Ipsen
First half 2013 financial results

August 30, 2013

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The implementation of the strategy has to be submitted to the relevant staff representation authorities in each country concerned, in compliance with the specific procedures, terms and conditions set forth by each national legislation.

Safe Harbor

The Group operates in certain geographical regions whose governmental finances, local currencies or inflation rates could be affected by the current crisis, which could in turn erode the local competitiveness of the Group's products relative to competitors operating in local currency, and/or could be detrimental to the Group's margins in those regions where the Group's drugs are billed in local currencies.

In a number of countries, the Group markets its drugs via distributors or agents: some of these partners' financial strength could be impacted by the crisis, potentially subjecting the Group to difficulties in recovering its receivables. Furthermore, in certain countries whose financial equilibrium is threatened by the crisis and where the Group sells its drugs directly to hospitals, the Group could be forced to lengthen its payment terms or could experience difficulties in recovering its receivables in full.

Finally, in those countries in which public or private health cover is provided, the impact of the financial crisis could cause medical insurance agencies to place added pressure on drug prices, increase financial contributions by patients or adopt a more selective approach to reimbursement criteria.

All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Objectives for today

1	Business and strategy update
2	H1 2013 – Operational overview
3	H1 2013 – Financial overview
4	Closing remarks and 2013 outlook

Business and strategy update

Marc de Garidel
Chairman and CEO

IPSEN Innovation for patient care

H1 2013: Sound operating performance in a context of sales pressure

Solid performance of Ipsen's growth pillars, Somatuline® and Dysport®, respectively up 9.2%[1] and 8.4%[1]

Disappointing performance of Decapeptyl® in a tough European market, with disruptions in China and several one-off effects

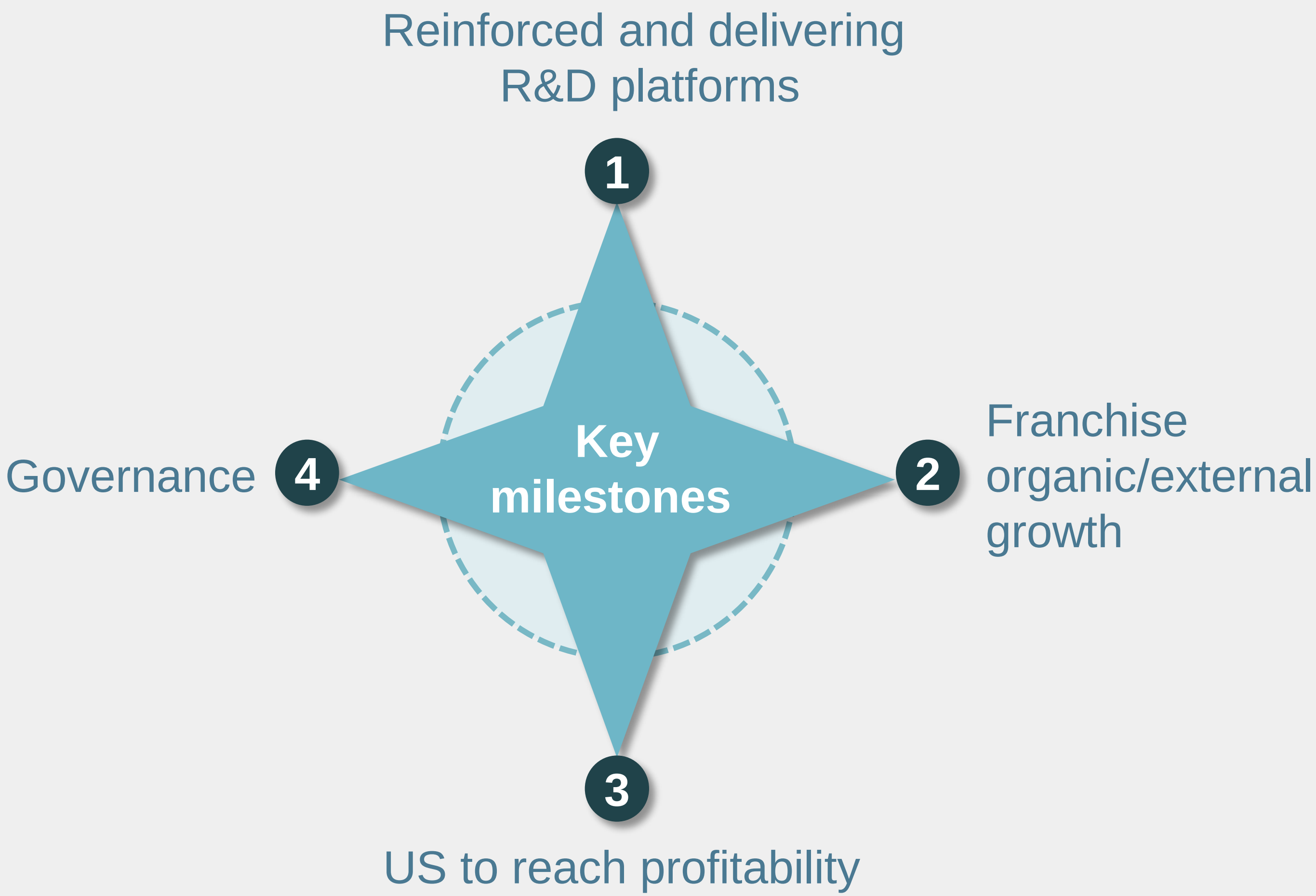
Primary care above expectations with strong international performance up 11.2%[1] more than offset by a 26.3%[1] decline in France

Sound operating performance with a 6.2% fully diluted EPS growth

Sales guidance realigned, profitability guidance unchanged

Note: 2012 figures have been restated to provide comparative information between 2012 and 2013
(1) Excluding foreign exchange impacts

Business and Strategy update



➊ R&D engine delivering, securing future franchise growth

	Realized	Upcoming in 2013		2014
Uro-Oncology				tasquinimod PFS and OS data (preliminary analysis)
Endocrinology	✓ Somatuline® CLARINET PhIII topline results	Somatuline® ELECT PhIII topline results		
Neurology	✓ Syntaxin acquisition / Harvard partnership	Dysport® NG Preliminary stability data	Dysport® NG Cervical Dystonia PhIII topline results	Dysport® AUL spasticity PhIII topline results

Peptides Toxins

❶ Syntaxin acquisition to reinforce R&D toxin platform

Rationale	Progress
▪ Industry-recognized leading botulinum toxins expertise - Natural ***recombinant*** botulinum toxins (rBoNT) - ***Modified*** recombinant botulinum toxins (mrBoNT) - ***Targeted Secretion Inhibitors*** (TSI) – retargeted molecules ▪ Rich intellectual property ▪ Highly experienced research team	▪ Key Syntaxin scientists incentivized and well integrated ▪ Processes in place for collaboration and knowledge sharing ▪ Acceleration of priority programs
Highly complementary acquisition	**Integration on track**

