



Ipsen

Goldman Sachs Healthcare Conference



June 2014



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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.

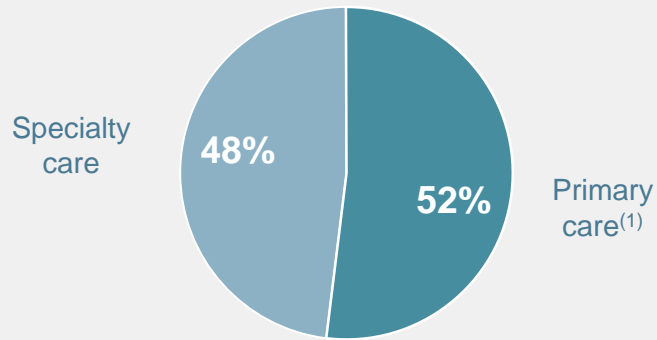
All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Introduction

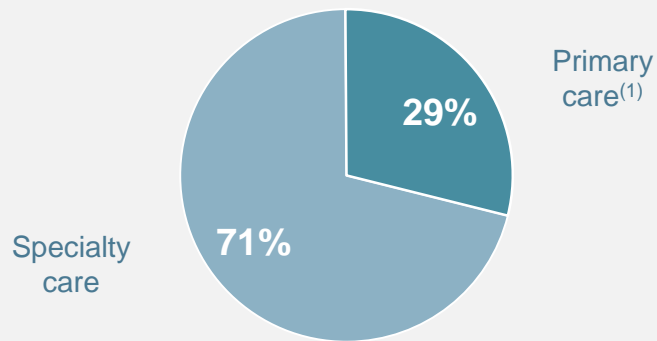
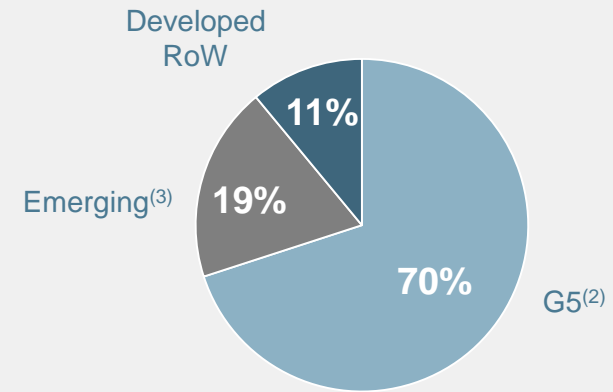
Over the last 10 years, Ipsen has become a specialty pharma company with strong emerging market footprint

Sales by segment

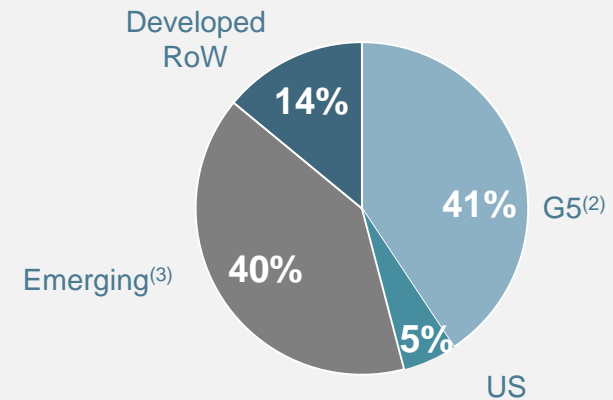
Sales by geographical area



2004

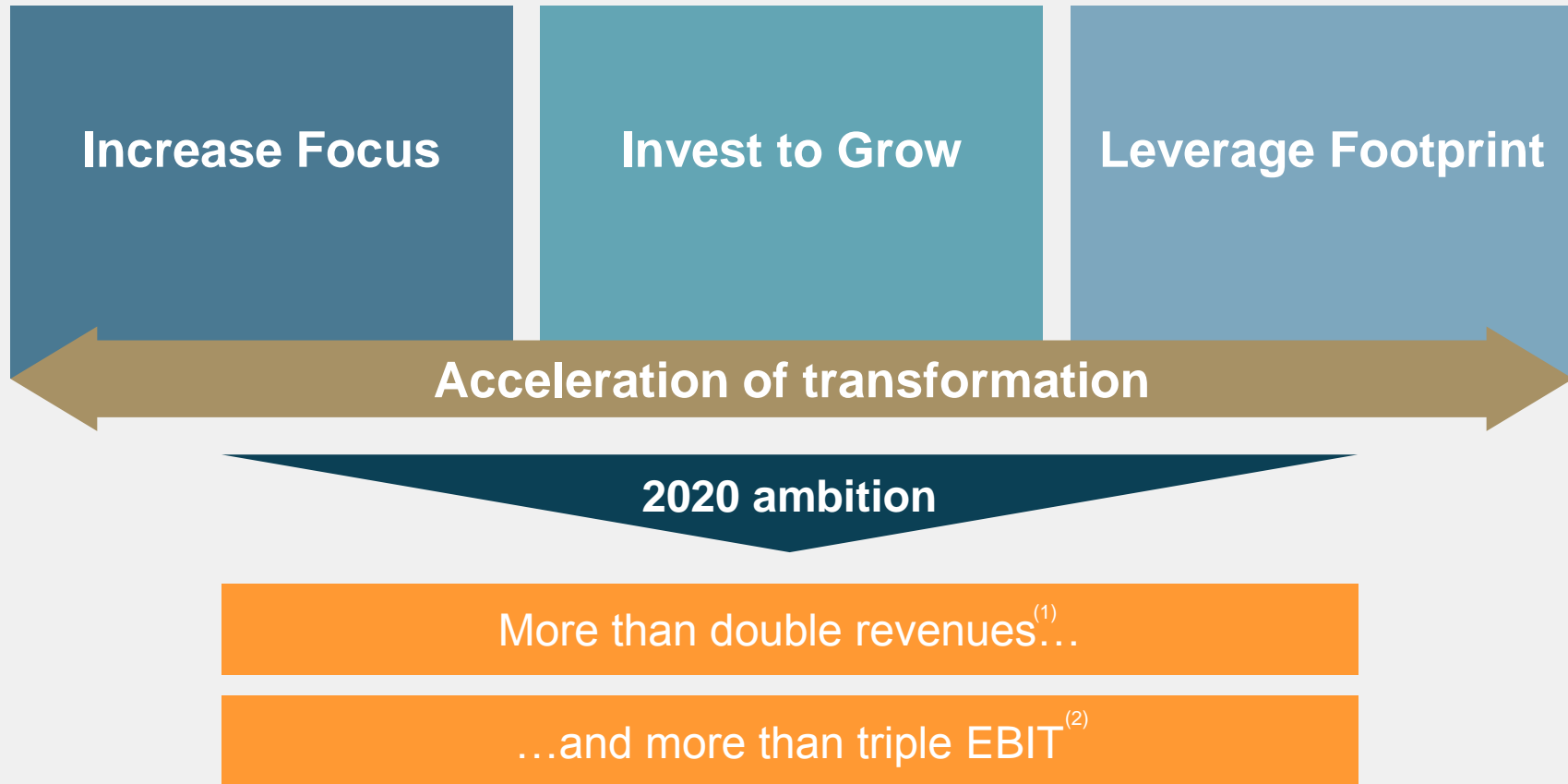


2013



⁽¹⁾ Including Drug-related sales – ⁽²⁾ France, UK, Germany, Italy, Spain
⁽³⁾ Main emerging markets: China, Russia and Brazil

Ipsen ambitions to become a global leader in targeted debilitating diseases



Agenda

1

2013 overview

2

2013 performance

3

US update

4

2014 outlook

2013 overview

2013 operating margin above guidance, despite sales headwinds

	2013 initial guidance ⁽¹⁾	2013 revised guidance ⁽²⁾	2013 actuals
Specialty Care - Drug sales ^(*)	[6.0% ; 8.0%]	~ +3.0%	+3.0% ✓
Primary Care - Drug sales ^(*)	[-8.0% ; -6.0%]	~ (1.0)%	(0.1%) ✓
Recurring Adjusted ^(**) operating margin	~ 16.0%	~ 16.0%	17.0% ✓

Note: The above sales objectives were set at constant currency

2013, acceleration of transformation and major clinical successes

Enhanced R&D
delivery and focus

Four Phase III programs delivered

Major step forward in toxin research and Intellectual Property
with Syntaxin acquisition and Harvard partnership

