

Ipsen 2005 results Conference Call

17th March, 2006





Disclaimer



This presentation includes only summary information and does not purport to be comprehensive. Forward-looking statements, targets and estimates contained herein are for illustrative purposes only and are based on management's current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated in the summary information. The Company expressly disclaims any obligation or undertaking to update or revise any forward-looking statements, targets or estimates contained in this presentation to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based unless so required by applicable law.

Ipsen at a Glance

An innovation driven International Specialty Pharmaceutical Group with more than 75 years of operations

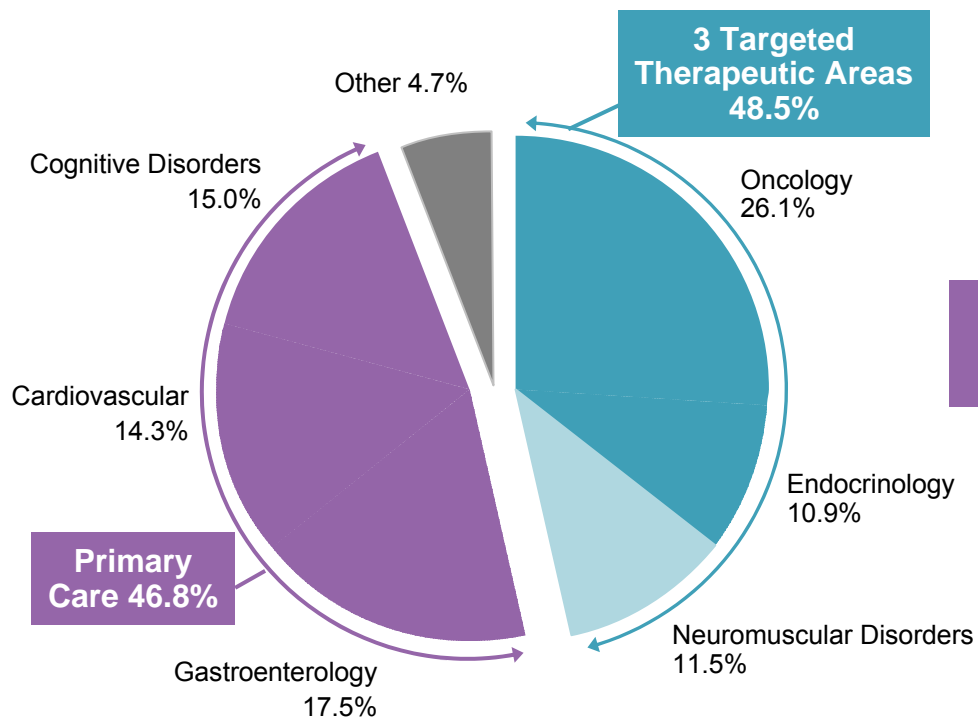
- Diversified portfolio of more than **20 field proven products** marketed in more than **100 countries**
- **Longstanding presence in primary care** (gastroenterology, cognitive disorders and cardiovascular)
- **Strategic focus on three Targeted Therapeutic Areas** (oncology, endocrinology and neuromuscular disorders)
- **International R&D presence**, with R&D expenditure representing 20.9% of consolidated sales in 2005
- Nearly **4,000 employees**, including close to 700 dedicated to R&D
- **Recognised strategic partner** with international industry leaders in US, Europe and Japan
- Experienced and international management; clear corporate governance designed for public listed company
- Consolidated 2005 sales and operating income of €807m and €185m respectively

