Innovation

Support

Treatment

Research

THE GROUP IN 2012

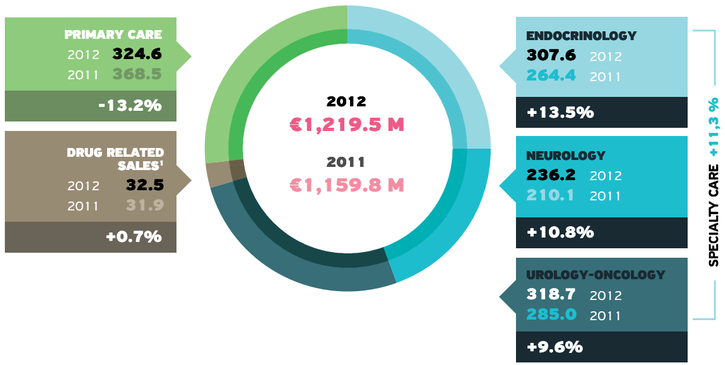
IPSEN
Innovation for patient care

2012 KEY FIGURES

2012 KEY FIGURES

SALES BY THERAPEUTIC AREA
in € million - variation at constant currency (%)

+3.3%



For the full year 2012, consolidated Group sales totaled €1,219.5 million (+3.3%).

Specialty care sales rose 11.3% to €862.5 million during the period. Sales in Endocrinology, Neurology and Urology-oncology grew 13.5%, 10.8% and 9.6% respectively, excluding foreign exchange impacts. In 2012, the relative weight of specialty care products continued to increase to 70.7% of total Group sales (against 65.5% in 2011).

Sales of primary care products stood at €324.6 million (-13.2%), adversely impacted by destocking of Smecta® in Russia, a tougher competitive environment and the enforcement of co-pay measures in France. Primary care sales accounted for 26.6% of consolidated Group sales in 2012 (31.8% in 2011).

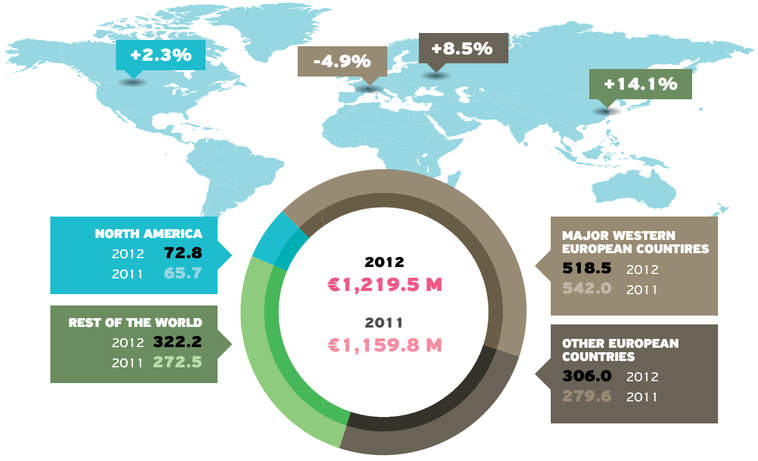
RESEARCH AND DEVELOPMENT EXPENDITURE
in € million

+5.9%

At December 31, 2012, Research and Development expenditure was up 5.9% year-on-year to €248.6 million, representing 20.4% of sales (20.2% in 2011), mainly related to key programs on Dysport®, Somatuline® and tasquinimod during the period.

SALES BY GEOGRAPHICAL AREA
in € million - variation at constant currency (%)

+3.3%



Sales in major Western European countries reached €518.5 million in 2012 (- 4.9%). Dynamic volume sales growth of specialty care products was offset by the consequences of a tougher competitive environment in French primary care and administrative measures in Spain.

Sales in other European countries were up 8.5% to €306 million in 2012, fuelled mainly by Russia with good performances recorded for specialty care products and Tanakan®. Sales in Poland, the Netherlands, Ukraine and Belgium also contributed to volume growth.

Sales in North America rose 2.3% to €72.8 million in 2012. Restated to exclude Apokyn®, sales growth was 11.5%, driven by the substantial volume of Dysport® supplied to Medicis for aesthetic indications, by the continuous penetration of Somatuline® in acromegaly and by the growth of Dysport® in the treatment of cervical dystonia.

Sales in the rest of the world reached €322.2 million (+14.1%), driven by robust volume growth in China, Colombia, Vietnam, Australia, Brazil and Mexico.

[1] *Active ingredients and raw materials.*
[2] *Recurring adjusted: before allocation of goodwill, impairment losses and other non-recurring items.*

In accordance with provisions related to discontinued operations, the 2011 income statement was restated for purposes of comparison between the two periods.

OPERATING INCOME
in € million

+58.3%

In 2012, reported operating income grew 58.3% to €114.8 million.

RECURRING ADJUSTED[2] OPERATING INCOME
in € million

-0.7%

Ipsen's recurring adjusted[2] operating income reached €196.0 million in 2012, representing 16.1% of sales (-0.7%), excluding the allocation of goodwill, non-recurring items related to restructurings and impairment losses.

CONSOLIDATED NET PROFIT
in € million

-29.0

Consolidated net profit in 2012 shows a loss of €29 million (share attributable to the shareholders of Ipsen SA: -€29.5 million), compared with a profit of €0.9 million the previous year (share attributable to the shareholders of Ipsen SA: €0.4 million). The Group's consolidated net profit was strongly impacted in 2012 by the voluntary business reorganization of Inspiration Biopharmaceuticals Inc. when it filed for Chapter 11 bankruptcy protection in the US.

DIVIDEND PER SHARE
in €

€0.80

The Board of Directors decided to propose the payment of a dividend for fiscal year 2012 of €0.80 per share, stable year-on-year, at the shareholders' meeting on May 31, 2013, representing a pay-out ratio of approximately 46% of recurring adjusted[2] consolidated net profit (attributable to the Group's shareholders).

THREE QUESTIONS TO MARC DE GARIDEL

Chairman and Chief Executive Officer

What are the highlights of 2012 – the first full year of implementation of Ipsen's new strategy?

In 2012, in a troubled economic environment, marked by a sovereign debt crisis in many industrialized economies, increasingly complex regulations and heightened price pressure, Ipsen demonstrated robust operational performance. Less than 18 months after its implementation, our strategy is yielding results, and our Group is making steady progress. All of our targeted disease areas are showing outstanding growth. We are also experiencing rapid and profitable growth in emerging markets – illustrating our ability to understand local markets and adapt our commercial activities accordingly.

