2008, a cornerstone year in Ipsen's development

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Objectives for today

1	2008 achievements
2	2008 detailed financials
3	US integration
4	Outlook

2008 achievements

Jean-Luc Bélingard

Chairman & CEO

Major strategic initiatives, shaping Ipsen's future

Grow and Globalise Ipsen's specialty care business

US entry: 2 global products	4 products in launch phase	Filing of Decapeptyl 6M	4 products under regulatory review	5 programmes moving into phase II/III

Delivering on all key objectives

Evolution of our 2008 financial objectives

	FY 07 February 2008	Strong commercial performance and Ginkor Fort® success	H1 08 August 2008	Tercica closing	Q3 08 October 2008
Other revenues growth *(at constant currency)*	13.0 - 16.0%		25.0 - 30.0%	**Bayer dispute** ***Disclosed 30/10/08***	(4.0) - (9.0)%
Standalone operating income	22.0 - 23.0%		23.0 - 24.0%		20.5 -21.5%
Operating income **including US acquisitions**			20.5 – 22.0%		18.0 - 19.5%

All operating margin objectives exclude US restructuring costs and one-offs and are stated in % of sales

Our financial objectives have been met

		Adjusted[1] financial objectives	2008 performance
Sales	Performance growth	6.5-7.5%	✓ 8.2%
	Reported growth	3.2-4.2%	✓ 4.7%
Operating margin	"Standalone"	20.5-21.5%	✓ 21.6%
	As reported excl. US acquisitions one-off costs	18.0-19.5%	✓ 19.2%

(1) IMPORTANT NOTE: Please refer to Appendix 1 for definitions of "adjusted", "performance growth", "standalone", and "post US acquisitions"

Ipsen is outgrowing its main competitors

2008 sales of Dysport®
+15.0% y-o-y at constant currency

2008 sales of Somatuline®
+18.8% y-o-y at constant currency

2008 sales of NutropinAq®
+37.1% y-o-y

At year end 2008, Ipsen benefits from a healthy financial situation

€203 million cash generated by operating activities in 2008

€66 million net cash as of December 31, 2008

Ipsen has the resources to continue to expand in its targeted therapeutic areas

2008 detailed financial performance

Claire Giraut

Chief Financial Officer

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Key elements to take into consideration in 2008 over 2007

		2007	2008
Sales	Ginkor Fort® divestment	€37.0 m sales	€14.0 m sales
	Consolidation of US acquisitions	-	Q3&Q4 consolidated sales of €8.1 m
	Currency headwind	80 basis points negative impact on sales growth	
Other revenues	Dispute with Bayer	-	€25.0 m "miss"
	Ginkor Fort® milestones	-	€18.8 m net revenues booked

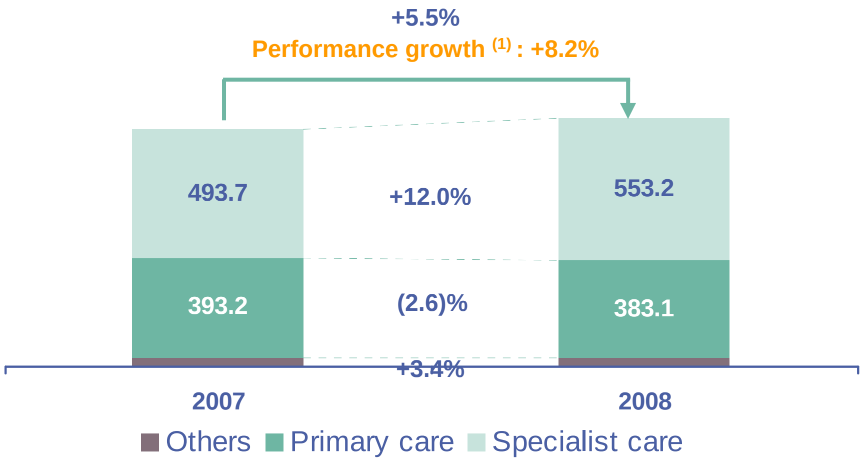
Key elements to take into consideration in 2008 over 2007