Acceleration of
transformation

Christel Bories appointed Deputy CEO

Split of Primary and Specialty Care

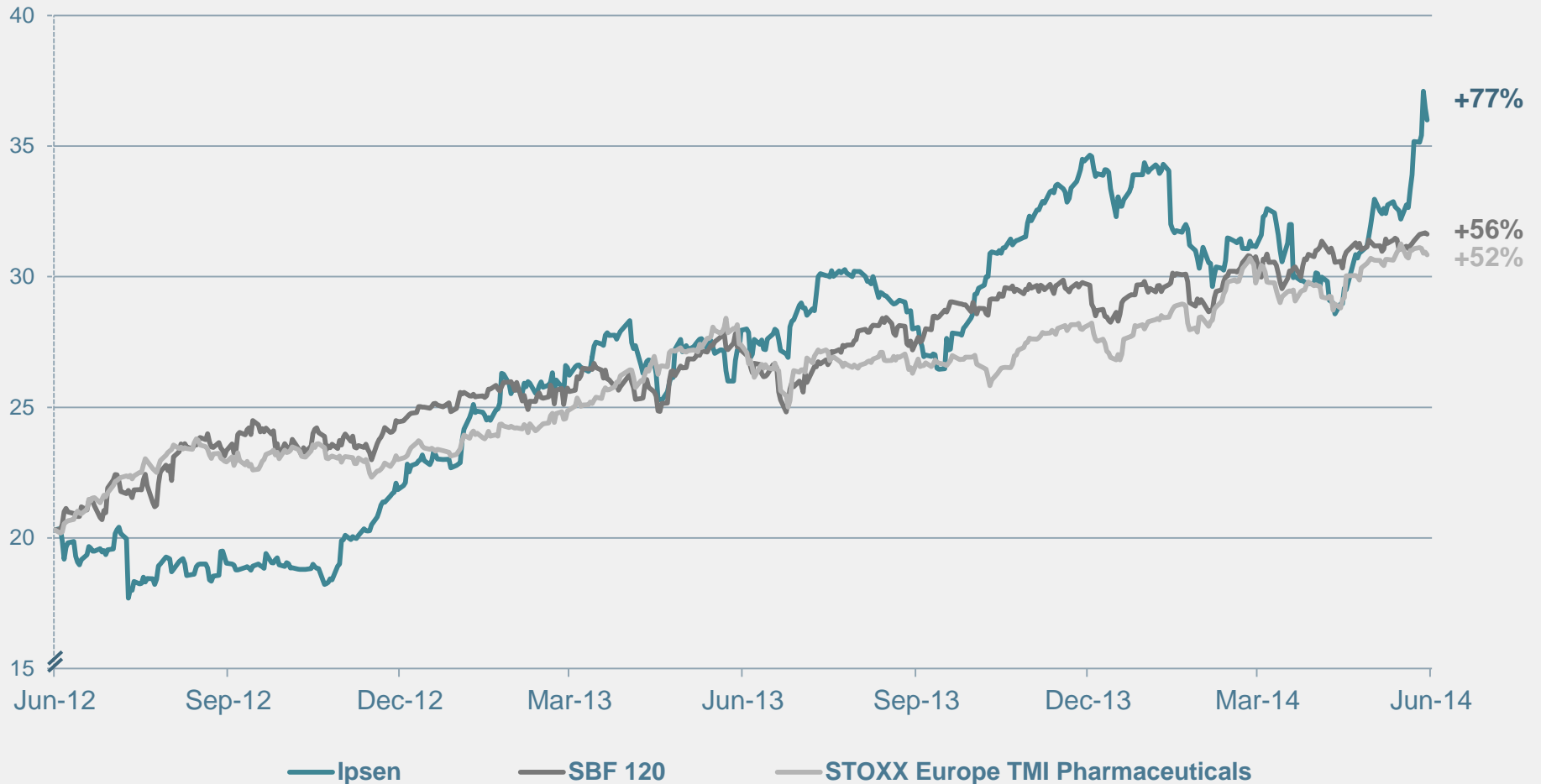
New focus on efficiency and cost control
(Successful restructuring of French PC and US Dysport® operations)

In 2013, Ipsen delivered four Phase III on Dysport® and Somatuline®

Clinical development phase	Data published	Molecule/Drug
Phase III	Full results	Dysport® Next Generation – CD – Europe ✓
Phase III	Full results	Dysport® AUL Spasticity ✓
Phase III	Full results	Somatuline® in NET tumor control – WW – (CLARINET®) ✓
Phase III	Full results	Somatuline® in NET symptom control – US – (ELECT®) ✓
Phase II	Full results	Dysport® Next Generation – GL – Europe ✓

Ipsen share price increased over 75% in the past two years, reflecting a positive momentum

Share price (€)

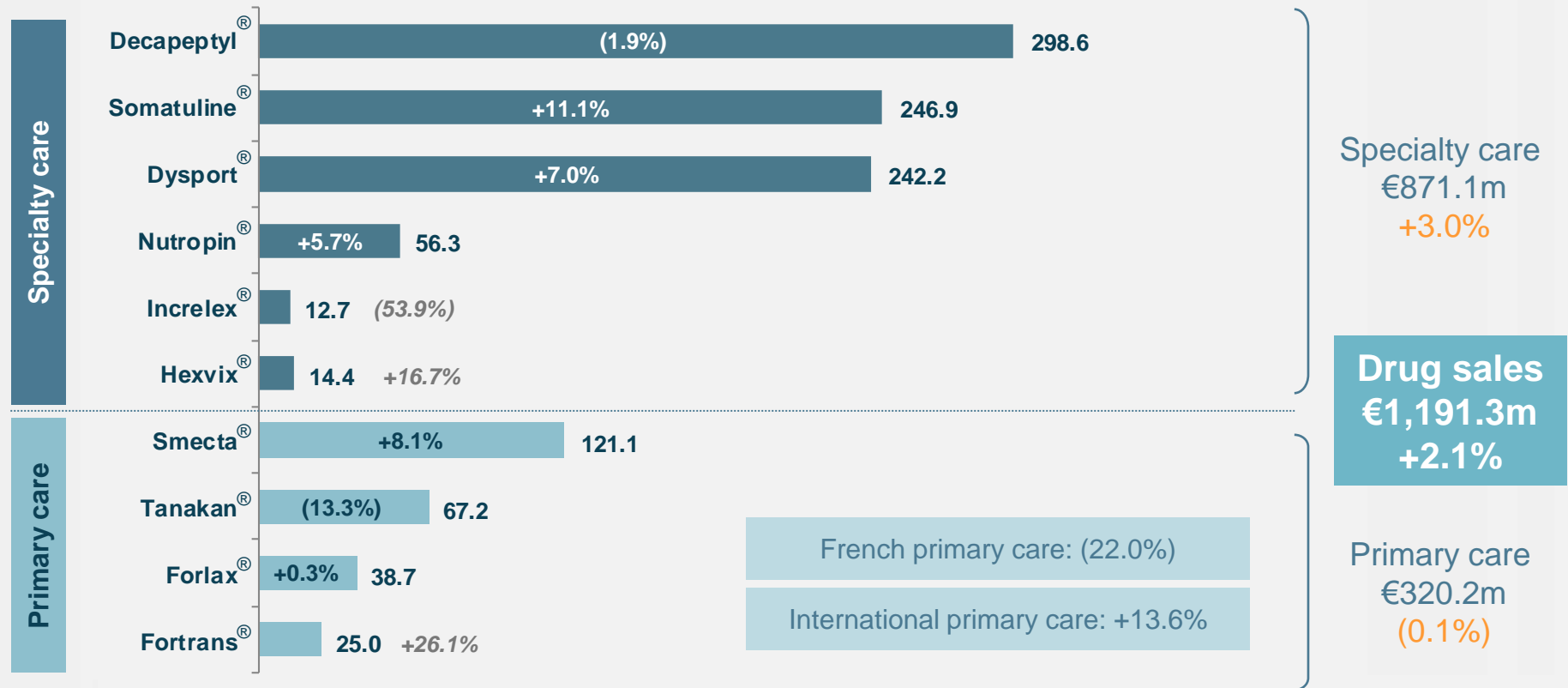


2013 performance

Above EBIT

Specialty care sales growth affected by Decapeptyl[®] performance and Increlex[®] shortage

