

Ipsen's growth, technology and R&D engines fully at work

Roadshow Oddo Securities

November 9th, 2010 – Edinburgh

Mr. Christophe Jean – Executive Vice-President, Chief Operating Officer

Mr. Pierre Kemula – Investor Relations Officer

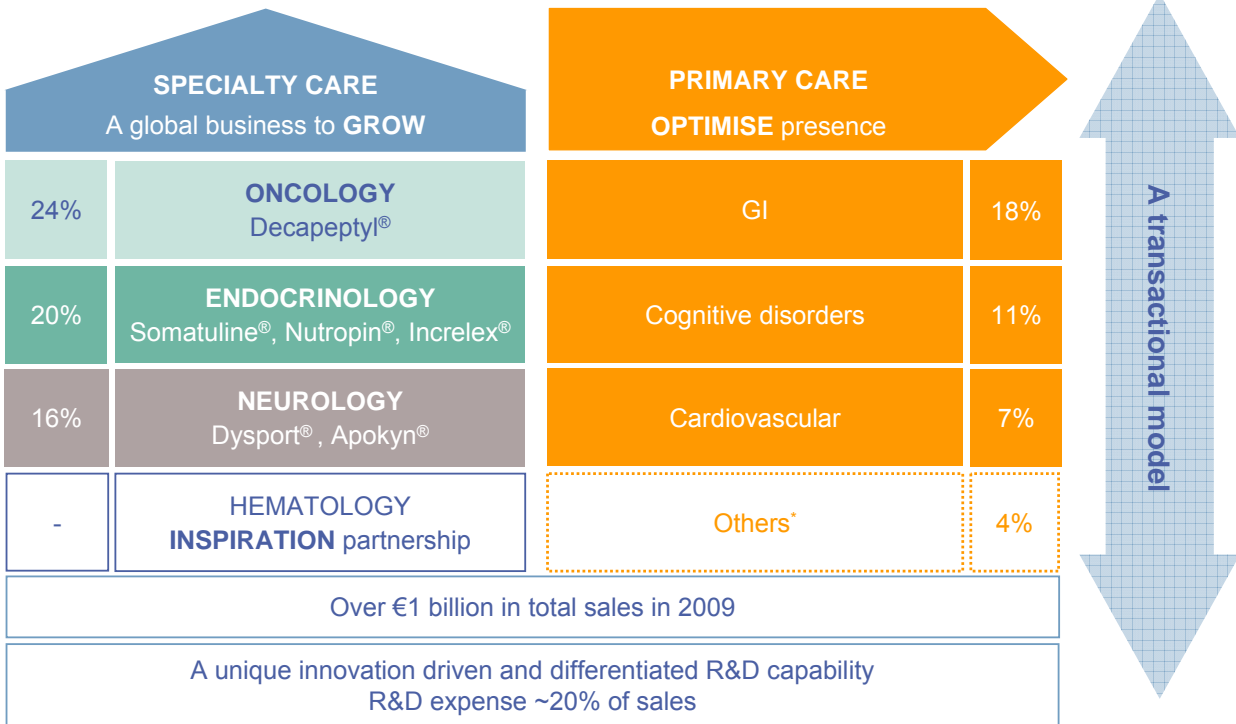


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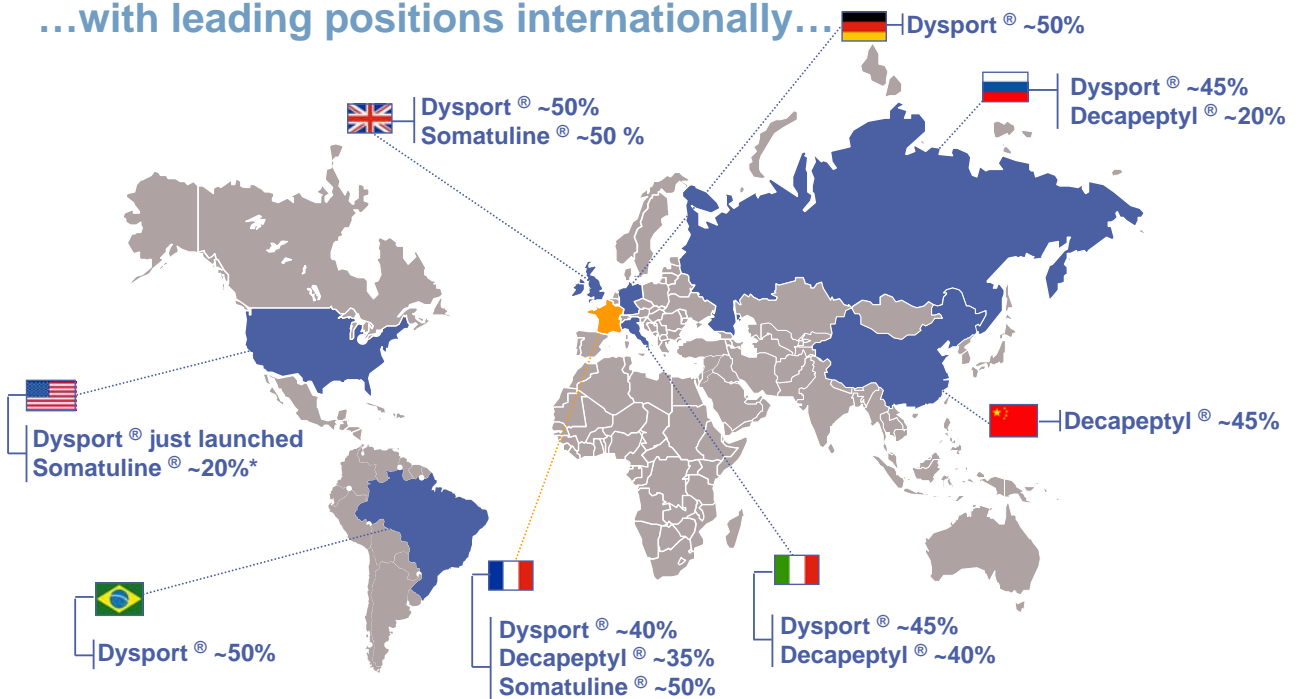
Ipsen today : a global biotech specialty pharma...



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* Other Pharmaceutical products (Primary Care) and Drug Related Sales

...with leading positions internationally...



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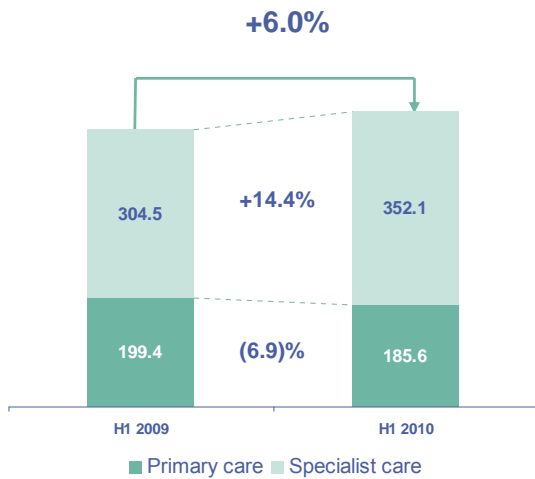
2008 rounded Market shares, except for Somatuline® in the US: 4Q09
Market shares are for (i) Dysport® in medical indications (ii) Decapeptyl in prostate cancer (China gynecology only) and (iii) Somatuline in Acromegaly only.

* In the US, market share in patients treated by endocrinologists and in pituitary centers

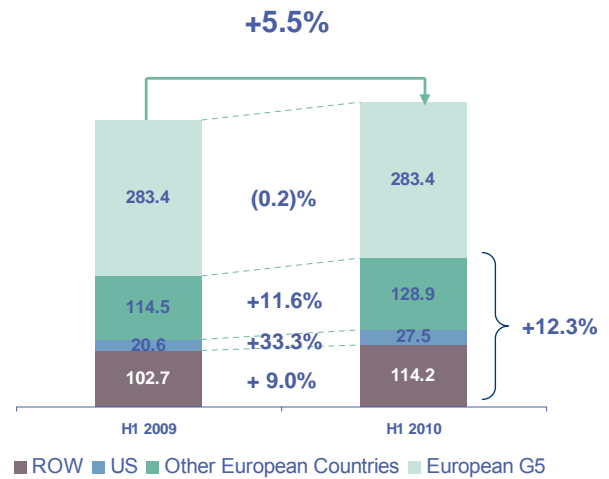
Sources: IMS, Insight Health/ODV, Ipsen estimates, Strategix

... with Specialty care driving the Group's dynamic growth...