In 2012, each of our Franchises posted double-digit growth, we won market share in the main territories in which we operate, our activity in emerging markets grew, and our US operations showed signs of early recovery. Finally, we replenished our R&D pipeline – a pipeline with 11 phase III studies as well as molecules in early-stage development – while simultaneously controlling costs.

These performances illustrate the pertinence of our strategy: focus resources and investments in three targeted specialty care areas (urology-oncology, endocrinology, neurology) and two technological platforms specialized in peptides and toxins, invest to grow, and leverage the full potential of our broad geographical footprint.

Ipsen posted one of the highest performances in the pharmaceutical industry in 2012. We have true grounds for being satisfied with both the implementation and the operational results of our strategy. All of our employees can be proud of the progress we have made.

"Ipsen posted one of the highest performances in the pharmaceutical industry in 2012 ."

"Our 2020 ambition is to double revenues, triple EBIT, and become a leader in the treatment of debilitating diseases. This is a long-term strategy."

Nonetheless, Ipsen encountered a number of setbacks in 2012?

Our 2020 ambition is to double revenues, triple EBIT, and become a leader in the treatment of debilitating diseases. This is a long-term strategy.

In 2012, two external events impeded our progress. First of all, the dramatic decline in the French primary care market which heavily impacted our performance with a 30% decrease in sales as a result of austerity measures, which in turn led to the failure of our joint-venture project. Secondly, the bankruptcy of our partner Inspiration Biopharmaceuticals Inc., and subsequent sale of our hemophilia assets – including a significant transaction regarding the sale of OBI-1 to Baxter, one of the world leaders in hemophilia.
These adverse developments led us to make some difficult decisions, both in primary care and in hemophilia. I would like to take this opportunity to acknowledge the work and dedication shown by staff in these activities and who have, unfortunately, been affected by these decisions.

Apart from the two setbacks already mentioned, it is the generally the tougher business environment – austerity of public health policies, global financial and economic crisis, increased competition – which has led us to accelerate our strategy. A first consequence in terms of governance is that I, as Chairman and CEO, have decided to focus on strategy, acquisitions, and risk management. As a result, on March 1, 2013, Christel Bories was appointed Deputy CEO, responsible for the execution of our strategy. Thanks to her extensive international experience and her expertise in the transformation arena, Christel Bories has the talent to provide the impetus that will be key to Ipsen's success going forward.

What are Ipsen's prospects for 2013?

Despite the economic environment, our 2020 objectives remain unchanged. This is a true strength; few companies are currently in a position to maintain their growth objectives.

Ipsen has demonstrated its ability to overcome difficulties and deliver results, and we have the assets required to continue on this path. With specialty care sales up 8%, our performances for the first quarter of 2013 confirm our vitality.

In the medium-term – in addition to the growth potential of our existing products – tasquinimod, which is currently in phase III development, could be a major growth driver for our Group. First molecule in its class, tasquinimod fulfills a therapeutic need between stages 2 and 4 of prostate cancer, and could transform the treatment paradigm of the disease. Furthermore, tasquinimod's unique mode of action and its efficacy in other cancers could yield promising results. A phase II clinical trial evaluating the safety and efficacy of tasquinimod in advanced or metastatic hepato-cellular, ovarian, renal cell and gastric carcinomas in patients who have progressed after standard anti-tumor therapies is in progress. The new formulation of Dysport® could also open new growth perspectives for the Group, in particular in the US.

Nonetheless, and in addition to the acceleration of the implementation of our strategy, Ipsen must secure its development, in particular via external growth opportunities: in-licensing, acquisitions of small companies or products which are either already marketed or in late-stage development, and preferably in our core therapeutic areas.

I am confident in our future. Ipsen holds all the cards to succeed: products with high growth potential, an attractive pipeline, and talented employees whose energy and skills are focused on the discovery and development of innovative therapeutic solutions for patients.

"Despite the economic environment, our 2020 objectives remain unchanged. This is a true strength; few companies are currently in a position to maintain their growth objectives."

OUR VISION

IMPROVING THE LIVES OF PATIENTS IS WHAT DRIVES US. THE SEARCH FOR INNOVATIVE SOLUTIONS TO DISABLING CONDITIONS IS AT THE HEART OF EVERYTHING WE DO. INCREASED LIFE EXPECTANCY IS MAKING THE PURSUIT OF OUR INSPIRING VOCATION MORE VITAL THAN EVER: FINDING EFFECTIVE THERAPEUTIC SOLUTIONS TO CURE DISEASE, RELIEVE SUFFERING AND BRING VALUE TO THE COMMUNITY.

OUR AMBITION

WE AIM TO BE AMONG THE TOP 10 PHARMACEUTICAL COMPANIES IN THE WORLD, IN TERMS OF GROWTH AND PROFITABILITY.
WE WANT TO BE RESPECTED ABOVE ALL FOR OUR STRATEGIC MODEL, OUR SUCCESS, AND THE COMMITMENT OF OUR TEAMS TOWARDS PATIENTS.

HIGHLIGHTS

2012

01/05
Oncodesign and Ipsen enter into a research collaboration for the development of new therapeutic agents against the LRRK2 Parkinson's disease target. The partnership is based on Oncodesign's Nanocyclix® technology for next generation kinase inhibitors and Ipsen's expertise in movement disorders.

01/24
Santhera Pharmaceuticals and Ipsen announce the renegotiation of their fipamezole licensing agreement. Santhera regains worldwide rights to the development and commercialization of fipamezole.

01/27
Ipsen acknowledges the French government's decision to no longer reimburse Tanakan®, Tramisal® and Ginkogink®, manufactured at Ipsen's industrial site in Dreux (France). These products are delisted since March 1, 2012 and can continue to be prescribed and delivered by healthcare professionals to patients in France.

02/24
Active Biotech and Ipsen report tasquinimod phase II long term safety data and encouraging efficacy data at the 27th European Association of Urology (EAU) congress.

04/17
Ipsen's partner, Inspiration Biopharmaceuticals Inc., announces US filing of Biologics License Application (BLA) for IB1001, a recombinant factor IX for the treatment of hemophilia B.

04/25
Ipsen pursues its development in the US with the opening of its new commercial headquarters in Basking Ridge, New Jersey.

05/18
Active Biotech and Ipsen present tasquinimod phase II overall survival data at the 2012 ASCO annual meeting. The study shows that overall survival after tasquinimod treatment is longer than previously reported in this patient population.

