

# Confirming Ipsen's biotech specialist pharma profile

Roadshow – Gilbert-Dupont  
Paris, April 13<sup>th</sup>, 2010

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*Pierre Kemula – Investor Relations Officer*



## Disclaimer

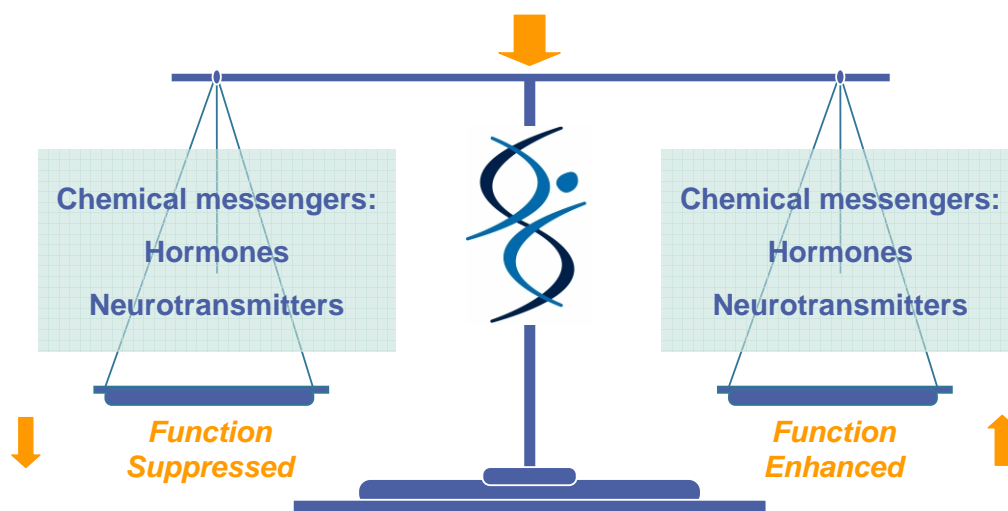
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## Quick overview of some fundamentals

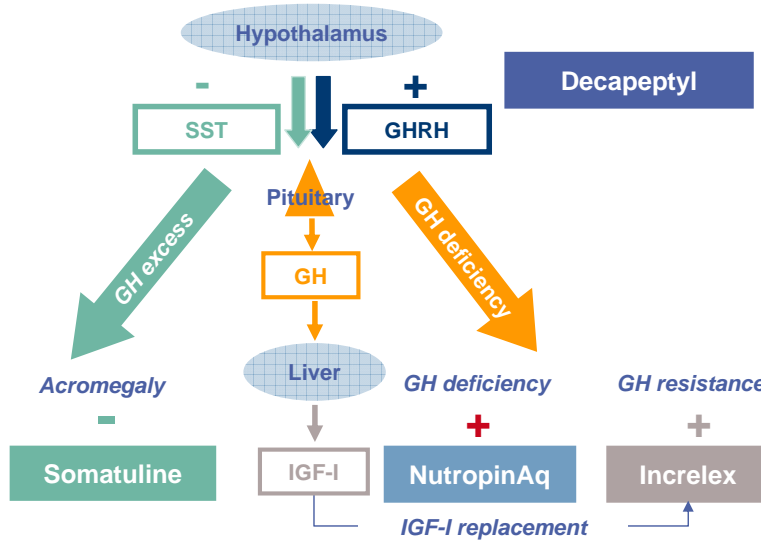


### The fundamentals : restoring physiological balance



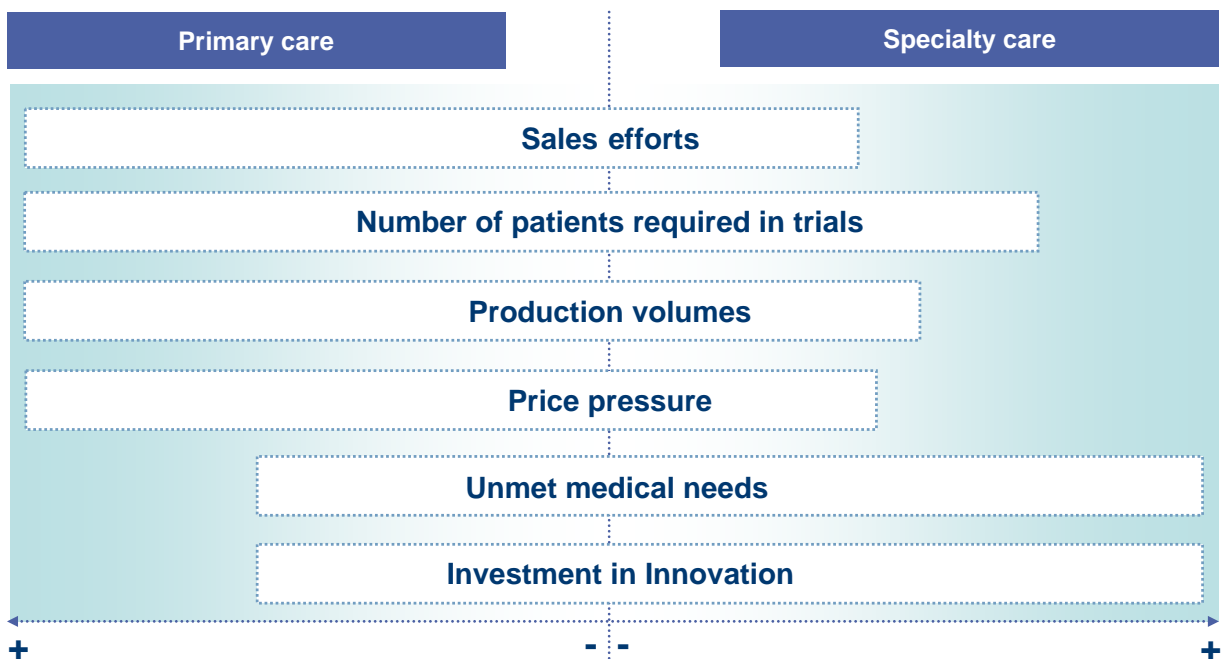
Therapeutic corollary : restore physiological levels, no more, no less

## The fundamentals : the hormonal pathway and cascade



Ipsen has a specific knowledge of pituitary disorders

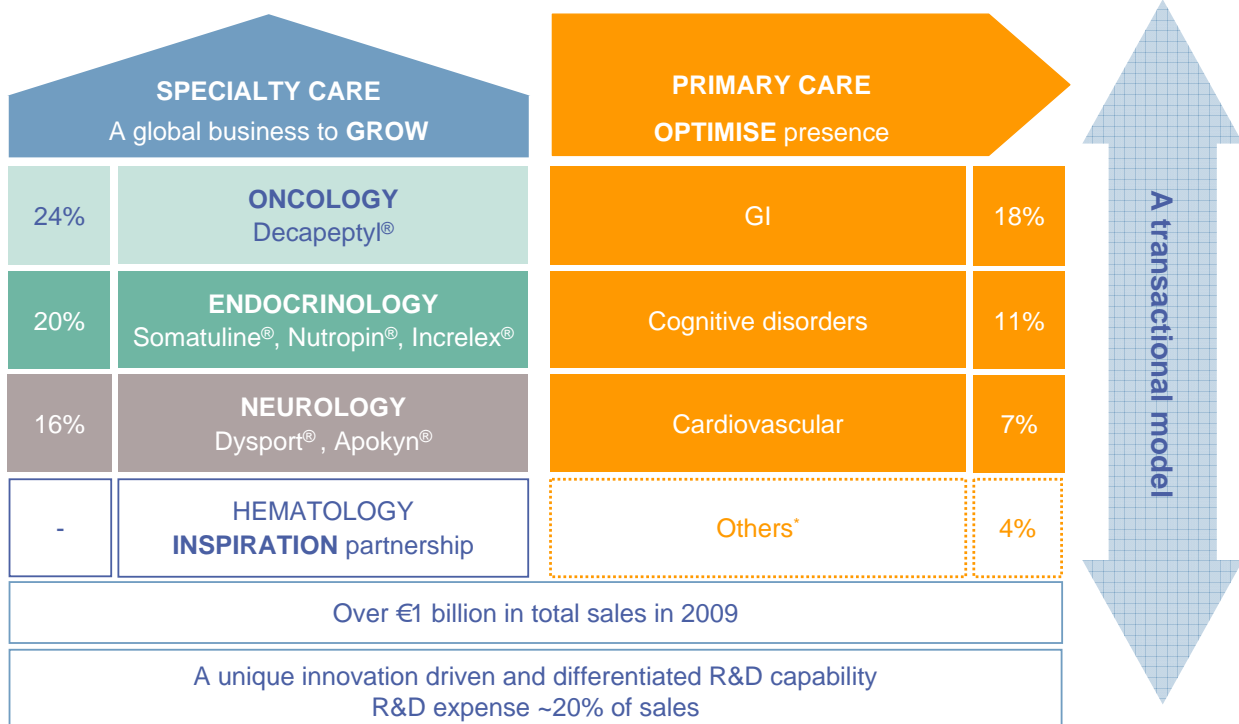
## The fundamentals: Ipsen's specialty care vs. primary care businesses



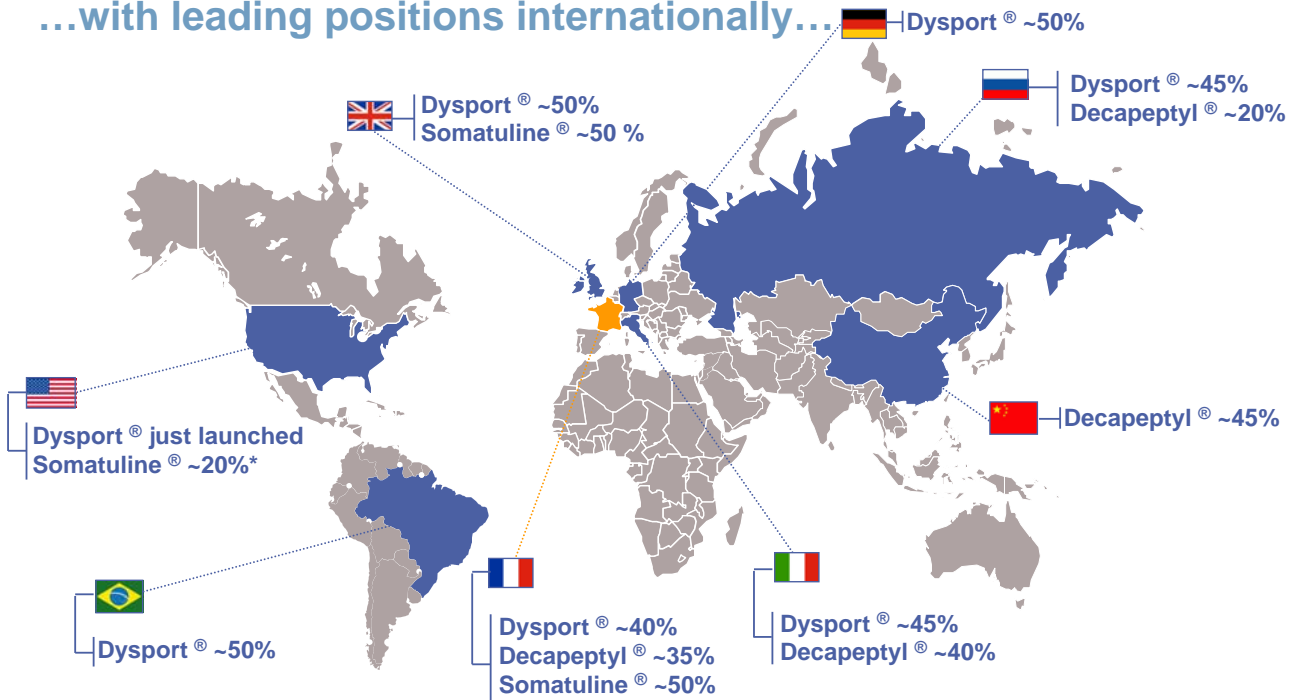
## Ipsen in short



### Ipsen today : a global biotech specialty pharma...

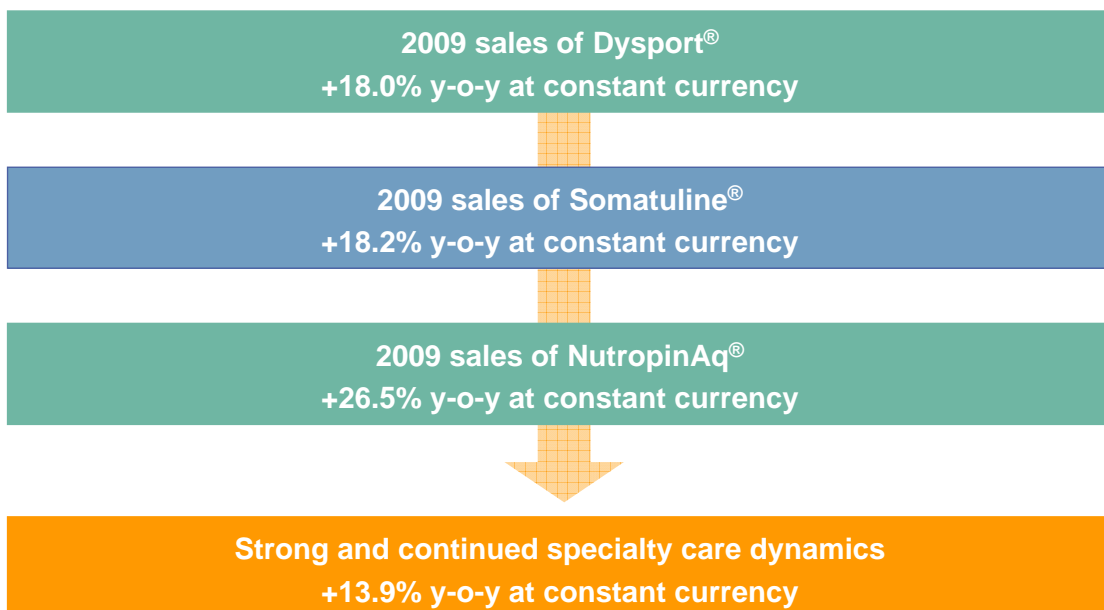


...with leading positions internationally...

