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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.
Agenda

1. Strategic update
2. 2015 performance and outlook
Strategic update
An increasing weight of specialty care and of the US

9M 2015 sales by segment

- Specialty care: ~77%
- Primary care: ~23%

9M 2015 sales by geography

- Europe G5: 38%
- Developed RoW: 14%
- Emerging markets: 38%
- US: 10%

Top 5 affiliates

1. France
2. China
3. US
4. Germany
5. Italy

One of the largest emerging market presence in the industry, consolidating US footprint
A refocused strategy within specialty and primary care

**Specialty care**

- Global leadership in targeted diseases

**Primary care**

- Focus on GI/OTx

- Focus on NET/spasticity/Dysport® aesthetics (Galderma)
- Reinforce position in uro-oncology/adult endocrinology
- Explore adjacent therapeutic areas in GI/orphan cancers

- Optimize the GI portfolio
- Diversify into adjacent GI pathologies
- Reinforce geographical coverage
- Develop OTx capabilities

*Note: GI: Gastrointestinal, Otx: Dual channel approach (Rx/OTC)*
2020 outlook showing strong sales growth and profitability momentum

**Group organic sales**

- [€1.3bn] in 2014
- [€1.8bn to €2bn] in 2020E
- **(+6% to +8%) CAGR**

**Core Operating margin**

- 20.4% in 2014
- >26% in 2020E
- **>+560bps**

Potential Business Development to complement €1.8bn to €2.0bn organic sales target

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(1) In percentage of sales
Turnaround of the US platform, with high potential for growth

**US affiliate sales growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>9M 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>11.5%</td>
<td>31.2%</td>
<td>50.7%</td>
</tr>
</tbody>
</table>

**Somatuline® US sales growth**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
<th>9M 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>18.6%</td>
<td>28.6%</td>
<td>103.3%</td>
</tr>
</tbody>
</table>

US affiliate to reach breakeven ahead of plan and drive significant profitability increase thanks to Somatuline®

US platform further leveraged with Dysport® AUL launch in Q3 and potential business development in Q4

(1) Restated for Increlex® supply interruption
All growth rates at constant currency
Somatuline® accelerated NET penetration in the US and Europe

**Somatuline® US quarterly data, all indications**

**Somatuline® Europe G5(1) quarterly data, all indications**

**Source:** IMS MIDAS + Symphony Healthcare  
(1) G5: France, Germany, UK, Spain, Italy  
Market definition = long-acting SSAs  
(2) Months of treatment

Significant market share gain in the US (4 points) and in Europe (2 points) in H1 2015
## Major R&D and regulatory milestones

<table>
<thead>
<tr>
<th>R&amp;D</th>
<th>H1 2015</th>
<th>H2 2015</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dysport® PLL PhIII topline results</td>
<td>Dysport® PLL US filing</td>
<td>Dysport® PLL US filing</td>
</tr>
<tr>
<td></td>
<td>Dysport® ALL PhIII topline results</td>
<td>Dysport® AUL US approval</td>
<td>Dysport® AUL US approval</td>
</tr>
<tr>
<td></td>
<td>DNG positive regulatory feedback</td>
<td>Dysport® PLL US filing</td>
<td>Dysport® Solution Europe/Brazil filing in cervical dystonia</td>
</tr>
</tbody>
</table>

| Regulatory/Commercial | | | |
|-----------------------|--------|--------|
|                       | Dysport® AUL US launch | Dysport® Solution Europe/Brazil filing in cervical dystonia | MCNA Regulatory process for EU |

**Note:** AUL: Adult Upper Limb, PLL: Pediatric Lower Limb, ALL: Adult Lower Limb

MCNA:: Mycobacterium phlei Cell wall-Nucleic Acid complex
Exclusive license agreement with Telesta for the treatment of non-muscle invasive bladder cancer (NMIBC)

- 2\textsuperscript{nd} / 3\textsuperscript{rd} line option post BCG\textsuperscript{2} treatment for high risk NMIBC\textsuperscript{1}
- FDA PDUFA\textsuperscript{3} date: 27 February 2016. Regulatory pathway to be discussed for Europe.
- Exclusive licensing and commercialization rights for Europe and key Rest of the World territories\textsuperscript{4}
- US$10m upfront payment, additional regulatory and commercial milestones up to US$127m, and tiered double-digit royalties