06/29
Somatuline® receives marketing approval in Japan for the treatment of acromegaly and pituitary gigantism.

07/10
Ipsen's partner Inspiration Biopharmaceuticals Inc. announces hold of phase III clinical trials evaluating IB1001 for the treatment and prevention of hemophilia B.

07/11
Ipsen decides to retain its Dreux (France) based primary care manufacturing facility within the Group's scope as a result of the positive evolution of primary care activities outside of France.

12/18
Oncodesign and the Laboratory for Neurobiology and Gene Therapy at the KU Leuven (Belgium) enter into a research collaboration for advancing drug discovery efforts with Ipsen in Parkinson's disease. The collaboration builds on Oncodesign's LRRK2 program with advanced Nanocyclix® lead molecules that was entered into with Ipsen in January 2012.

12/10
Ipsen and Active Biotech announce the completion of recruitment of tasquinimod phase III clinical study in prostate cancer. As planned, more than 1,200 randomized patients are enrolled in the clinical protocol.

12/03
Ipsen and Galderma strengthen their collaboration for Dysport® in new territories. Both companies renew their collaboration in Brazil and Argentina, extend their partnership in Australia, and enter into a co-promotion agreement in South Korea for Dysport® and Restylane®.

11/20
Ipsen and Inspiration Biopharmaceuticals Inc. announce that OBI-1 has received Fast Track designation from the FDA for acquired hemophilia A.

10/31
Inspiration Biopharmaceuticals Inc. files for protection under Chapter 11 of the US Bankruptcy Code. Ipsen and Inspiration Biopharmaceuticals Inc. propose to jointly sell their hemophilia assets in a court-approved marketing and auction process.

10/19
Ipsen initiates a proof of concept study with tasquinimod in additional cancer indications. The study will evaluate the safety and efficacy of tasquinimod in advanced or metastatic hepato-cellular, ovarian, renal cell and gastric carcinomas in patients who have progressed after standard anti-tumor therapies.

10/03
Ipsen and Active Biotech initiate a phase II "switch maintenance" trial in metastatic castrate-resistant prostate cancer with tasquinimod.

10/01
Ipsen and Active Biotech present a new set of data on biomarkers from the phase II tasquinimod study in chemotherapy-naïve metastatic castrate-resistant prostate cancer. The results support an effect of tasquinimod on both immunomodulation and angiogenesis which positions tasquinimod as a potentially unique therapeutic approach with a mechanism of action that does not target the androgen receptor pathway.

08/21
Ipsen and Inspiration Biopharmaceuticals Inc. renegotiate their strategic partnership agreement. The new agreement aims to establish an effective structure whereby Ipsen gains commercial rights in key territories. Inspiration Biopharmaceuticals Inc. remains responsible for the worldwide development of OBI-1 and IB1001.

2013

01/17
Teijin Pharma launches Somatuline® subcutaneous injection in the treatment of acromegaly and pituitary gigantism in Japan. Teijin Pharma holds the rights to develop and market the drug in Japan.

01/24
Ipsen and Inspiration Biopharmaceuticals Inc. enter into an asset purchase agreement whereby Baxter International agrees to acquire the worldwide rights to OBI-1 in the treatment of hemophilia A, and Ipsen's manufacturing facility in Milford (MA).

02/06
Ipsen and Inspiration Biopharmaceuticals Inc. enter into an asset purchase agreement whereby Cangene Corporation agrees to acquire the worldwide rights to IB1001, a recombinant factor IX for the treatment of hemophilia B.

02/07
Ipsen and Braintree Laboratories announce that Eziclen® / Izinova®, a new product for bowel cleansing, successfully completes European decentralized registration procedure which includes 16 countries. The launch of the drug is expected by the end of 2013.

02/20
Ipsen and Inspiration Biopharmaceuticals Inc. announce the closing of the sale of IB1001 to Cangene Corporation.

03/01
Christel Bories joins Ipsen as Deputy CEO. Working alongside Marc de Garidel, Chairman and CEO, Christel Bories is responsible for accelerating the execution of the Group's strategy.

03/21
Ipsen and Inspiration Biopharmaceuticals Inc. announce the closing of the sale of OBI-1 and Ipsen's US manufacturing facility in Milford (MA) to Baxter International.

04/09
Ipsen announces that Health Canada has granted a marketing authorization for Dysport® for the temporary improvement in the appearance of moderate to severe glabellar lines in adult patients under 65 years of age. Medicis Aesthetics Canada, a division of Valeant Pharmaceuticals, will market Dysport® for use in aesthetic medicine in Canada.

04/10
Ipsen and PeptiDream Inc., a Tokyo (Japan) based pharmaceutical company announce that they have entered into a research collaboration and license option agreement to discover, evaluate, potentially develop and market therapeutic peptides indicated to treat disability conditions.