Drug sales – FY 2013 in million euros – % excluding foreign exchange impact



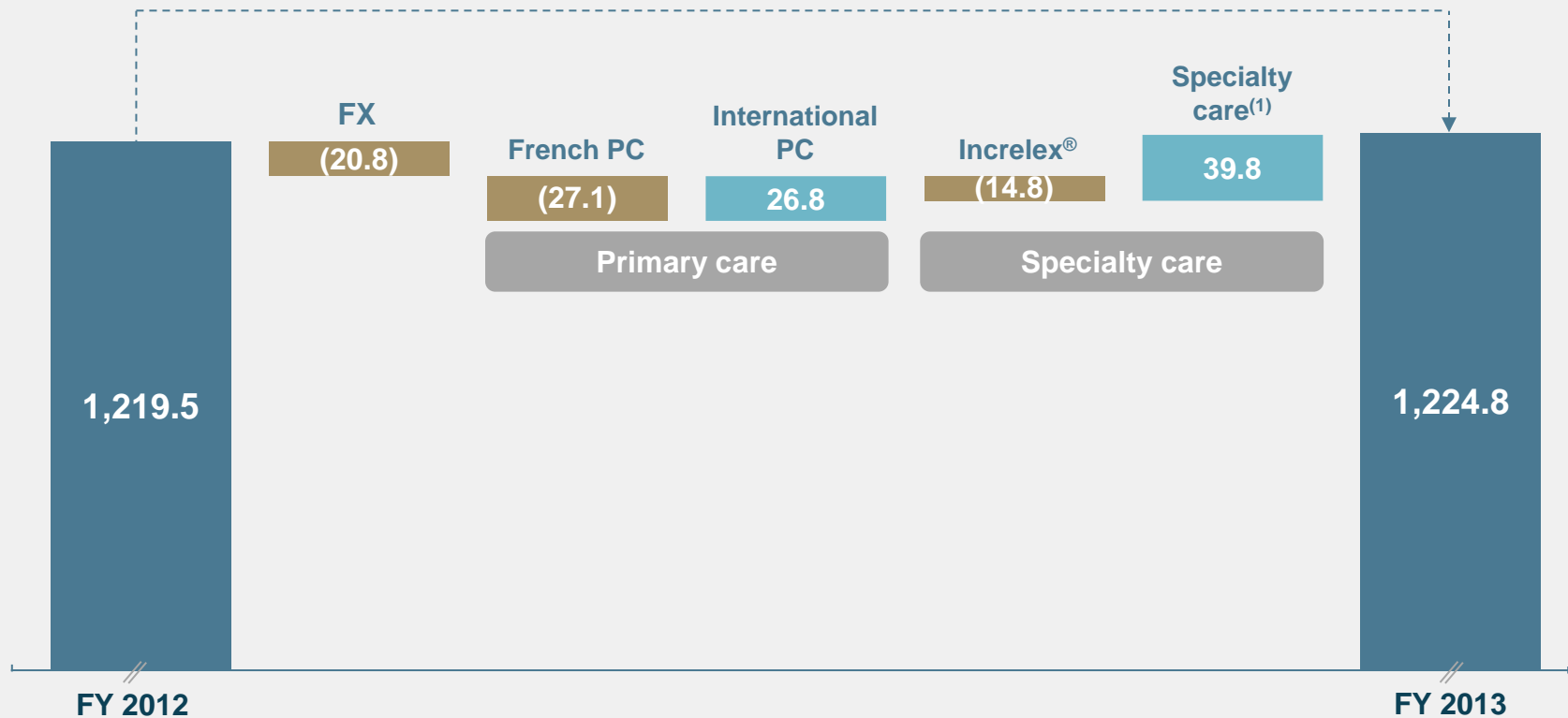
Increlex[®] resupplied in Europe in 2014

2013 sales driven by international primary care and specialty care

FY sales
in million euros

GROUP SALES growth: +0.4% (incl. Drug related sales)

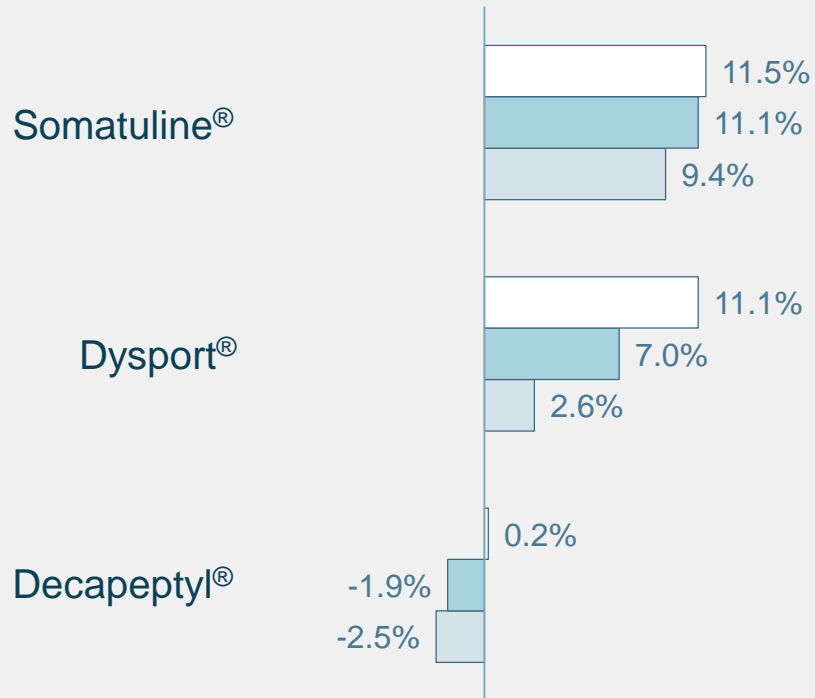
At constant currency: +2.2%



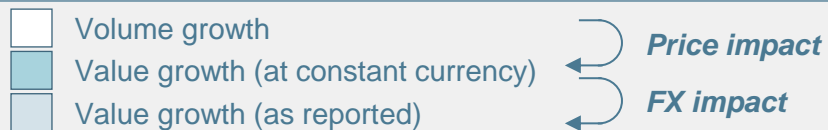
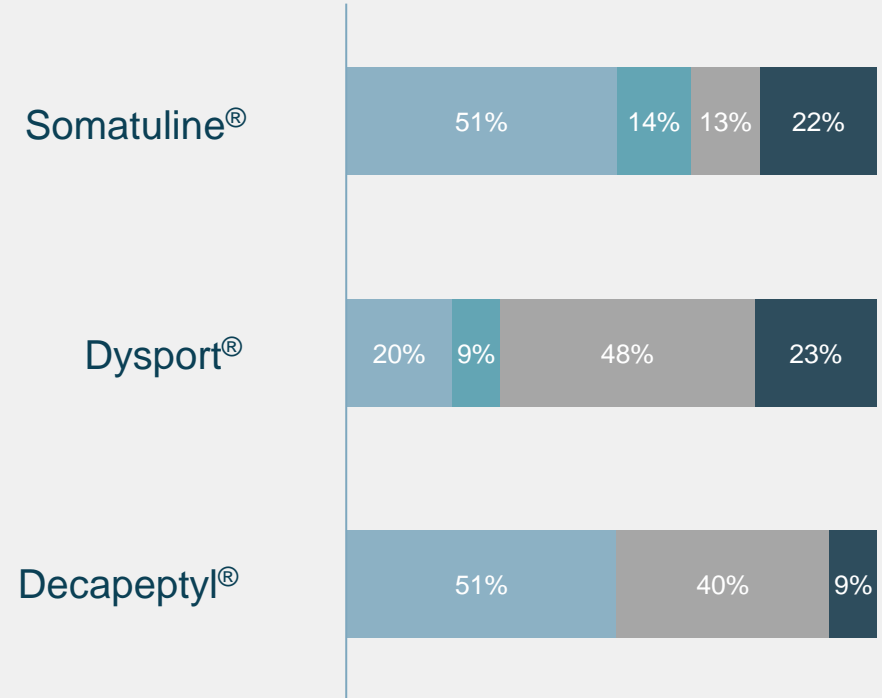
Continued strategic focus on growth drivers

Specialty care volume growth driven by Somatuline[®] and Dysport[®], affected by Decapeptyl[®] performance