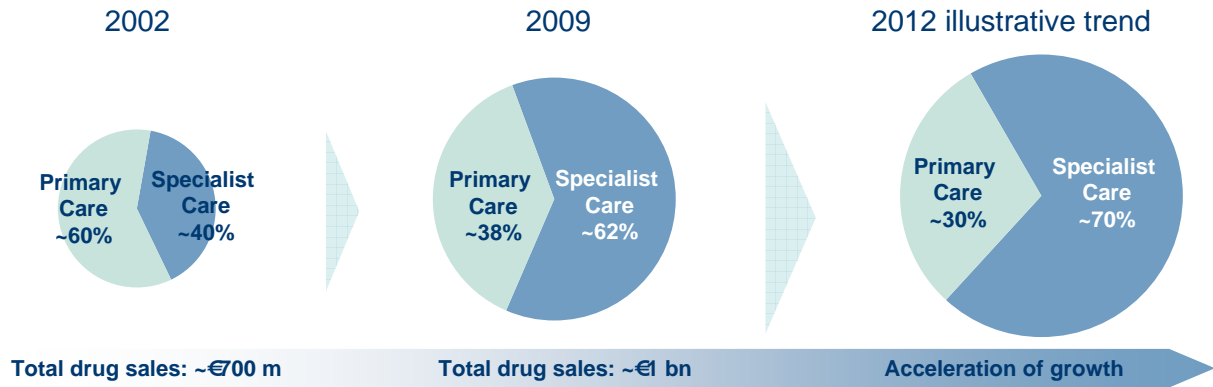


2008 rounded Market shares, except for Somatuline® in the US: 4Q09  
 Market shares are for (i) Dysport® in medical indications (ii) Decapeptyl in prostate cancer (China gynecology only) and (iii) Somatuline in Acromegaly only.  
 \* In the US, market share in patients treated by endocrinologists and in pituitary centers  
 Sources: IMS, Insight Health/ODV, Ipsen estimates, Strategix

...continuously outgrowing its main competitors



## Today, a reinforced profile...



### Confirming Ipsen's biotech specialty care profile

11 ODDO Sales Force Teaching

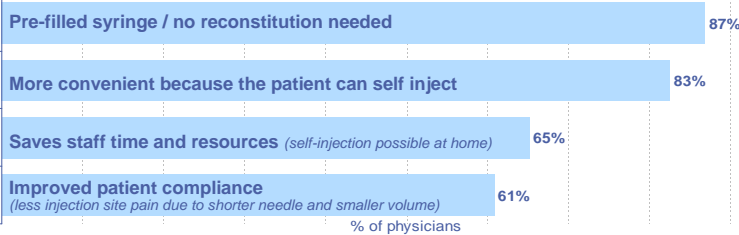
## Truly Differentiated R&D Capabilities

## Example 1 : Somatuline® Depot

	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? \*\*



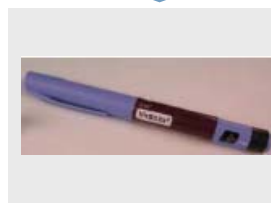
**Somatuline® Depot: A self administration syringe, an improved quality of life**

\* 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

## Example 2 : a unique technology convergence, taspoglutide

	Liraglutide Flex Pen	Byetta LAR*	Taspoglutide PFS**
Administration	Daily	Weekly	Weekly
Device	Multiple use Needle: 32 gauge	Single-use, syringe & vial Needle : 23 gauge	Single-use, staked-in needle Needle: 29 gauge
Injection technique	1. Attach needle 2. Prime pen 3. Set dose 4. Inject	1. Re-constitute 2. Draw into syringe 3. Inject	1. Remove cap 2. Inject



**Taspoglutide : 50 to 300 µl of highly concentrated aqueous solution devoid of excipient**

\* Long-acting release  
\*\* Pre-filled syringe

## Selected potential future growth drivers



### Snapshot

#### Internationalization

Fast growing presence in Russia, China, Brazil and emerging markets

#### Entering the US

#### Hematology

Capitalizing on OBI-1 to build a unique portfolio of compounds in hemophilia

#### Life cycle management

Somatuline  
IGF-I+GH coadministration  
Decapeptyl 6-month

#### Rich R&D pipeline

Oristusane  
BIM 23A760  
...





## Growth and globalization beyond G5...



Entering the world's largest pharma market with 4 specialty care products

- Dysport®
- Somatuline®
- Increlex®
- Apokyn®



A diversified portfolio in the fastest growing Eastern European pharma market

- Dysport®
- Decapeptyl®
- Tanakan®
- Smecta®



Dynamic specialty care presence in the largest South American pharma market

- Dysport®
- Partnership with Galderma for aesthetics



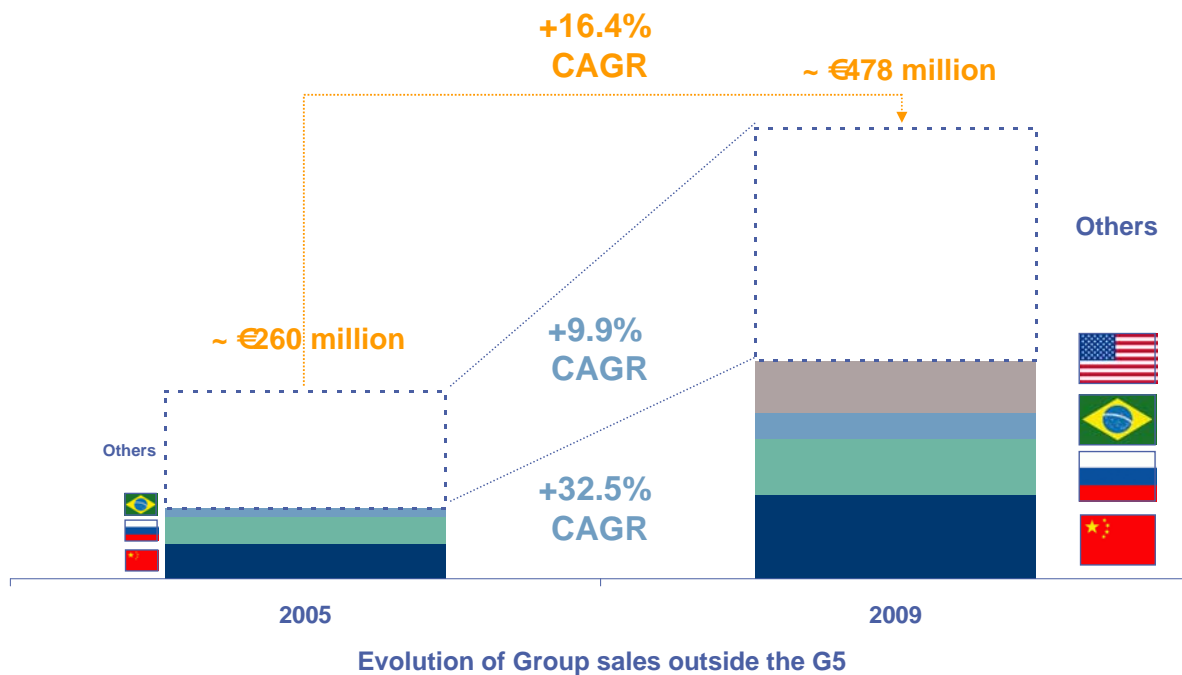
Longstanding and strong positions in one of the world's largest pharma market