IPSEN WORLDWIDE

AN EXTENDED AND DIVERSIFIED GEOGRAPHICAL FOOTPRINT

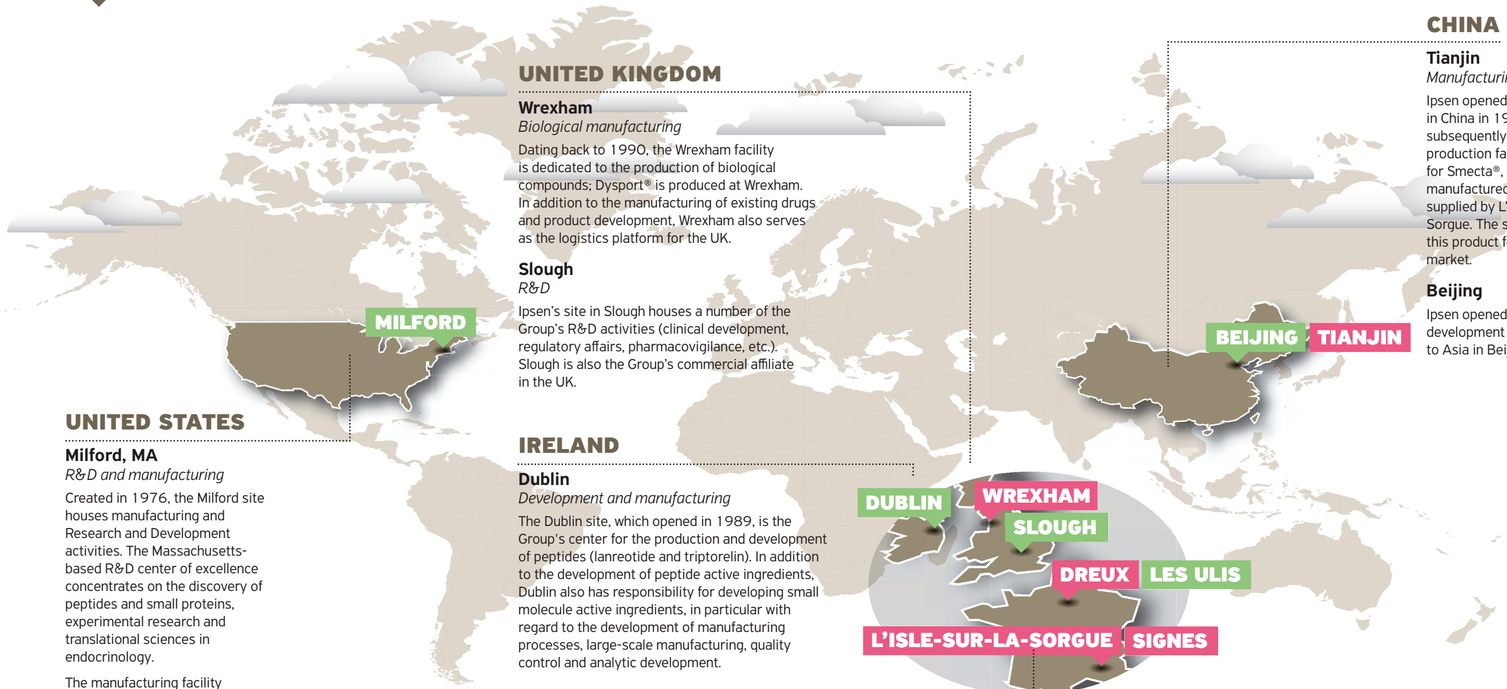
Ipsen operates in 115 countries. The Group's largest R&D and manufacturing sites are located in China, France, Ireland, the United Kingdom and the United States.

R&D CENTERS
UNITED STATES, FRANCE, UNITED KINGDOM

MANUFACTURING FACILITIES
CHINA, UNITED STATES, FRANCE, IRELAND, UNITED KINGDOM

DIRECT COMMERCIAL PRESENCE
ALGERIA, AUSTRALIA, AUSTRIA, BELGIUM, BRAZIL, CHINA, CZECH REPUBLIC, DENMARK, FINLAND, FRANCE, GERMANY, GREECE, HUNGARY, IRELAND, ITALY, KAZAKHSTAN, LATVIA, LITHUANIA, LUXEMBOURG, MALAYSIA, MEXICO, NORWAY, POLAND, PORTUGAL, ROMANIA, RUSSIA, SPAIN, SOUTH KOREA, SWEDEN, TAIWAN, THE NETHERLANDS, TUNISIA, UKRAINE, UNITED KINGDOM, UNITED STATES, VIETNAM

MAIN R&D AND MANUFACTURING SITES



UNITED STATES

Milford, MA
R&D and manufacturing

Created in 1976, the Milford site houses manufacturing and Research and Development activities. The Massachusetts-based R&D center of excellence concentrates on the discovery of peptides and small proteins, experimental research and translational sciences in endocrinology.

The manufacturing facility produces the active ingredient for OBI-1 (recombinant factor VIII for congenital hemophilia A with inhibitors and acquired hemophilia).
In March 2013, Ipsen announced the sale of OBI-1 and its Milford site to Baxter International.

UNITED KINGDOM

Wrexham
Biological manufacturing

Dating back to 1990, the Wrexham facility is dedicated to the production of biological compounds; Dysport® is produced at Wrexham. In addition to the manufacturing of existing drugs and product development, Wrexham also serves as the logistics platform for the UK.

Slough
R&D

Ipsen's site in Slough houses a number of the Group's R&D activities (clinical development, regulatory affairs, pharmacovigilance, etc.). Slough is also the Group's commercial affiliate in the UK.

IRELAND

Dublin
Development and manufacturing

The Dublin site, which opened in 1989, is the Group's center for the production and development of peptides (lanreotide and triptorelin). In addition to the development of peptide active ingredients, Dublin also has responsibility for developing small molecule active ingredients, in particular with regard to the development of manufacturing processes, large-scale manufacturing, quality control and analytic development.

CHINA

Tianjin
Manufacturing

Ipsen opened its first office in China in 1992 and subsequently created a local production facility in Tianjin for Smecta®, a product manufactured with clay supplied by L'Isle-sur-la-Sorgue. The site also packages this product for the Chinese market.

Beijing

Ipsen opened its first clinical development center dedicated to Asia in Beijing in 2012.

FRANCE

Dreux
Development and manufacturing

The Dreux development facility specializes in both pharmaceutical development and industrial development. Work at the facility is carried out on chemical and biological compounds, including the nature and substance of drugs, manufacturing processes and manufacturing control methods. The Dreux manufacturing facility specializes in the production of sachet and liquid oral formulations. In 2012, the site manufactured over 1 billion sachets, 700 million tablets and capsules, and 3 million vials.

L'Isle-sur-la-Sorgue
Manufacturing

Clays have been processed by Ipsen at L'Isle-sur-la-Sorgue since 1963. The facility processes over 7,000 tons of raw materials each year and produces more than 3,000 tons of finished products. Approximately two-thirds of the production is directed to the European and Chinese markets.

Les Ulis
R&D

The R&D center was created in 1969. One of the site's missions is to advance knowledge of the molecular, pharmacological, pharmacodynamic and pharmacokinetic properties of new chemical or biological entities as candidates for development in the fields of oncology and neurology. Les Ulis also houses a significant clinical development activity.

Signes
Manufacturing

The Signes facility was created in 1990 for the manufacturing of products intended for export. It specializes in the manufacturing of injectable formulations, particularly sustained-release formulations of peptides (Decapeptyl®, Somatuline®, and Nutropin Aq®). Signes produces close to 50% of the Group's drug sales (approximately 2.9 million boxes per year) and exports to more than 70 countries.

CORPORATE GOVERNANCE

THE BOARD OF DIRECTORS

The Board of Directors sets the strategic guidelines for Ipsen's activities and oversees implementation. Subject to the powers expressly attributed to shareholders' meetings, the Board considers all matters regarding the operation of the company and, through its deliberations, settles any issues arising.
The Board of Directors ensures that the company's shareholders and the general public are provided with accurate information. It ensures that the company has reliable procedures for identifying, measuring and monitoring its commitments and risks, as well as adequate financial and operational internal controls. The Board of Directors met 12 times in 2012.