2013 volume and value growth

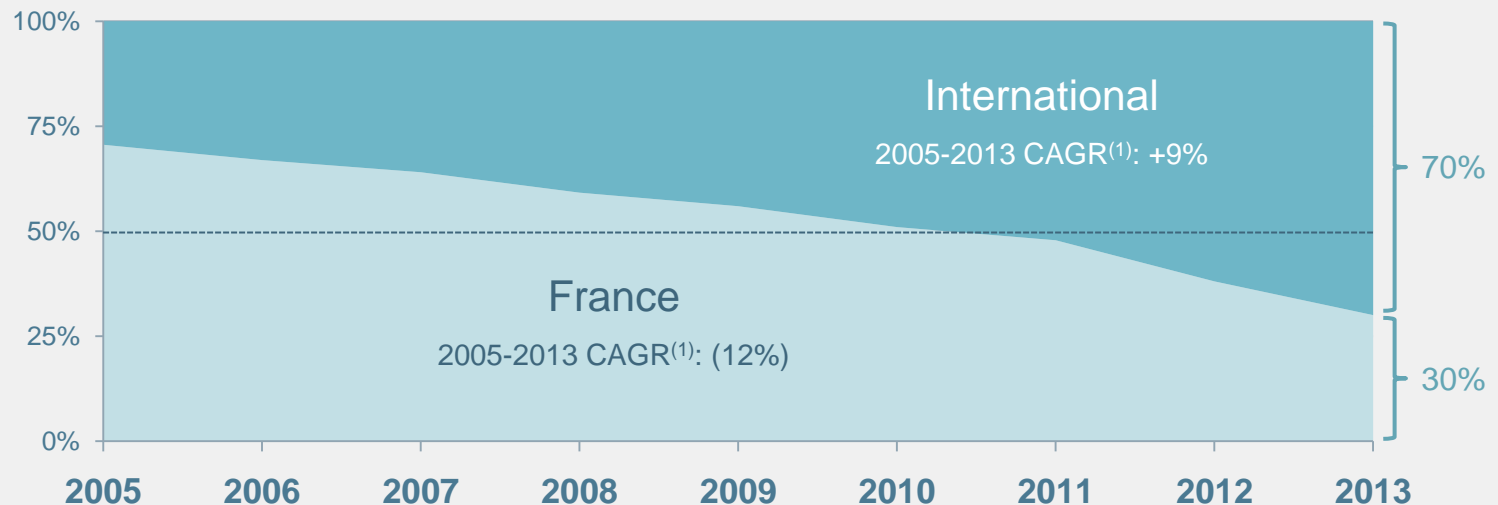


2013 geographic distribution



Dynamic international growth, France now down to 30% of primary care sales

Evolution of Primary care sales



Primary care sales in M€⁽²⁾

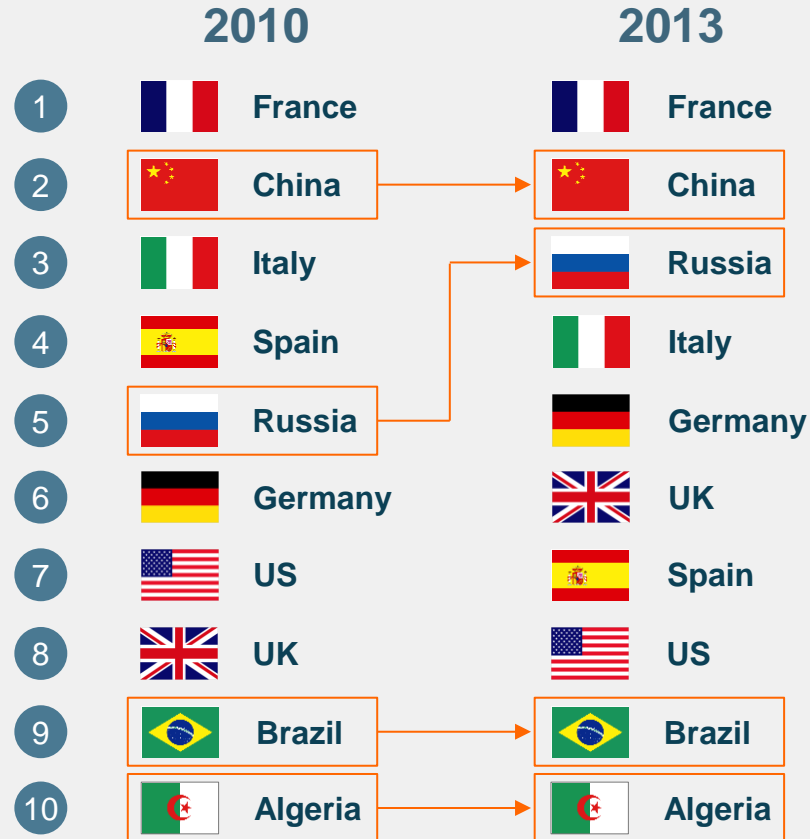
Year	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sales	384	390	393	383	380	364	368	325	320

Two 7.5% consecutive price cuts on Smecta[®] in France in 2014

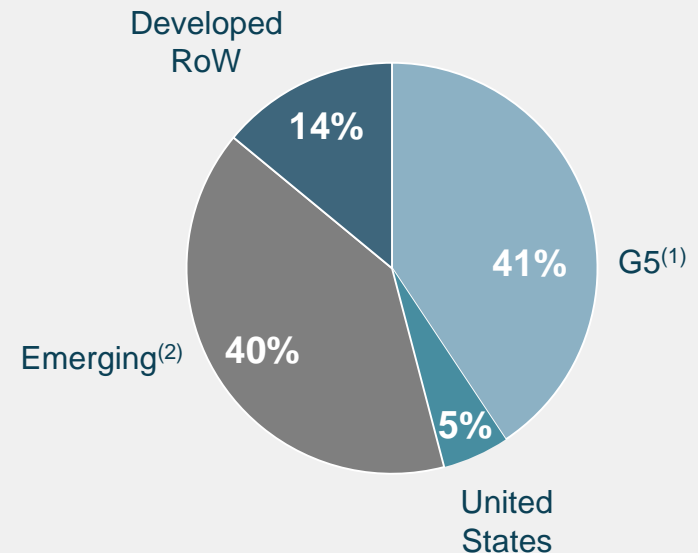
Remaining overhang: Risk of Smecta[®] generic in France

Ipsen growth fuelled by a differentiated emerging market footprint, soon to be supported by the US

Ipsen largest affiliates

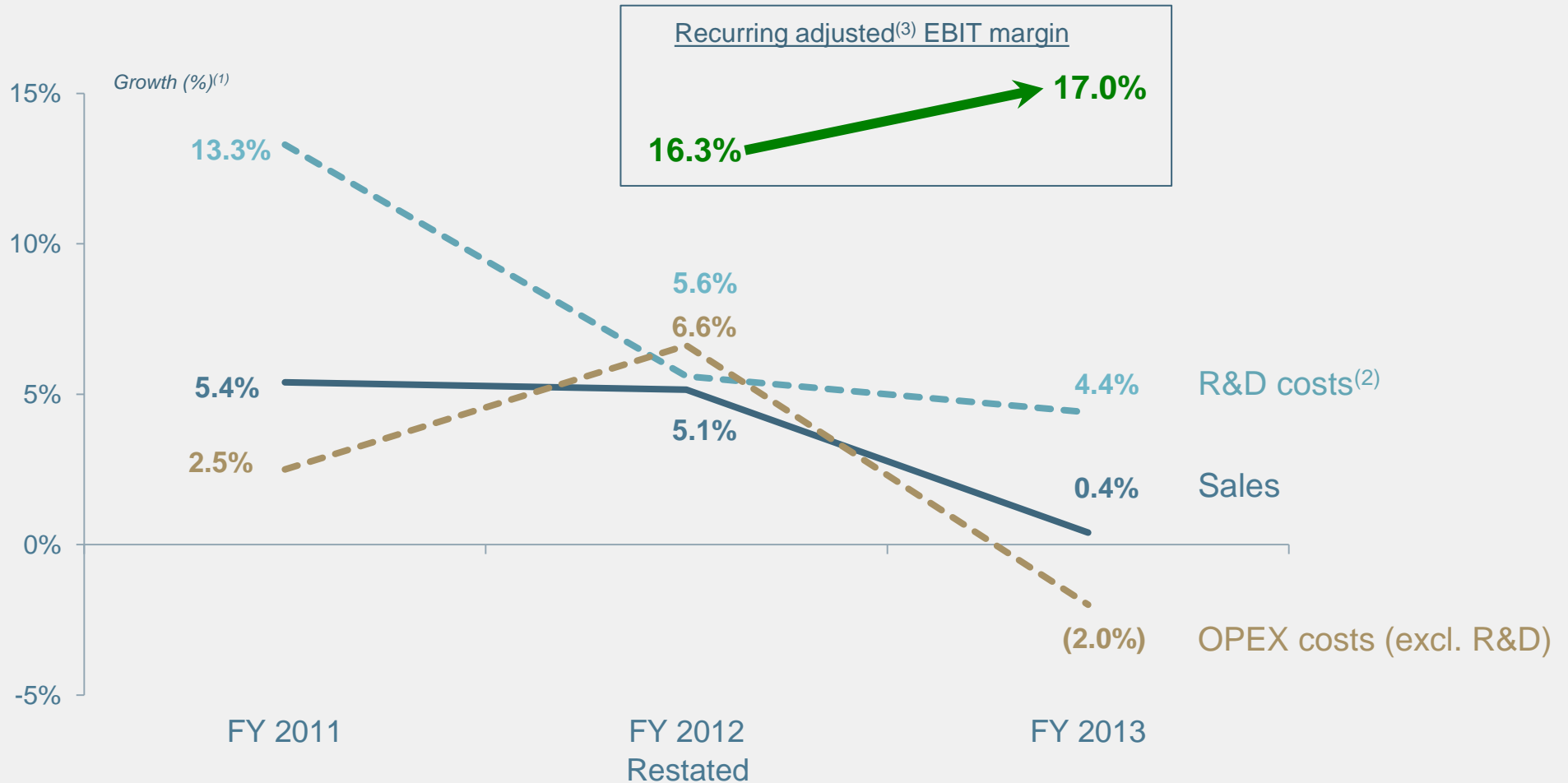


Ipsen geographical split



Ipsen among the pharma companies with the strongest presence in emerging markets

In the context of 2013 lower sales growth, tight Opex control allowed to finance R&D while growing EBIT margin