- Decapeptyl®
- Smecta®

Ipsen's G5

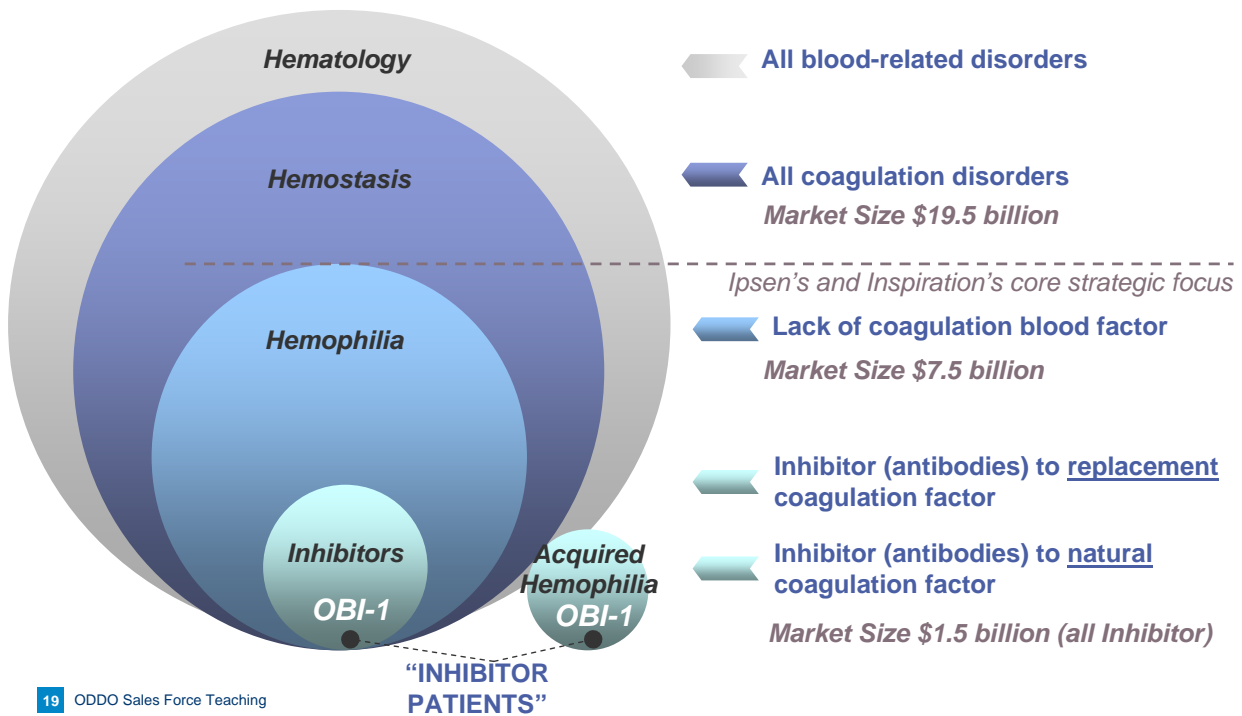


## ...translating into rapid expansion

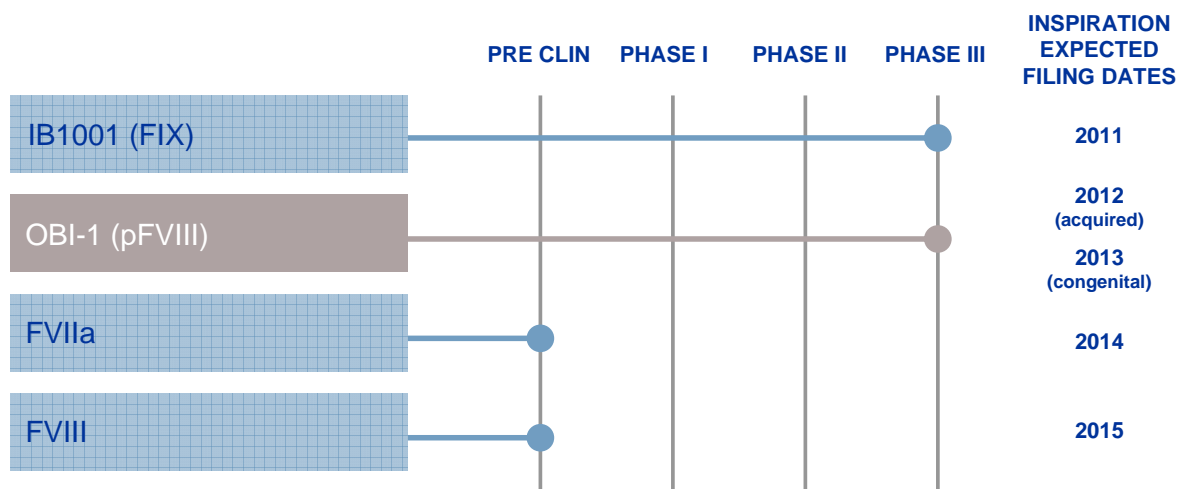




## Capitalizing on OBI-1 with the Inspiration partnership...



## ...to build a unique franchise covering all needs in hemophilia...



**A recombinant product in each segment of the hemophilia market**



... with no equivalent currently on the market

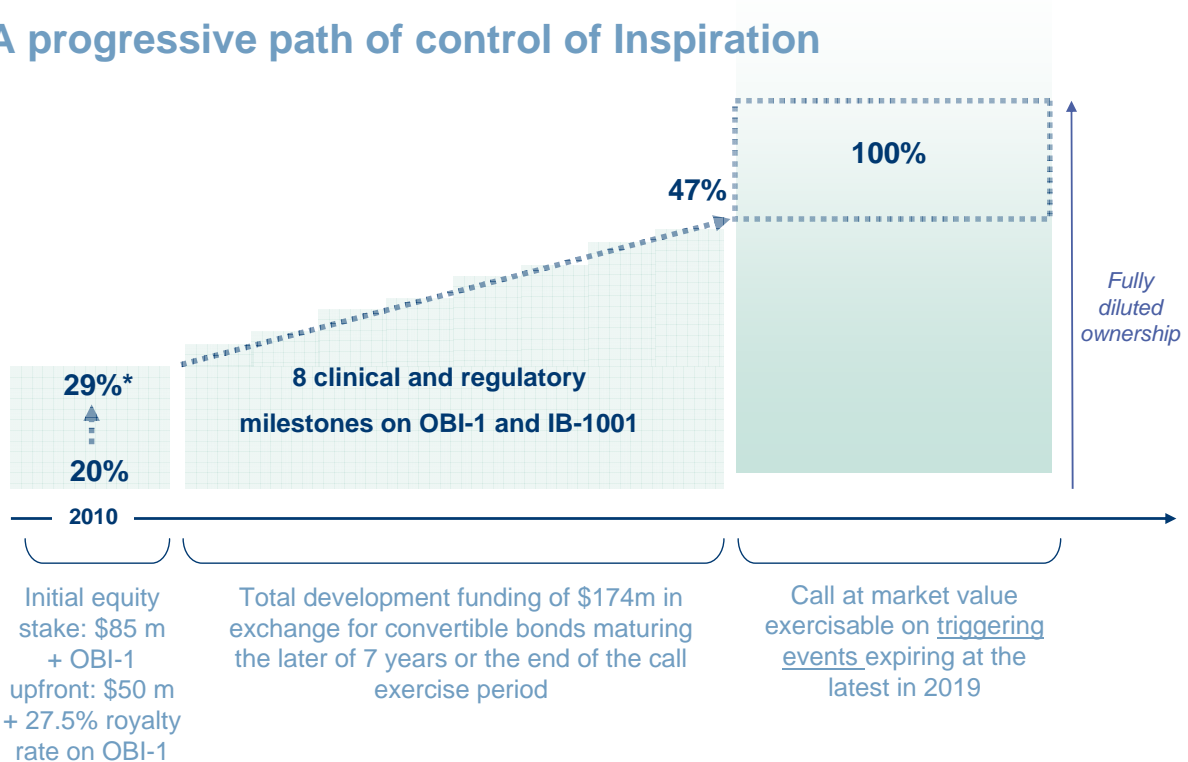
	Inspiration	Wyeth	Baxter	CSL Behring	Bayer	Novo Nordisk	Biogen Idec and Biovitrum
FIX	Phase III	BeneFIX	Phase I	Mononine plasma derived	-	Phase I	Phase III (fusion protein)
OBI-1	Phase III	-	-	-	-	-	-
FVIIa	Preclinical	Preclinical	-	Preclinical	Phase I	Novoseven	-
FVIII	Preclinical	Refacto Xyntha	Advate Recombinate	Helixate	Kogenate	Phase III	-

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

Marketed products

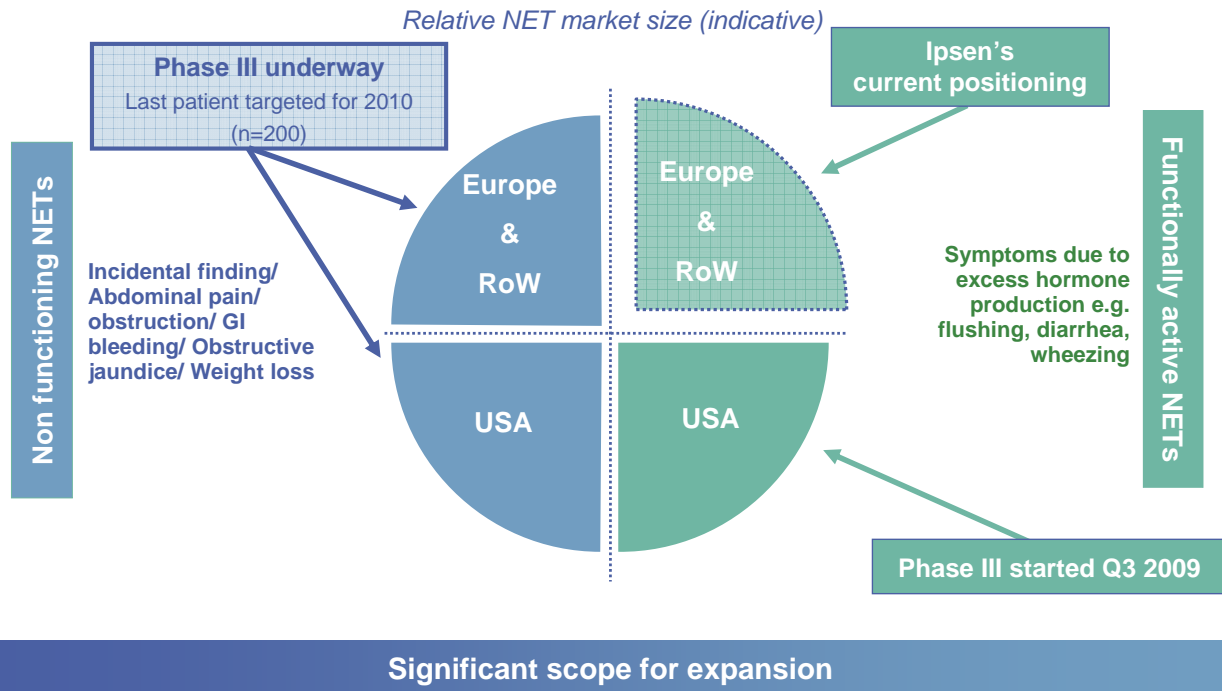


## A progressive path of control of Inspiration

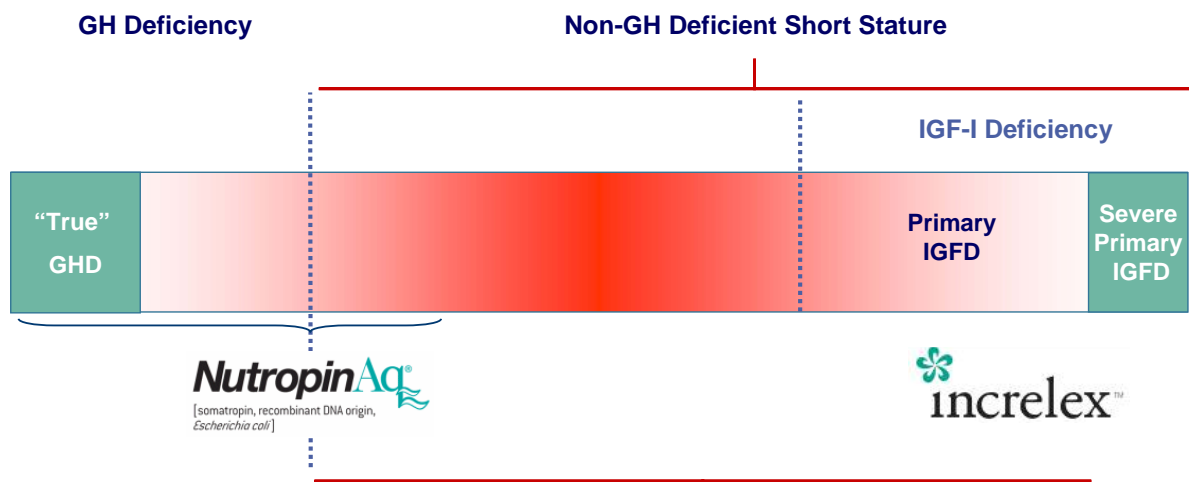




## Somatuline® offers significant life cycle growth opportunities



## Redefining the treatment of short stature



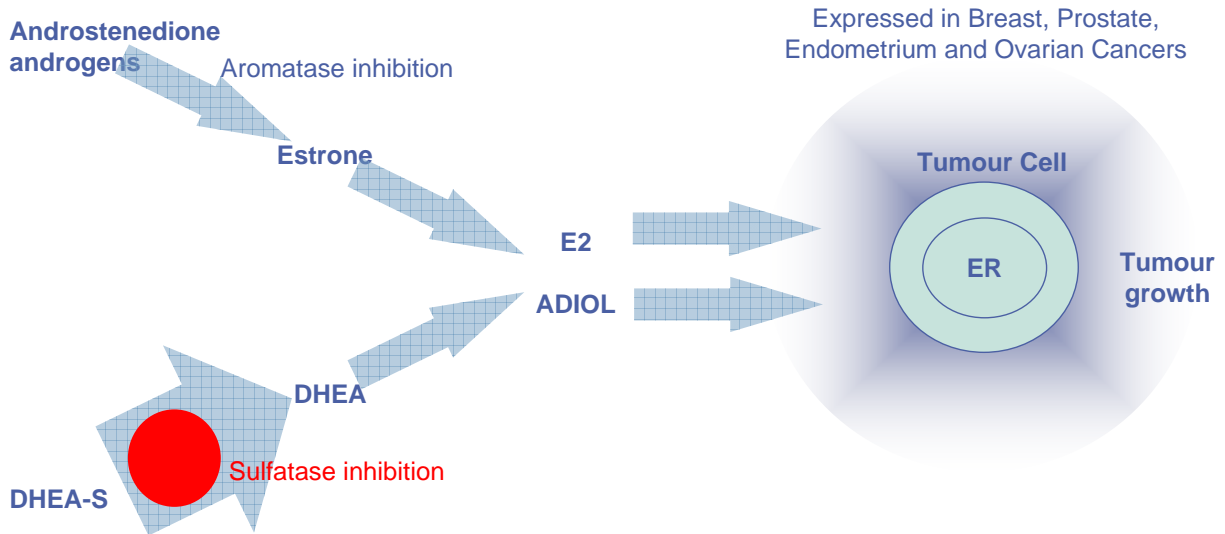
### COMBO in IGFD

- MS316: Ph II dose titration study recruitment completed in Q2 '09
  - Interim results announced in September 09
    - Complete results available in H2 '10