The appointment of Martha Crawford, in remplacement of Klaus-Peter Schwabe, will be submitted to the shareholder's meeting on May 31, 2013.

COMPOSITION

Chairman and Chief Executive Officer
Marc de Garidel

Directors
Anne Beaufour
Henri Beaufour
Hervé Couffin*
Antoine Flochel *(Vice-Chairman)*
Gérard Hauser*
Mayroy SA *(represented by Philippe Bonhomme)*
Pierre Martinet*
Klaus-Peter Schwabe
Christophe Vérot
Carol Xueref*

**independent Directors*

BOARD COMMITTEES

The Board of Directors has set up five permanent committees and has defined both the composition and the powers of these committees. Each committee submits proposals and recommendations as appropriate regarding those areas for which it is responsible. The authorizations granted to the committees may not engender a delegation of the powers conferred by law or by the company's by-laws to the Board of Directors.

STRATEGIC COMMITTEE

The role of the Strategic Committee is to:

- review all strategic issues and evaluate all significant proposed investments, divestments, restructurings, alliances and partnerships;
- submit reports, proposals and recommendations on all matters falling within its scope of responsibility.

The Strategic Committee comprises the Chairman of the Board of Directors, and no less than three and not more than six other Directors. It is chaired by a Director other than the Chief Executive Officer. The Strategic Committee meets at least four times a year. It met four times in 2012.

COMPOSITION

Chairman
Henri Beaufour

Members
Anne Beaufour
Antoine Flochel
Marc de Garidel
Carol Xueref*

**independent member*

AUDIT COMMITTEE

COMPOSITION

Chairman
Pierre Martinet*

Members
Hervé Couffin*
Christophe Vérot

**independent members*

The role of the Audit Committee is to:

- evaluate the accounting policies used to prepare both the statutory and consolidated financial statements, review and assess the consolidation scope and the relevance of the accounting methods applied to the Group;
- examine the interim statutory and consolidated financial statements, together with budgets and forecasts;
- control the quality of and compliance with procedures, and evaluate the information received from management, internal committees and internal and external auditors;
- monitor the effectiveness of internal control and risk-management systems;
- supervise the selection and reappointment of the statutory auditors, and satisfy itself as to their independence, give an opinion on the amount of their fees, and submit the results of its work to the Board of Directors;
- examine the scope and approach implemented by the statutory auditors on the consolidated financial statements, including the significant risks and main uncertainties identified;
- examine the breakdown and relevance of the fees paid by the Group to the statutory auditors and ensure that these fees and corresponding audit services are not such as to affect the auditors' independence;
- conduct an annual review of the status of major litigation.

The Audit Committee comprises three members, none of whom may be the Chairman of the Board of Directors, two of whom are independent. The Audit Committee meets at least four times a year. It met six times in 2012.

APPOINTMENTS AND GOVERNANCE COMMITTEE

COMPOSITION

Chairperson
Anne Beaufour

Members
Hervé Couffin*
Christophe Vérot

**independent member*

The role of the Appointments and Governance Committee is to:

- make any proposals to the Board concerning the re-election, replacement or appointment of new Directors;
- provide an opinion on the appointment or replacement of the Chief Executive Officer and Deputy Chief Executive Officers if required;
- prepare the annual executive session of the Board of Directors regarding its method of operation;
- give an opinion on independent members of the Board of Directors.

The Appointments and Governance Committee comprises three members, none of whom may be the Chairman of the Board of Directors. The committee meets at least twice a year. It met four times in 2012.

COMPENSATION COMMITTEE

COMPOSITION

Chairman
Antoine Flochel

Members
Gérard Hauser*
Pierre Martinet*

**independent members*

The role of the Compensation Committee is to:

- make proposals to the Board of Directors on all components of the compensation paid to the Group's officers, members of executive management and senior executives;
- be informed on all matters pertaining to the recruitment of the Group's main senior managers, other than the Chief Executive Officer, as well as on decisions on all components of compensation and compensation reviews;
- give an opinion on the amount and distribution of Directors' fees;
- make recommendations to the Board of Directors on Group compensation policies and employee savings plans, employee share ownership, stock options and bonus shares or any other similar forms of compensation.

The Compensation Committee comprises three members, two of whom are independent. The committee meets at least twice a year. It met five times in 2012.

ETHICS COMMITTEE

COMPOSITION

Chairman
Gérard Hauser*

Members
Carol Xueref*
Mayroy SA
(represented by Philippe Bonhomme)

**independent members*

The role of the Ethics Committee is to:

- review the definition of the Group's fundamental values and its ethics and compliance policy;
- submit recommendations on ethics and compliance to the Board of Directors; discuss all issues related to ethics and compliance submitted by the Board;
- ensure the dissemination of the Code of Ethics and general ethics policies defined by the Group and their update;
- ensure the implementation, follow-up and efficiency of procedures to disseminate the Code of Ethics and wider policies, and ensure they are embraced and complied with across the Company;
- examine Ipsen's risk mapping from an ethics and compliance standpoint;
- examine the ethics and compliance activity report;
- receive any information concerning potential breaches to the respect of the ethics and compliance policy and examine the necessary action plans.

The Ethics Committee comprises three members, two of whom are independent. The Ethics Committee meets at least once a year. It met twice in 2012.

LEADERSHIP

Corporate executives are responsible for managing the Group's operations and coordinating the Group's various scientific, legal, financial, commercial and strategic actions. They are also responsible for assisting the Chairman in implementing the Board's decisions.

COMPOSITION

MARC DE GARIDEL
Chairman and Chief Executive Officer

CHRISTEL BORIES
Deputy Chief Executive Officer

CLAUDE BERTRAND
Executive Vice President, Research & Development, Chief Scientific Officer

PIERRE BOULUD
Executive Vice President, Corporate Strategy

ETIENNE DE BLOIS
Executive Vice President, Human Resources

NATHALIE JOANNES
Executive Vice President, Corporate Counsel

ERIC DRAPÉ
Executive Vice President, Technical Operations

SUSHEEL SURPAL
Executive Vice President, Finance

CHRISTOPHE JEAN
Executive Vice President, Operations

STRATEGY

THREE KEY PRIORITIES

IPSEN'S OBJECTIVE IS TO DOUBLE SALES AND TRIPLE EBIT BY 2020. TO REACH THESE AMBITIOUS GROWTH TARGETS, THE GROUP'S STRATEGY FOCUSES ON THREE KEY PRIORITIES:

- FOCUS RESOURCES AND INVESTMENTS
- INVEST TO GROW
- LEVERAGE THE FULL POTENTIAL OF THE GROUP'S GEOGRAPHICAL FOOTPRINT

FOCUS RESOURCES AND INVESTMENTS

Three targeted disease areas

Ipsen focuses its resources and investments on three targeted specialty care areas: Urology-Oncology (focused on Decapeptyl®, with the addition of Hexvix® and tasquinimod), Endocrinology (focused on Somatuline®) and Neurology (focused on Dysport®). In each of these areas, Ipsen's organization is based on Franchises which operate on the principle of integration between R&D, medical and marketing. In these areas, Ipsen operates on a global basis throughout the entire value chain, from research through to marketing.