Ipsen's mission statement: innovation for patient care

Note: IFRS, Proforma

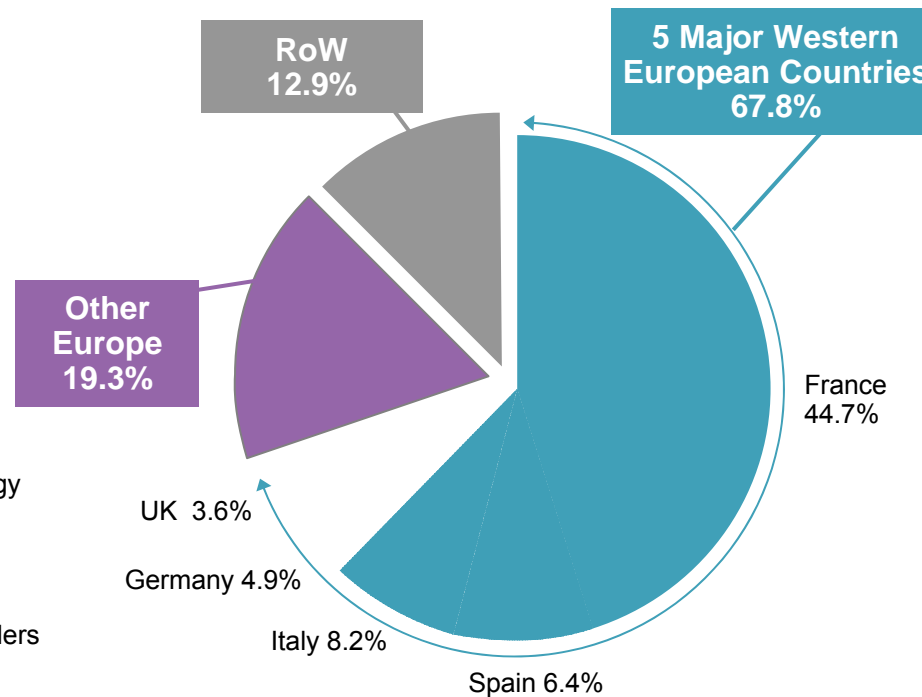
Ipsen: balanced portfolio and international business

2005 Net Sales by Therapeutic Area



Total: €807m

2005 Net Sales by Geographical Area



Total: €807m

More than 20 field-proven marketed products in more than 100 countries

Note: IFRS pro forma figures

"Other" includes other miscellaneous products and other pharmaceutical ingredients

Clear strategy and strong development model

Mission Statement

To be a worldwide best-in-class provider of innovative and well-tolerated drugs, addressing unmet medical needs in its targeted therapeutic areas

Strategic Priorities

- | | | |
|--|---|--|
| <p>① GROW top-line and profits in the Targeted Therapeutic Areas by providing innovative drug therapy</p> | <p>② OPTIMISE returns of primary care through selected product life cycle management, partnerships and focused investments</p> | <p>③ GLOBALISE through active geographical expansion policy</p> |
|--|---|--|

Key Company Levers

- | | | | |
|--------------------------------------|---|--|---|
| <p>① Strong R&D Capabilities</p> | <p>② Extended International Network</p> | <p>③ Experienced and Proactive Teams</p> | <p>④ Reinforced Financial Flexibility</p> |
|--------------------------------------|---|--|---|

Attractive “International Specialty Pharma” Business Model

R&D excellence: a unique combination of capabilities

The Four Technological Platforms

Peptide Engineering	Protein Engineering	Medicinal Chemistry	Advanced Drug Delivery Systems
<ul style="list-style-type: none"> Improve the therapeutic properties of naturally occurring peptides Boston R&D centre 	<ul style="list-style-type: none"> Improve the therapeutic properties of naturally occurring proteins Boston R&D centre 	<ul style="list-style-type: none"> Discover enzyme inhibitors for the treatment of cancer and neuromuscular disorders Paris R&D centre 	<ul style="list-style-type: none"> Create and develop innovative parenteral formulations for new or existing products Barcelona R&D centre

The Four R&D Centres Close to the Main Academic Centres

Paris	Boston	Barcelona	London
<ul style="list-style-type: none"> Opened in 1969, further facilities built in 1996 Focus on molecular and cellular oncology together with neuromuscular disorders 	<ul style="list-style-type: none"> Key areas : Synthetic chemistry, Pharmacology, Biotechnology Coordination of R&D activities with FDA Biotechnology unit opened in March 2005 	<ul style="list-style-type: none"> Discovery, design and development of drug delivery systems 	<ul style="list-style-type: none"> Clinical development and regulatory affairs department Develop marketing authorisation strategies

Comprehensive technological range and platforms integration to drive discovery of complex and innovative products