DRUG SALES by therapeutic area
(excl. Drug related sales)

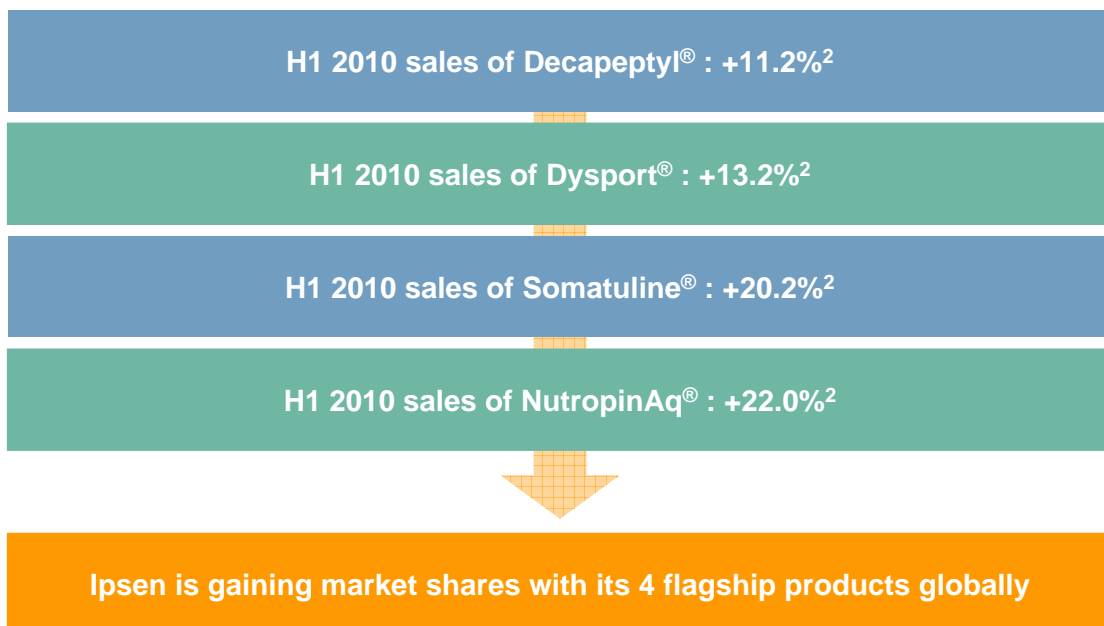


GROUP SALES by region
(incl. Drug related sales)



All growth rates exclude foreign exchange impacts

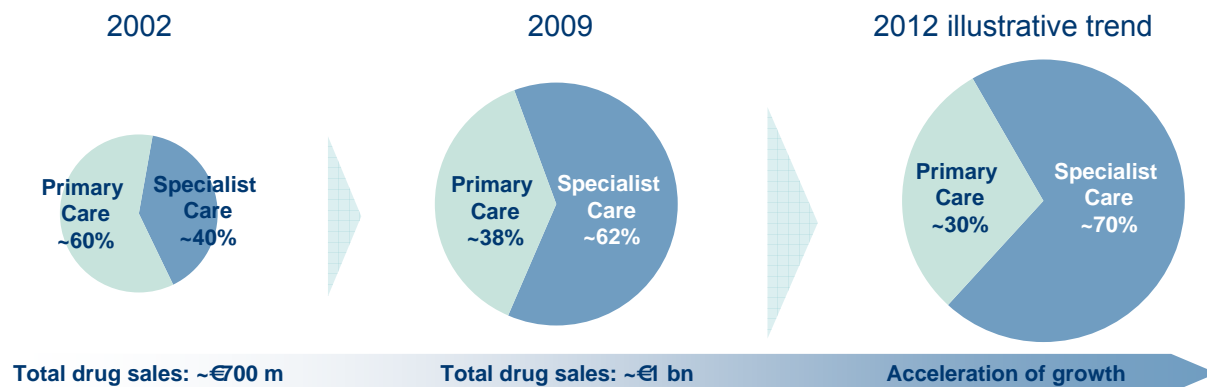
... outgrowing its main competitors¹



¹ Ipsen's main competitors to Decapeptyl®, Dysport®, Somatuline® and NutropinAq® respectively grew 2.0%, 2.9%, 12.0% and 4.0 % over H1 2009 and H1 2010

² Year-on-year first half growth at constant currency

Today, a reinforced profile

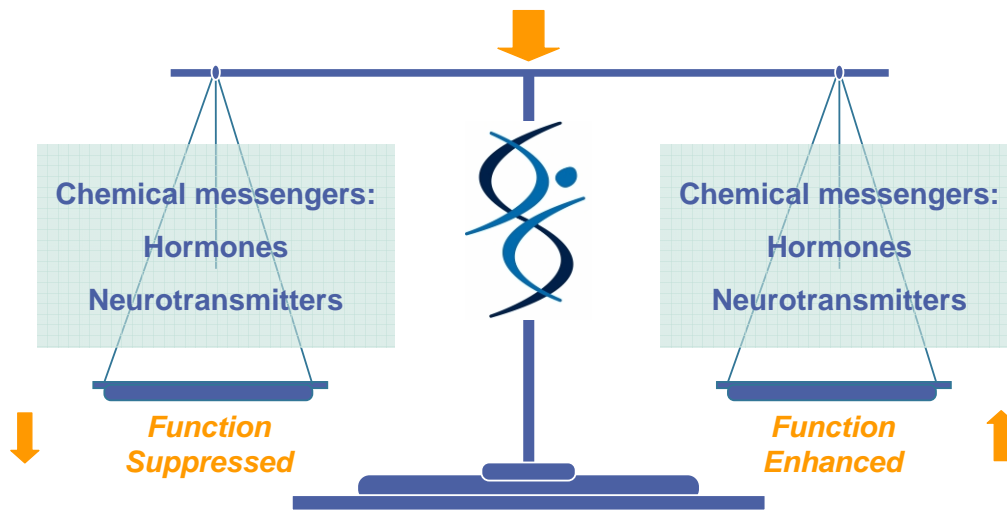


Confirming Ipsen's biotech specialty care profile

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A truly differentiated R&D

The fundamentals : restoring physiological balance



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

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... applied to well defined disease areas and indications

	Endocrinology	Oncology	Neurology	Hematology
Hormonal pathways	<ul style="list-style-type: none"> • Acromegaly • Cushing's 	<ul style="list-style-type: none"> • Hormone-dependent cancers: 	<ul style="list-style-type: none"> • Neuromuscular disorders, focusing on dyskinesia 	<ul style="list-style-type: none"> • Hemophilia A • Hemophilia B
Peptide & protein chemistry & formulation	<ul style="list-style-type: none"> • NET • NFPA • Short Stature 	<ul style="list-style-type: none"> - Prostate cancer - Androgen-receptor (AR+) expressing Breast cancer & luminal type A (ER+) sub-types - Endometrial cancer 	<ul style="list-style-type: none"> • New toxins and new applications for botulinum toxin 	<ul style="list-style-type: none"> • Hemophilia with inhibitors:
botulinum toxin expertise				<ul style="list-style-type: none"> - Acquired hemophilia - Congenital hemophilia

Focused, aligned, synergies across therapeutic areas

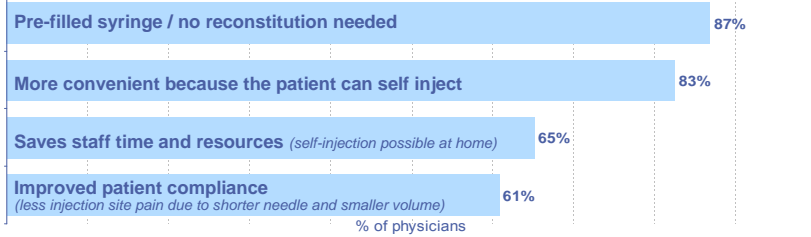
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Example of differentiation : Somatuline® Depot