		2007	2008
COGS	R&D to COGS shift	-	+€2.2 m Shifted[1]
R&D	Currency tailwind	R&D expenses up 4.5% at constant currency vs. (1.1)% as reported	
	End of US filings preparation and FDA inspections	Industrial development expenses down 39% or €(10) million year on year	
	R&D to COGS shift	-	- €3.5 m shifted
Taxes	US acquisitions	25.3% effective tax rate	17.4% effective rate vs. 20.9% w/o US losses

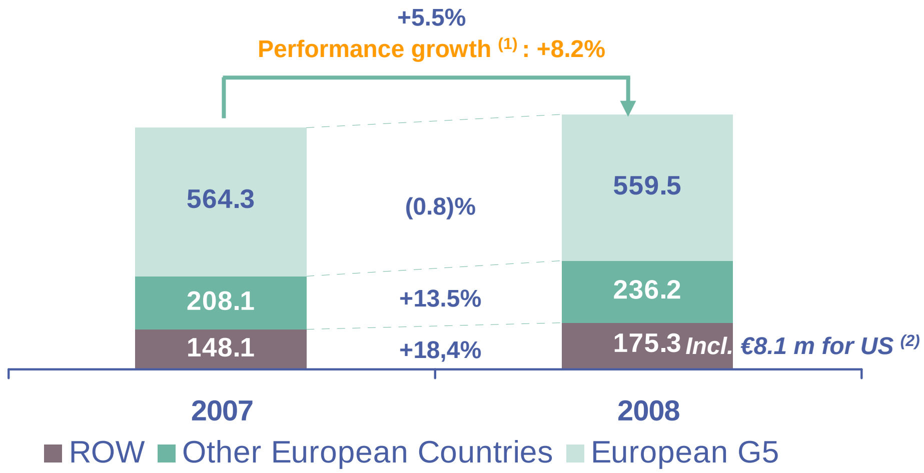
NOTE 1: Net of inventory build-up