R&D excellence: a rich pipeline to fuel Ipsen future growth: 7 NCEs

		Compound	Indication	Current Status
Targeted Therapeutic Areas	Oncology	Decapeptyl	Combination and longer release formulation	Phase II/III
		BN 83495 (STX 64)	Post-menopausal breast cancer	Phase I
		BN 2629 (SJG-136)	Advanced metastatic cancers	Phase I
		Diflomotecan (BN 80915)	Advanced metastatic cancers	Phase II
		Elomotecan (BN 80927)	Metastatic tumors	Phase I
	Endocrinology	Somatuline Autogel	Neuro endocrine tumors Acromegaly	Phase III Filing scheduled in the US in 2006
		BIM 51077	Type 2 diabetes	Phase II
		NutropinAq	Idiopathic short stature	Phase III
	Neuromuscular Disorders	Dysport	Cervical Dystonia Myofascial pain	Phase III – Filing scheduled in 2007 in USA Phase II
		Dysport/Reloxin	Aesthetic medicine	Under regulatory review in Europe Phase III – Filing schedule in 2007 in USA
Primary Care	Cognitive Disorders	Tanakan	Mild cognitive impairment related to age	Phase III
Others	Haematology	OBI-1	Haemophilia	Phase II
	Rheumatology	Febuxostat (TMX-67)	Symptomatic hyperuricaemia	Regulatory strategy to be confirmed during 2006

Key Figures

In €m	2004	2005	Growth % 2004-2005
Organic Sales	751.5	807.1	7.4%
EBITDA	194.5	214.9	10.5%
<i>% of Sales</i>	<i>25.9%</i>	<i>26.6%</i>	
Operating Income	156.5	185.3	18.4%
<i>% of Sales</i>	<i>20.8%</i>	<i>23.0%</i>	
Net Income (Group share)	117.6	148.6	26.4%
<i>% of Sales</i>	<i>15.7%</i>	<i>18.4%</i>	

Organic Sales: Sales on a comparable perimeter

IFRS, pro forma, 2004 adjusted to exclude disposed GP business in Spain from continuing operations

Profitable growth in 2005

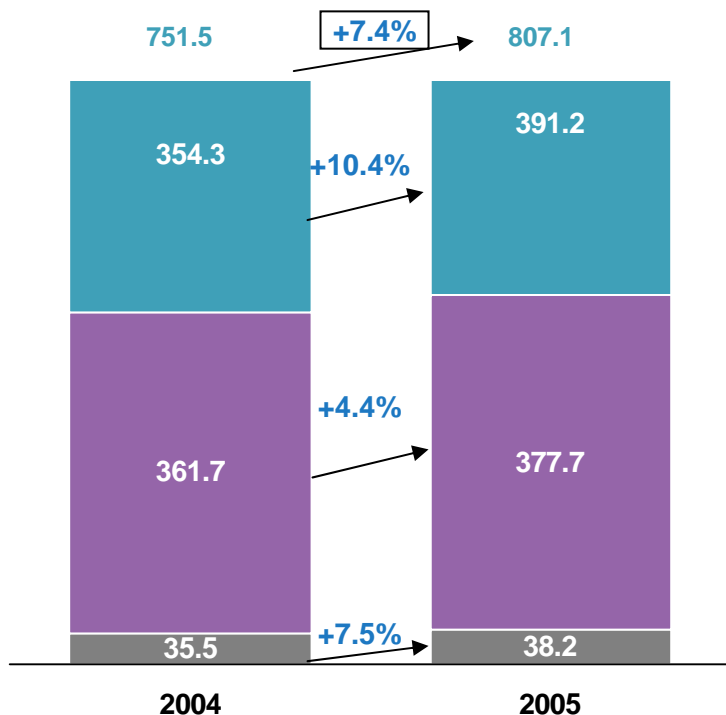
In €m	2004	2005	2004-2005 Change	Key Highlights
Sales	751.5	807.1	+7.4%	<ul style="list-style-type: none"> ▪ Dynamic sales growth (+7.4%) ▪ Increase in other revenues: <ul style="list-style-type: none"> – Strong royalties (Kogenate – in 2005 42M€, +38% compared with 2004) – Milestones from alliances ▪ Improved COGS ratio ▪ Strong increase of R&D costs ▪ Increase in G&A ▪ +18.4% improvement in operating income <ul style="list-style-type: none"> – No restructuring costs or loss of value in 2005 – “Recurring” operating income increased by 6.7% in 2005 ▪ Effective tax rate at 19.1% due to: <ul style="list-style-type: none"> – Non recurring Recognition tax loss carry forwards – Favorable tax rate on milestones income, – Research tax credits in several countries – Recurring effective tax rate 24% in 2005 ▪ Discontinued operations: After tax impact of divesting GP business in Spain
Other Revenues	63.3	80.7	+27.6%	
Total Revenues	814.8	887.9	+9.0%	
COGS	(165.7)	(171.0)	+3.3%	
Research & Development Expenses	(143.2)	(169.0)	+18.0%	
SG&A	(330.4)	(364.1)	+10.2%	
Restructuring, impairment losses and Other	(19.1)	1.7		
Operating Income	156.5	185.3	+18.4%	
<i>As a % of Sales</i>	<i>20.8%</i>	<i>23.0%</i>		
Financial Result	(9.3)	(6.6)		
Income Tax	(42.0)	(34.2)		
<i>Effective Tax Rate</i>	<i>28.6%</i>	<i>19.1%</i>		
Net Income from Continuing Operations	105.2	144.6	+37.5%	
Discontinued Operations	12.7	4.4		
Net Profit – Group Share ⁽¹⁾	117.6	148.6	+26.4%	
<i>As a % of Sales</i>	<i>15.7%</i>	<i>18.4%</i>		

