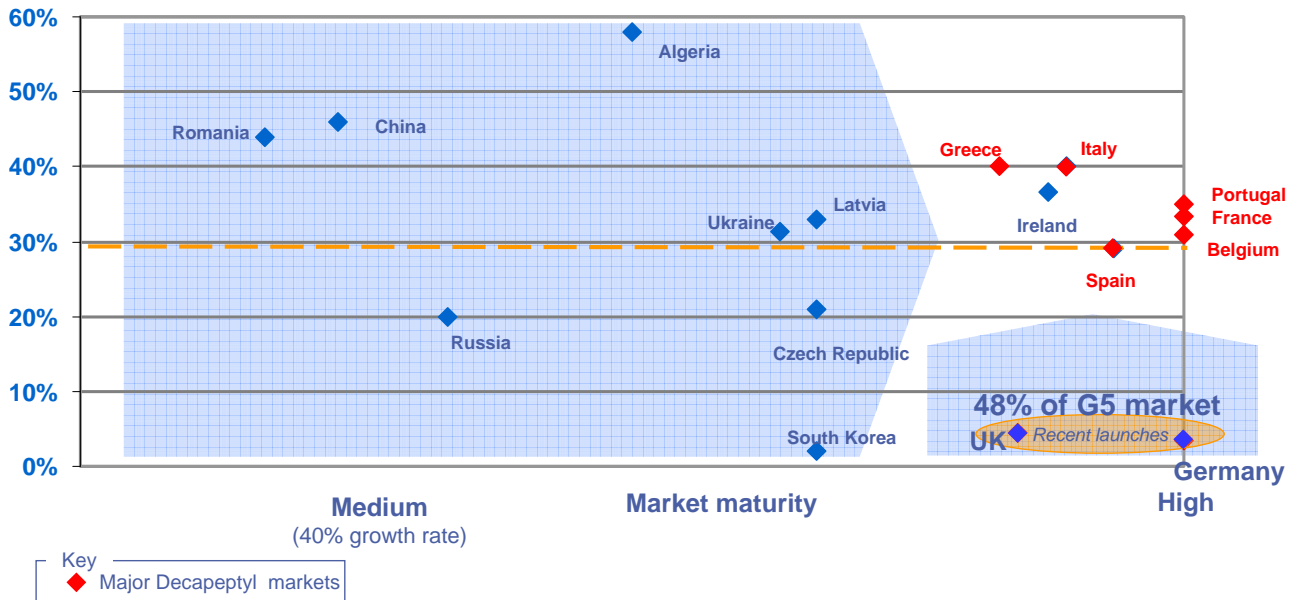
# BACK UP SLIDES

## Oncology



### Decapeptyl®: strong positions, and poised to grow

Current market share

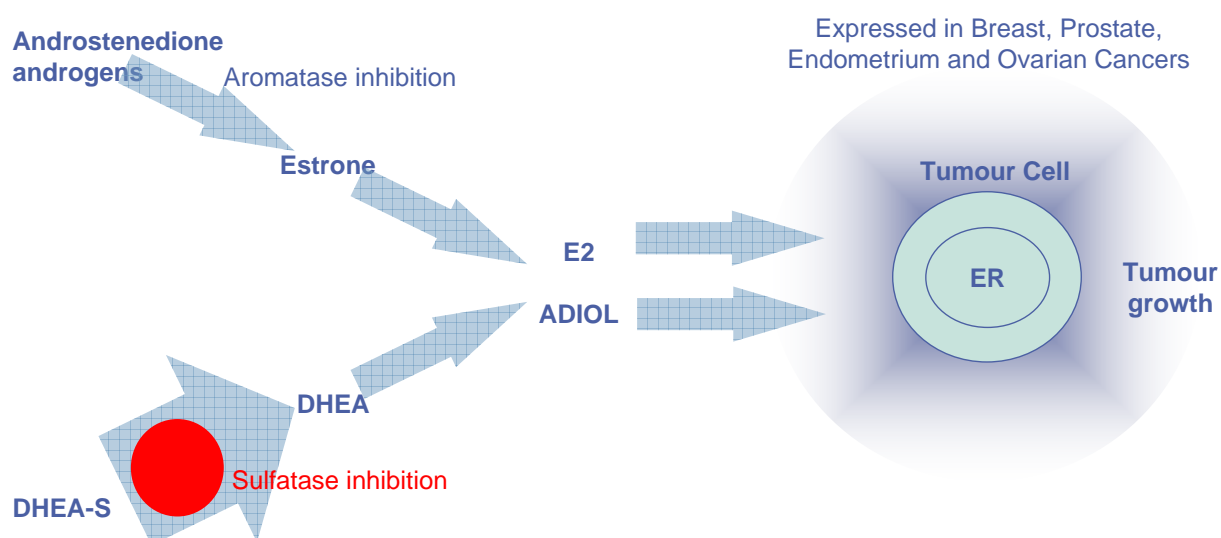


## Decapeptyl® 6 month formulation: a more differentiated product profile

Efficacy	<ul style="list-style-type: none"> <li>Comparable efficacy to 1 and 3 months formulation               <ul style="list-style-type: none"> <li>Castration levels (testosterone)</li> <li>Disease control (PSA)</li> </ul> </li> </ul>	
Local Tolerance	<ul style="list-style-type: none"> <li>Limited local side effects (6.7% of patients )</li> </ul>	
Storage and reconstitution	<ul style="list-style-type: none"> <li>Storage at room temperature (no need to heat up before reconstitution)</li> <li>5 Steps to reconstitute, change needle, and inject - IM route</li> </ul>	
Formulation/ Efficacy	6 month competitor 1	6 month competitor 2
	<ul style="list-style-type: none"> <li>80% of patients castrated after 6M<sup>2</sup></li> <li>Testosterone <u>to be tested</u> every 6M*<sup>1</sup></li> <li>Formation of Nodules or abscess<sup>1</sup></li> </ul>	<ul style="list-style-type: none"> <li>Slow release formulation dependent on manual 60 mixture<sup>1</sup> step</li> <li>Storage at 2-4°: need to heat up for reconstitution<sup>1</sup></li> </ul>

## 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)**



## Oristusane : Moving forward in the development stages

### Endometrial

- Phase II initiated : Post-menopausal women with advanced or recurrent endometrial cancer (80 patients)
  - First patient dosed on November 25

### Breast

- Phase I/ II on going in ER-positive metastatic breast cancer (35 patients)
  - Optimal biological dose determined :40 mg once daily oral administration
  - 95% inhibition of the target enzyme (STS) was achieved in peripheral blood mononuclear cells
  - Additional 15 patients included to study target enzyme (STS) inhibition in cancerous cell

### Prostate

- Phase II initiated – Dose escalation

### Ovarian

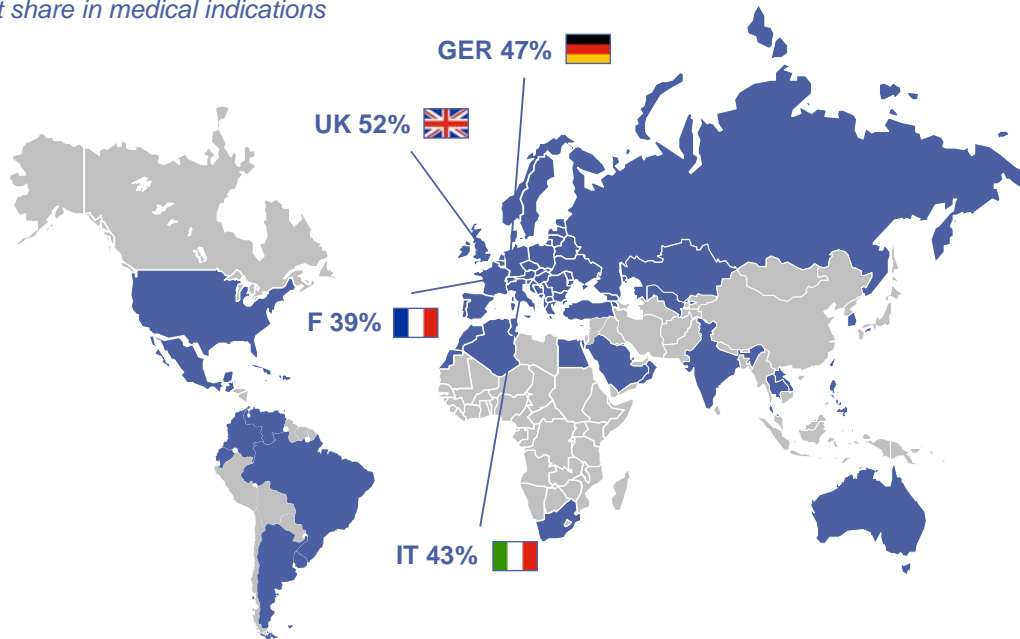
- Course of action being defined

## BACK UP SLIDES

### Neurology

## Dysport®: launched in 1991, approved in more than 75 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



Sources: Ipsen market intelligence