No impact on R&D costs

➊ Dysport® Next Generation, potentially the first ready-to-use toxin A

Key characteristics

- Ready-to-use formulation
- Full product range
- Enhanced safety and reduced cost (no reconstitution)
- Ability to reach more patients in need of treatment

Dysport® NG potentially the first available ready-to-use toxin on the market

Clear differentiation vs. competitors

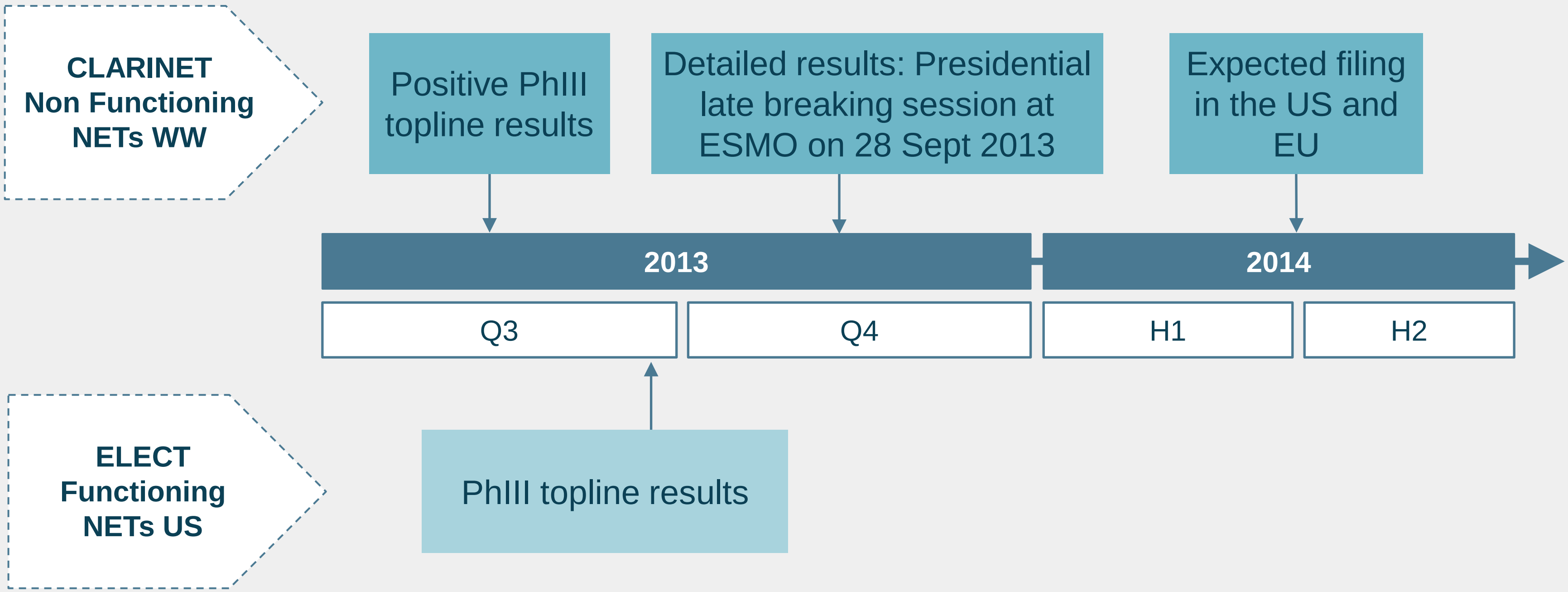
Key data points

- Stability data Q4 2013
- Stability analysis to continue to establish maximum shelf life across full product range

Cervical Dystonia Phase III results (Europe) Q4 2013

Glabellar Line Phase III (Europe) to start Q4 2013

❶ Major clinical results in non-functioning GEP-NETs[(1)], functioning NET US to read out soon



CLARINET: on track to obtain first global label in non-functioning GEP-NETs

ELECT: potential to consolidate the franchise in the US

[(1)] *Gastro-entero-pancreatic neuroendocrine tumors*

❷ New indications / product candidates to significantly increase Ipsen's market opportunity

Product	Growth drivers	Corresponding addressable market
Somatuline®	CLARINET Ph III GEP-NET antitumor effect (WW)	[€400m - €600m][(1)]
	ELECT Phase III Functioning NET (US)	
Dysport®	Spasticity Ph III in adult upper limb (US)	[€200m - €300m][(2)]
	Dysport® Next Generation Ph III in cervical dystonia (Europe)	Differentiated presentation to gain market share
tasquinimod	tasquinimod Ph III in mCRPC (WW excl.US and Japan)	[€1.3bn - €1.5bn][(3)]

Increased market opportunity in the context of fast growing markets

1) IMS 2012 and SmartAnalyst 2010 – (2) Ipsen analysis
(3) Decision Resources: in Ipsen territories and excl. GnRh analogs market

❷ Potential business development to accelerate growth

Contemplated scenarios

External acquisition	Bolt-on acquisitions to reinforce growth platforms in emerging / US Late-stage products (late phase III/marketed)
External cooperation	Leverage geographical footprint

IPSEN
Innovation for patient care

❸ US to reach profitability with significant growth opportunities ahead

Somatuline®	Dysport®
▪ Endocrinology Business Unit profitable despite Increlex® shortage ▪ ~ 50% market share in acromegaly market[(1)] ▪ Positive CLARINET results ▪ ELECT PhIII read out imminent	▪ Restructuring of commercial operations ▪ New commercial model focused on key account management ▪ Adult Upper Limb spasticity phase III read out in 2014

US operations actively managed to rapidly reduce losses

Expected breakeven in 2014[(2)] in current operational setting

Currently investigating NET commercialization options

[(1)] Somatuline® market share in acromegaly SSA market
[(2)] Commercial contribution, excluding revenues from Valeant Pharmaceuticals Intl Inc.