IFRS, pro forma, 2004 adjusted to exclude disposed GP business in Spain from continuing operations

(1) Excludes €0.4m of minority interests in 2005 and 0.3m in 2004

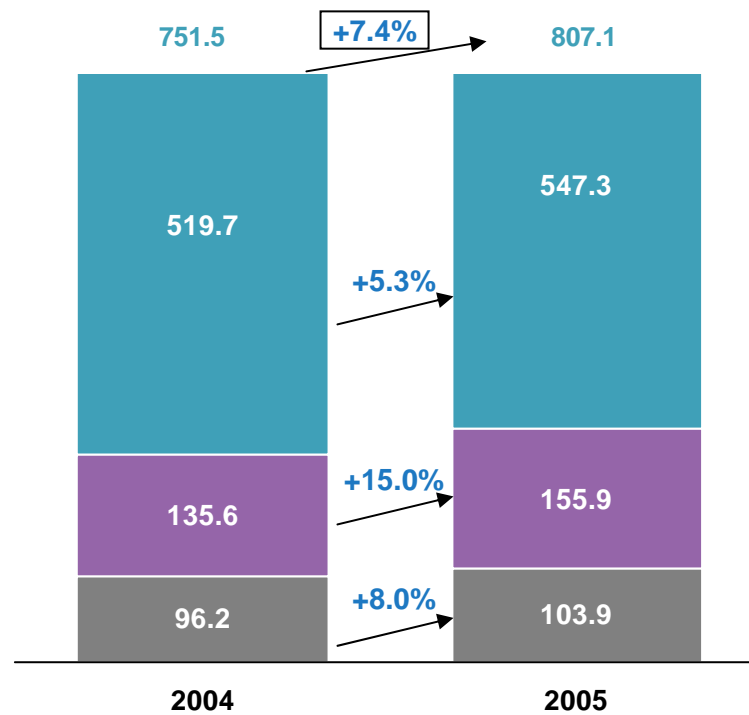
... driven by specialist products and international markets.

Net sales as of Dec 2005 by therapeutic area



- Targeted Therapeutic Areas
- Primary Care
- Other

Net sales as of Dec 2005 by geographic area



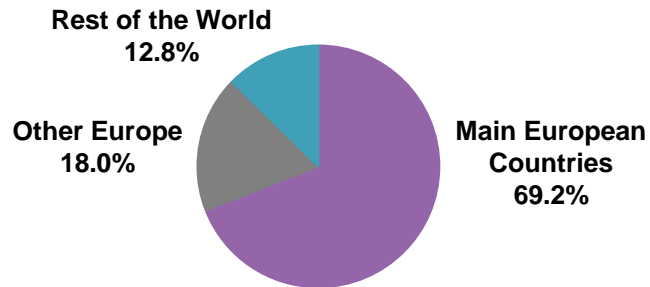
- Main Western European Countries
- Rest of Europe
- Rest of World