	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

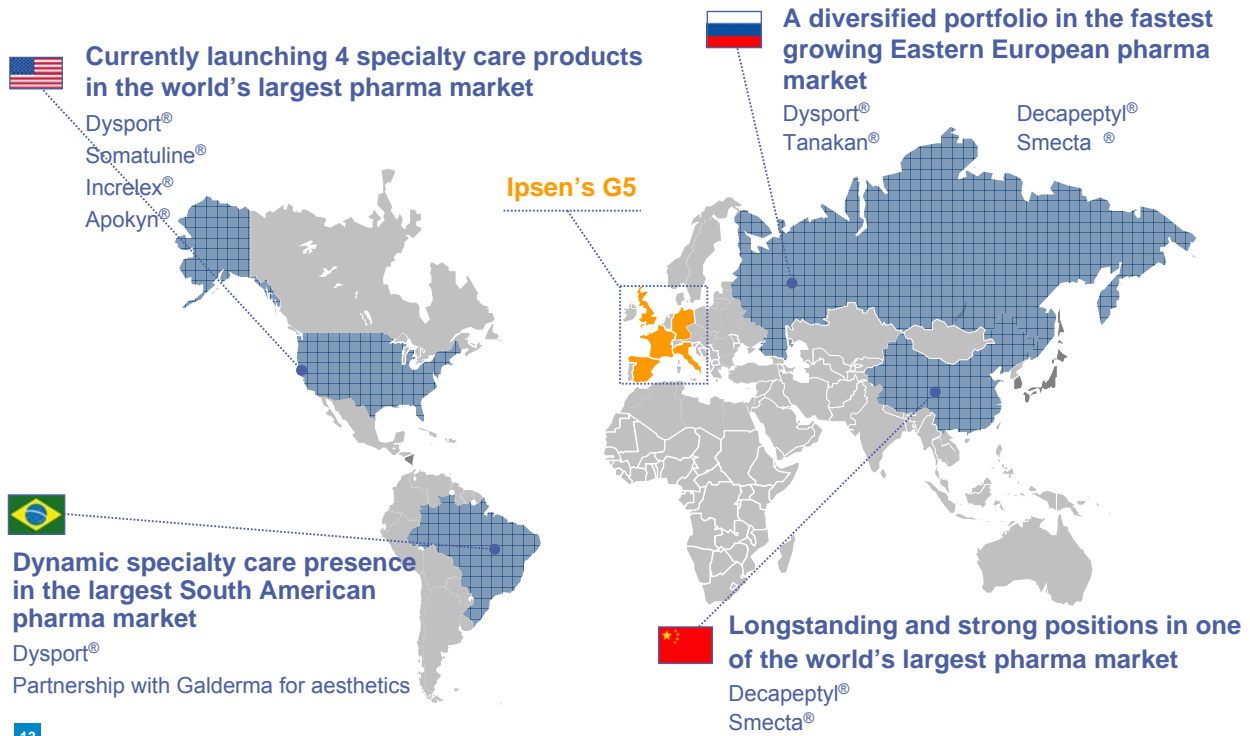
* In selected countries

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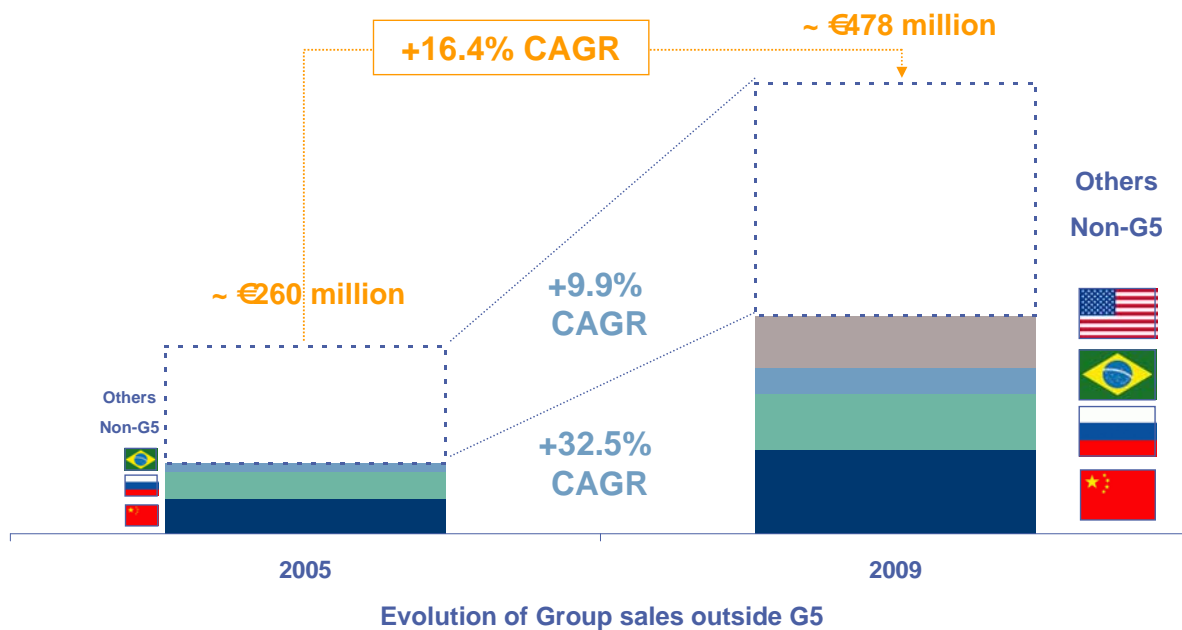
** Study Sample: A total of 50 US endocrinologists completed a 30-minute online questionnaire between April 4 - 17, 2008
25 High Volume Endocrinologists: Endocrinologists who see 11 or more acromegaly patients in a year
25 Low Volume Endocrinologists: Endocrinologists who see between 5-10 acromegaly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

A strong commercial presence

Geographic expansion is part of Ipsen's culture...

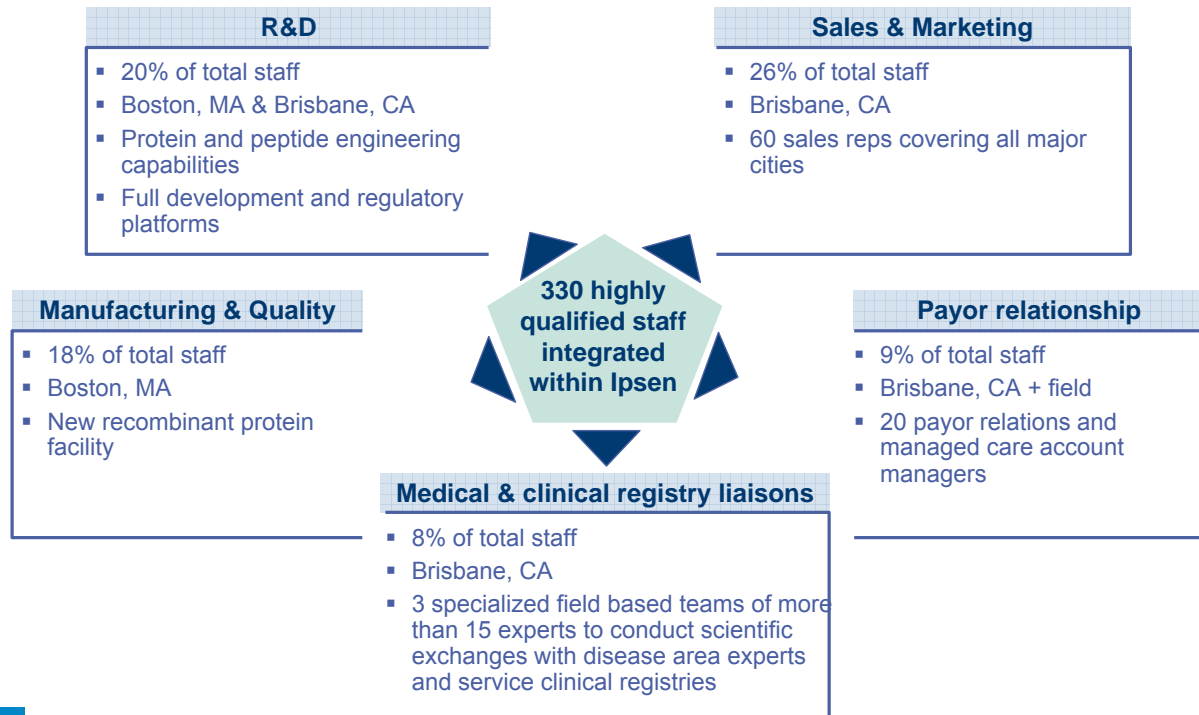


... leading to continuous, fast development outside historical G5





US : A tailor made, competitive and complete infrastructure...



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...with significant achievements in less than two years

- FDA approval of 2 major products : Somatuline[®] and Dysport[®]
- 2009 sales of €45.7 million, growing 60%+ year-on-year
- H1 2010 sales of €27.5 million, growing 30%+ year-on-year
- Today, Ipsen's 6th largest affiliate

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A strong and longstanding presence in China ...

- Established in 1992
- HQ in Tianjin. Total staff of ~ 450 employees
- ~€75 m 2009 sales
- Today, Ipsen's 2nd largest affiliate
- **Regional sales force teams** focused on key coastal cities, now spreading towards the west into lower tier cities. >100 cities covered including all T1 & T2¹
- **Dedicated market access team** to manage complexity of 31 regions
- Experienced **medico-regulatory team** to conduct **local clinical and registration trials**
- World class **manufacturing site** since 2000 currently producing >20 million units of Smecta® for domestic Chinese market



Ipsen, a well established, with a longstanding expertise, Chinese Pharmaceutical company

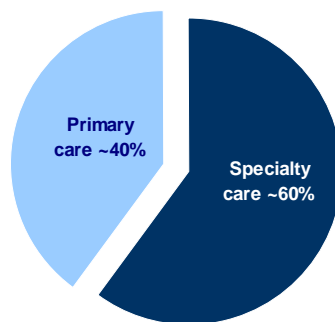


...delivering ~25% sales CAGR over the past 5 years



- Sales force ~200
- Covering top tier 1 & 2 cities and entering T3²
- ~15%³ market share
- Non EDL⁴ market (T1 & T2) growth slowing down
- EDL² segment (T3) to grow > 50% in volume

Main products



2009 sales split



- Specialized Sales Force ~90
- Covering >100 top tier cities
- Endometriosis:
 - Launched in 1999
 - Market CAGR 10-14 > 20%³
 - Achieved leadership
- Prostate cancer:
 - 3-month launched in Q1 2010
 - First in market
 - Market CAGR 10-14 > 25%³

A portfolio built on solid historical gastroenterology pillar, now boosted by fast growing specialty care franchise

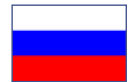


A strong presence in Russia, the fastest growing Eastern European market...