Ipsen is also present in the primary care market, in the symptomatic treatment of certain forms of cognitive disorders in the elderly (with Tanakan®), as well as in gastroenterology (with Smecta® and Forlax®) and in rheumatology. Ipsen's strategy is to strengthen this business outside France. Primary care still enjoys substantial growth potential in emerging markets, where there are considerable opportunities to optimize lifecycle management. By refocusing on emerging markets, Ipsen is in a position to implement local targeted actions that would not have been possible on a global scale.

Two technological platforms

Ipsen's R&D focuses on two highly innovative and differentiating technological platforms: peptides and toxins. Peptide engineering focuses on modifying naturally occurring hormones. Ipsen has solid and recognized expertise in peptides, with several products already on the market as well as candidate drugs licensed to partners (e.g. Rhythm Pharmaceuticals and Radius).

In-depth knowledge of botulinum toxin is another key R&D strength. This unique molecule has a very broad range of therapeutic applications in a number of areas: urology, oncology, endocrinology, neurology and reparatory medicine. The Group is one of the very few companies to have mastered the manufacturing and control of this molecule, as well as the technologies required to explore new applications and develop new toxin-based products.
Peptide and toxin engineering, combined with pharmaceutical development, aims at designing and developing innovative formulations and administration methods for new chemical entities and marketed products. Ipsen aims to leverage these converging technologies to optimize the efficacy of active ingredients, while improving quality of life for patients and facilitating their use by healthcare professionals.

INVEST TO GROW

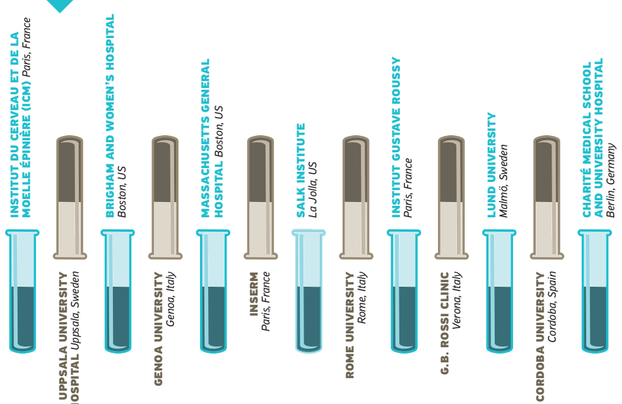
To support its growth, Ipsen has chosen to reallocate substantial resources to its Franchises, technological platforms and most promising geographical markets.
The company is committing targeted investments to Decapeptyl®, Somatuline® and Dysport®, in terms of both indications and geographical expansion, to increase their market share. Ipsen has 11 phase III projects in progress, which provides the Group with a significative advantage compared to companies of similar size. Ipsen aims to consolidate the leading R&D and manufacturing positions achieved by its technological platforms, focused on peptides and toxins. Through the optimization of its research portfolio, Ipsen is in a position to better target resource allocation to areas in which the Group has extensive and recognized expertise and know-how.

Alliances and partnerships

For several years, an active partnership policy with other global pharmaceutical companies and centers of excellence has been the mainstay of Ipsen's strategy. These partnerships provide additional resources to drive innovation forward. Partnerships in its targeted therapeutic areas (urology-oncology, endocrinology, neurology) allow the Group to:

- *access resources for its programs and expand its skills base, by developing partnerships with companies with complementary skills or technologies;*
- *maximize its distribution network by obtaining marketing rights for third-party products in countries where the Group already has a presence;*
- *maximize commercial benefits by granting licenses for products originating from Ipsen's research but which do not fall within the Group's core business areas.*