❹ A new governance to accelerate strategy execution, now operational

Marc de Garidel, Chairman and CEO

- Define corporate strategy
- Focus on growing sales through acquisitions, licensing and partnerships
- Manage relationship with key stakeholders

Christel Bories, Deputy CEO

- Run operations
- Transform the organization to a more efficient, lean and agile entity
- Focus on Group profitability and cash generation

Simultaneous work on top-line and bottom-line to achieve 2020 objectives

Complementary roles and responsibilities

IPSEN Innovation for patient care

H1 2013 – Operational overview

Christel Bories
Deputy CEO

Introducing Christel Bories

Extensive industrial experience	Transformation expertise	Strong values

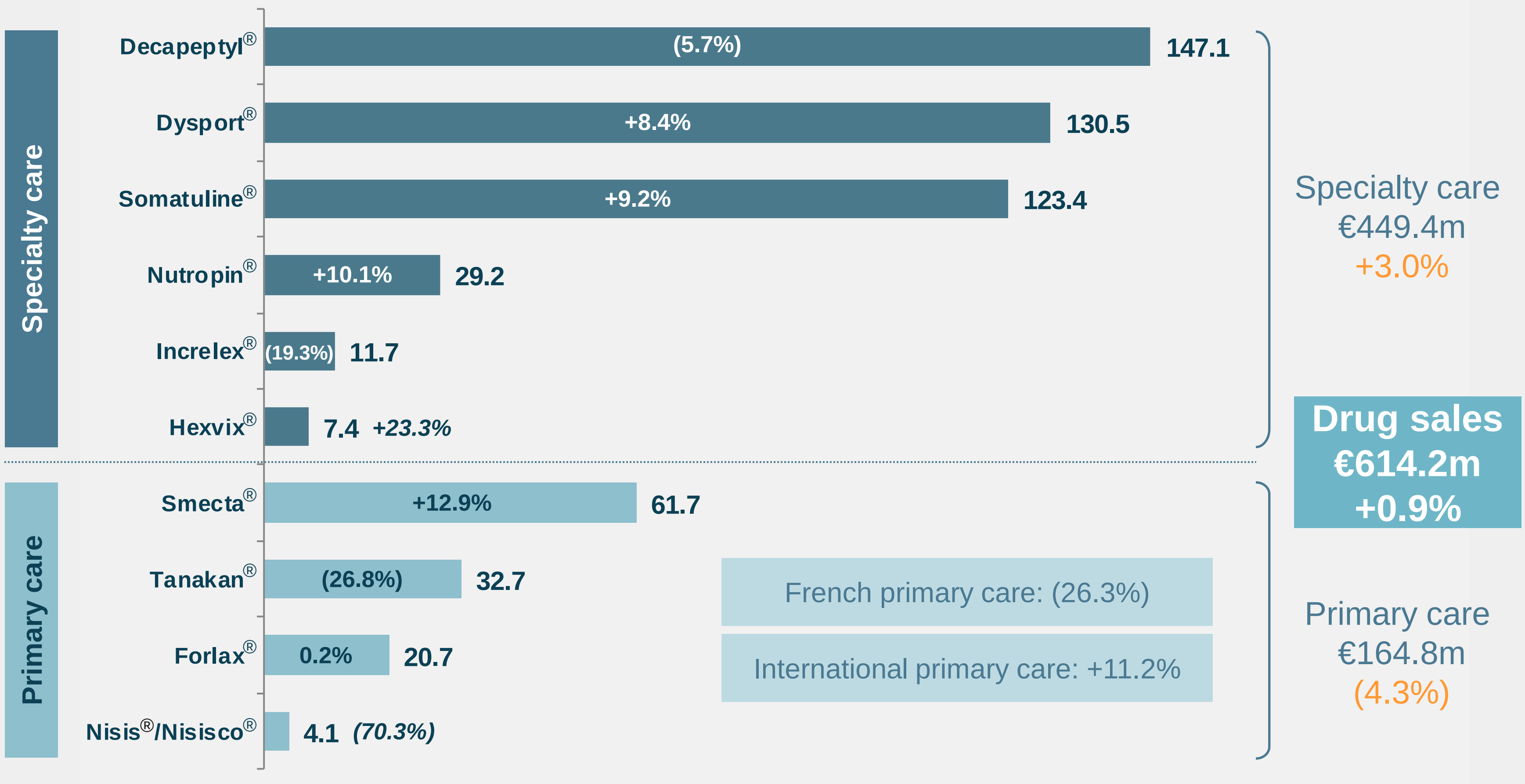
Do we have the right operating model to support our strategy?

Are we efficient enough?
Can we be leaner and more agile?

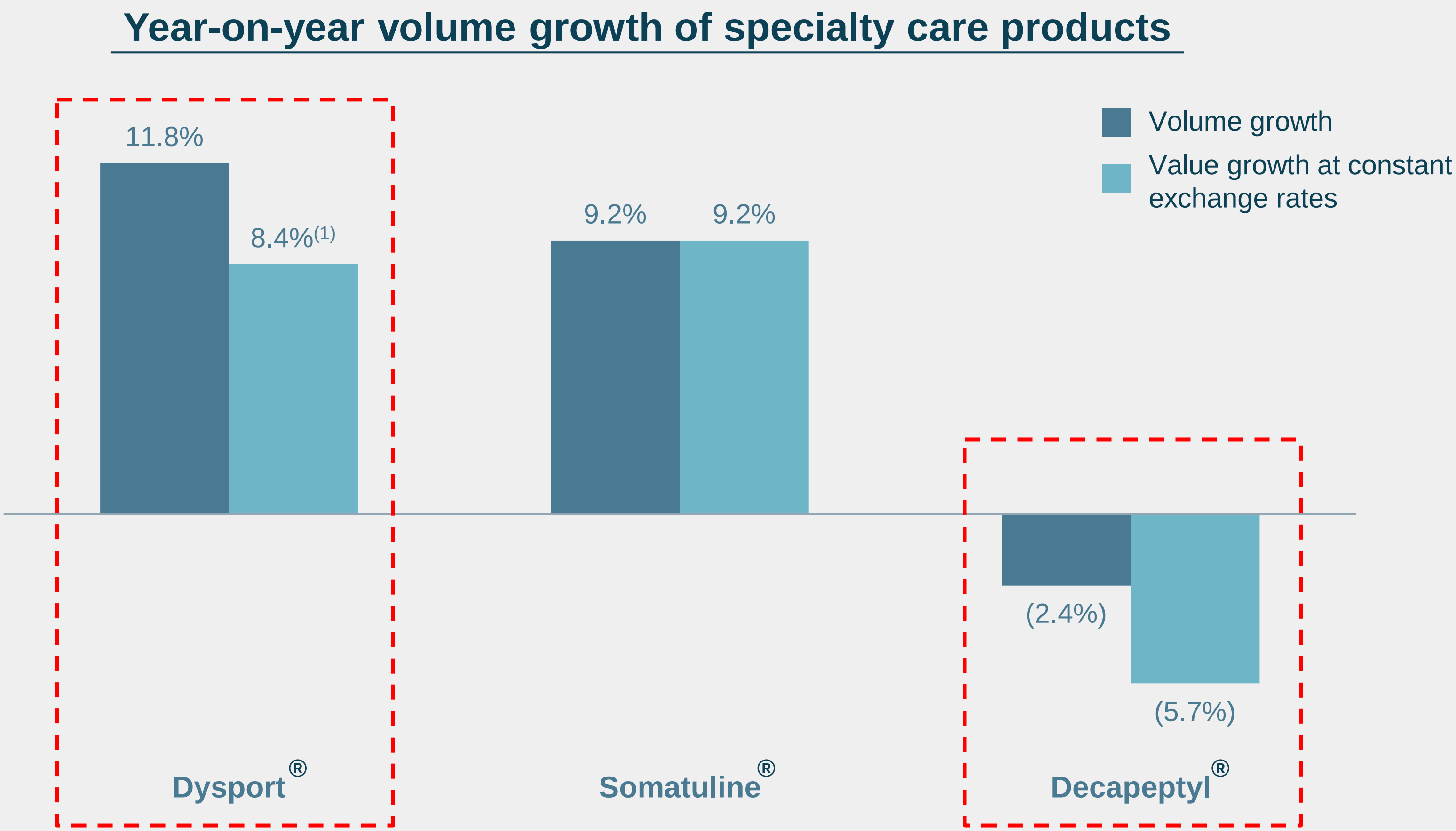
Are we result-oriented enough?