## Rationale for Sulfatase inhibitor development

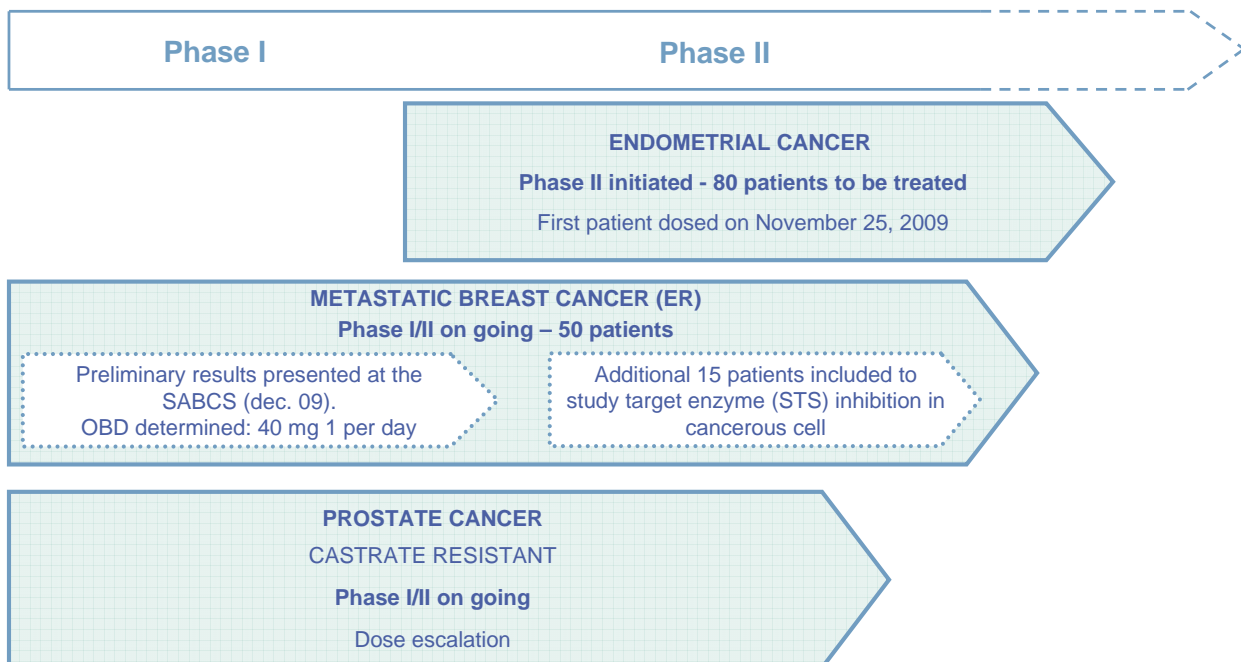
*Inhibition of Androstenediol synthesis from DHEA-S*



After encouraging phase I results, Oristusane is now in phase II clinical trial



## Oristusane : Moving forward in the development stages



## Progress and Outlook



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

### Grow and Globalize 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  
none core  
compounds



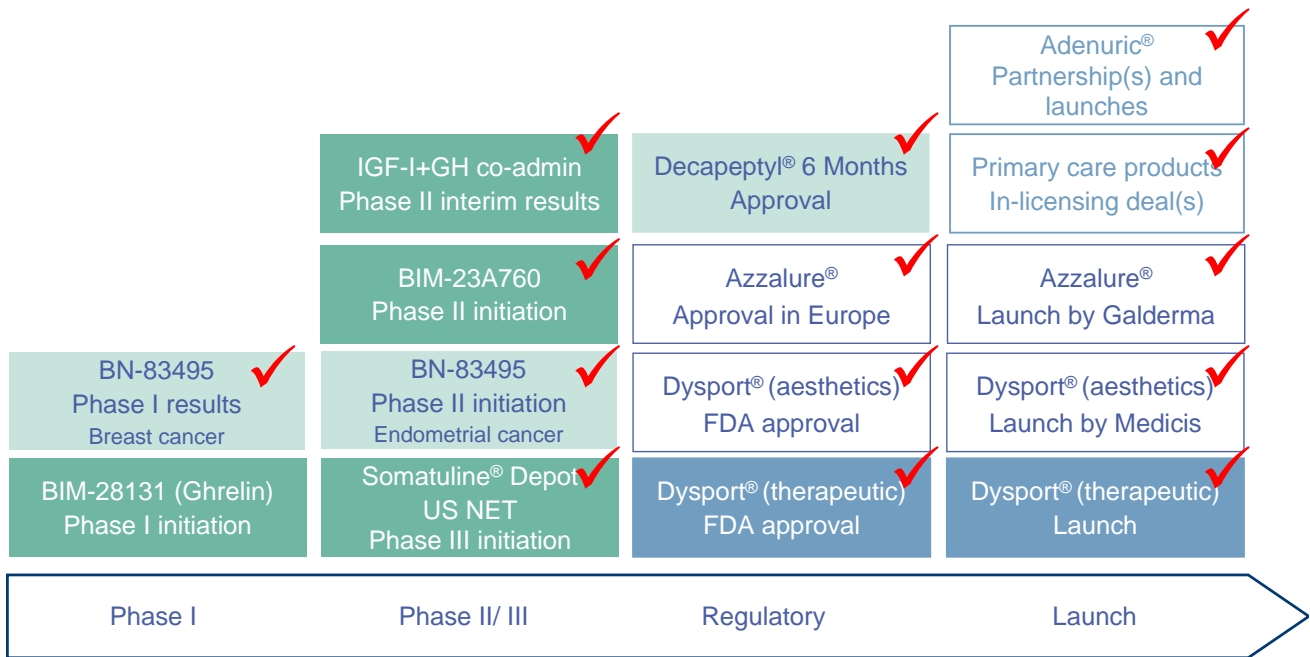
### Optimize Ipsen's *primary care* business

Rich deal with Menarini on  
Adenuric®

Promising headline results for  
taspoglutide (Roche)

BLI-800 (Braintree)

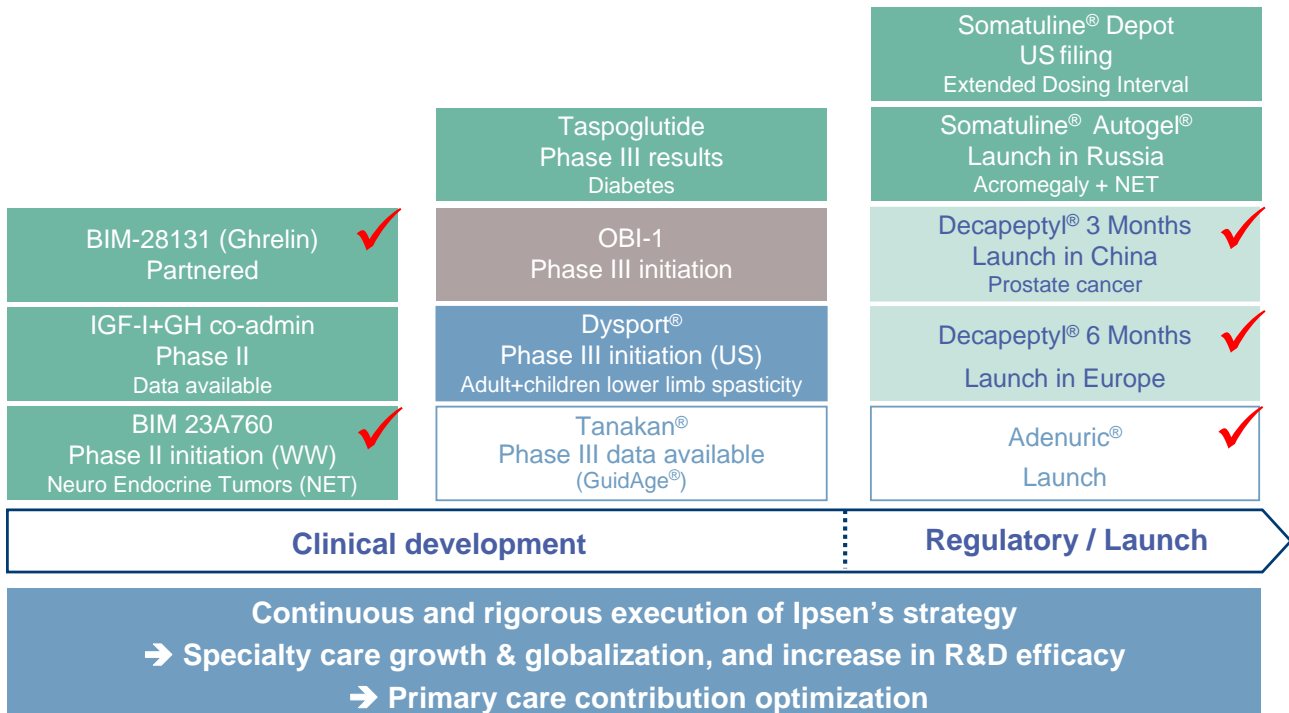
## All key milestones delivered in 2009



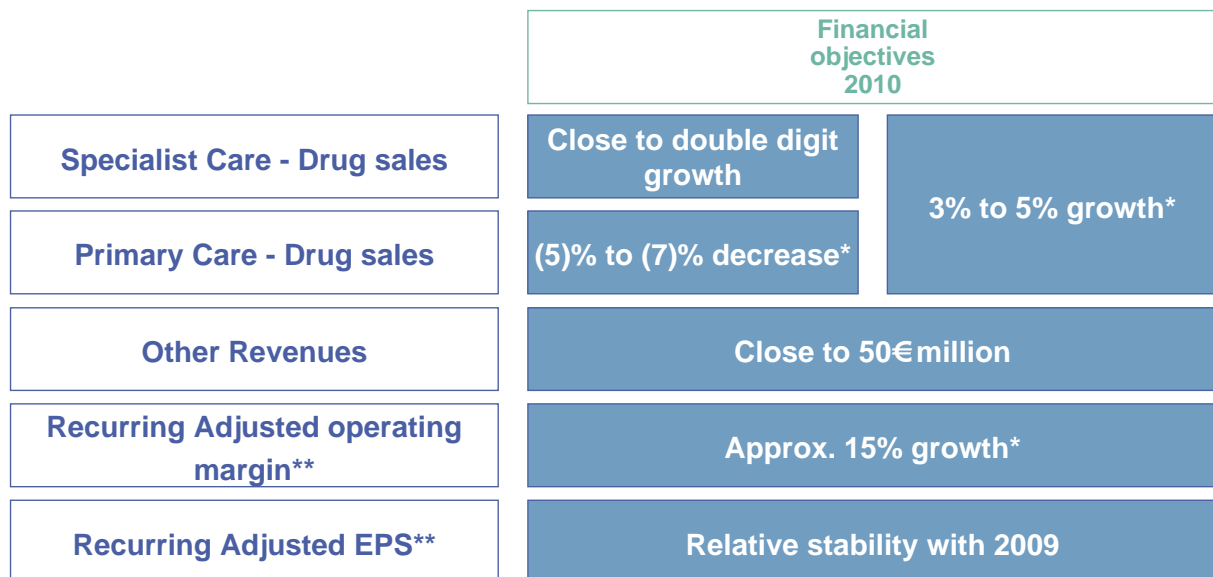
## All financial objectives have been met in 2009

	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. €80m	€79.6 millions ✓
Adjusted operating margin <sup>1</sup>	14.0%	17.0 – 17.5%	17.8% ✓
Normative Tax rate	18.0 - 20.0%		6.3% ✓

## A rich newsflow in 2010, already initiated



## All financial objectives for 2010



The above objectives are set at constant currency  
2010 objective excludes any potential non recurring items

\* Margins expressed in % of sales

\*\* Prior to any accounting implications in connection with the purchase accounting of its acquisitions in North America and non recurring elements