Top line evolution

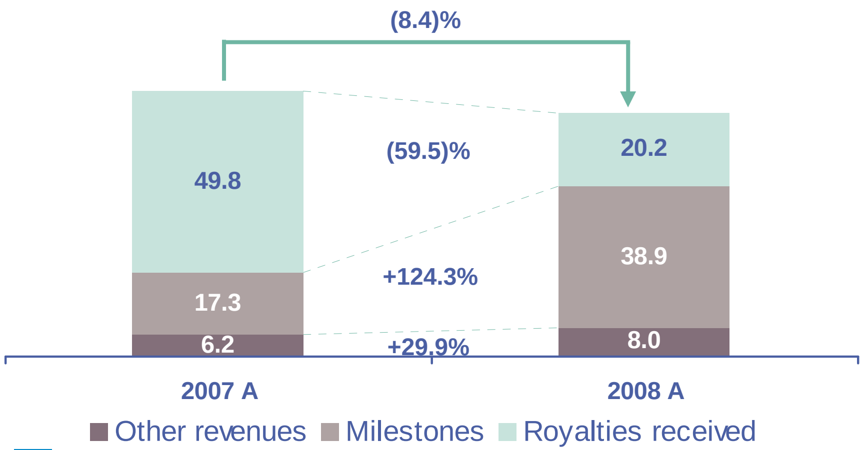
Sales by therapeutic area



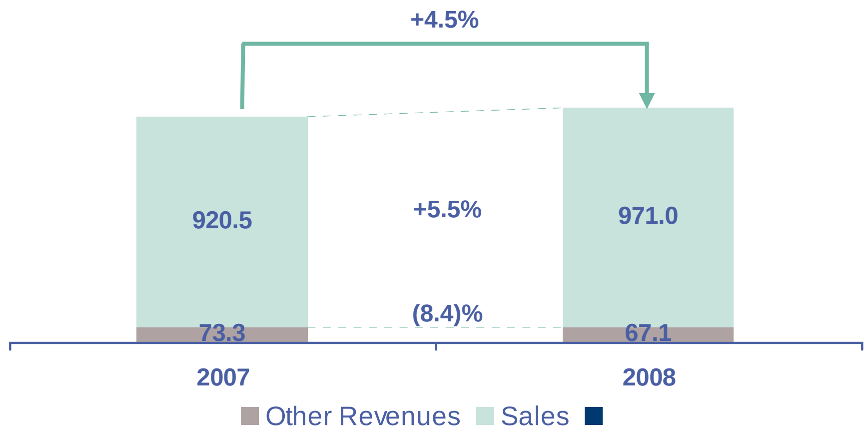
Sales by region



Other revenues evolution



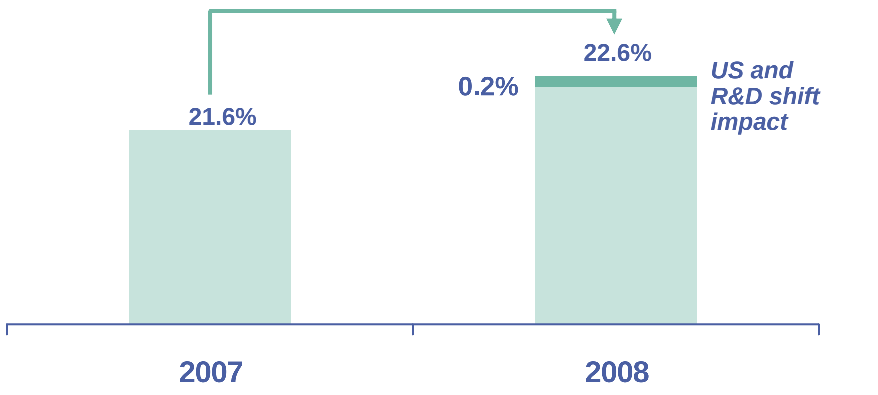
Total revenues evolution



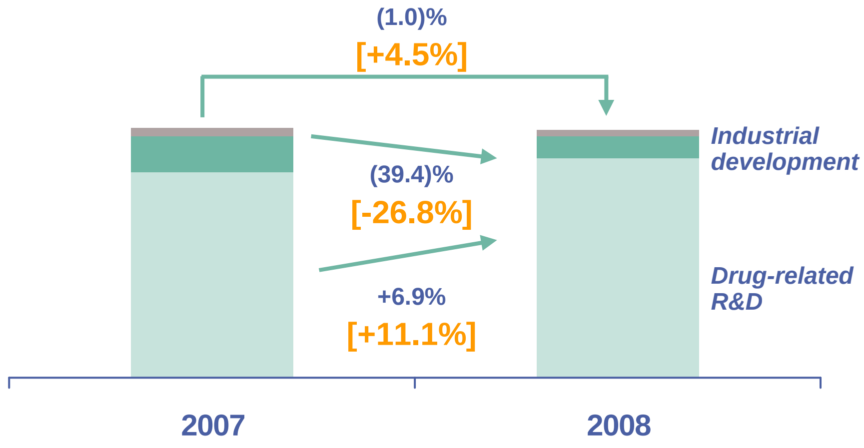
NOTE 1: At constant currency, excluding US & Ginkor Fort Sales
NOTE 2:Impact from US acquisitions

P&L – above EBIT

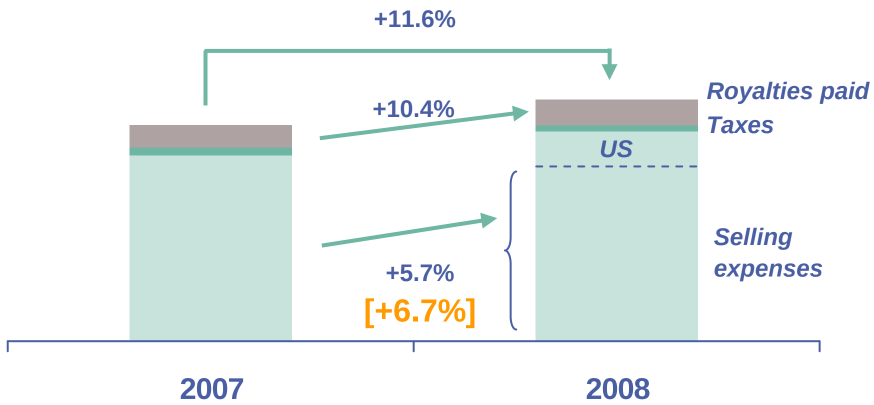
COGS (% of sales)