Specialty care sales growth impacted by Decapeptyl® performance

Drug Sales - H1 2013
in million euros - % excluding foreign exchange impacts



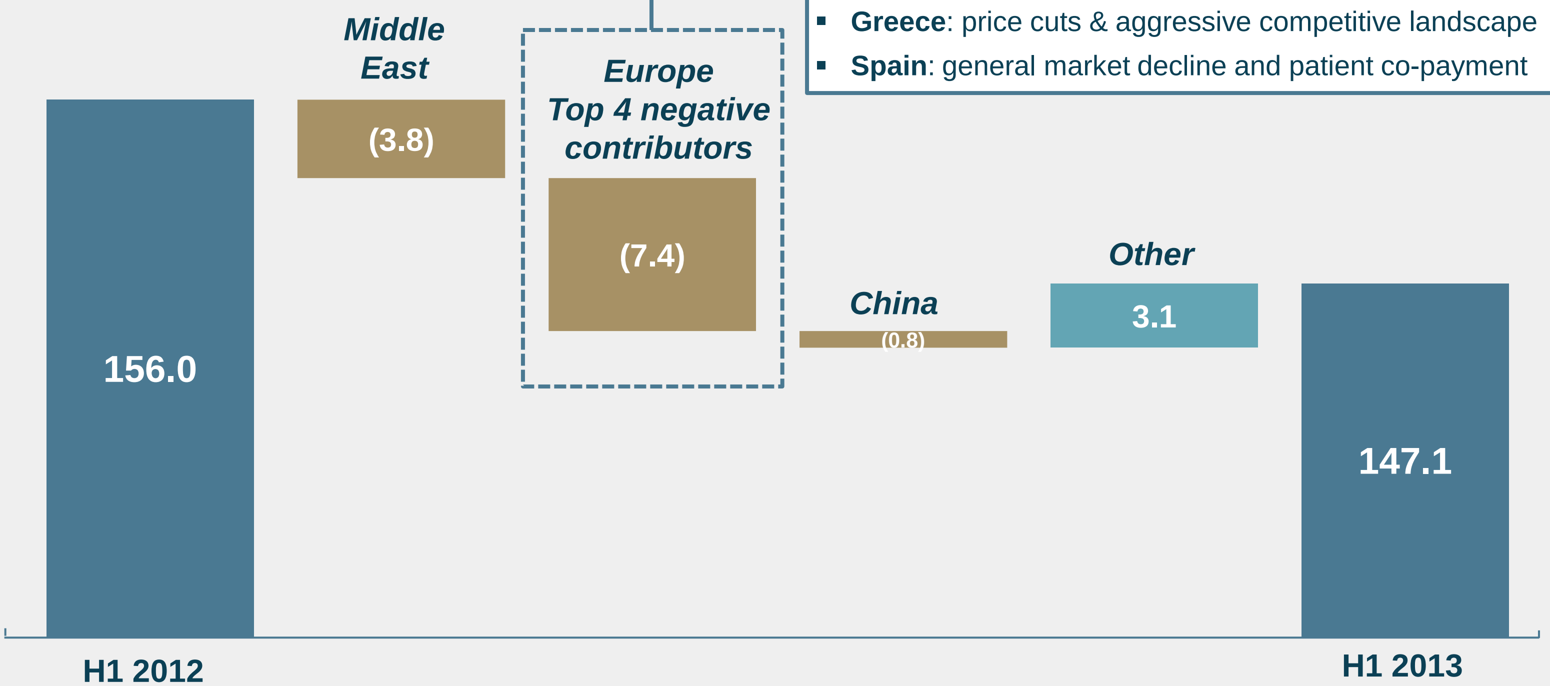
Dysport® and Decapeptyl® significantly impacted by price pressure



(1) *Including non recurring elements*

Decapeptyl® sales in H1 2013 impacted by one-off in Middle East and headwinds in Europe