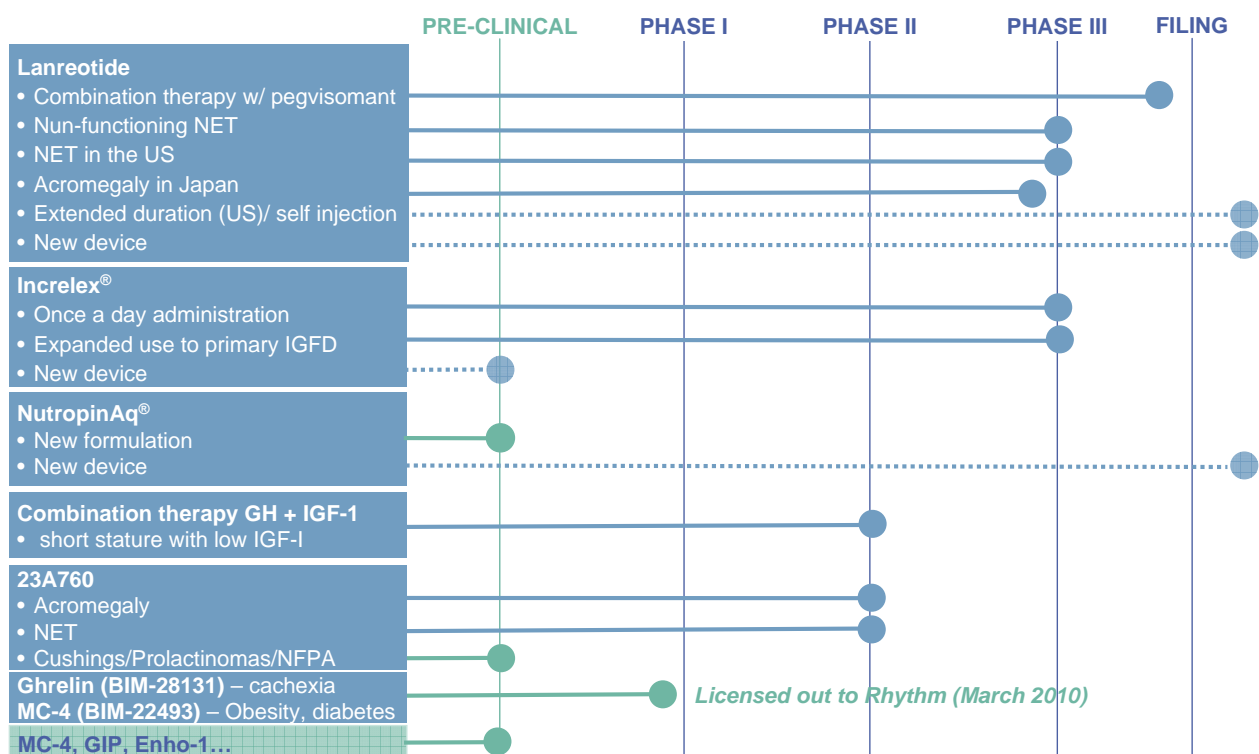


# APPENDIX

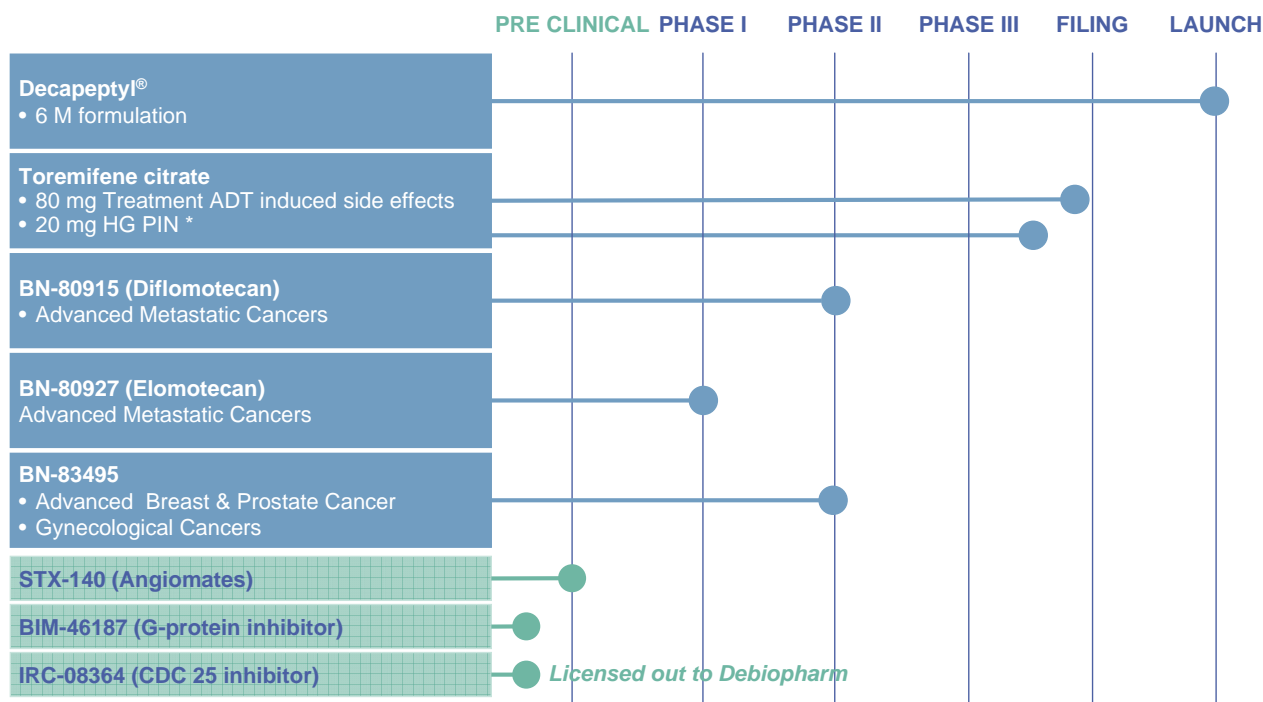
## R&D Pipeline



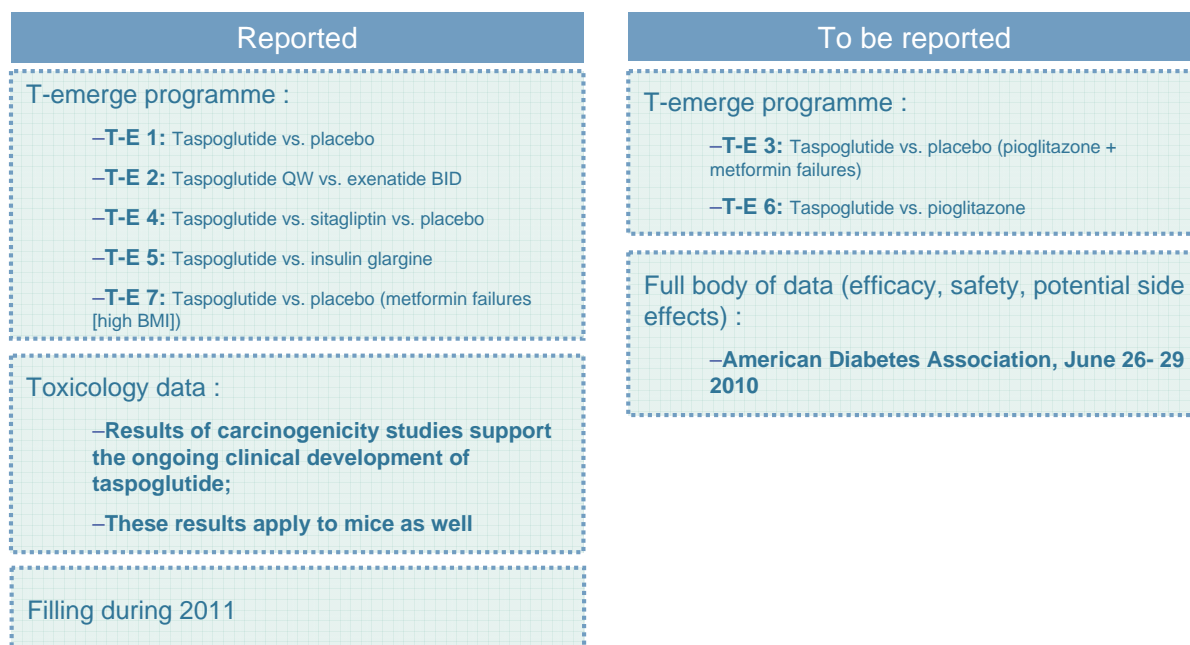
### A rich endocrinology pipeline



## A promising Oncology pipeline



## Taspoglutide : Potential Best-in-class profile

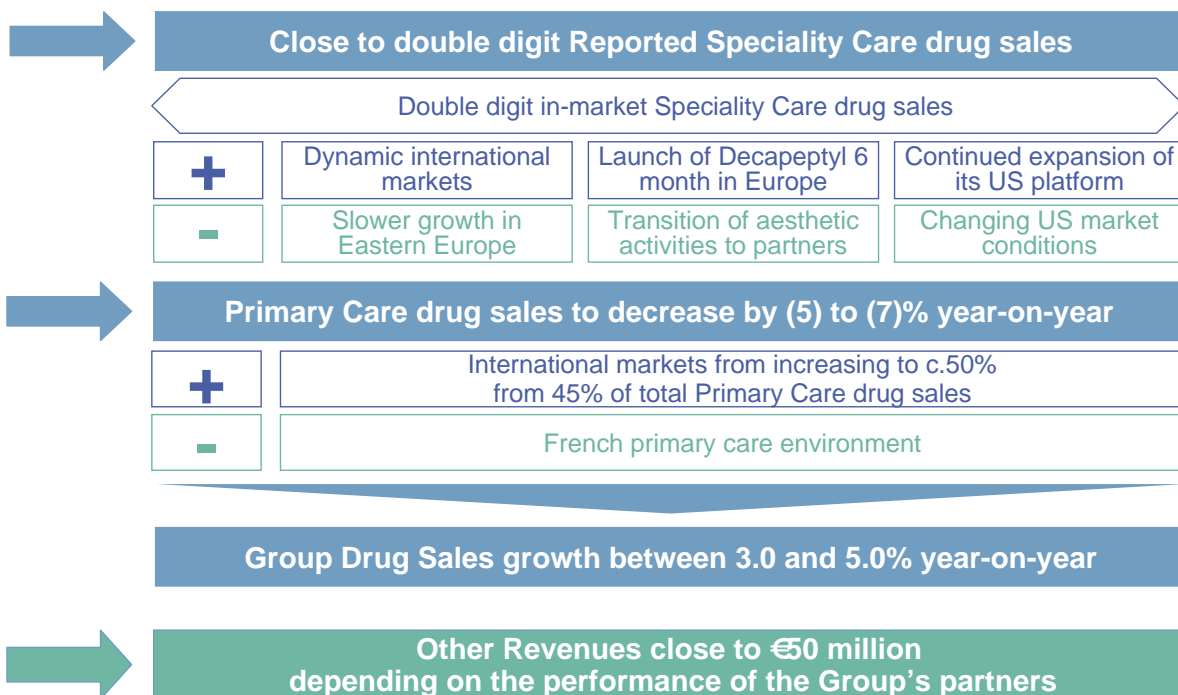


# APPENDIX

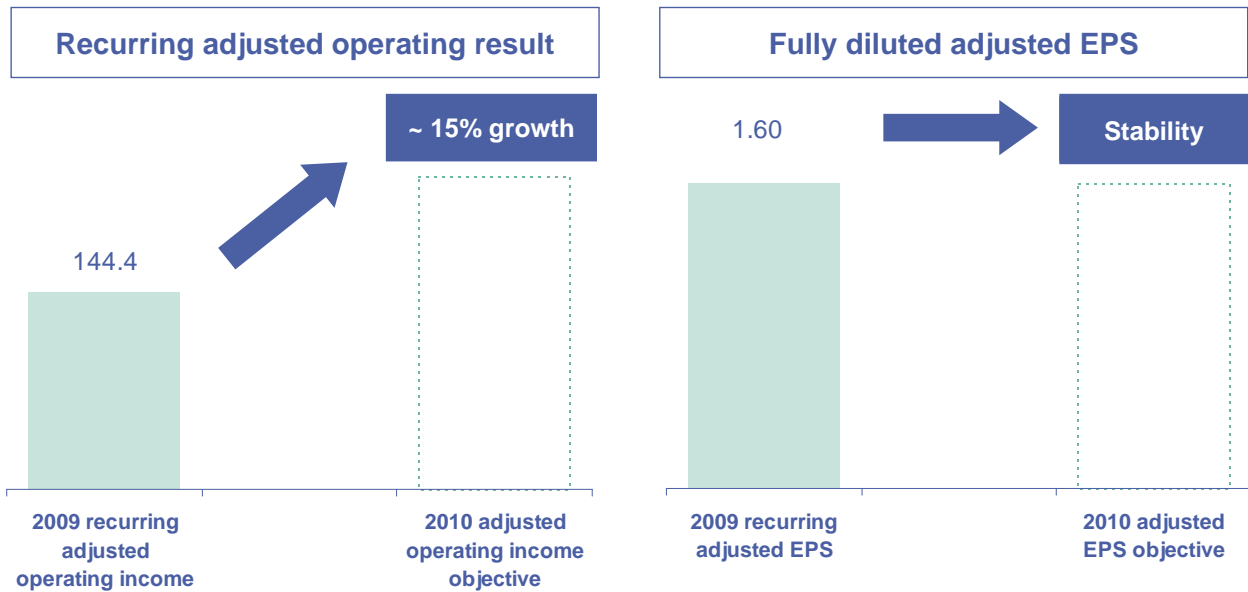
## Financial objectives



### Top line objectives for 2010

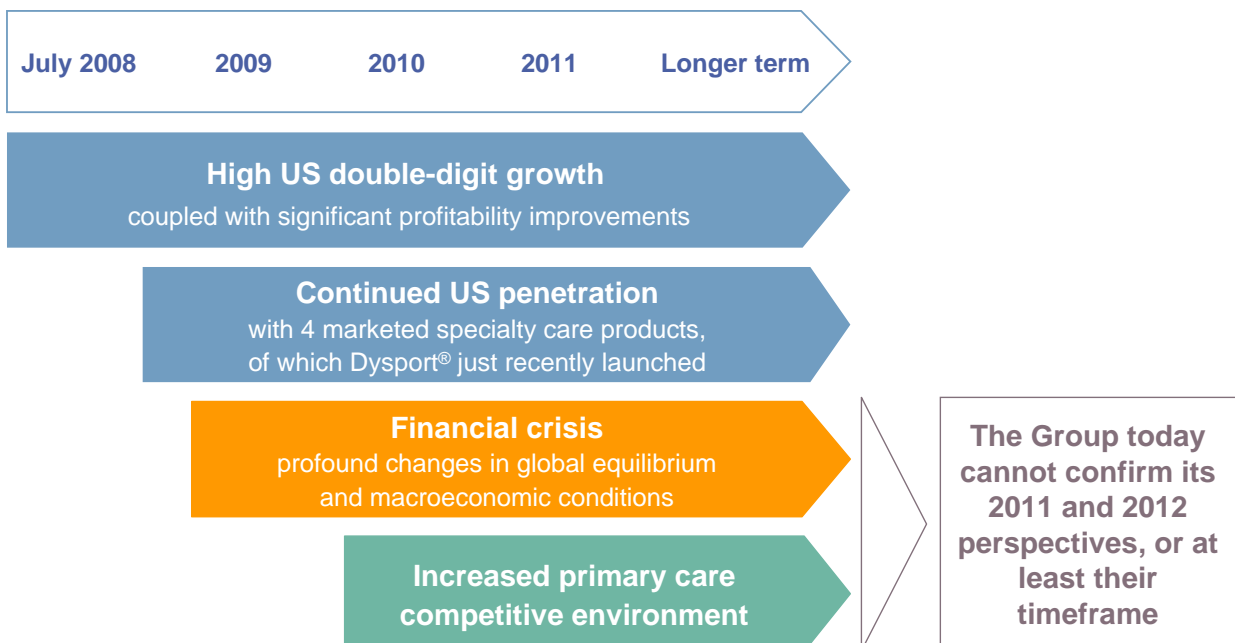


## Profitability objectives for 2010



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...