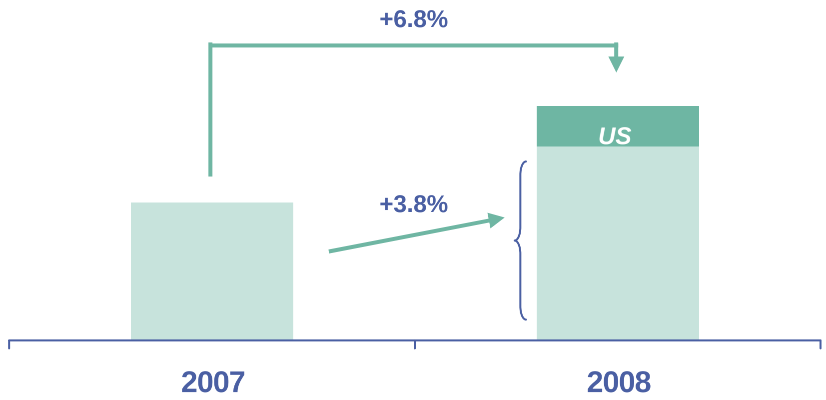
Research & Development



Sales & Marketing



G&A



[+X%] – Evolution at constant exchange rate

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P&L – operating result and margin

"Stand-alone"
(excluding all impacts of US acquisitions)