Decapeptyl Sales
in million euros at constant currency

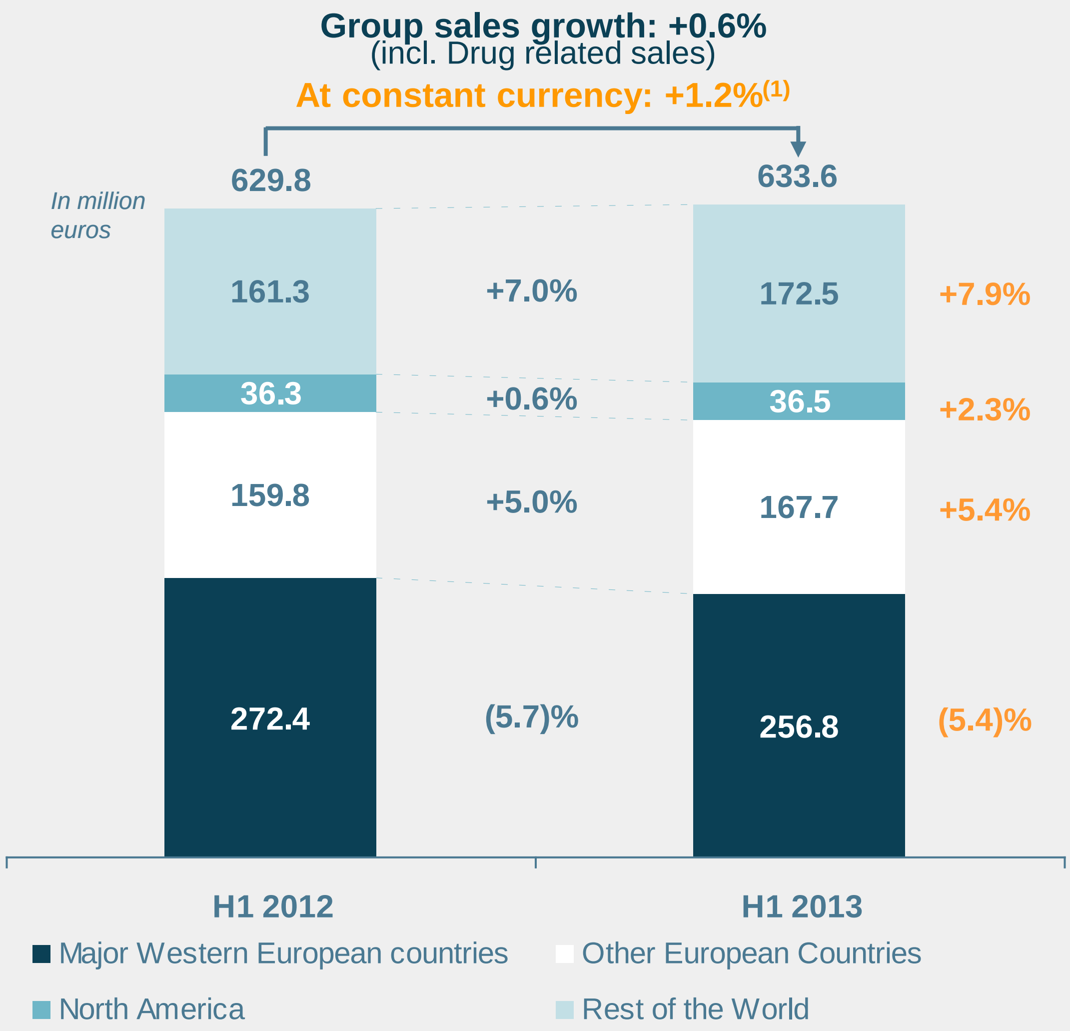


- **Poland**: price decrease and patient co-payment
- **France**: consequences of French PC restructuring plan
- **Greece**: price cuts & aggressive competitive landscape
- **Spain**: general market decline and patient co-payment

Headwinds in Europe as anticipated, China below expectations

Low visibility on consequences of current disruption of Chinese hospital market

Group sales growth driven by most regions
G5 growth hampered by French primary care decline

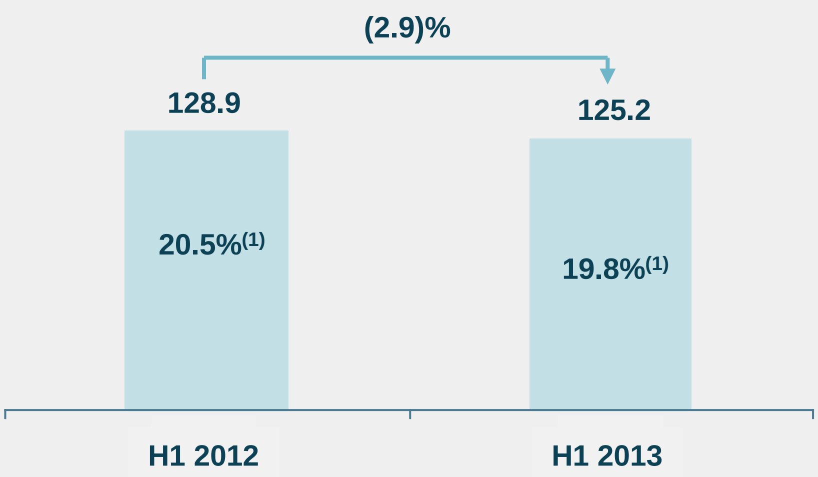


- **ROW**
  - Strong volume growth in China, Australia, and Algeria
- **North America**
  - Continued penetration of Somatuline® in acromegaly, double-digit growth of Dysport® therapeutic
  - Increlex® shortage since mid-June
- **Other European countries**
  - Russia: Strong Specialty and Primary care performance
- **Major Western European countries**
  - Specialty care more than offset by tougher competitive environment in French primary care and decline of Spanish pharmaceutical market
  - **Excluding French primary care, region up 2.1%[1]**

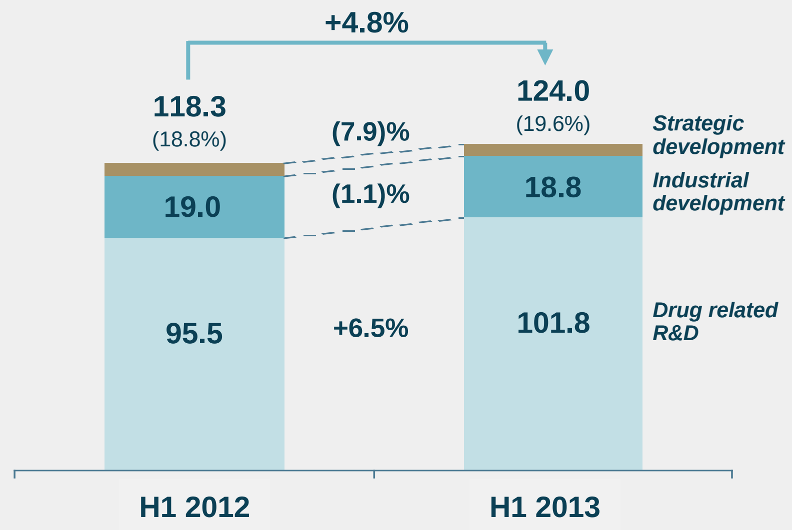
(1) *Growth rates computed y-o-y excluding foreign exchange impacts*

Good cost control with continued R&D investment

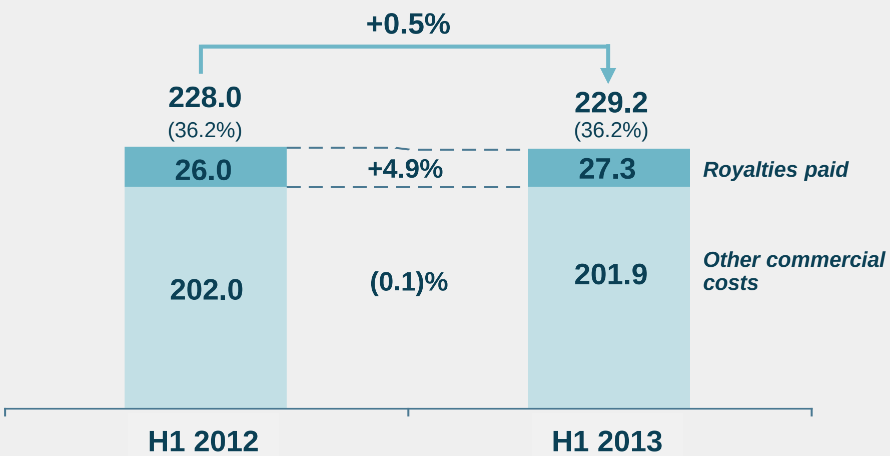
COGS (€m)