- Presence since **1993**
- HQ in Moscow. Total staff of **~200 employees**
- **~€50 m** 2009 sales
- Today, Ipsen's **7th largest affiliate**
- Sales force regional teams focused on **30+ major cities**
- **Strong franchises** among neurologists, gynecologists, onco-urologists, pediatricians
- **Solid expertise in distribution management**, a key success factor in a highly complex and fragmented market



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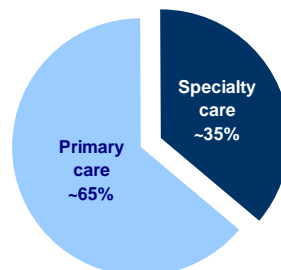
... delivering ~20% sales CAGR over the past 5 years...



- ~5% market growth ¹
- ~5% market share



- ~15% market growth ¹
- ~7% market share



2009 sales split, %



- Leader in neurology indications growing >25% ¹
- ~40% market share in the aesthetic market growing 20%+ ¹



- ~15% market share in both prostate cancer and endometriosis
- Prostate cancer: 35% market growth ¹
- Endometriosis 15% market growth ¹

²

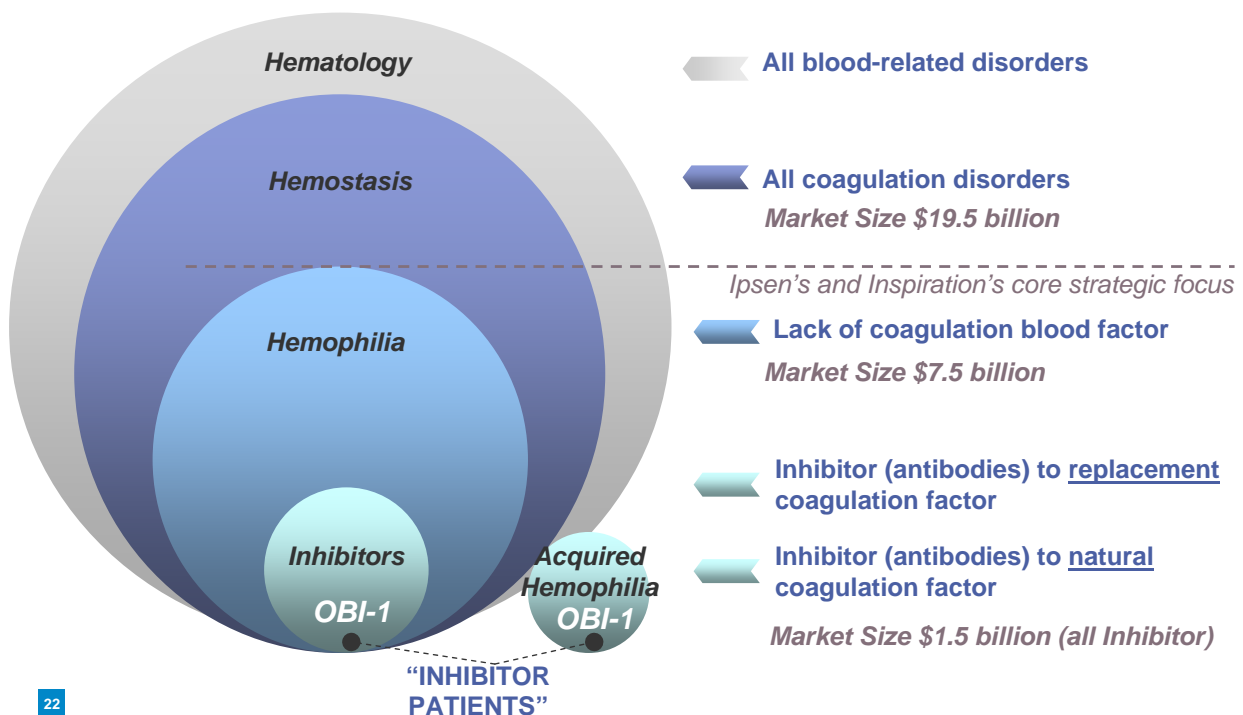
A balanced portfolio with solid foundation of Primary Care franchise and fast-growing Specialty Care sales

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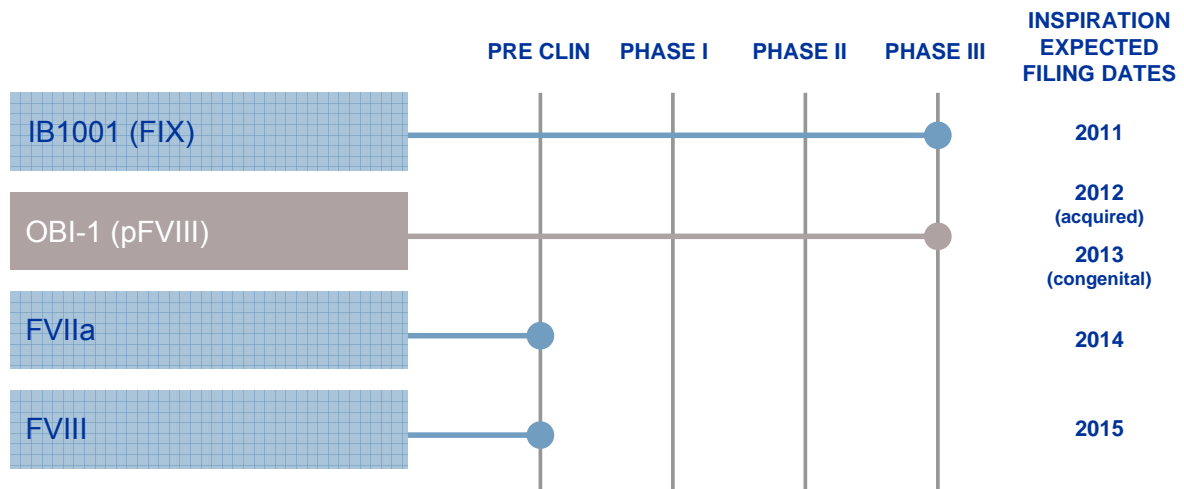
An strong partnerships strategy



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

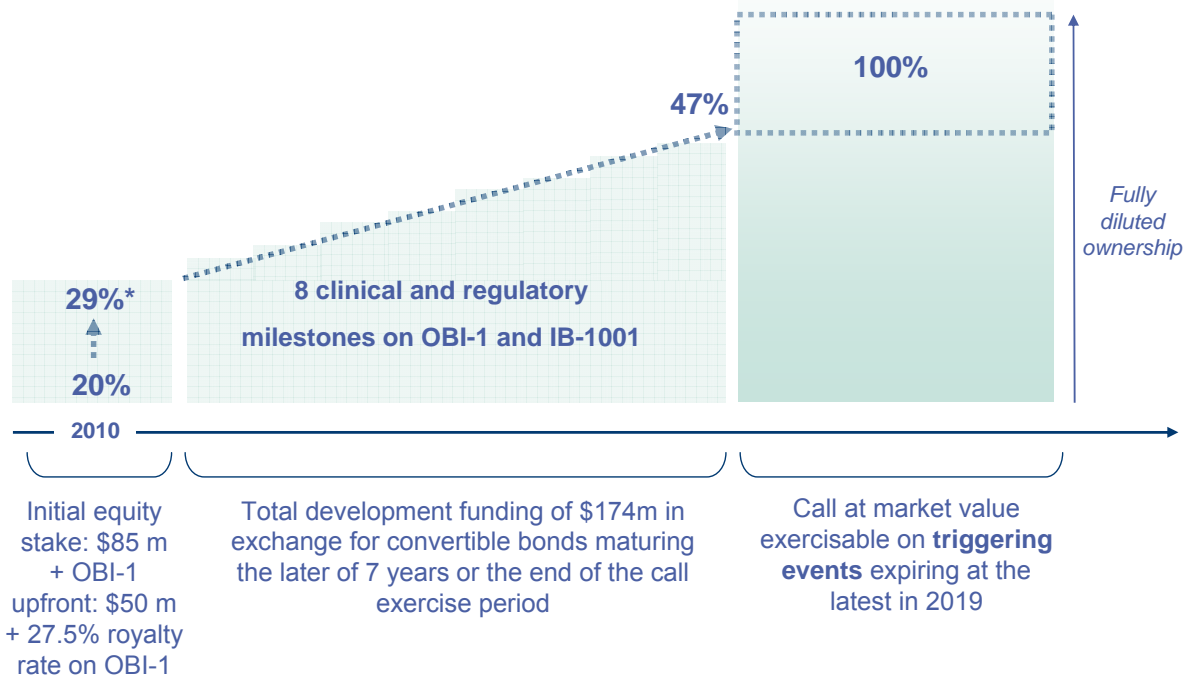


...to build a unique franchise covering all needs in hemophilia...