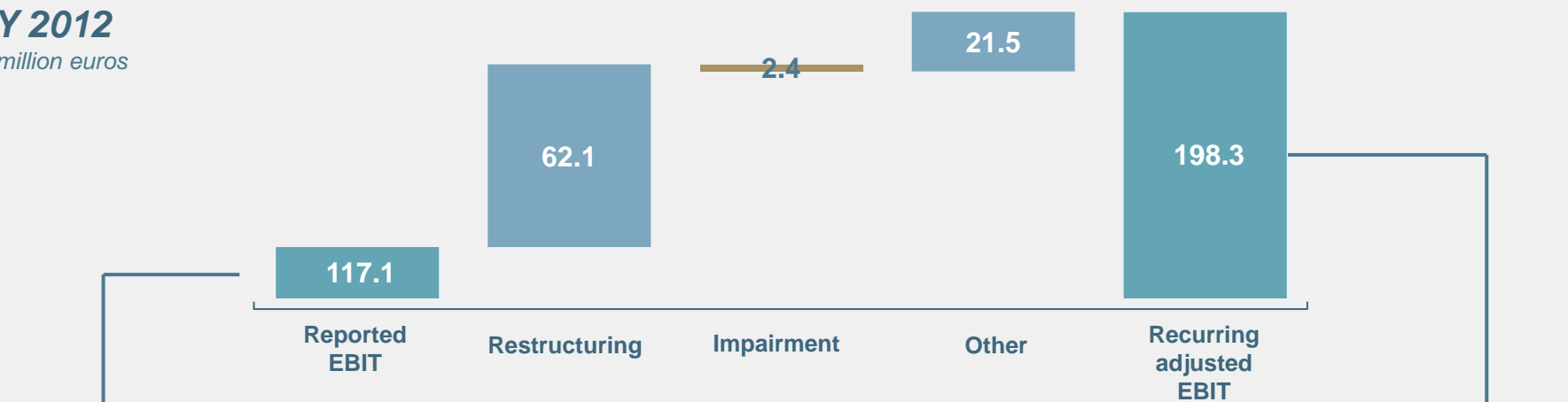
Note: 2012 figures have been restated to provide comparative information between 2012 and 2013 – ⁽¹⁾ As reported – ⁽²⁾ Restated from OBI-1-related costs
⁽³⁾ Prior to non-recurring elements



From reported to Recurring adjusted Operating Income

FY 2012

In million euros

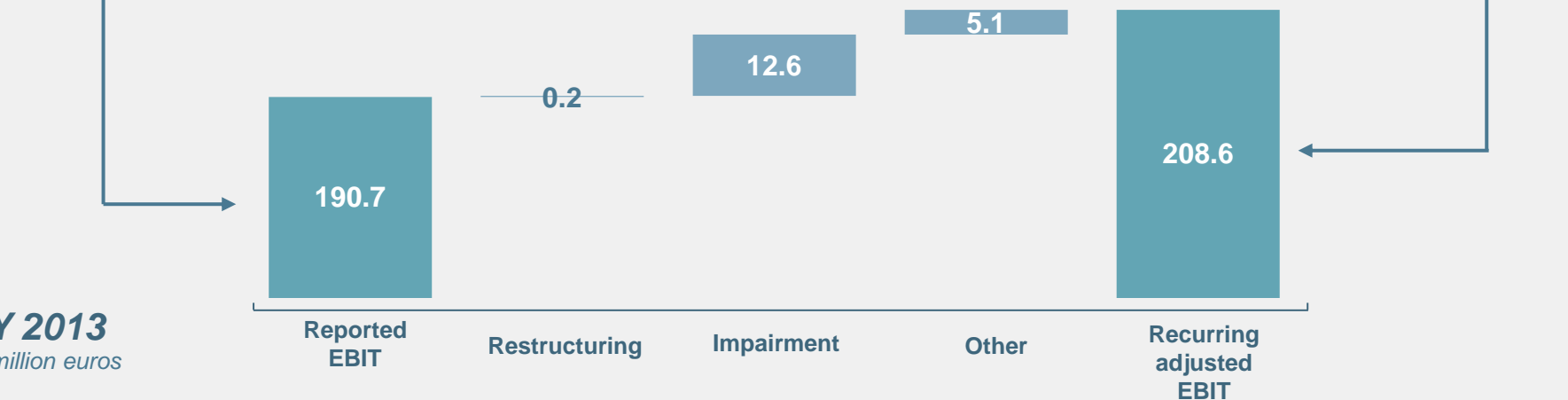


+62.9%
As reported

+5.2%
Recurring adjusted

FY 2013

In million euros



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

2013 performance

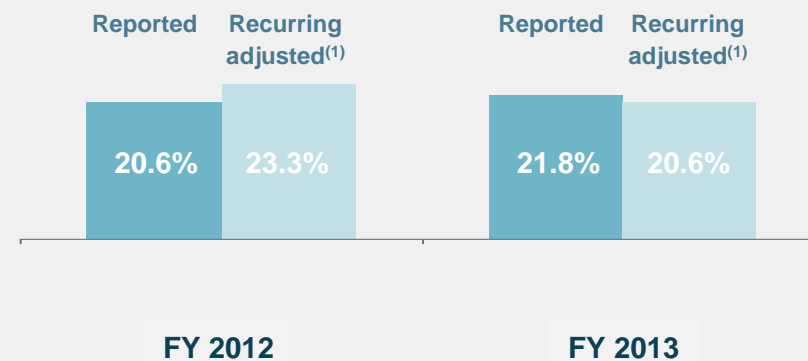
Below EBIT

Main P&L items: Below operating income

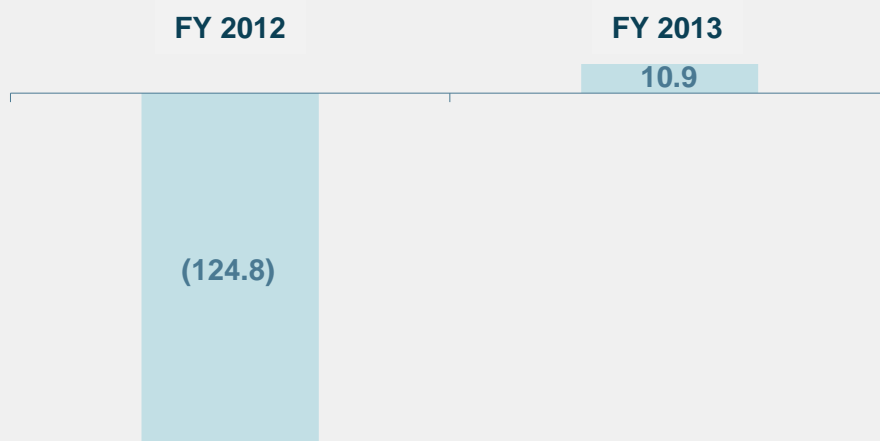
Financial Result (€m)



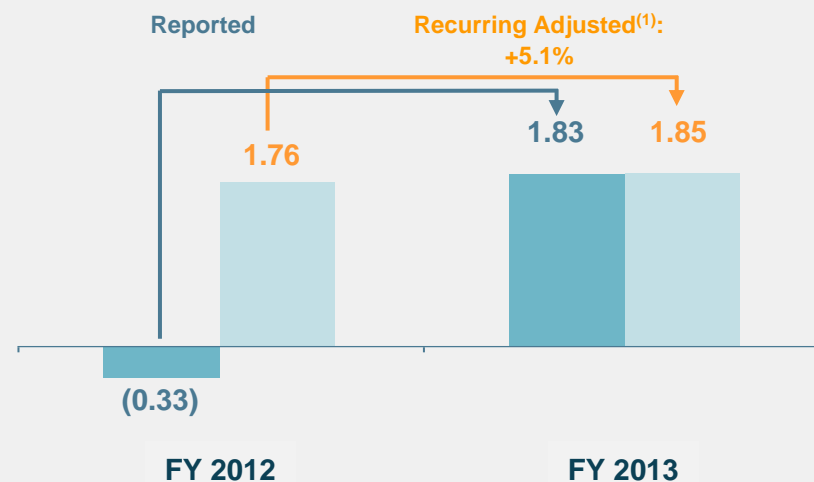
Effective tax rate



Net income from discontinued operations (€m)