€207.7 m	21.6%

Excluding US acquisitions one-off costs

€186.7 m	19.2%

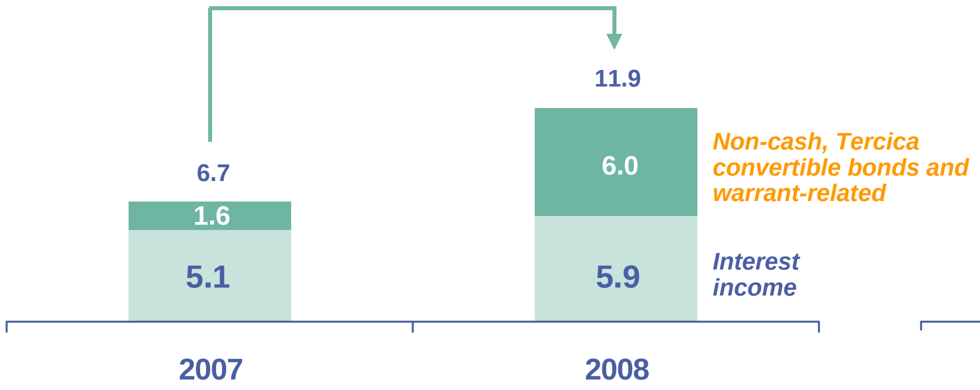
As reported

€180.1 m	18.5%

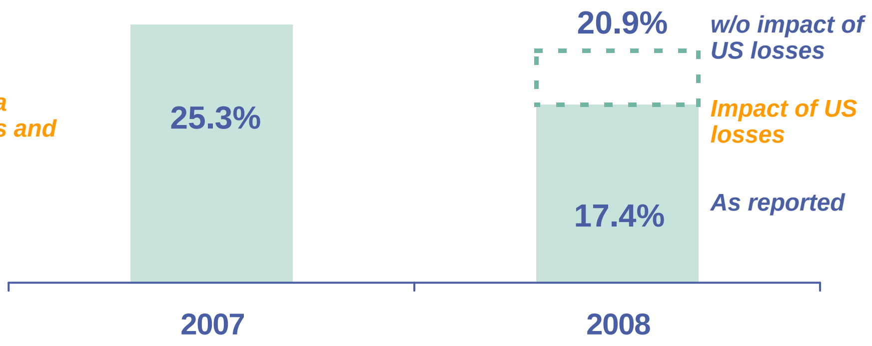
Margins expressed in % of sales

P&L – below EBIT

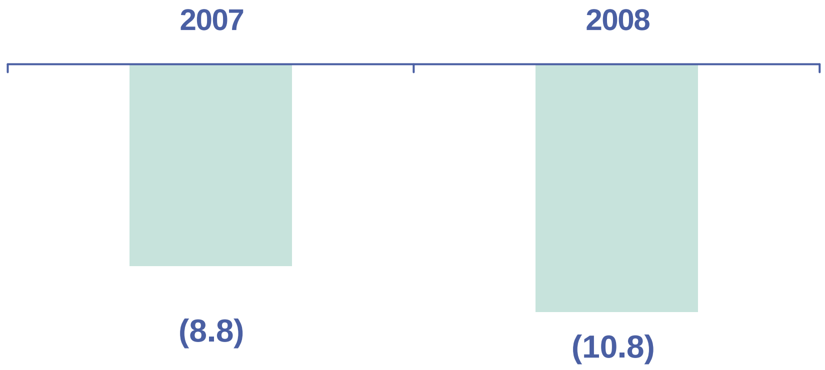
Financial result (€m)



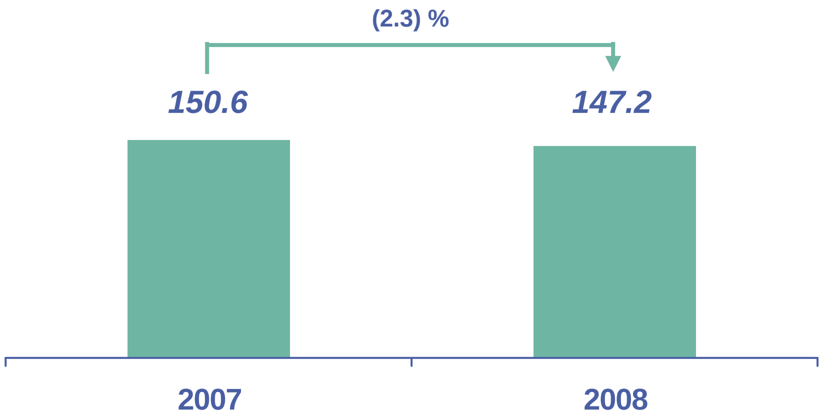
Effective tax rate(1)



Income from Associates (€m)



Consolidated result (€m - group share)



(1) As a percentage of profit from continuing operation, excluding net loss from Associates

Balance Sheet evolution

- In million of euros

Assets

	31 Dec 07	31 Dec 08
Goodwill	189.0	351.7
Property, plans & equipments	221.9	237.9
Intangible assets	89.2	163.9
Other non-current assets	185.3	125.9
Total non-current assets	**685.4**	**879.4**
Total current assets	**636.8**	**689.1**
Incl. cash and cash equivalents	247.1	239.6
Assets / discontinued operations	0.7	1.3
Total assets	**1322.9**	**1569.8**
Net Cash (1)	**217.8**	**66.2**

- In million of euros

Liabilities

	31 Dec 07	31 Dec 08
Equity	799.9	866.9
Minority interests	1.2	1.6
Total equity	**801.1**	**868.5**
Long-term financial debts	20.8	162.7
Other non-current liabilities	221.0	217.6
Short-term debts	9.2	8.3
Other current liabilities	265.5	307.8
Liabilities / discontinued operations	5.3	4.9
Total Liabilities	**1322.9**	**1569.8**

(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

Cash flow statement

- *In million of euros*	31 Dec 07	31 Dec 08
Cash Flow before change in working capital	**214.3**	**196.5**
- Increase / Decrease in working capital	(38.3)	6.9
Net cash flow generated by operating activities	**176.0**	**203.4**
Investment in intangible assets and property, plant & equipment excl. US acquisitions	(76.5)	(73.1)
US acquisitions	(46.5)	(216.5)
Others	(17.3)	4.4
Net cash flow used in investing activities	**(140.3)**	**(285.2)**
Net change in borrowings	(1.9)	141.0
Dividends paid	(50.4)	(55.0)
Others	(24.5)	(7.0)
Net cash flow used in financing activities	**(76.8)**	**79.0**
Discontinued operations	1.3	0.7
Change in cash and cash equivalent	**(39.8)**	**(2.1)**
Impact of exchange rate fluctuations	(3.0)	(1.5)
Closing cash & cash equivalents	**240.9**	**237.3**
Closing Net Cash(1)	**217.8**	**66.2**

Comments

- Deferred revenues net increase : + €17.0m
- Decrease of Bayer receivables : +€10.9m
- Receivables, payables, inventory and others – €21.0m