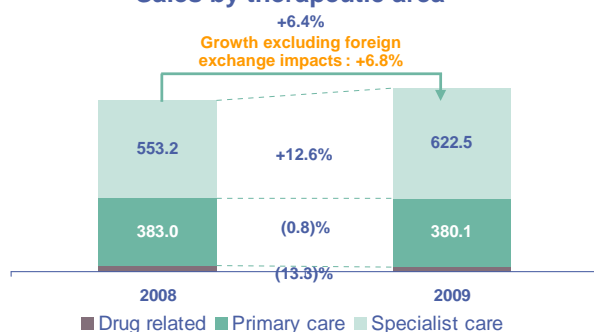
# APPENDIX

## Full year 2009 detailed financial performance

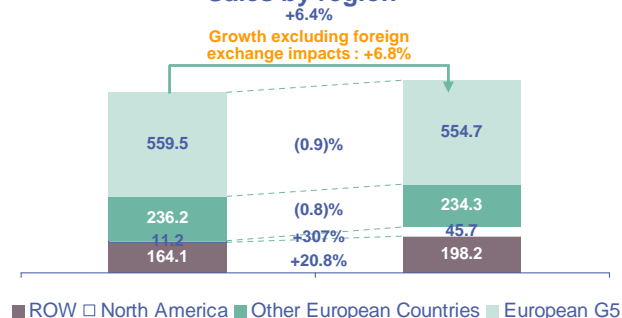


### Top line evolution

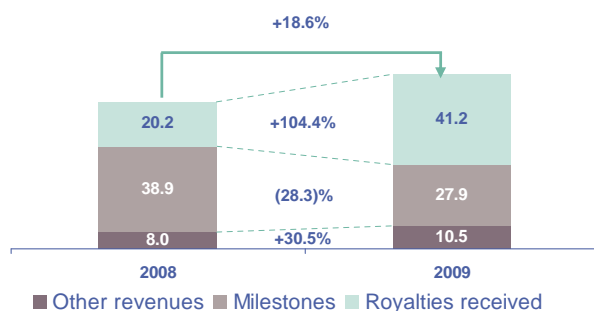
Sales by therapeutic area



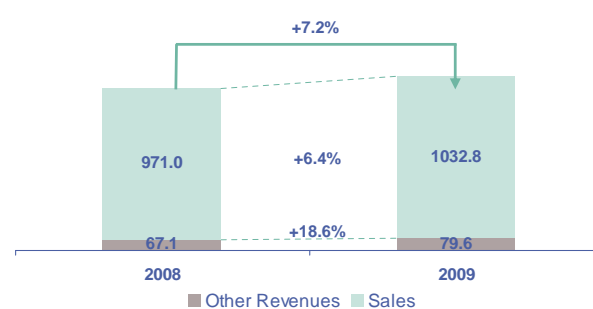
Sales by region



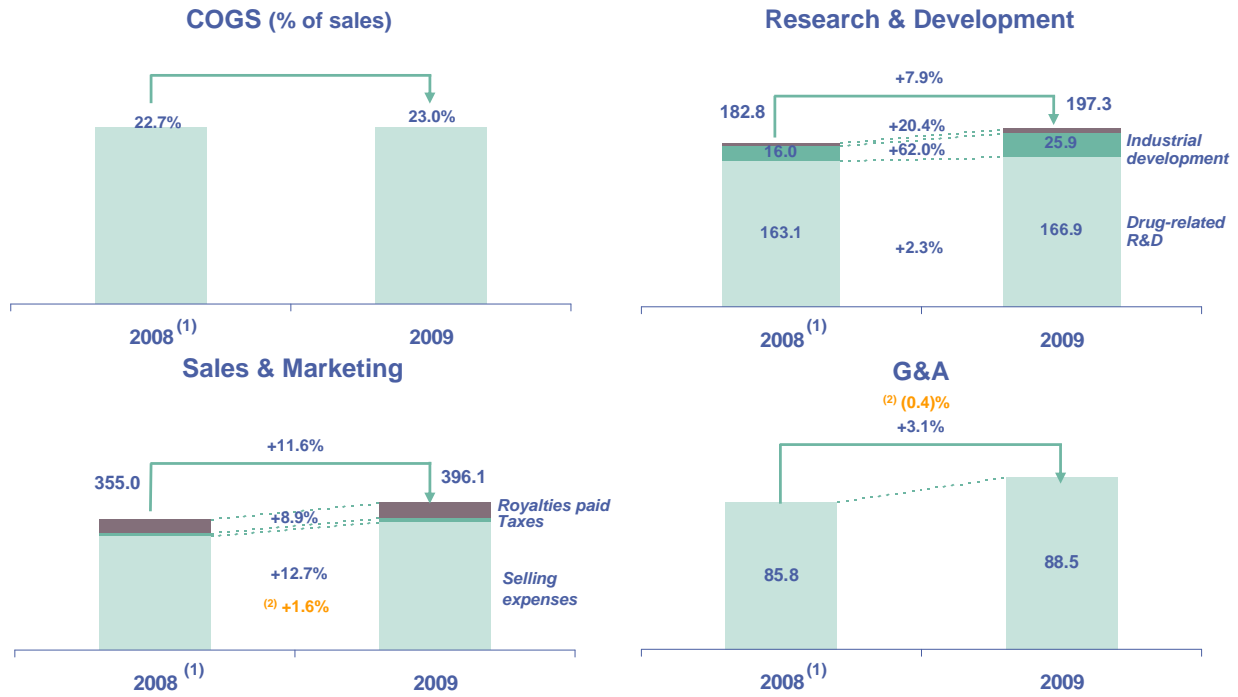
Other revenues evolution



Total revenues evolution



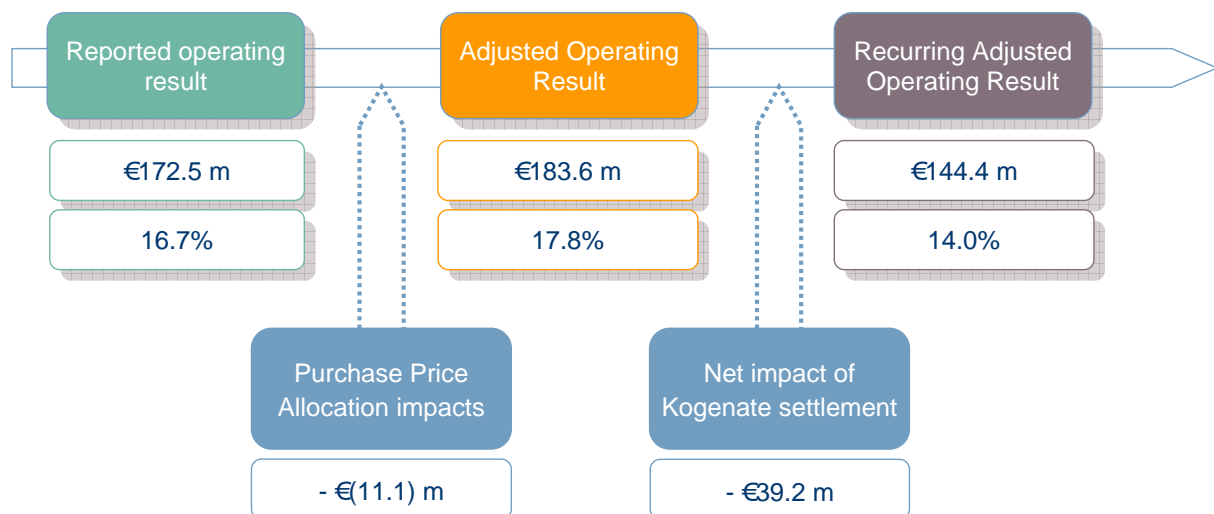
## Evolution of main P&L expenses



43 ODDO Sales Force Teaching

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

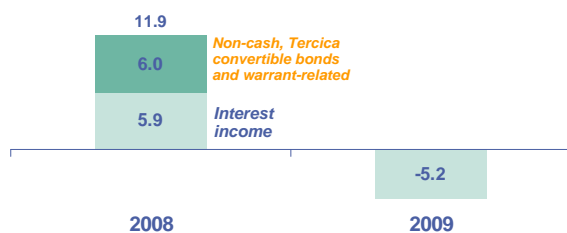


44 ODDO Sales Force Teaching

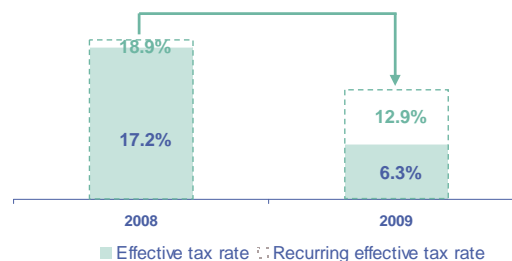
Margins expressed in % of sales

## P&L – below EBIT

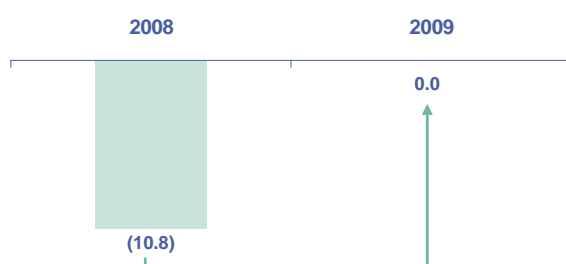
### Financial result (€m)



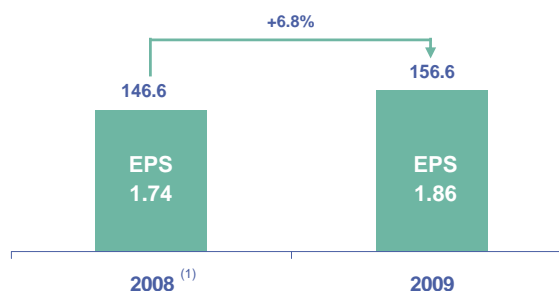
### Effective tax rate



### Income from Associates (€m)



### Consolidated result (€m - group share)



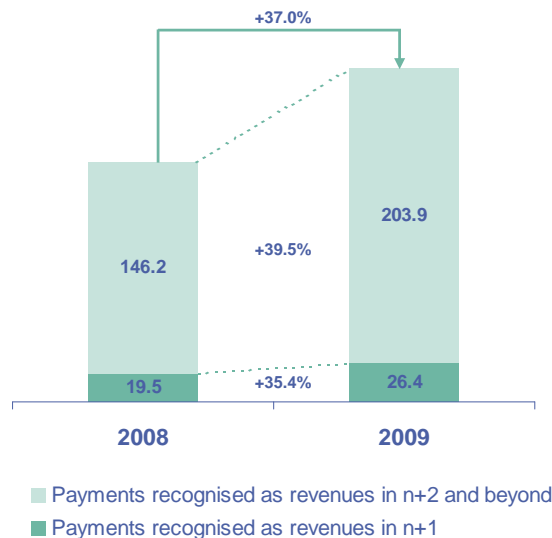
## Balance Sheet evolution

(€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>
- 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)
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>