A recombinant product in each segment of the hemophilia market

A progressive path to control of Inspiration



* O/W 20% of outstanding shares

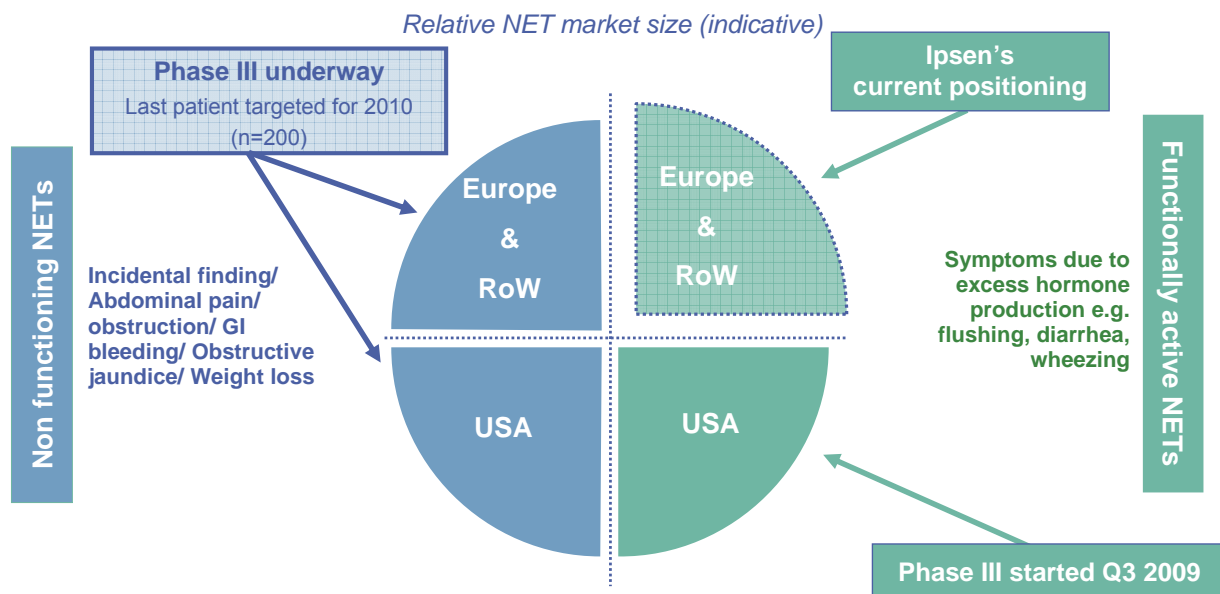
Building value with a strong R&D pipeline



Life cycle opportunities

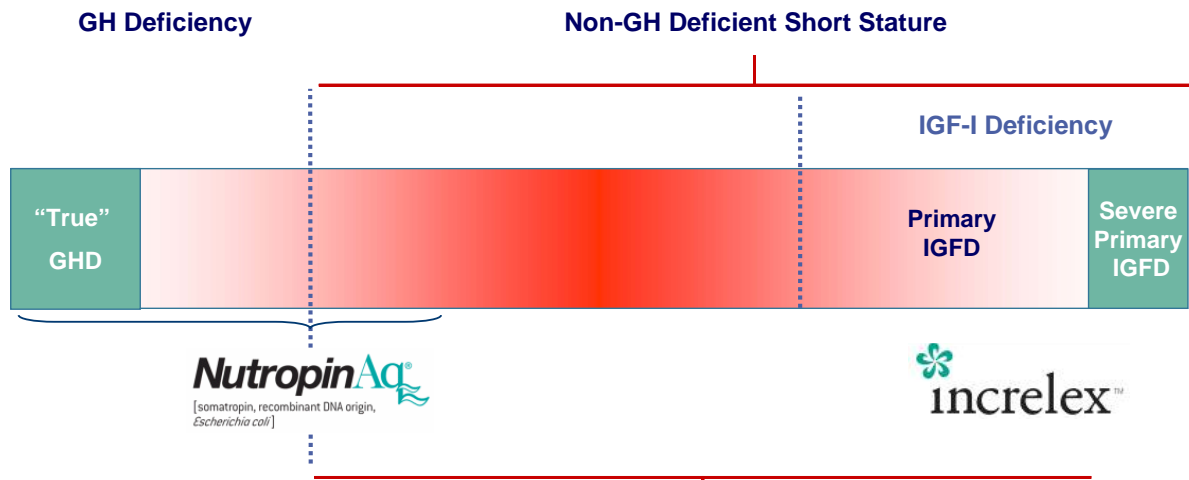


Somatuline® offers significant life cycle growth opportunities



Significant scope for expansion

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

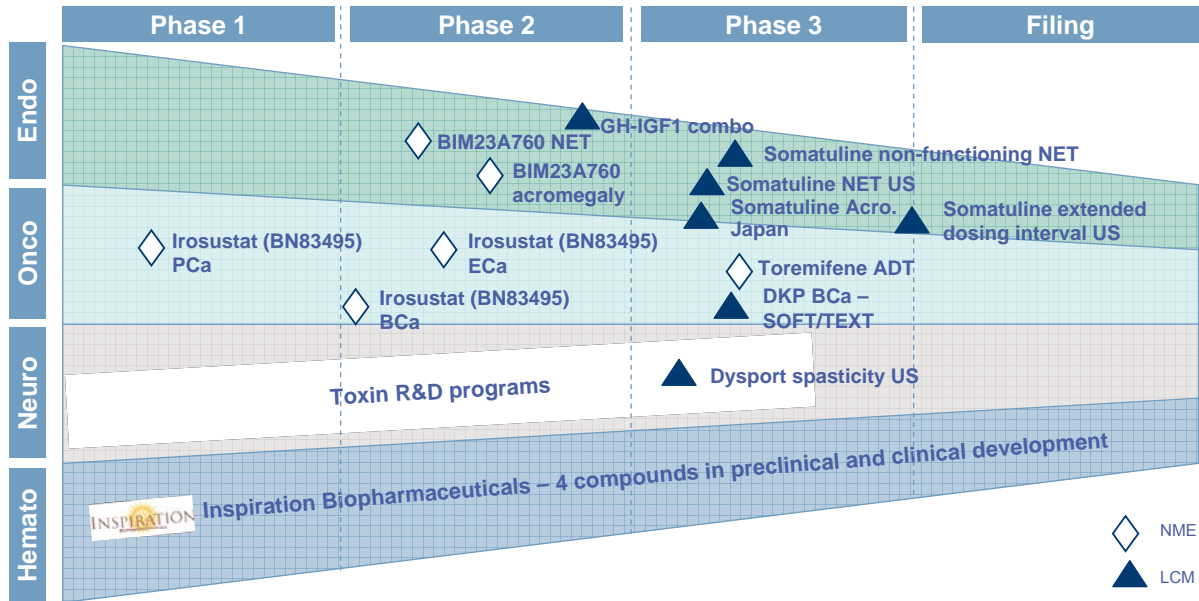
Neurology: Dysport indications

Rest of world	North America
<ul style="list-style-type: none"> Cervical Dystonia Blepharospasm Adult Spasticity Cerebral Palsy (pediatric) Hyperhidrosis Hemifacial spasm Aesthetic use 	<ul style="list-style-type: none"> Cervical Dystonia Aesthetic use
	<ul style="list-style-type: none"> Adult Spasticity Cerebral Palsy (pediatric)

Current indications

Phase III to start

A rich and balanced R&D portfolio...



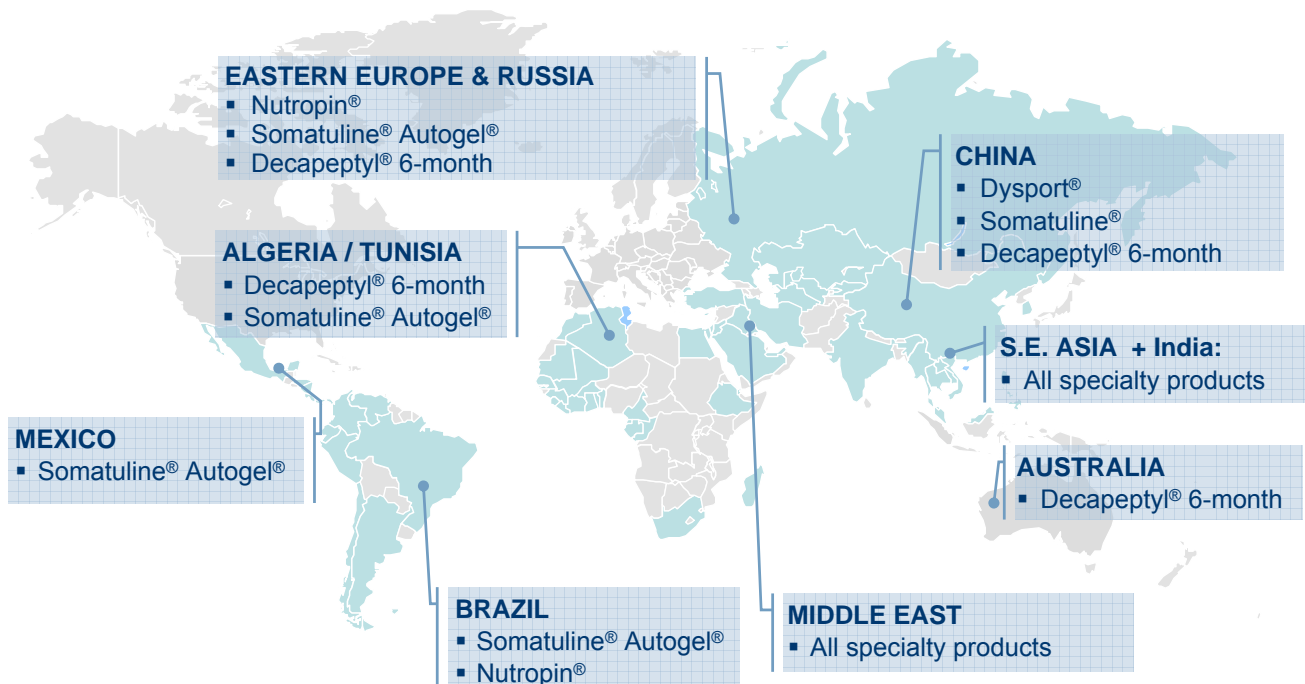
POC expected in 2011 for BIM23A760 acromegaly and BN83495 endometrial cancer