EPS (€)



Balance sheet evolution

ASSETS			LIABILITIES		
<i>in m€</i>	FY 2012 Restated	FY 2013	<i>in m€</i>	FY 2012 Restated	FY 2013
Goodwill	298.2	310.7	Capital and reserves	902.5	971.5
Investments in associates	0.0	0.0	Minority interest	2.0	2.2
Property, plant and equipment	281.8	287.5	Total equity	904.5	973.7
Other intangible assets	129.2	144.8	Provisions	68.3	90.7
Other non current assets	246.3	220.5	Other financial liabilities	18.4	19.1
Non-current assets	955.5	963.5	Other non current liabilities	133.8	105.6
Current assets	606.3	601.8	Non-current liabilities	220.4	215.4
<i>Incl. Cash and cash equivalents</i>	113.6	131.0	Current liabilities	437.0	376.2
Total Assets	1,561.9	1,565.3	Total Liabilities	1,561.9	1,565.3

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

Solid cash flow generation

<i>in m€</i>	FY 2012 Restated	FY 2013
Consolidated net profit	(27.5)	153.1
Non cash and non operating items	177.6	56.2
<i>of which Depreciation, amortization, provisions</i>	70.2	25.7
<i>of which Impairment losses</i>	123.1	12.6
<i>of which Change in deferred taxes</i>	(24.1)	8.2
Cash flow from operating activities before changes in working capital	171.8	209.3
Net change in other operating assets & liabilities	(27.6)	(21.1)
Net cash flow generated by operating activities	144.2	188.1
Purchase of tangible and intangible assets	(82.8)	(88.6)
Other	(17.4)	(15.1)
Net cash flow used in investing activities	(100.2)	(103.7)
Dividends paid	(67.5)	(66.9)
DIP and other	(5.7)	(9.6)
Net cash used in financing activities	(73.2)	(76.5)
Opening cash position	144.8	113.3
Change in cash and FX	(31.5)	12.1
Closing cash position	113.3	125.4

Operating cash flow up 30% in 2013

2013: Key financial achievements

Group sales up 2.2%⁽¹⁾

Strong Recurring Adjusted⁽²⁾ Operating margin of 17%⁽³⁾

Net profit of €153.1m versus a (€27.5m) loss in 2012

Robust Recurring Adjusted⁽²⁾ EPS of €1.85, up 5.1% year-on-year

Sound operating cash flow generation

Closing cash balance of €125.4m

Proposed dividend of €0.80 per share, stable year-on-year

P&L summary

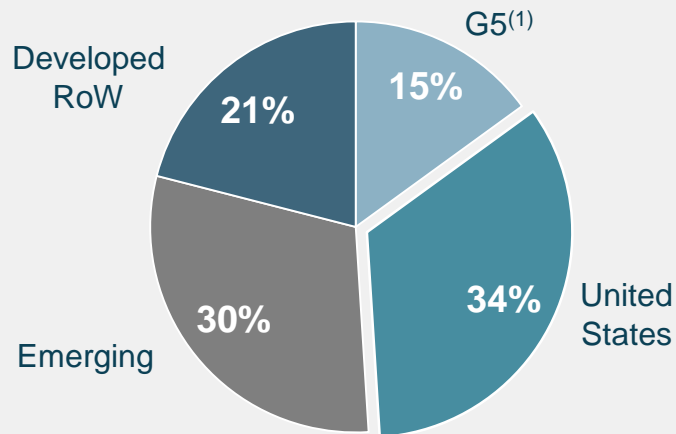
	31 December 2012 Restated		31 December 2013		Variation in %
	(in million euros)	% net sales	(in million euros)	% net sales	
Net sales	1,219.5	100.0 %	1,224.8	100.0 %	+ 0.4 %
Other revenues	57.9	4.7 %	57.0	4.7%	- 1.5 %
Revenue	1,277.4	104.7 %	1,281.8	104.7 %	+ 0.3 %
Cost of goods sold	(254.3)	- 20.9 %	(253.4)	- 20.7 %	- 0.4 %
Research and development expenses	(248.2)	- 20.3 %	(259.1)	- 21.2 %	+ 4.4 %
Selling expenses	(473.0)	- 38.8 %	(451.3)	- 36.8 %	- 4.6 %
General and administrative expenses	(99.1)	- 8.1 %	(103.8)	- 8.5 %	+ 4.8 %
Restructuring costs	(62.1)	- 5.1 %	(0.2)	0.0 %	- 99.6 %
Operating income	117.1	9.6 %	190.7	15.6 %	+ 62.9 %
Recurring adjusted ⁽¹⁾ operating profit	198.3	16.3 %	208.6	17.0 %	+ 5.2 %
Income taxes	(25.2)	- 2.1 %	(39.6)	- 3.2 %	-
Consolidated profit	(27.5)	- 2.3 %	153.1	12.5 %	-

Note: 2012 figures have been restated to provide comparative information between 2012 and 2013 - ⁽¹⁾ Prior to non-recurring elements

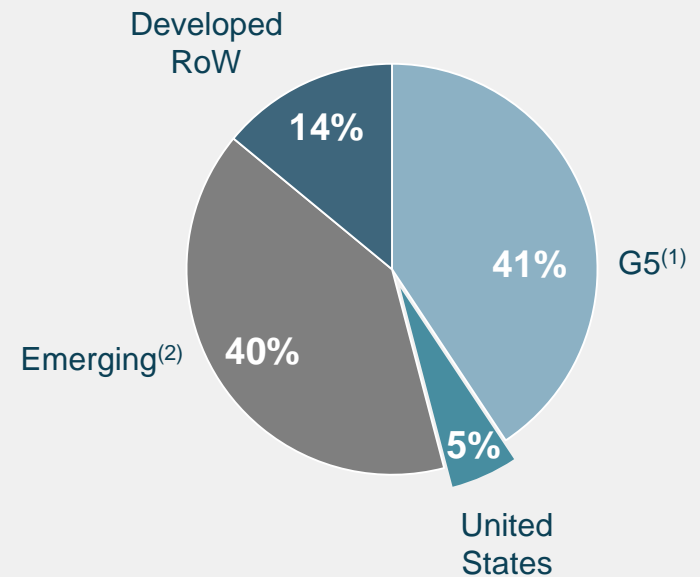
US update

Increasing US presence, a strategic priority

Global Pharma Market^(*)



Ipsen 2013 sales



US under-represented in Ipsen sales

Reaching critical mass in the US is key to drive Group profitability

⁽¹⁾ France, Germany, UK, Italy, Spain – ⁽²⁾ Notably includes China, Russia and Brazil
^(*) Source: Ipsen estimates and IMS Health Market Prognosis, September 2013 (US\$ spending with variable exchange rates)

Drivers to grow US presence

Somatuline[®]

- Imminent GEP-NET* filing
- Preparation for GEP-NET* commercial launch
- Continued penetration of the acromegaly market

Dysport[®]

- AUL¹ spasticity filing expected H2 2014
- ALL² and PLL³ topline data expected end of 2014
- Galderma to potentially distribute Dysport[®] in aesthetics

Increlex[®]

- Step forward in market resupply with FDA approval to release one batch
- Release of additional lots anticipated

Ipsen to launch Somatuline[®] in NET indication in the US to capture full value

Rationale

Secure long term value

Secure Ipsen US strategic presence

Build long term presence in US oncology

Maintain full control over decisions

Leverage global product expertise

Impact

- Expected maximum incremental annual cost of €[30-40]m
- US breakeven⁽¹⁾ postponed to 2017