Note: IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

Evolution of Sales: a pan European network

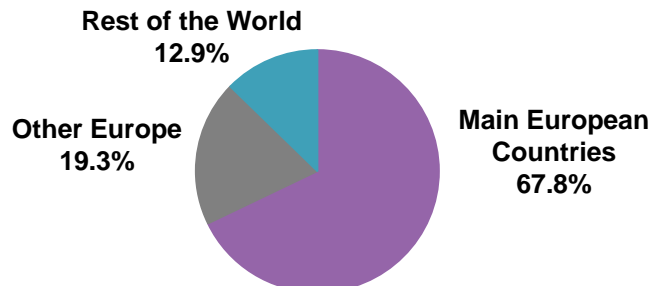
Evolution of Sales by Geography

2004 Sales



Total: €751.5m

2005 Sales



Total: €807.1m

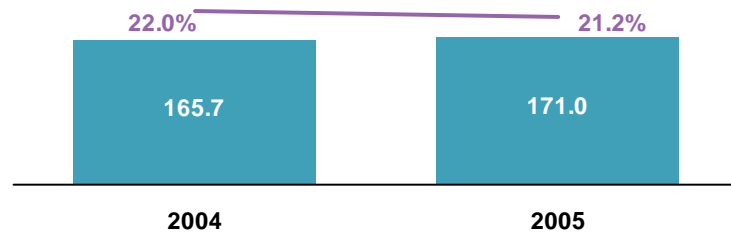
- Includes France, Spain, Italy, Germany and United Kingdom.
- Includes Asia, North America and Rest of the World.
- Other European countries and Eastern Europe

Key Highlights

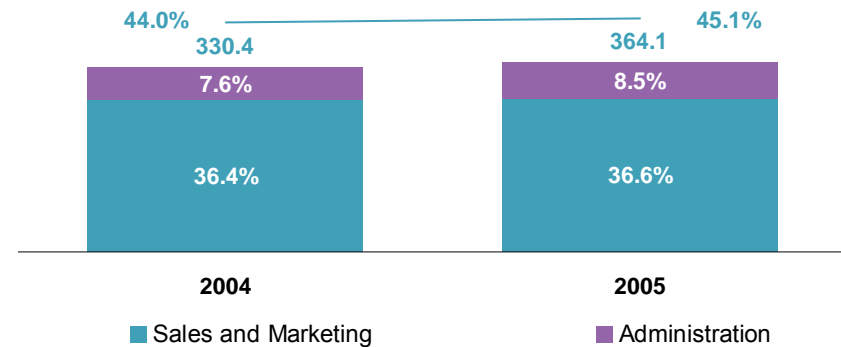
- Remains the Group's core area of activity
 - Fuelled by specialist products (Decapeptyl, Somatuline Autogel, Dysport)
 - Growth fostered by new product launches
 - Somatuline Autogel in Italy,
 - Nutropin in main European markets
 - Growth penalized by pressure on prices
- 5 Major European Countries**
04-05 Growth: +5.3%
- Strong growth thanks to specialist products (Decapeptyl, Autogel, Dysport)
 - Dynamic growth in Eastern Europe (+22.9%)
 - Western Europe (+7.2%) penalized by pressure on prices
- Other Europe**
04-05 Growth: +15.0%
- Dynamic growth in Asia (+13.2%)
- Rest of the World**
04-05 Growth: +8.0%

Solid growth of operating income in a context of growing R&D and G&A costs....

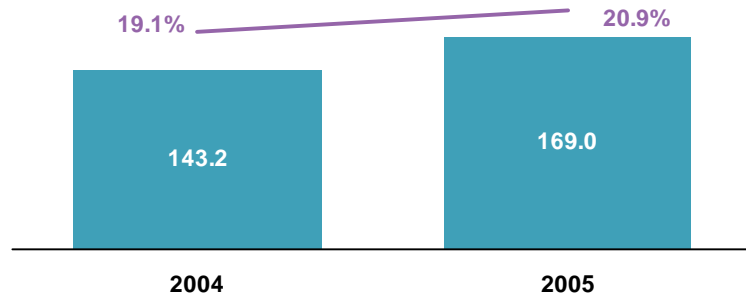
Cost of Goods Sales Evolution (€m and % of Sales)