Thank You

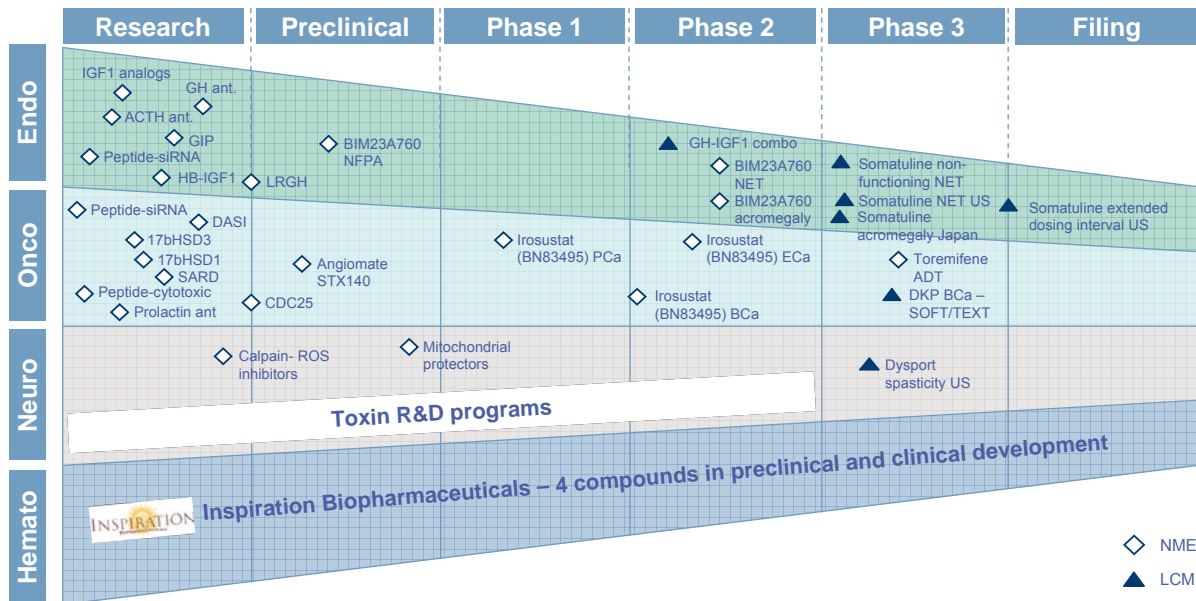
Back up



Ipsen will continue to expand geographic reach by developing its specialty care products for international markets...



A rich and balanced R&D portfolio...

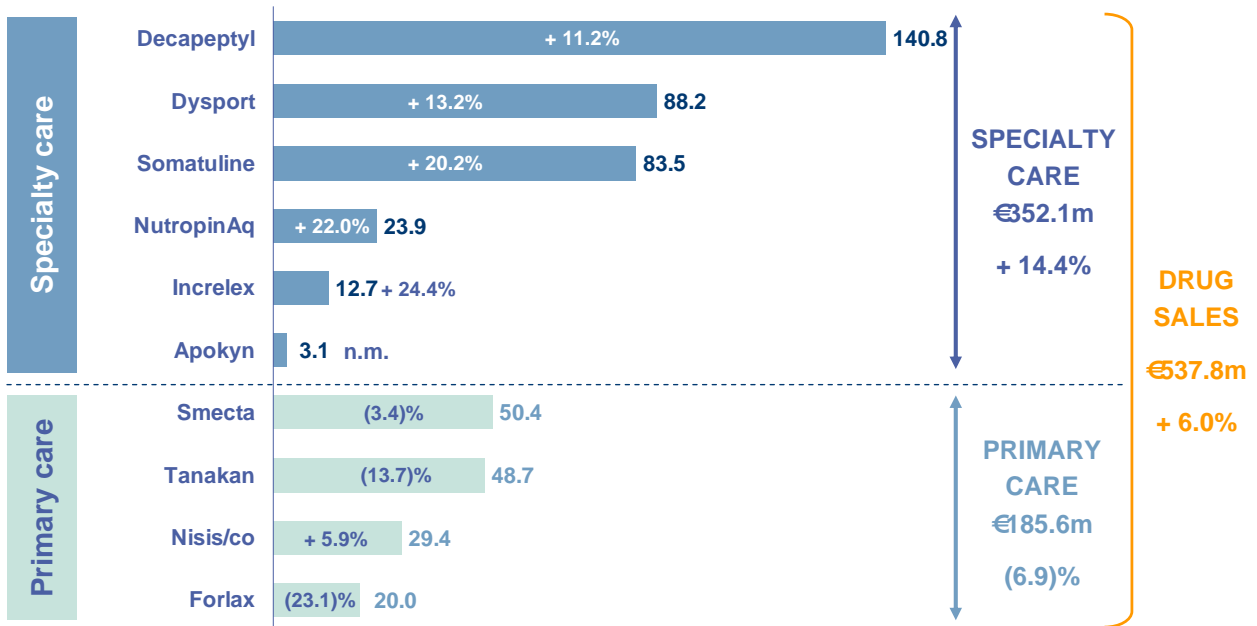


POC expected in 2011 for BIM23A760 acromegaly and BN83495 endometrial cancer

Half-year 2010 financial performance in line with full year objectives

Specialty care strongly drives sales growth in H1 2010

Sales in € million

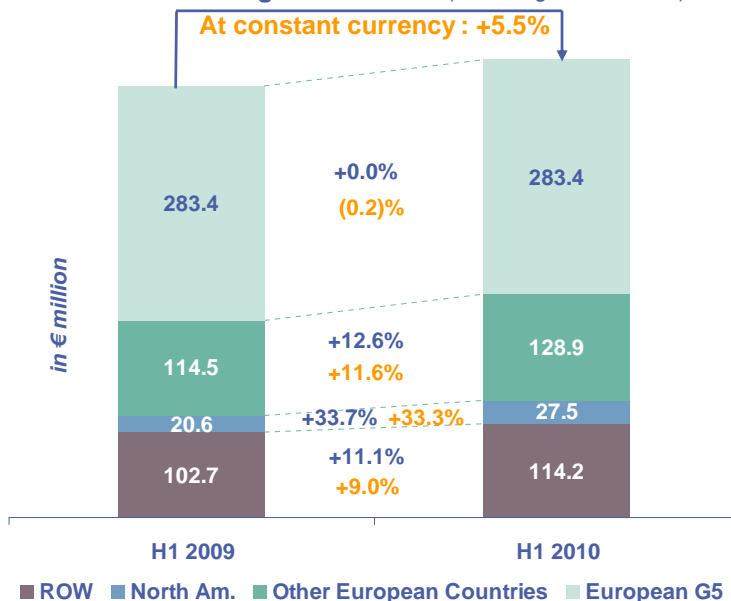


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NOTE: % sales growth at constant currency

Sales are driven by regions beyond G5

GROUP SALES growth : +6.3% (incl. Drug related sales)

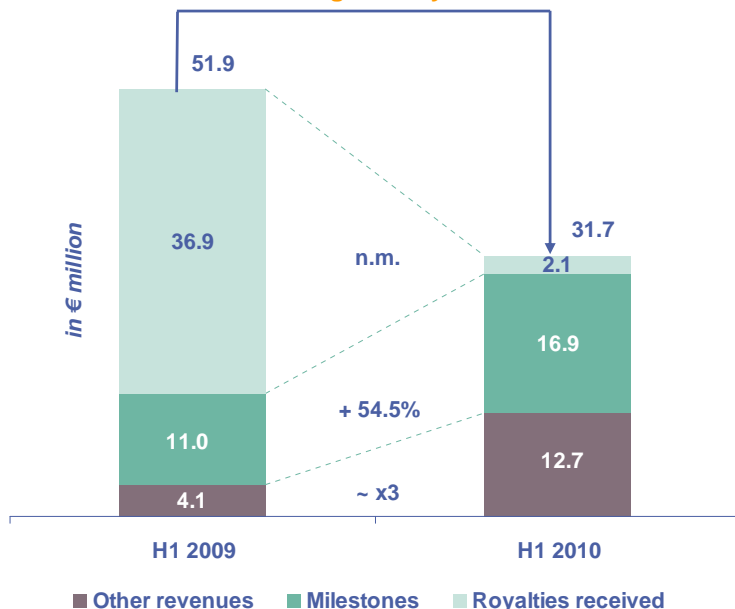


- European G5**
 Specialty care sales growth offset by tougher competitive environment, notably in French Primary care
- Other European countries**
 Dynamic growth throughout with favourable 2009 basis (Eastern Europe crisis)
- North America**
 Strong growth driven by the penetration of 4 products
- ROW**
 Strong growth, notably in China with the launch of Decapeptyl® 3M in the treatment of prostate cancer

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Other Revenues evolution

Other Revenues evolution: (38.9)% or
+104.5% excluding the Bayer 2009 income



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▪ Royalties Received

Excluding the proceeds of the Bayer settlement, royalties received in H1 2010 grew 4x to €2.1m from €0.5m

▪ Milestones

Primarily income from the agreements with Medicis, Galderma, Recordati and Roche.