US NET market > \$500m*

Somatuline[®] : a differentiated product presentation

Increased extended dosing interval worldwide for acromegaly

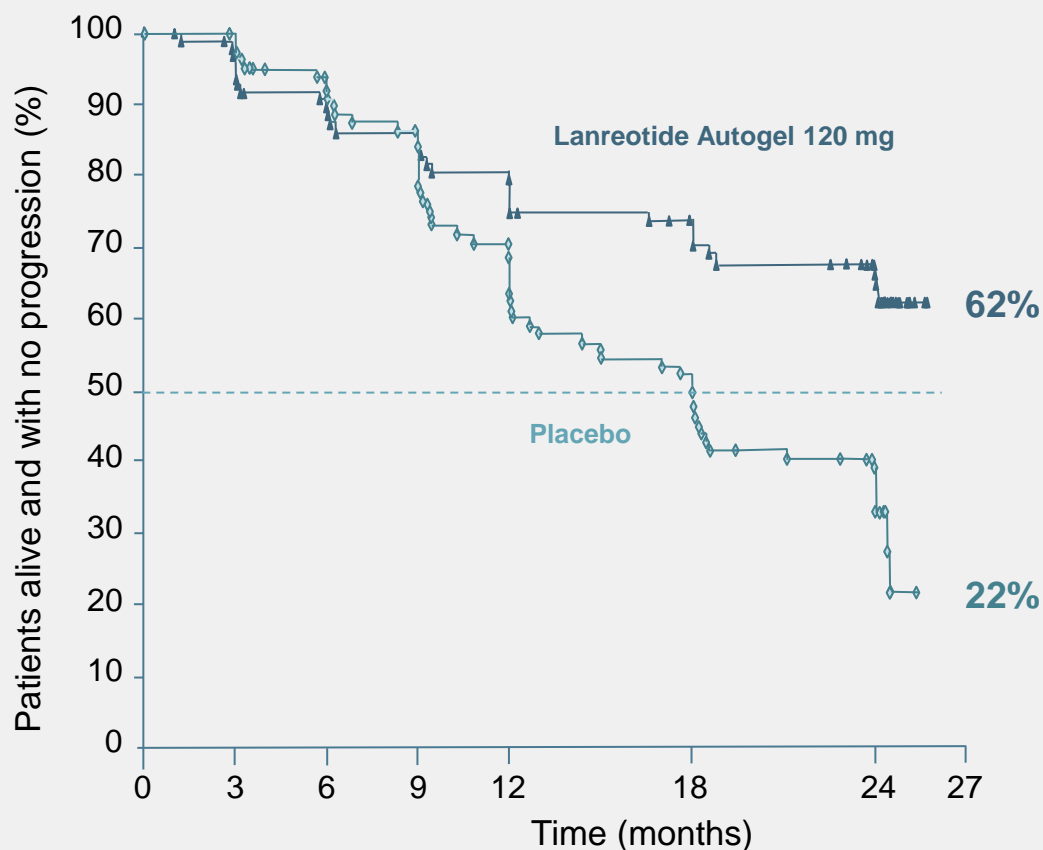
- Approved in the US in March 2011
- From one injection every 4 weeks (60-90mg) to every 6-8 weeks (120mg)
- Increased comfort for the patients
- Economic benefit

New device

- Retractable needle to ensure full dose release
- Optimal safety for hospital care practitioners/ patients
- Health economic benefits related to absence of clogging and less time spent for injection (no need for reconstitution)



Somatuline[®] NET: differentiated clinical results with CLARINET



($p=0.0002$; HR 0.47; 95% CI: 0.30–0.73)

Key results

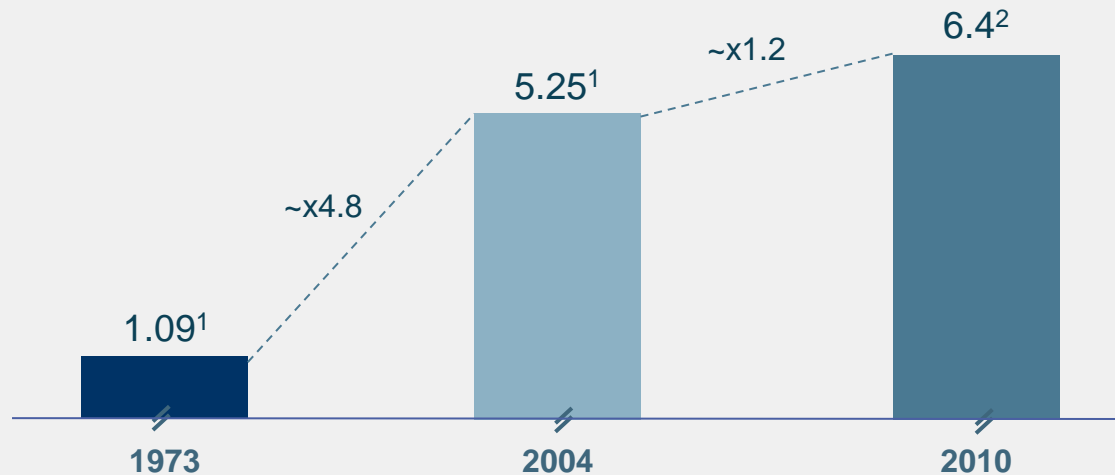
- 62% of GEP-NET patients treated with Somatuline[®] had not progressed or died versus 22% with placebo
- Disease progression or death was reduced by 53%
- Antiproliferative effect of Somatuline[®] is:
 - statistically significant in midgut tumors
 - clinically relevant in pancreatic NETs
 - independent of the tumor grade and hepatic tumor load

CLARINET, the first global and differentiated study showing strong results in the treatment of GEP-NETs

Significant increase in NET incidence in the US

Evolution of annual NET incidence in the US

Per 100 000 Americans

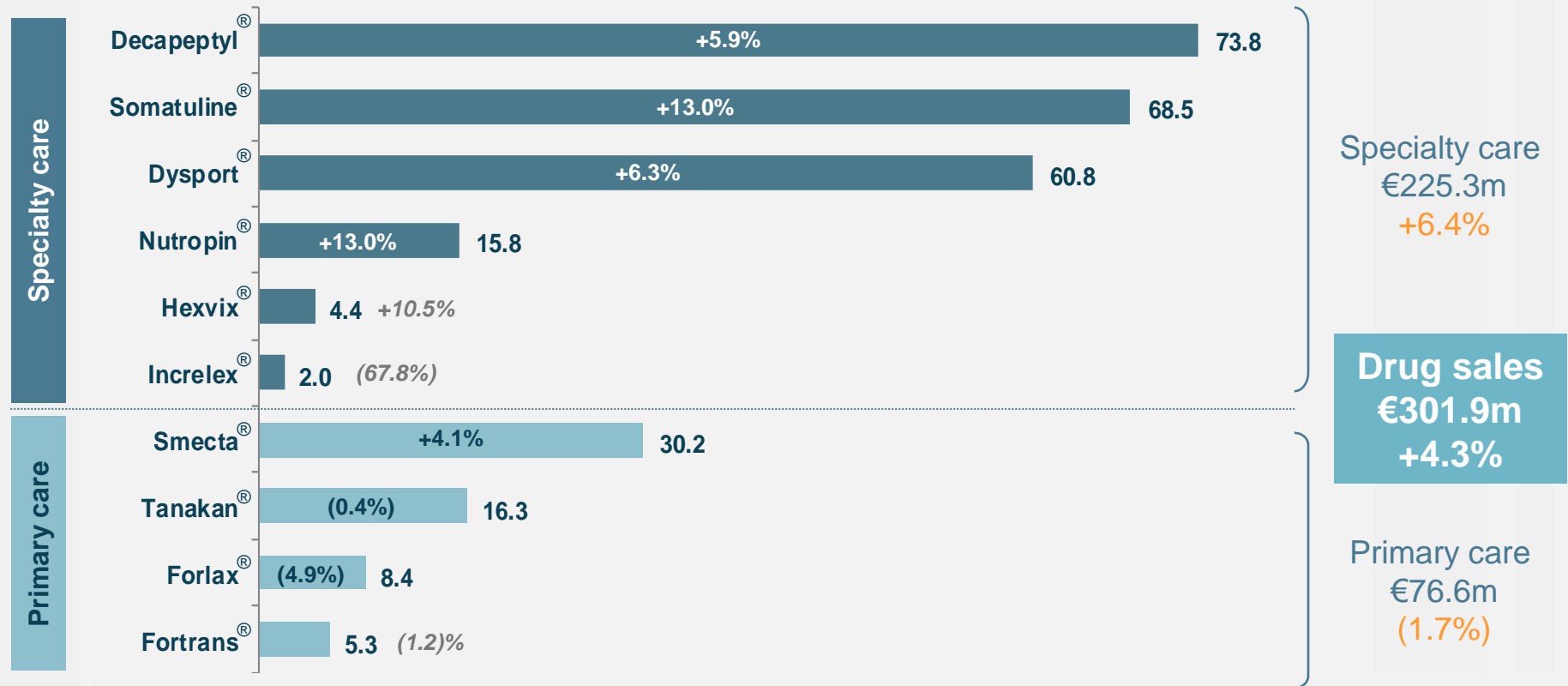


US NET incidence increased ~6 times in 40 years, driven by improved diagnosis and disease awareness

2014 outlook

In Q1 2014, strong specialty care performance driven by Somatuline[®] and return to growth of Decapeptyl[®]

Drug sales – Q1 2014 in million euros – % excluding foreign exchange impact



Increlex[®] resupply resumed in Europe, progressing in the US

2014 financial objectives

Specialty care – Drug sales

Growth of +4.0% to +6.0%, year-on-year

- *Driven by normalization of situation in China, in a context of continued pricing pressure and uncertainty on Increlex[®] US resupply*