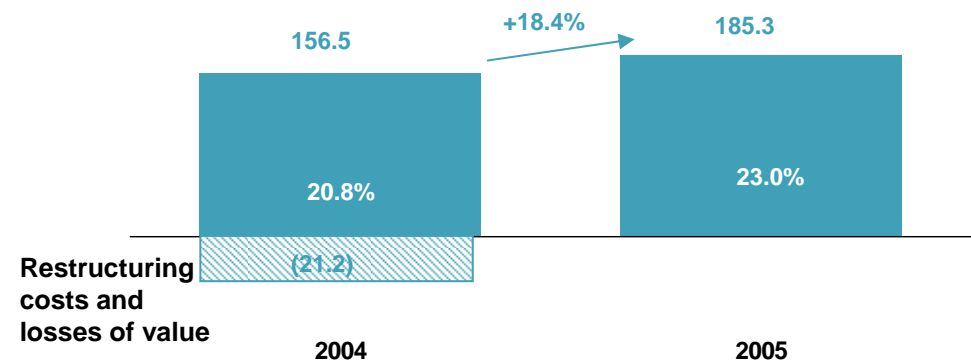
SG&A Evolution (€m and % of Sales)



R&D Expenditure Evolution (€m and % of Sales)



Operating Income Evolution (€m and % of Sales)



IFRS, proforma, 2004 adjusted to exclude disposed Spain GP business from continuing operations

A reinforced financial flexibility as of 31 December 2005

	Assets (€m)			Liabilities and Shareholders' Equity (€m)	
	31-Dec-04	31-Dec-05		31-Dec-04	31-Dec-05
Goodwill	188.8	188.8	Shareholders' Equity	313.8	619.8
Tangible Assets	177.8	187.8	Minority Interests	1.2	1.3
Intangible Assets	35.2	39.8	Long-Term Financial Debt	227.5	53.3
Other fixed Assets	13.5	18.4	Other non current liabilities	18.8	17.6
Total non-current Assets	415.3	434.8	Short-Term Financial Debt	12.6	10.3
Total Current Assets	361.0	495.0	Other current Liabilities	202.4	226.1
<i>Incl. Cash and Equivalents</i>	94.3	202.0	Liabilities associated with current asset held for sale		14.1
Non-current assets held for sale		12.7			
Total Assets	776.3	942.5	Total Liabilities	776.3	942.5
			Net (debt) / cash	(145.8)	138.8

IFRS, pro forma

Solid and recurring cash-flow generation

(in M€)	2004	2005
Cash Flow before change in working capital needs	145.7	173.0
Change in working capital needs	(21.0)	3.9
Net cash provided by operating activities	124.7	176.9
Capex	(63.4)	(44.4)
Financial Capex and Changes in perimeter	(47.4)	
Other	8.3	(8.3)
Net cash used by investing activities	(102.5)	(52.7)
Change in debt	79.0	(180.0)
Dividends paid	(91.9)	(29.3)
Capital Increase		191.8
Other	1.0	(1.5)
Net cash used by financing activities	(11.9)	(19.0)
Impact of discontinued operations	0	12.0
Change in cash and cash equivalent	10.3	117.2
Net Financial (Debt) / Cash	(145.8)	138.8

■ Improvement of net income

■ Increase of Milestones received and not yet recognized, decrease of tax liabilities, changes in inventories and receivables offset by increase of payables