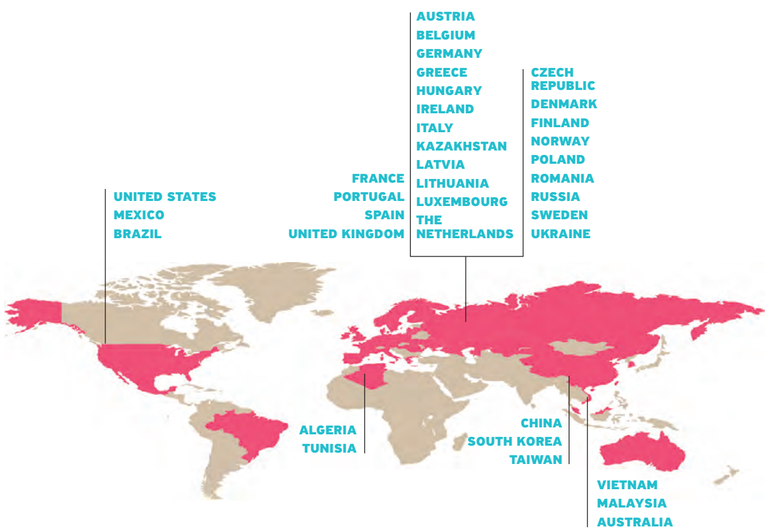
EARLY STAGE AND ACADEMIC PARTNERSHIPS



LEVERAGE THE GROUP'S GEOGRAPHICAL FOOTPRINT

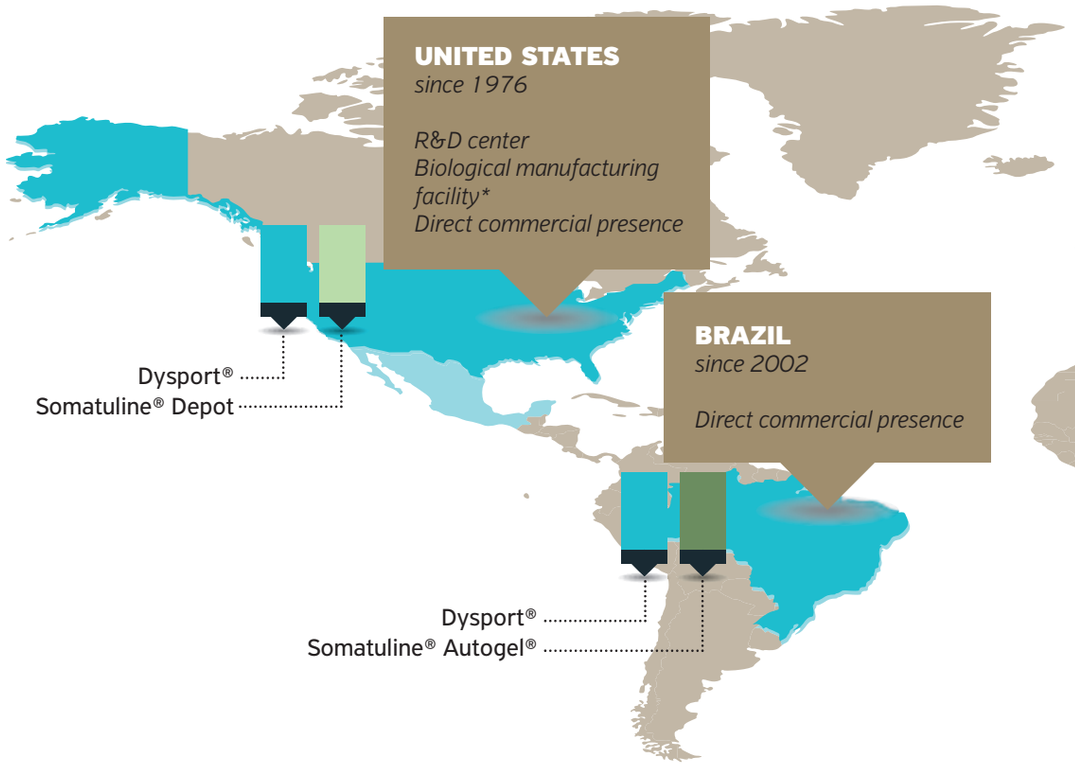
Considerable potential lies in Ipsen's extensive and diversified international reach. In addition to its historic presence in the five largest European countries (France, Germany, Italy, Spain and the United Kingdom), Ipsen has a strong track record in high-growth countries such as China, Russia and Brazil. It also has a direct presence in the US market, which accounts for approximately 40%[1] of the global pharmaceutical market. Ipsen holds leading positions in many countries in which it is present.

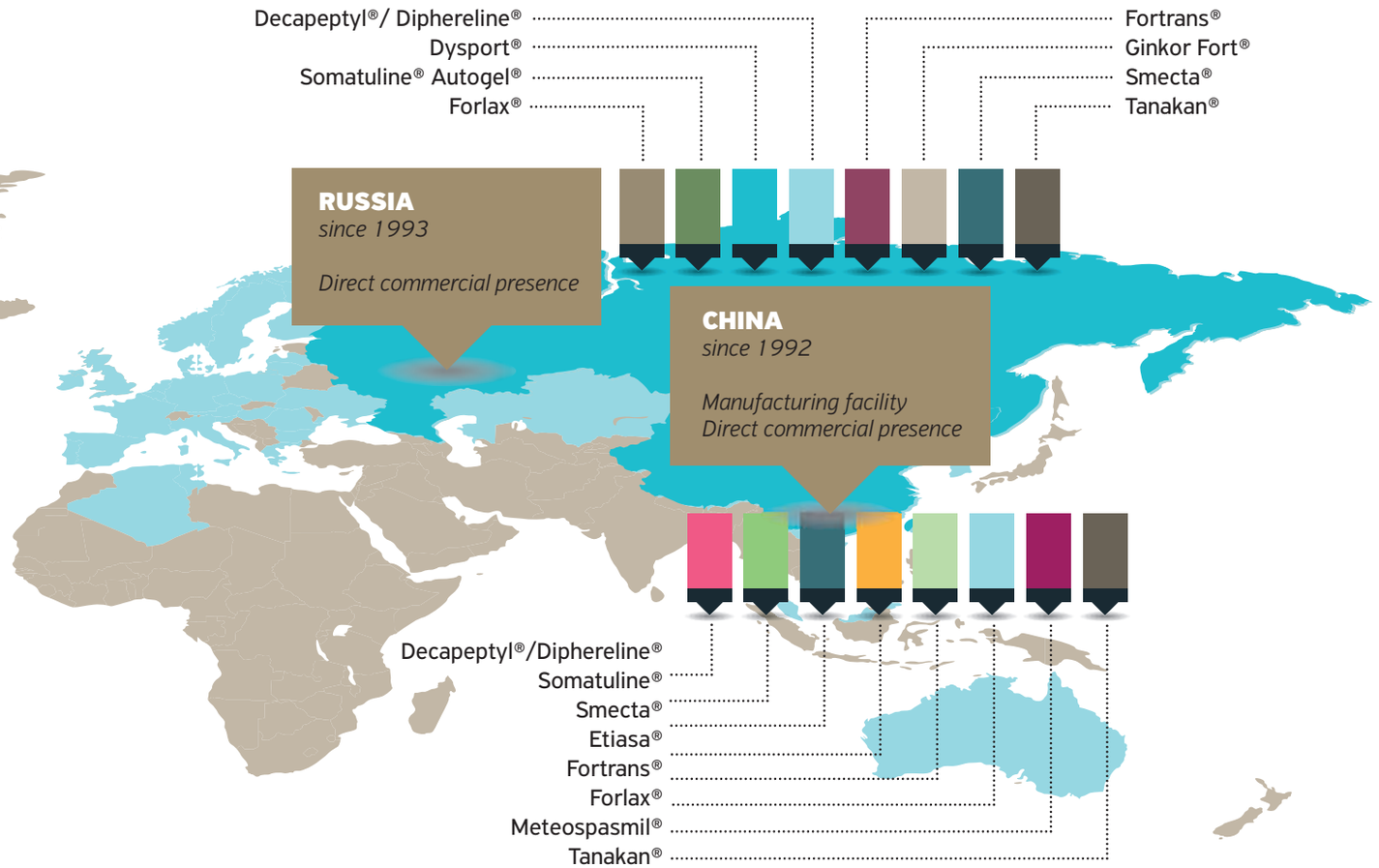
The Group's objective is to achieve growth through increased investment in the most promising markets worldwide, in particular the US and emerging markets, where Ipsen will continue lifecycle management programs, develop therapeutic indications (e.g. Dysport® and Somatuline® in the US) and enhance its portfolio (e.g. project to register Dysport® and Somatuline® Autogel® in China). In 2012, sales generated outside Europe and North America represented close to one quarter of the Group's total sales.