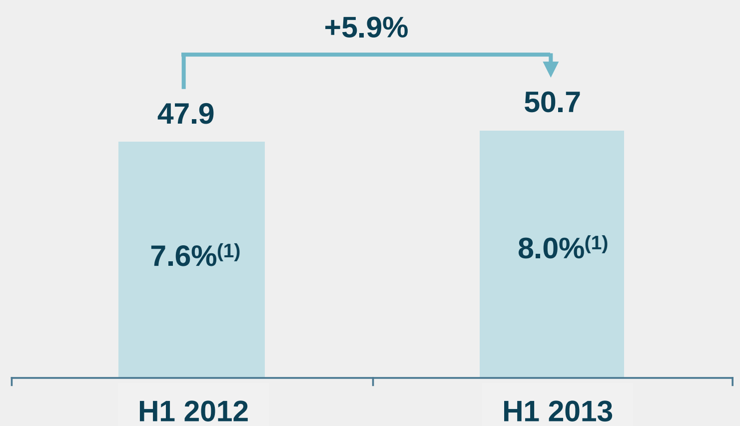
R&D (€m)



Sales & Marketing costs (€m)



G&A (€m)



Note: 2012 figures have been restated to provide comparative information between 2012 and 2013

(1) As a % of sales

Key takeaways

Solid performance of Ipsen's growth pillars Somatuline® and Dysport®, respectively up 9.2%[1] and 8.4%[1]

Disappointing performance of Decapeptyl® in a tough European market, with disruptions in China and several one-off effects

Primary care above expectations with strong international performance up 11.2%[1] more than offset by a 26.3%[1] decline in France

Cost control with continued investment in R&D programs, which delivers encouraging results

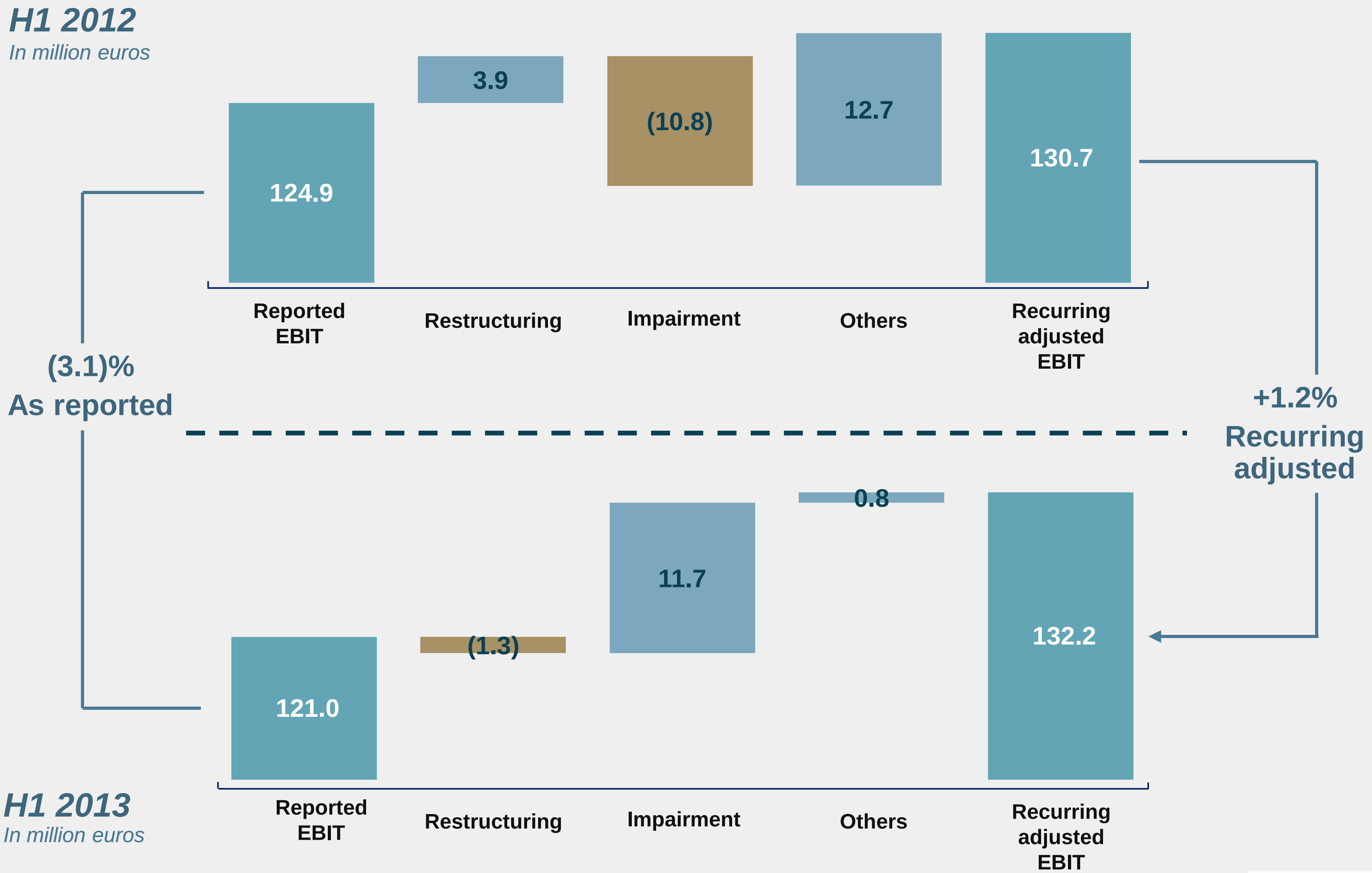
Sound operating performance with a recurring adjusted[2] EBIT of 20.9% of sales

Note: 2012 figures have been restated to provide comparative information between 2012 and 2013
(1) Excluding foreign exchange impacts
(2) Excluding non recurring elements