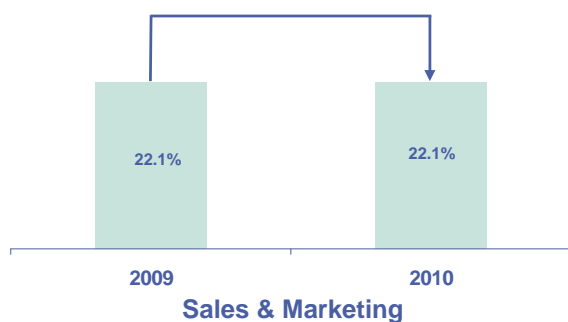
Additional income from Menarini (Adenuric®) and Inspiration Biopharmaceuticals (OBI-1)

▪ Other revenues

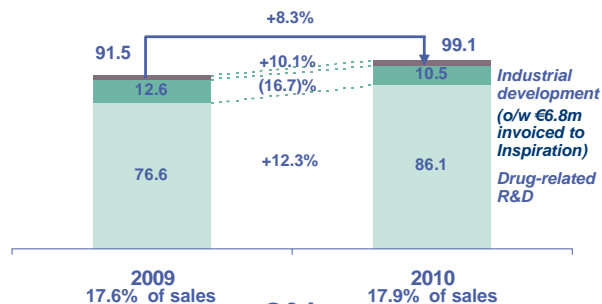
invoicing of OBI-1's development costs to Inspiration Inc. (€6.8 m) and income from the Group's Co-promotion contracts in France

Evolution of main P&L expenses for H1 2010

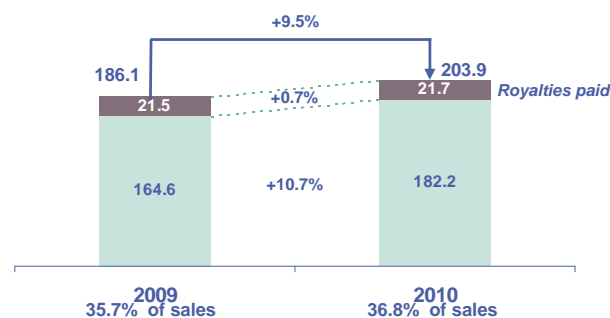
COGS (% of sales)



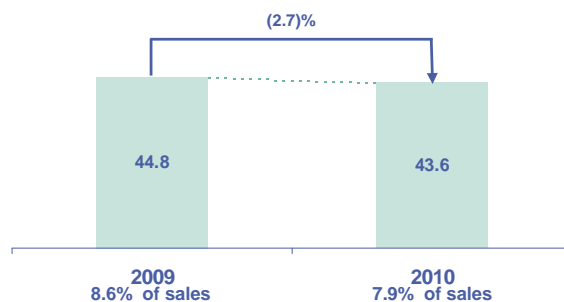
Research & Development



Sales & Marketing

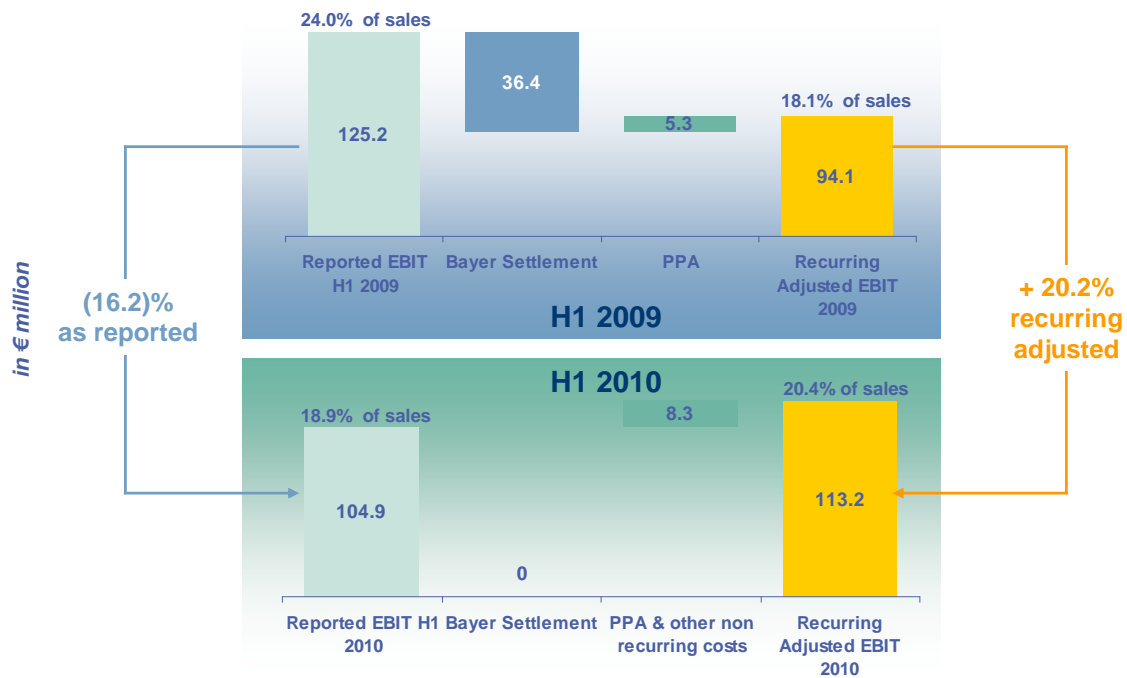


G&A



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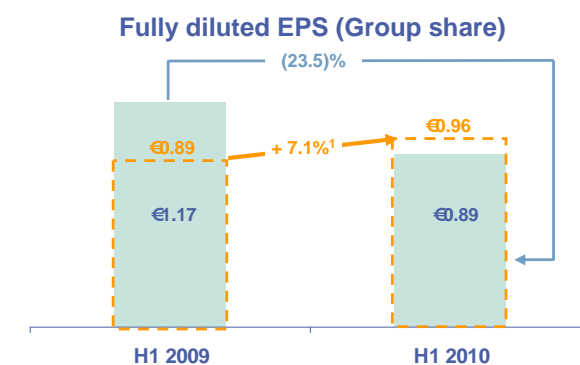
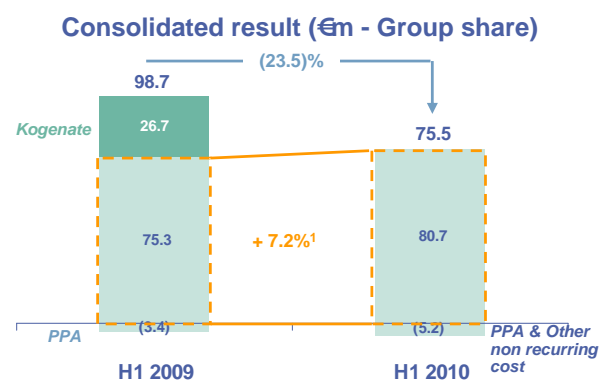
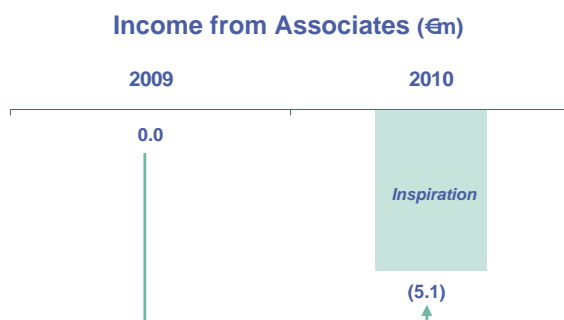
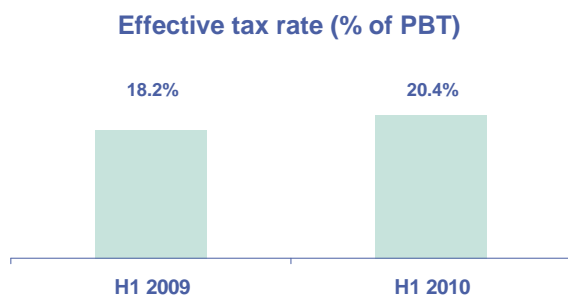
Recurring adjusted Operating Income¹ has improved by 20.2%



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NOTE 1 : Defined as reported operating income before any impacts related to purchase price accounting in connection with the Group's acquisitions and before any potential non-recurring items.