Highly synergistic bolt-on acquisition for urology-oncology franchise in Europe

(1) Non-muscle invasive Bladder Cancer; (2) Bacillus Calmette-Guérin; (3) PDUFA (Prescription Drug User Fee Act) announced on August 29, 2015; (4) Excluding the United States, Canada, South Africa, Mexico, South Korea and Japan; (5) MCNA (subject to regulatory approval) : Mycobacterium phlei Cell wall-Nucleic Acid complex
2015 performance and outlook
9M 2015 – Steady Specialty care growth

Drug sales – 9M 2015 in million euros – % excluding foreign exchange impact

<table>
<thead>
<tr>
<th>Specialty care</th>
<th>Drug</th>
<th>Sales (in million euros)</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Somatuline®</td>
<td>Plus</td>
<td>292</td>
<td>+30.7%</td>
</tr>
<tr>
<td>Decapeptyl®</td>
<td></td>
<td>251</td>
<td>(1.6%)</td>
</tr>
<tr>
<td>Dysport®</td>
<td>Plus</td>
<td>209</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Nutropin®</td>
<td></td>
<td>46</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Incrêlex®</td>
<td></td>
<td>14</td>
<td>+49.7%</td>
</tr>
<tr>
<td>Hexvix®</td>
<td></td>
<td>13</td>
<td>+6.0%</td>
</tr>
<tr>
<td>Smecta®</td>
<td>(11.2%)</td>
<td>89</td>
<td></td>
</tr>
<tr>
<td>Tanakan®</td>
<td>(15.8%)</td>
<td>37</td>
<td></td>
</tr>
<tr>
<td>Forlax®</td>
<td>(0.3%)</td>
<td>29</td>
<td></td>
</tr>
</tbody>
</table>

French Primary care: (7.8%)
International Primary care: (2.9%)

Somatuline® remains the main growth driver for the Group

Group sales €1,068.3m +7.0%
Specialty care €824.5m +10.9%
Primary care €243.8m(1) (4.1%)

(1) Includes €18.3m of Drug-related sales
Core Operating margin H1 2015 evolution

In million euros

Sales: 714
H1 2015

COI Margin (as % of sales):

H1 2014:
- Somatuline® US: 639
- Total other Products(1): -1.4%
- FX: -0.1%
- FX: -0.4%

H1 2015:
- Total contribution from all products (ex Somatuline® US): 23.5%

Note: COI=Core Operating Income

(1) Total contribution from all products (ex Somatuline® US)

Somatuline® US investment dilutive to Group margin in H1 2015
H1 2015 cash flow generation

In million euros

Free cash flow: €26m\(^{(1)}\)

<table>
<thead>
<tr>
<th>Component</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening cash</td>
<td>180</td>
</tr>
<tr>
<td>Change in working capital(^{(2)})</td>
<td>-94</td>
</tr>
<tr>
<td>Capex</td>
<td>-19</td>
</tr>
<tr>
<td>Dividends</td>
<td>-70</td>
</tr>
<tr>
<td>Share Buyback</td>
<td>-4</td>
</tr>
<tr>
<td>External acquisitions</td>
<td>-37</td>
</tr>
<tr>
<td>Other</td>
<td>-7</td>
</tr>
<tr>
<td>Closing cash</td>
<td>88</td>
</tr>
</tbody>
</table>

Solid free cash flow generation

Closing cash impacted by dividends, share buyback and external acquisitions

\(1\) Before restructuring cost

\(2\) Excluding milestone amortization
2015 guidance confirmed showing strong sales and profitability momentum

**Group organic sales**

- $\geq +9.5\%$ \(^{(2)}\)
- $\geq \text{€1.40 bn}$ \(^{(3)}\)

2014: €1.27bn

2015E: $\text{≥ €1.40 bn}$

**Core Operating margin\(^{(1)}\)**

- $\geq +160\text{bps}$
- $\geq 22\%$

2014: 20.4%

2015E: $\geq 22\%$

Sales growth and profitability driven in 2015 by the success of Somatuline\(^{\circledR}\) launch

\(^{(1)}\) In percentage of sales

\(^{(2)}\) At constant currency, based on the lower range of the specialty and primary care guidance

\(^{(3)}\) Excluding foreign exchange impact
Key 2015 achievements

Solid Operating performance driven by Specialty sales growth

Accelerated Somatuline® momentum with significant US launch investment

Readiness for US launch of Dysport® in AUL spasticity after July FDA approval

Continued business development efforts with acquisition of Canbex, Octreopharm and Telesta’s MCNA European rights

Ipsen committed to deliver superior shareholder value
Thank you