2013 – Financial overview

Susheel Surpal
EVP CFO

From reported to Recurring adjusted Operating Income

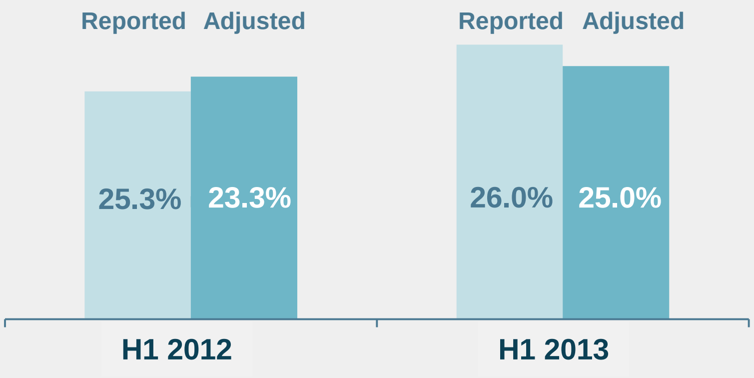


Note: 2012 figures have been restated to provide comparative information between 2012 and 2013

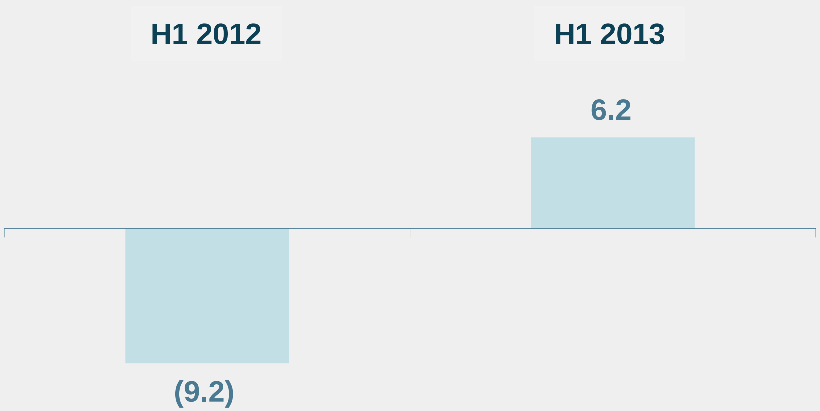
Main P&L items: Below operating income

Financial Result (€m)

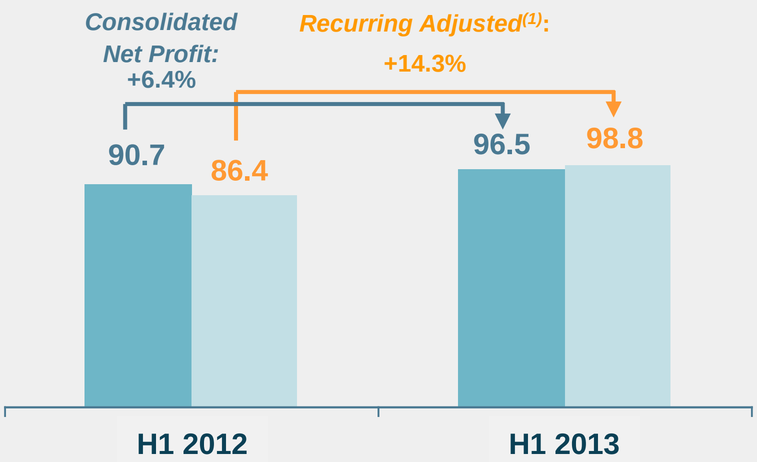
Effective tax rate



Net income from discontinued operations (€m)



Consolidated result (€m)



Note: 2012 figures have been restated to provide comparative information between 2012 and 2013

Balance sheet evolution

ASSETS

In million euros	2012 pro forma	H1 2013
Goodwill	298.2	299.3
Investments in associates	0.0	0.0
Property, plant and equipment	281.8	275.4
Other intangible assets	129.2	112.4
Other non current assets	246.2	232.5
Non-current assets	**955.3**	**919.5**
Current assets	**606.3**	**651.9**
Incl. Cash and cash equivalents	113.6	121.2
Total Assets	**1,561.7**	**1,571.4**

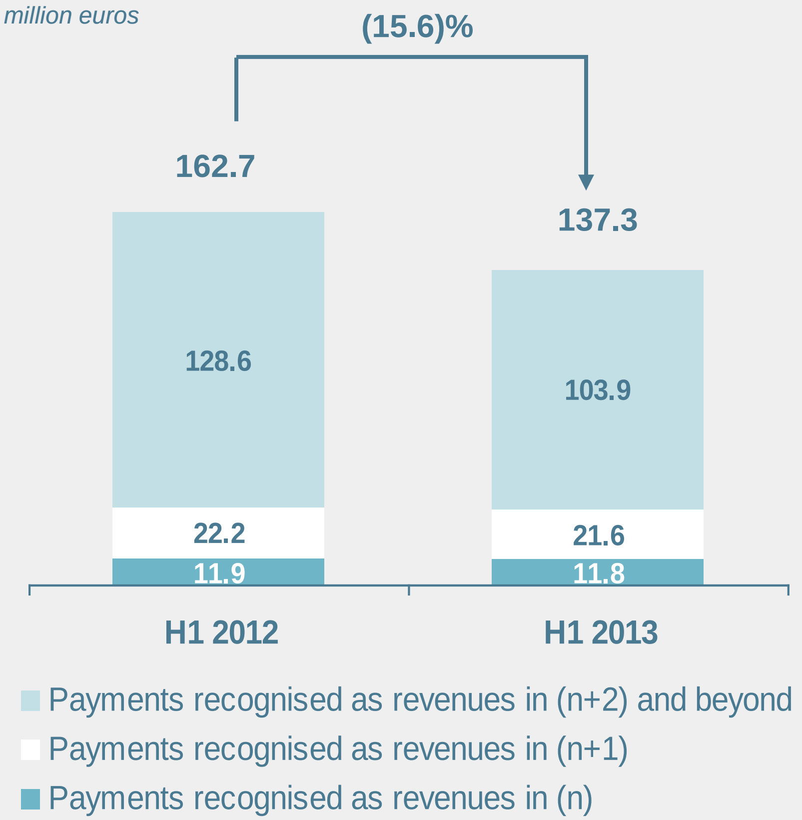
LIABILITIES

	2012 pro forma	H1 2013
Capital and reserves	902.5	937.4
Minority interest	2.0	2.3
Total equity	**904.5**	**939.7**
Borrowings	0.0	40.0
Other financial liabilities	15.9	14.8
Other non current liabilities	204.3	204.0
Non-current liabilities	220.2	258.8
Current liabilities	437.0	372.9
Total Liabilities	**1,561.7**	**1,571.4**

Partnership related deferred revenues

Total Milestones cashed-in and not yet recognized as revenues

In million euros



Main evolutions over the period

The Group has not recorded any new deferred income in 2013

Note: 2012 figures have been restated to provide comparative information between 2012 and 2013