Primary care – Drug sales

Decline of -2.0% to 0.0%, year-on-year

- *Excluding the launch of a Smecta[®] generic in France*

Recurring Adjusted⁽¹⁾ operating margin

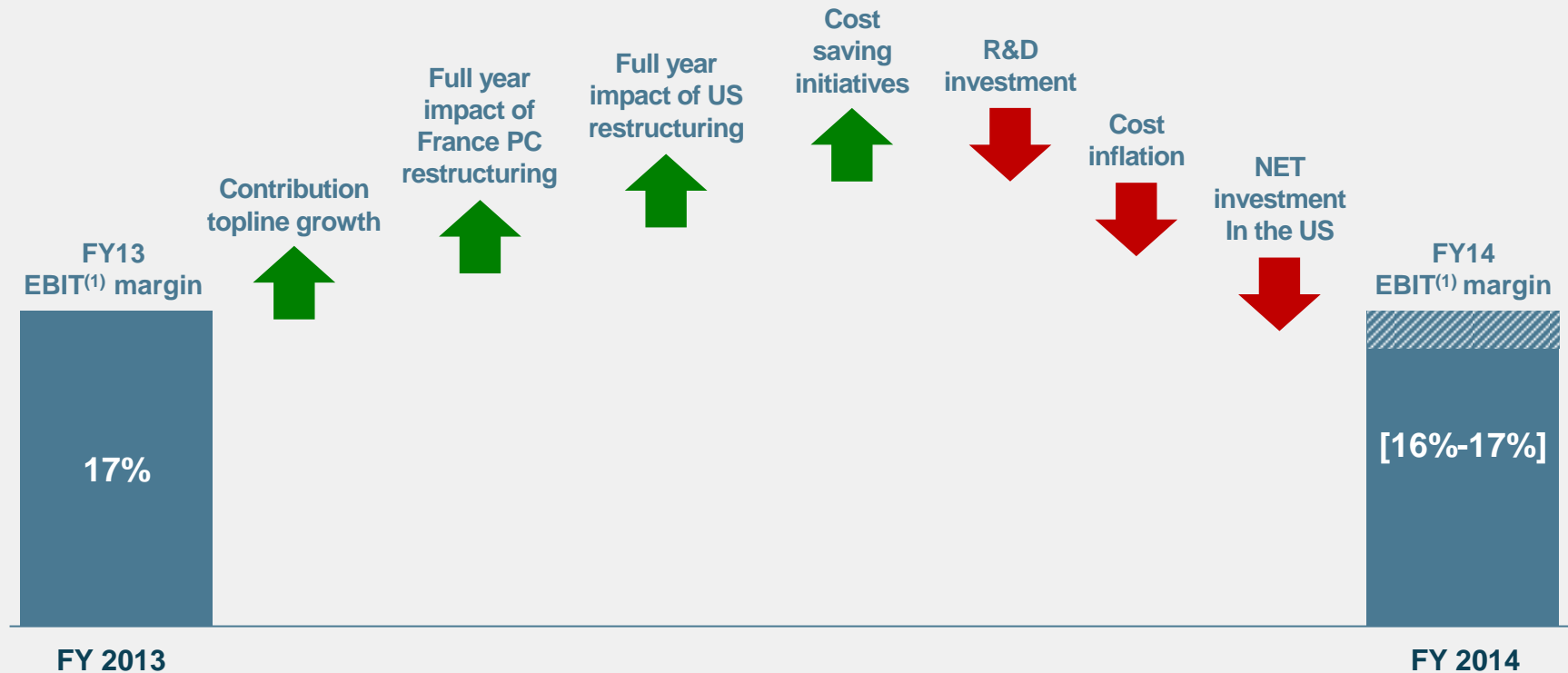
Between 16.0% and 17.0% of sales

- *In 2014, Ipsen will continue to implement operating efficiency measures*
- *The Group notably strives to limit the profitability impact of launching Somatuline[®] NET in the US*

Moving parts to impact 2014 EBIT

Illustrative chart

Evolution of EBIT margin at constant currency



Improved cost control to offset cost inflation and NET US investment

Major R&D and regulatory milestones to come in 2014

	H1 2014	H2 2014	2015
R&D	Tasquinimod mCRPC PhIII results (PFS and OS data)		TasQ maintenance study PhIIa (POC) results
	Dysport® NDO Full PhII data	Tasquinimod (HCC, RCC, Gastric & Ovarian) PhII results ⁽¹⁾	
	Dysport® NG PhIII (CD) and PhII (GL)	Dysport® PLL PhIII topline data	Dysport® PUL PhIII topline data
	Dysport® AUL Full PhIII data	Dysport® ALL PhIII topline data	Dysport® AUL US launch
Regulatory/ Commercial		DNG regulatory feedback	
		Dysport® AUL US filing	
	Somatuline® GEP NETs WW filing	Somatuline® GEP NETs Preparation for US launch	Somatuline® GEP NETs WW launch

Note: NDO: Neurogenic Detrusor Overactivity, GL: Glabellar Lines, CD: Cervical Dystonia, AUL: Adult Upper Limb, HCC: Hepatocellular Carcinoma, RCC: Renal Cell Carcinoma, PLL: Pediatric Lower Limb, ALL: Adult Lower Limb, PUL: Pediatric Upper Limb – ⁽¹⁾ Provided that all futility analyses are completed



In 2014, continued business development efforts to complement organic growth

Areas of focus

Commercial deals

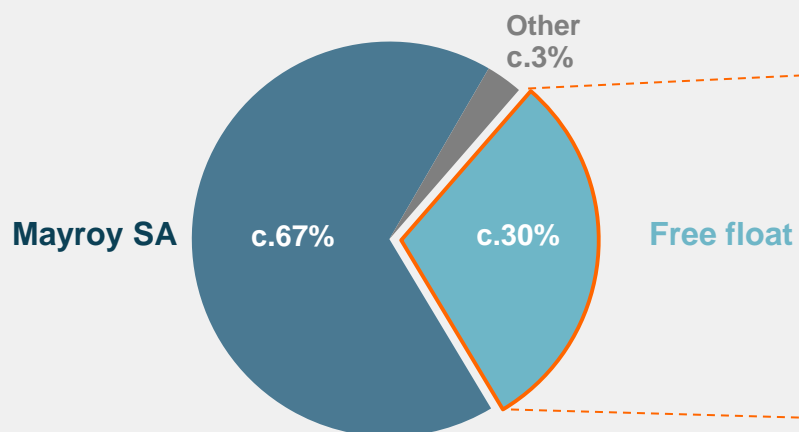
- In-licensing or acquisition of marketed drugs
- Acquisition of small companies
- Various geographies targeted, notably the US

R&D deals

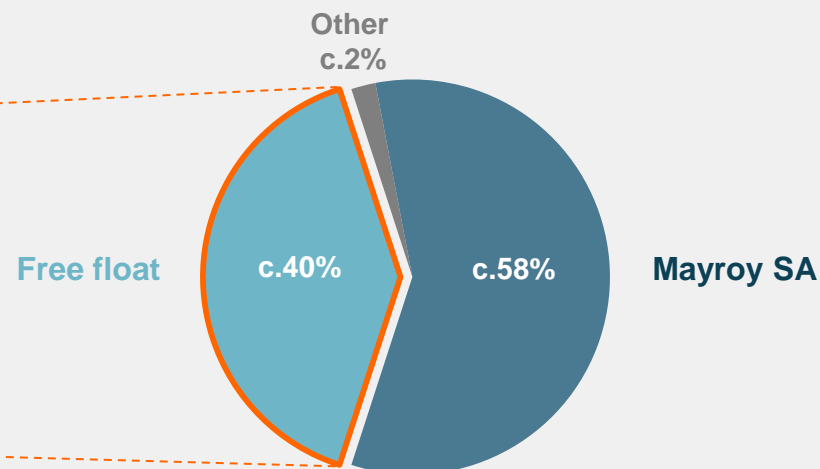
- Late stage compounds (Phase III) in various therapeutic areas
- Early stage compounds (Phase I and II) with a potential for breakthrough innovation

Significant increase in free float with Mayroy's sale of 7% of Ipsen's share capital to finance exit of Véronique Beaufour

Ipsen share capital before placement



Ipsen share capital⁽¹⁾ after placement



Véronique Beaufour not involved in Ipsen's strategy/management

Ipsen purchased 1% of its share capital via the placement

Enhancement of Ipsen's liquidity

Key takeaways

2013

Strong operating performance and major clinical successes setting the stage for future growth

2014

TasQ phIII clinical results, preparation of NET US launch and continued operating efficiencies