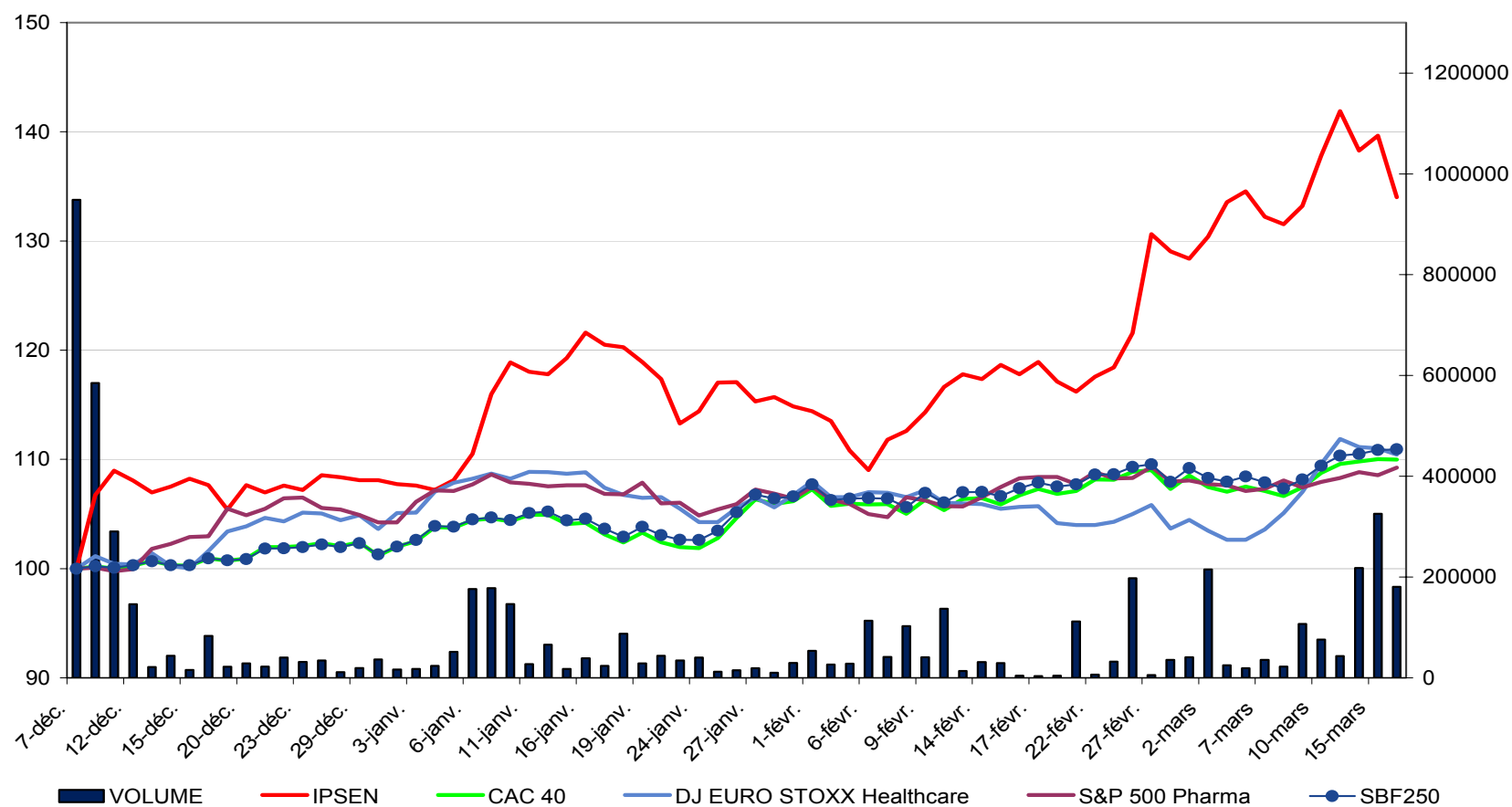
■ Of which 6,1M€ new laboratory in Wrexham (UK)

■ Long term facilities remain available. €275.6m

■ Proceeds from the IPO, net of expenses

■ Proceeds from disposal of GP business in Spain

Evolution of Ipsen Share price vs. Market since 07 December 2005



Key drivers of future performance

- ● ● ● ● ● ● ● ●
- **Develop existing Targeted Therapeutic Area product portfolio**
 - Geographic expansion: focus on the US
 - Develop new indications: aesthetic medicine indications for Botulinum Toxin
- **Improve resilience of primary care products through strategic actions**
 - Active life-cycle management
 - Leverage on existing sales force infrastructure
- **Maximize value of R&D pipeline**
 - Licensing-out molecules
 - GLP-1 option
 - Develop new partnership agreements
- **Enhance product portfolio and geographical reach**
 - New products launch
 - Seek new licensing-in partnership agreements (endocrinology, oncology)
 - Seek acquisition opportunities in Ipsen targeted areas / in new territories

Conclusion

1. Balanced and resilient product portfolio
 - A sound business platform of primary care products
 - Focused presence in rapidly growing targeted therapeutic areas
2. International footprint
3. R&D excellence
4. Successful strategy of R&D and commercial partnerships
5. Strong management track record
6. Solid financial structure and recurring cash flow generation