Cash flow generation

In million euros

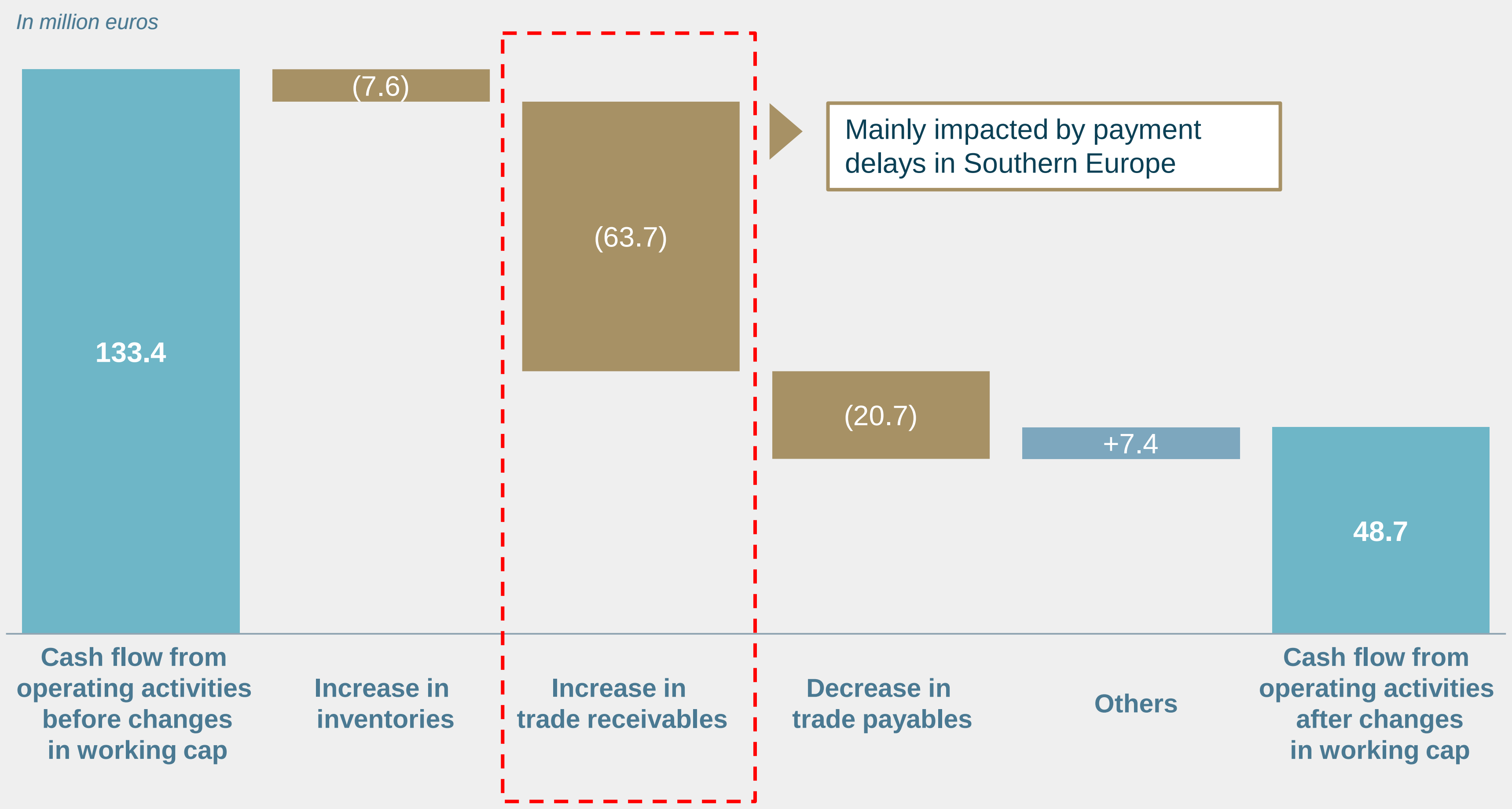
	H1 2012	H1 2013
Consolidated net profit	**99.9**	**90.3**
Non cash and non operating items	(6.8)	43.0
of which Depreciation, amortisation, provisions	3.6	18.0
of which Impairment losses	(10.8)	11.7
of which Change in deferred taxes	0,9	7.1
Cash flow from operating activities before changes in working capital	**93.1**	**133.4**
Net change in other operating assets & liabilities	(29.4)	(84.6)
Net cash flow generated by operating activities	**63.7**	**48.7**
Purchase of tangible and intangible assets	(32.5)	(11.8)
Others	4.8	(16.9)
Net cash flow used in investing activities	**(27.5)**	**(28.7)**
Short term loan	-	40.0
Dividends paid	(67.5)	(66.7)
DIP Inspiration		7.1
Others	(1.5)	(1.1)
Net cash used in financing activities	**(68.9)**	**(20.8)**
Impact of discontinued operations	29.1	5.8
Change in cash and cash equivalents	**(61.9)**	**5.1**
Effects of exchange rate changes	1.3	(0.8)
Closing cash position	**84.2**	**117.6**

Continued solid operating cash flow generation in 2013

Note: 2012 figures have been restated to provide comparative information between 2012 and 2013

Working capital deterioration notably due to payment delays in Southern Europe

Working capital evolution in H1 2013



Concluding remarks and outlook

Marc de Garidel
Chairman and CEO

2013 updated financial objectives

Specialty care Drug sales	Growth of approximately +3.0% year-on-year

China	– Realignment of the Decapeptyl® inventory situation in the distribution chain – Launch of new Decapeptyl® local competitors – Recent disruption in the Chinese market
Middle East	– Continued exceptional political situation in certain Middle Eastern countries

Excluding unanticipated major deterioration of the Chinese and Middle Eastern markets

Primary care Drug sales	Decline of approximately -1.0% year-on-year

Recurring adjusted(*) operating margin	Unchanged at around 16.0% of sales

- The Group continues to implement productivity measures while maintaining investment in R&D
- Benefits from the new organization of French primary care and US commercial operations expected to materialize in 2014

Note: the above sales growth objectives are set at constant currency. All the above objectives are set excluding major negative unforeseeable events, notably significant currency fluctuations in the context of currency depreciation in certain emerging countries
(*) Prior to non-recurring expenses

Key takeaways

Solid performance of Ipsen's growth pillars Somatuline® and Dysport®

Disappointing performance of Decapeptyl®,
leading to a downward revision of Specialty care guidance

Primary care above expectations with strong international performance,
leading to an upward revision of Primary care guidance

Cost control with continued investment in R&D programs,
which delivers encouraging results

Sound operating performance and EPS growth

2013 upcoming events

28 September	Detailed results of phase III CLARINET study Presidential Session at ESMO
Q3 2013	ELECT PhIII top line results
Q4 2013	Dysport® NG Cervical Dystonia PhIII topline results
Q4 2013	Dysport® NG stability data

Thank You