- Tangible assets : -€61.4m
- Intangible assets : - €33.8m
- Divestment & others : €22.1m

- US acquisitions

- Draw dawn of syndicated credit facility +€150m

-[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

Expected 2009 Group tax rate

Taking into account the effects of the Group's US acquisitions

Based on the information available today

And on the basis of the notices of tax reassessments received so far

Group tax rate expected to stand between 18.0 and 20.0% in 2009

A focus on the integration of Ipsen's US businesses

Christophe Jean

Chief Operating Officer

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An integration well underway

All Endocrinology and Neurology Commercial operations now operate within one entity

US commercial platform operates from Brisbane, CA and manages ex-Tercica and ex-Vernalis businesses

Morristown site now closed

Synergy count in 2009 is expected to reach ~$5-10 million, mainly from G&A

Tercica Inc. now operates as an Ipsen affiliate

US decision-making fully integrated into Ipsen's own processes

Functional oversight by Corporate services

Business support processes:
pharmacovigilance, regulatory being consolidated in Ipsen's systems

US representatives included in Endo and Neuro PMTs: ensures execution of US strategy and local specific issues are taken into account

R&D and Manufacturing & Supply now fully integrated

Governance for R&D projects integrated within Ipsen's framework

US clinical programmes are aligned with PMT priorities

All ongoing trials are being managed globally

Manufacturing processes integrated within Ipsen's framework

Leverage of Tercica's biotech industrial development and manufacturing know-how

Short-term wins arising out of the implementation of Ipsen US organisation

Retention Plan for US staff in place since Q3 08 and compensation policy aligned with US practice

No unwanted turnover

Sales & Marketing and Managed care structure fully operational, with 101 staff devoted to Increlex®, Somatuline® and Apokyn®

US sales in January and February in line with expectations. Already positive signs on Apokyn®

Outlook

Jean-Luc Bélingard

Chairman & CEO

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First quarter 2009 trading update

A sustained activity across most regions (US, China, Western Europe) but…

Headwind in some Eastern European countries
impacted by currency fluctuations (Russia, Ukraine, Romania, …)

Slow start in certain other Western European countries (Greece…)

+

Temporary impact of consignment stocking in December 08 (China, Poland)

Actions taken.

Q1 2009 sales will come significantly below expectations.

Uncertainty in some geographies

The Eastern European countries where distribution channels have been disrupted by the steep decline of their local currencies against euro represented 10% of the Group’s 2008 sales and 20% of its growth

Group 2009 sales will therefore be adversely impacted depending on the magnitude and the length of the difficulties encountered in these countries

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Reiterating our operating margin expectation for 2009

Around €45 million expected in other revenues

14.0%* adjusted operating margin**

** Corresponding to the operating margin objective given in June 2008 of 15.0% (in % sales) when the Group expected to receive €11 million from in 2009 Bayer for a license contract*

*** Adjusted operating margin is defined as reported operating margin before any transaction related impacts from the Group's acquisitions in North America*

You will hear from us in the months to come…

		Decapeptyl® 6 Months Approval	Adenuric® Partnership(s) and launches
	BIM-23A760 Phase II initiation	Toremifene Citrate 80 mg European filing	Primary care products In-licensing deal(s)
	OBI-1 Phase III initiation	Azzalure® Approval in Europe	Azzalure® Launch by Galderma
BN-83495 Phase I results Breast / Prostate	BN-83495 Phase II initiation prostate/gynecology	Reloxin® FDA approval	Reloxin® Launch by Medicis
BIM-28131 Phase I initiation	Somatuline® Depot US NET Phase III initiation	Dysport® FDA approval	Dysport® Launch
Phase I	Phase II/ III	Regulatory	Launch

Appendix 1: Definitions

‘Standalone’ Group sales:

Group sales at constant currency, less its North American fourth quarter 2008 <u>consolidated</u> sales

‘Performance’ or ‘underlying’ growth:

Group sales growth at constant currency, excluding the sales of Ginkor Fort® in 2007 and 2008 as the product was divested on January 1, 2008) and excluding North American fourth quarter 2008 <u>consolidated</u> sales

‘Adjusted’ operating margin:

Group operating margin excluding US acquisition related impacts such as purchase price accounting elements