P&L – below EBIT



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NOTE 1 : before any impacts related to purchase price accounting in connection with the Group's acquisitions and before any potential non-recurring items.

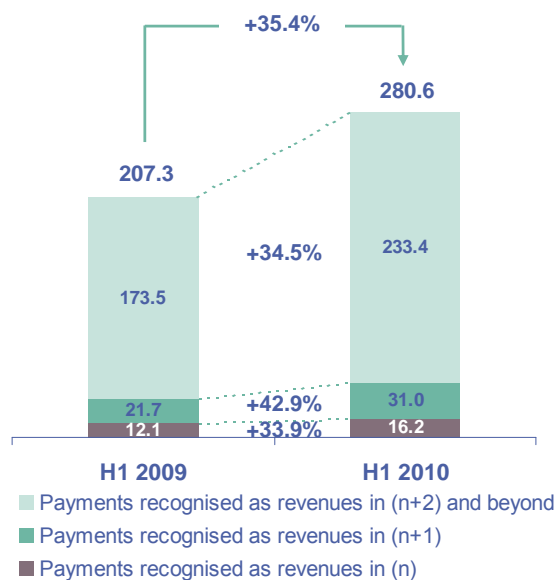
Balance sheet evolution

Assets			Liabilities		
- In million euros	31 Dec 09	30 Jun 10	- In million euros	31 Dec 09	30 Jun 10
Goodwill	290.2	306.5	Equity	982.6	1 075.0
Investment in associated companies (Incl. Goodwill Inspiration Inc.)		68.4	Minority interests	1.7	1.7
Property, plans & equipments	251.8	264.2	Total equity	984.3	1 076.7
Intangible assets	237.0	264.1	Long-term financial debts	12.2	15.7
Other non-current assets	145.5	191.7	Other non-current liabilities	270.3	315.2
Total non-current assets	924.5	1094.9	Other current liabilities	308.1	295.9
Total current assets	652.4	610.6	<i>Incl. Short-term debts</i>	21.4	10.0
<i>Incl. cash and cash equivalents</i>	218.6	167.3	Liabilities / discontinued operations	2.0	2.0
Assets / discontinued operations	0.0	0.0	Total Liabilities	1 576.9	1 705.5
Total assets	1 576.9	1 705.5			
Net Cash ⁽¹⁾	185.6	142.1			

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(1) Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities plus or minus derivative financial instruments

Significant increase of partnership related deferred revenues



Main milestones cashed-in over the period

- H2 2009
Galderma: €14m upon MA and launch for Azzalure®
- October 2009
Menarini: €20m upon signing of partnership for Adenuric®
- January 2010
Inspiration: \$50m upon agreement on OBI-1 licence (non cash)
- March 2010
Menarini: €18m upon launch of Adenuric®

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Cash flow statement

- In million euros

	30 Jun 09	30 Jun 10	
Cash Flow before change in working capital	121.5	98.6	
- Deferred revenue from Inspiration (non cash)		35.5	
- Increase / Decrease in working capital (except non cash deferred revenue from Inspiration)	25.7	0.6	<ul style="list-style-type: none"> Receivable : - €37.8m Payables : - €5.1m Income tax : + €52.7m Others : - €8.3m
Net cash flow generated by operating activities	147.2	134.7	
Investment in Tangible and Intangible assets	(25.1)	(25.3)	<ul style="list-style-type: none"> Tangible assets : - €14.6m Intangible assets : - €10.9m
Investments in associated companies (Inspiration)	-	(57.7)	
Convertible note subscriptions (Inspiration)	-	(35.5)	
Others	(7.3)	(5.8)	
Net cash flow used in investing activities	(32.4)	(124.3)	
Net change in borrowings	(159.4)	(0.2)	
Dividends paid	(58.2)	(62.3)	
Others	-	(0.9)	
Net cash flow used in financing activities	(217.6)	(63.4)	
Discontinued operations	(0.2)	-	
Change in cash and cash equivalent	(103.0)	(53.0)	
Impact of exchange rate fluctuations	4.8	11.7	
Closing cash & cash equivalents	139.1	164.1	
Closing Net Cash⁽¹⁾	118.9	142.1	

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⁻¹ Net cash: cash, cash equivalents and securities held for sales minus bank overdrafts, bank borrowings and other financial liabilities plus or minus derivative financial instruments

In summary

Strong performance of Specialty Care sales: +14.4%¹ y-o-y

Recurring adjusted² Operating income up 20.2% y-o-y

Recurring adjusted³ fully diluted EPS (Group share) up 7.1% y-o-y

Good cash generation: €134.7m generated by operating activities during H1 2010

Solid balance sheet : €142.1m positive net cash position at June 30, 2010

NOTE 1 : at constant exchange currency

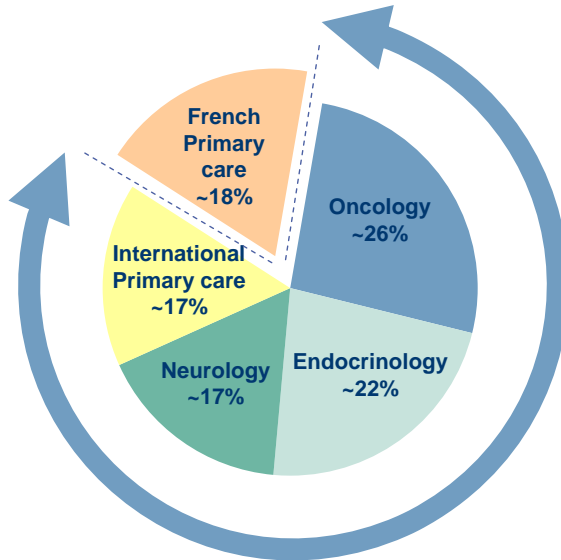
NOTE 2 : Defined as reported operating income before any impacts related to purchase price accounting in connection with the Group's acquisitions and before any potential non-recurring items.

NOTE 3 : Reported Diluted Earnings Per Share excluding (i) any non recurring impacts and (ii) the net impacts of the purchase price accounting related to the Group's acquisitions

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Today, Ipsen has a well balanced therapeutic footprint

H1 2010 Drug Sales by therapeutic area



Specialty care and international primary care, a more immune footprint

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- In million of euros	H1 2009 Actuals		H1 2010 Actuals	
	Value	% Sales	Value	% Sales
Sales	521.2	100.0%	553.9	100.0%
Other revenues	51.9	10.0%	31.7	5.7%
Total revenues	573.1	110%	585.7	105.7%
Cost of goods sold	-115.3	-22.1%	-122.6	-22.1%
Research & Development expenses	-91.5	-17.6%	-99.1	-17.9%
Selling expenses	-186.1	-35.7%	-203.9	-36.8%
General and administrative expenses	-44.8	-8.6%	-43.6	-7.9%
Other operating income and expenses	-4.8	-0.9%	-4.7	-0.9%
Amortizations of intangible fixed assets	-5.5	-1.1%	-6.0	-1.1%
Restructuring costs	-	-	-0.9	-0.2%
Operating income	125.2	24.0%	104.9	18.9%
Recurring adjusted operating income ⁽¹⁾	94.1	18.1%	113.2	20.4%

Recurring

Adjusted

OBI-1 costs /rebillings

Non-recurring revenues

- 2009 : €36,4m
- 2010 : -

OBI-1 rebilling (Inspiration)

- 2009 : -
- 2010 : €6,8m

PPA adjustments

- 2009 : €-0,7m
- 2010 : -

OBI-1 development costs

- 2009 : €0m
- 2010 : €-6,8m

Non-recurring costs

- 2009 : -
- 2010 : €-2,7m

PPA adjustments

- 2009 : €-4,6m
- 2010 : €-4,6m

Non-recurring costs

- 2009 : -
- 2010 : €-0,9m

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⁽¹⁾ Excluding royalties received from Bayer (€36,4m in 2009 vs €0m in 2010), impacts of PPA and some others non recurring costs

- In million of euros	H12009 Actuals		H1 2010 Actuals	
	Value	% Sales	Value	% Sales
Operating income	125.2	24.0%	104.9	18.9%
Operating income adjusted recurring ⁽¹⁾	94.1	18.1%	113.2	20.4%
Net finance cost and other expenses	-4.7	-0.9%	-3.8	-0.7%
Income tax	-22.0	-4.2%	-20.7	-3.7%
<i>Effective tax of continuing operations</i>	18.2%		20.4%	
Share of - loss/profit of associated companies	-	-	-5.1	-0.9%
Revenues from continuing operations	98.5	18.9%	75.4	13.6%
Revenues from discontinued operations	0.5	0.1%	0.2	0.0%
Consolidated net profit	99.1	19.0%	75.6	13.6%
Consolidated net profit - Group share	98.7		75.5	
Earning per share - fully diluted	1.17		0,89	
Recurring adjusted consolidated result	75.7		80,8	
Recurring adjusted earning per share - fully diluted	0,90		0.96	

Kogenate royalty stream tax rate: 27%

PPA tax rate: 40%