■ Net increase in deferred revenues from partnerships: +€73.9m  
 ■ Reimbursement of syndicated credit facility (€150) m



## 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**

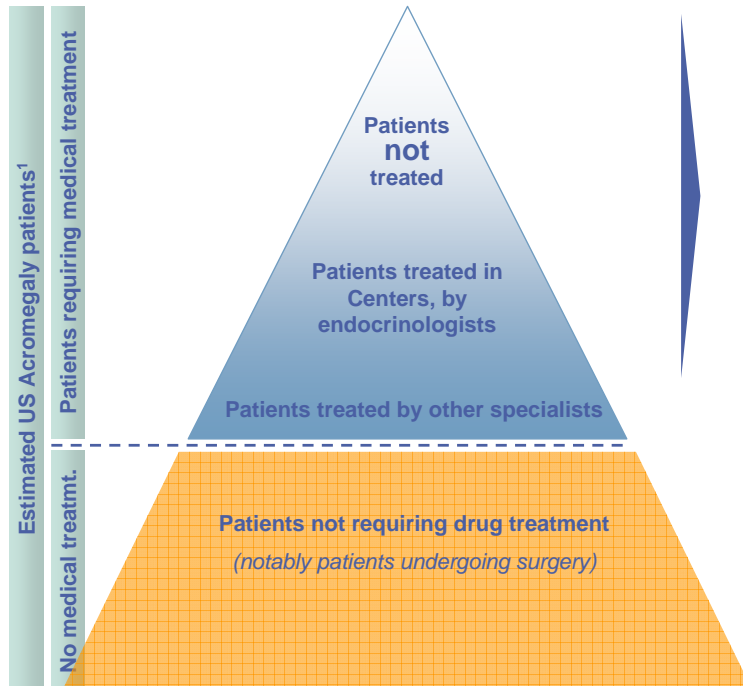
**Customer support programs in place, essential to US success**  
Implementing PACE program (Patient assistance, Access to services, Continuity of care, Education) for each product

**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® Depot market in the US

US Market structure – 15 000 to 18 000 patients

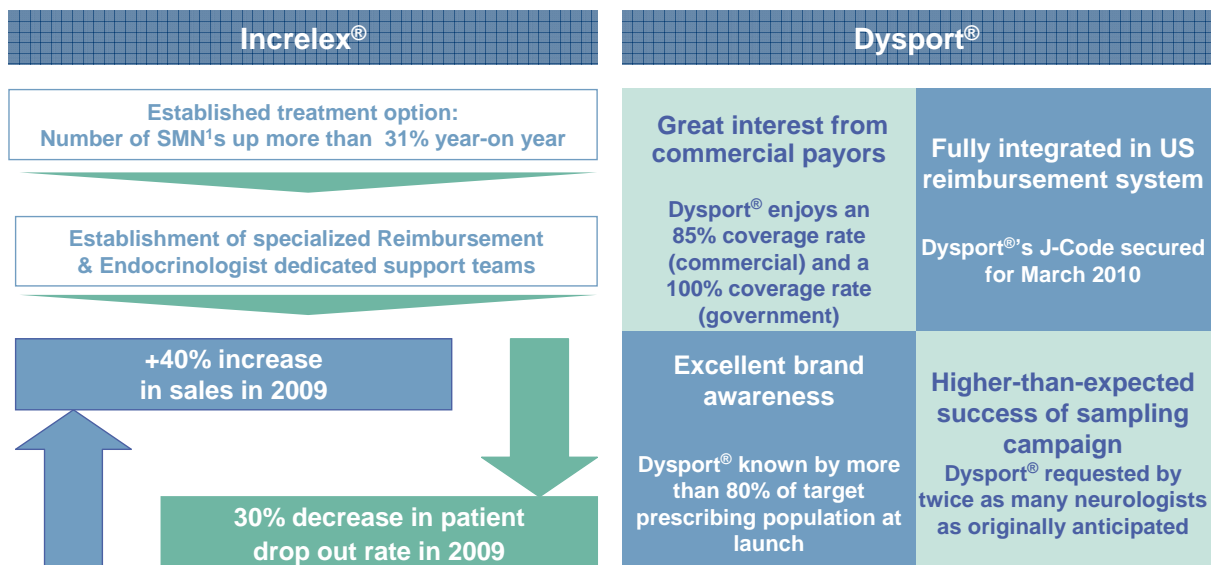


- **Good penetration of Somatuline® Depot**
  - 20% share<sup>2</sup> of endocrinologists prescriptions
  - 40% market share<sup>2</sup> in pituitary centers
- **Significant pool of untreated patients**
- **Relatively low compliance compared to Europe**

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

Drive Somatuline® Depot access and persistence

## Snapshot on Increlex® and Dysport®





## A change in US context

Difficult economic situation impacting finances of patients

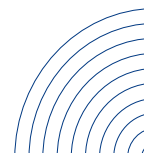
Increased pressure from commercial payers with tougher reimbursement criteria

Enforcement of strict compliance environment



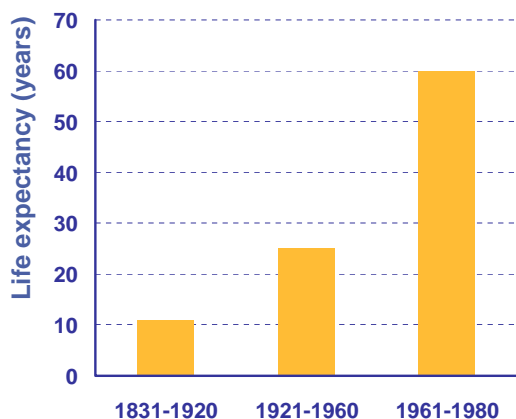
## Appendix

### Partnership with Inspiration in Hematology



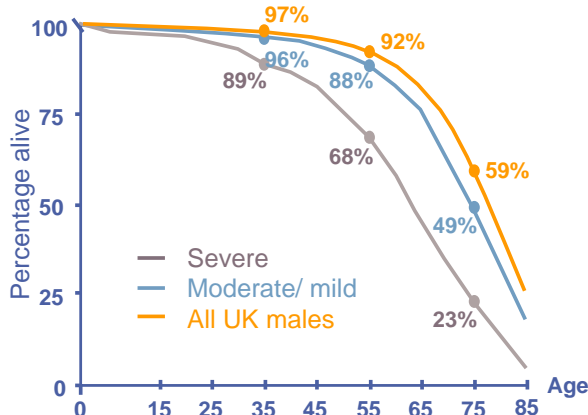
## Despite improved life expectancy and treatment of patients with hemophilia...

### Improved life expectancy



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

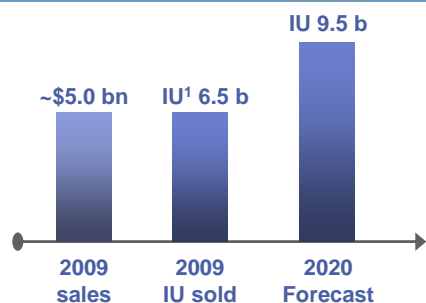
### Improved treatments



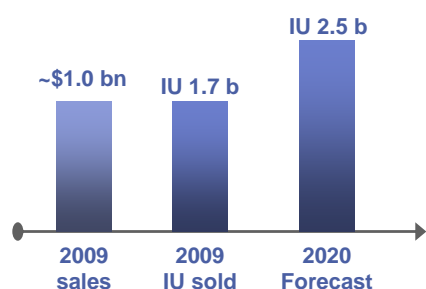
Survival in men in the UK with hemophilia who were not infected with HIV and in the general male population of the UK in 1999  
SOURCE: Darby SC, et al. *Blood* 2007;110:815-825

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

### Factor VIII



### Factor IX



### Low penetration

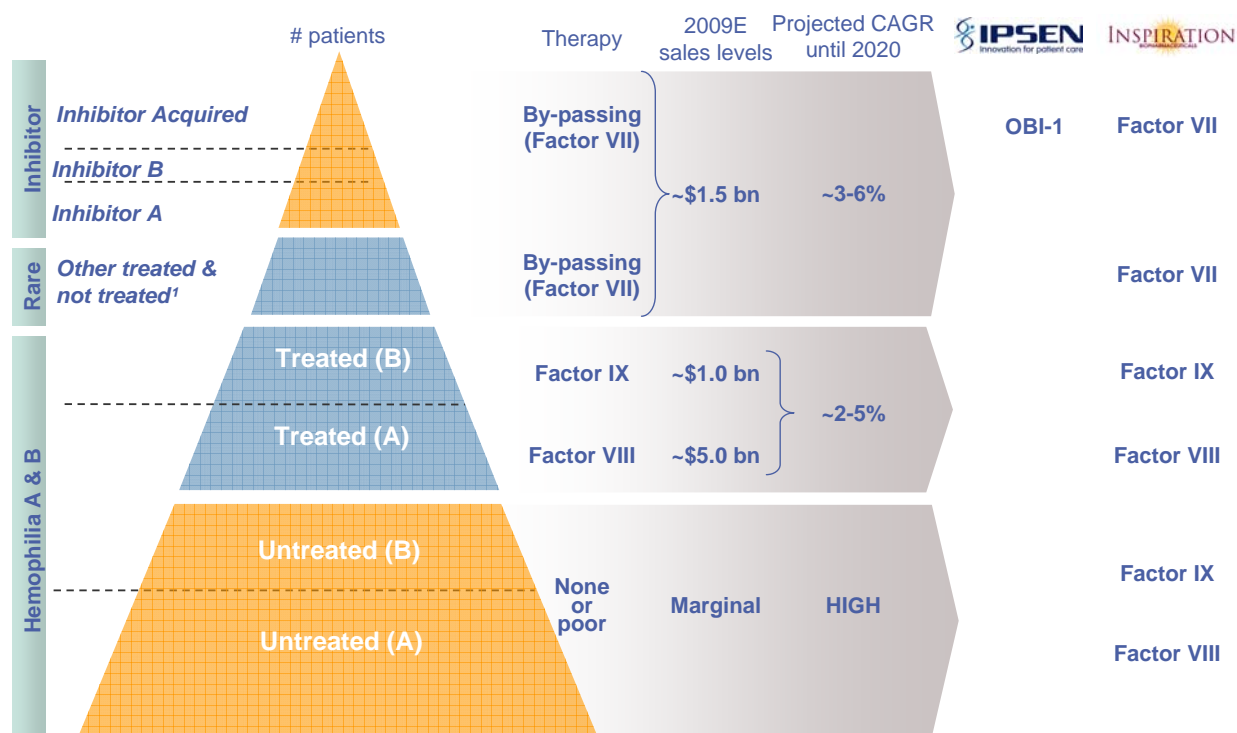
- 70% of hemophilia patients worldwide do not have access to factors

### 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**

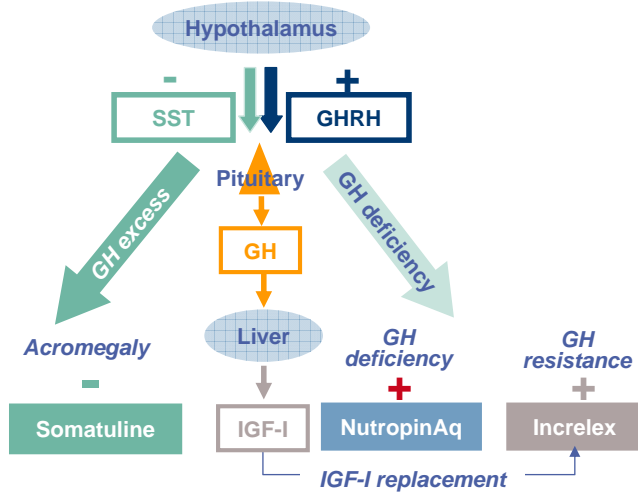
## ...resulting in high unmet medical needs in all segment of hemophilia



**BACK UP SLIDES**

**Endocrinology**

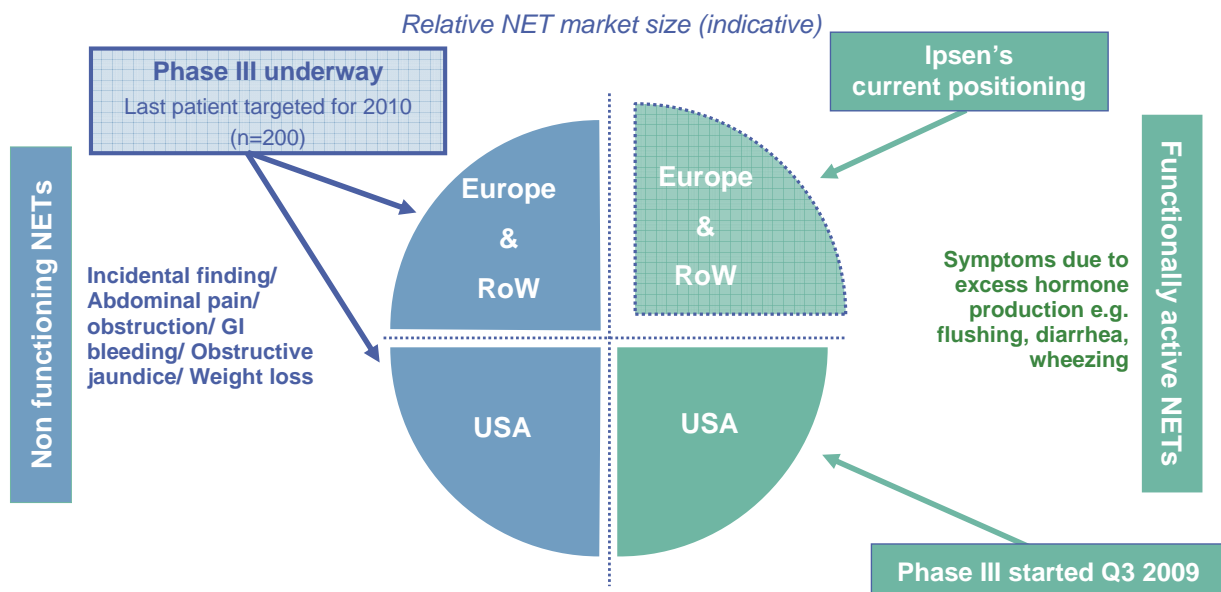
## A unique focus on pituitary disorders and hormone dependent diseases



### A strong franchise

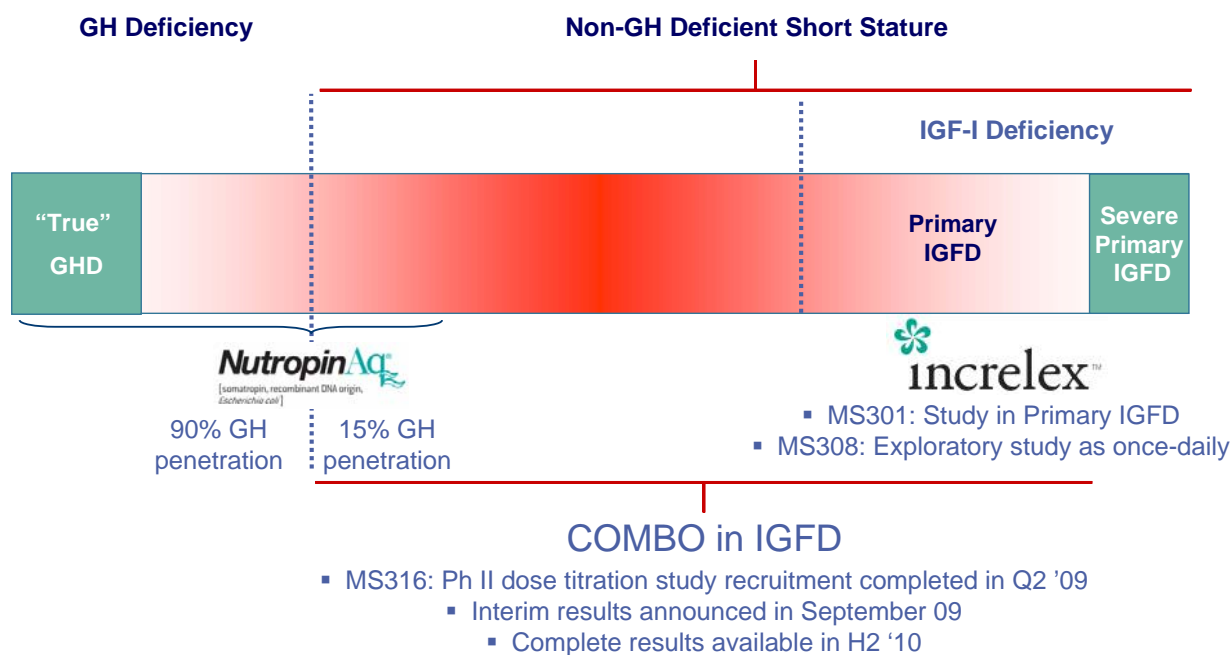
- A range of products addressing today Short Stature, Acromegaly and NET
  - High morbi-mortality
  - Debilitating pathologies
  - High unmet medical needs
- Somatuline®, NutropinAq® and Increlex® contributed to ~16 % of 2008 Group sales, ie. ~ €158 million.
- A fast growing franchise: sales doubled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

## Somatuline® offers significant life cycle growth opportunities



### Significant scope for expansion

## Ipsen is redefining the treatment of short stature

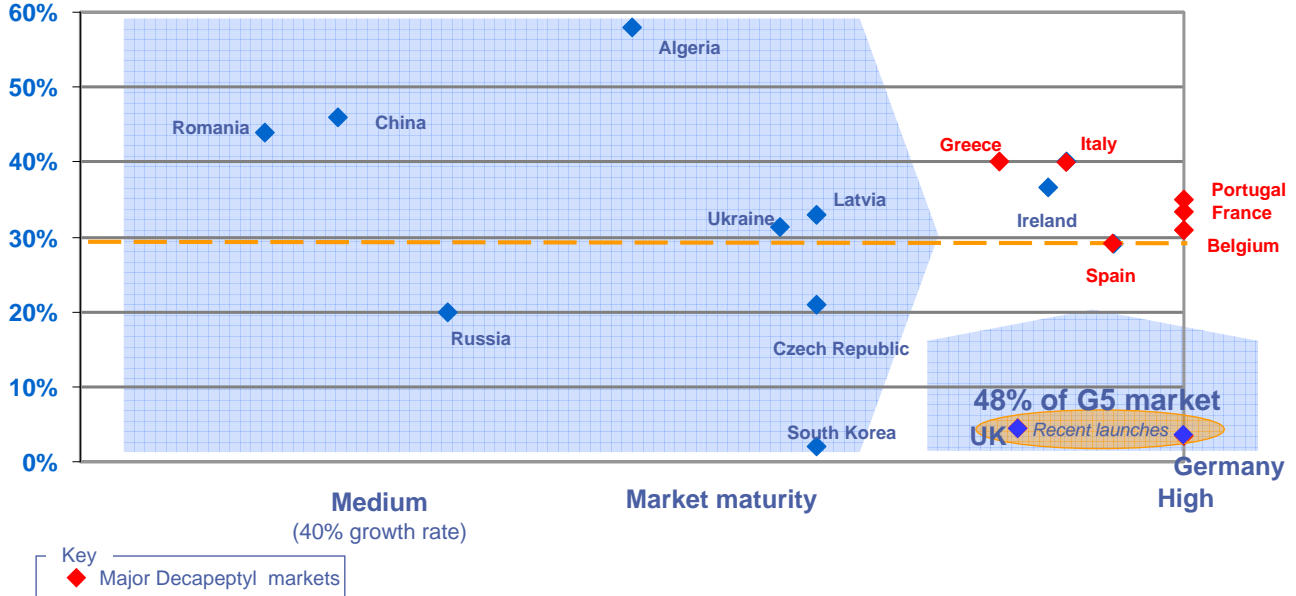


**BACK UP SLIDES**

**Oncology**

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

### Current market share



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SOURCE: IMS – YTD June 2008 except for Italy: internal data  
100 indicates most mature markets

## 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	<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"> <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> </td> <td style="padding: 5px;"> <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> </td> </tr> </tbody> </table>	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>
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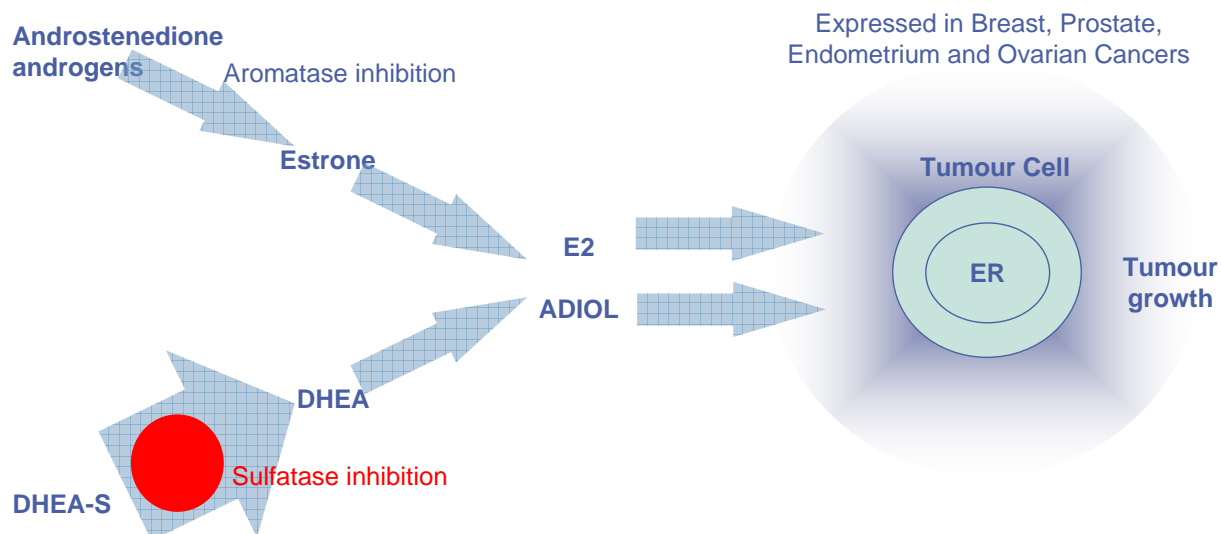
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Reference 1: French SmPC  
<sup>2</sup>Avis de la commission de transparence



## Rationale for Sulfatase inhibitor development

*Inhibition of Androstenediol synthesis from DHEA-S*



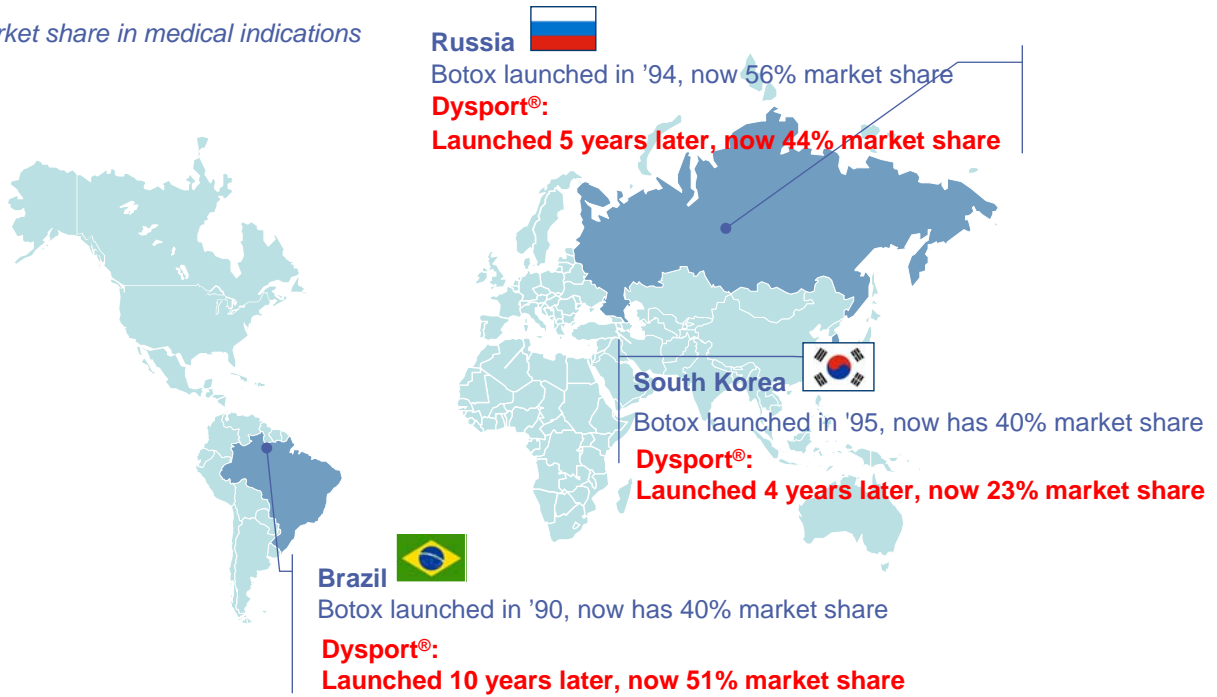
**Adiol can bind to oestrogen receptor and stimulate tumour growth  
(90% Adiol derived from DHEA-S in post-menopausal women)**

## BACK UP SLIDES

### Neurology

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

Market share in medical indications



## An increasingly transactional model