[1] *Source: IMS Health Market Prognosis, March 2011*

LEVERAGE THE GROUP'S GEOGRAPHICAL FOOTPRINT





In March 2013, Ipsen announced the closing of the sale of its manufacturing facility in Milford, Massachusetts, to Baxter International.

UNITED STATES

Ipsen enjoys a direct presence in the United States, a strategic region which accounts for more than 40%[1] of the global pharmaceutical market. The US market is key to Ipsen's growth strategy going forward and offers substantial opportunities for Dysport® and Somatuline®. The objective in the US market is comparable to the Group's ambitions in Europe: expand its drug portfolio and access the specialty care growth reservoir.

CHINA

Ipsen's presence in China dates back to 1992 and the subsidiary is now the second largest in terms of sales. With market growth of 20%[1] per annum and increasing healthcare spending, China is set to become the third largest global pharmaceutical market in 2013, moving up to second place in 2015[1]; China is one of the key growth levers for the Group. Smecta® and Decapeptyl®/Diphereline® are market leaders, demonstrating Ipsen's strength in both the specialty and primary care sectors.

RUSSIA

Ipsen has been present in Russia since 1993 and continues to record dynamic sales growth, despite a challenging economic environment. The Group markets both specialty (Decapeptyl®/Diphereline®, Dysport® and Somatuline® Autogel®) and primary (Smecta®, Ginkor Fort®, Fortrans® and Forlax®) care products in Russia. The country is Ipsen's fourth largest market in terms of sales. Russia is a strong growth territory with substantial potential for both specialty and primary care drugs.

BRAZIL

The Brazilian pharmaceutical market is growing at a rapid pace. In 2012, Ipsen's subsidiary, which was created in 2009, saw strong growth driven by the momentum created by Dysport® in both therapeutic and aesthetic indications. Dysport® was launched in 2002 with a local partner and has become the leading product for its therapeutic indications. Dysport® also enjoys strong positions in the aesthetic market. Ipsen launched Somatuline® Autogel® in Brazil in 2011 and obtained reimbursement of the drug for the treatment of acromegaly in 2012.

[1] *Source: IMS Health Market Prognosis, March 2011*

THREE TARGETED DISEASE AREAS

UROLOGY-ONCOLOGY

IPSEN HAS CHOSEN TO FOCUS ITS THERAPEUTIC SOLUTIONS ON GENITO-URINARY TUMORS (PROSTATE AND BLADDER). THE UROLOGY-ONCOLOGY FRANCHISE IS OPERATING IN A CHANGING THERAPEUTIC MARKET WHERE THE DEVELOPMENT OF INNOVATIVE TREATMENTS COULD TRANSFORM THE APPROACH TO SOME TYPES OF CANCER.

In a very competitive environment, the Urology-Oncology franchise continues to strengthen its position with Decapeptyl®, a reference treatment for locally advanced metastatic prostate cancer, and Hexvix®, one of the rare innovations in the management of bladder cancer. With tasquinimod, Ipsen could transform the treatment of metastatic castration-resistant prostate cancer.
Tasquinimod's unique mode of action also shows high potential for the treatment of malignant tumors other than prostate cancer.

Decapeptyl®: a major player in prostate cancer

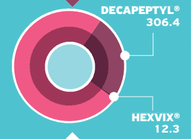
Decapeptyl® is a pillar of the Urology-Oncology franchise. It is primarily indicated for hormonal treatment of locally advanced metastatic prostate cancer. Decapeptyl® remains Ipsen's leading product with sales of €306.4 million and continues to grow (+5.9 % excluding foreign exchange impacts in 2012).
Decapeptyl® is also indicated in gynecology for the treatment of uterine fibroma, endometriosis, precocious puberty and female infertility.

Decapeptyl®'s performance results primarily from a relevant product lifecycle management with a wide range of formulations, and thorough and constantly updated knowledge of the condition. Analogs of GnRH (gonadotropin releasing hormone) are considered to be the backbone therapy for prostate cancer, relevant throughout the disease, for all patients.

The story of Decapeptyl®, discovered by a Nobel Prize winner in medicine, continues to progress.

UROLOGY-ONCOLOGY
2012 SALES

€ 318.7 MILLION



26.1% CONSOLIDATED GROUP SALES

+9.6% VARIATION AT CONSTANT CURRENCY

DECAPEPTYL®
2012 SALES

€ 306.4 MILLION

25.1% CONSOLIDATED GROUP SALES

+5.9% VARIATION AT CONSTANT CURRENCY

UROLOGY-ONCOLOGY
PIPELINE

- **COMBINED HORMONAL THERAPY >PREMENOPAUSAL BREAST CANCER** (Decapeptyl®) **PHASE III**
- **EVALUATION OF THE EFFICACY AND TOLERANCE >3-MONTH PAMOATE SUBCUTANEOUS FORMULATION** (Decapeptyl®) **PHASE III**
- **CASTRATION-RESISTANT PROSTATE CANCER** (Tasquinimod/Active Biotech) **PHASE III**
- **HEPATO-CELLULAR >OVARIAN RENAL CELL >GASTRIC CANCERS** (Tasquinimod) **PHASE II**
- **MAINTENANCE THERAPY AFTER CHEMOTHERAPY >PROSTATE CANCER** (Tasquinimod) **PHASE II**

FACTS PROSTATE CANCER

MOST OCCURING CANCER IN EUROPEAN MEN OVER 50

2ND LEADING CAUSE OF DEATH BY CANCER IN MEN

A MAN'S LIFETIME RISK OF PROSTATE CANCER IS **1 IN 6**

+80,000 DEATHS IN EUROPE PER YEAR

FACTS BLADDER CANCER

6TH MOST OCCURRING CANCER WORLDWIDE

1 MAN IN 5

1 WOMAN IN 12

MEDIAN AGE AT DIAGNOSIS **+70**

DECAPEPTYL® (TRIPTORELIN)
WORLDWIDE TRADEMARKS

DECAPEPTYL® *Western Europe, North Africa*

DIPHERELINE® *Eastern Europe, Middle East, China, CEI countries*

PAMORELINE® *Scandinavia, Germany, Austria, the Netherlands*

ARVEKAP® *Greece*

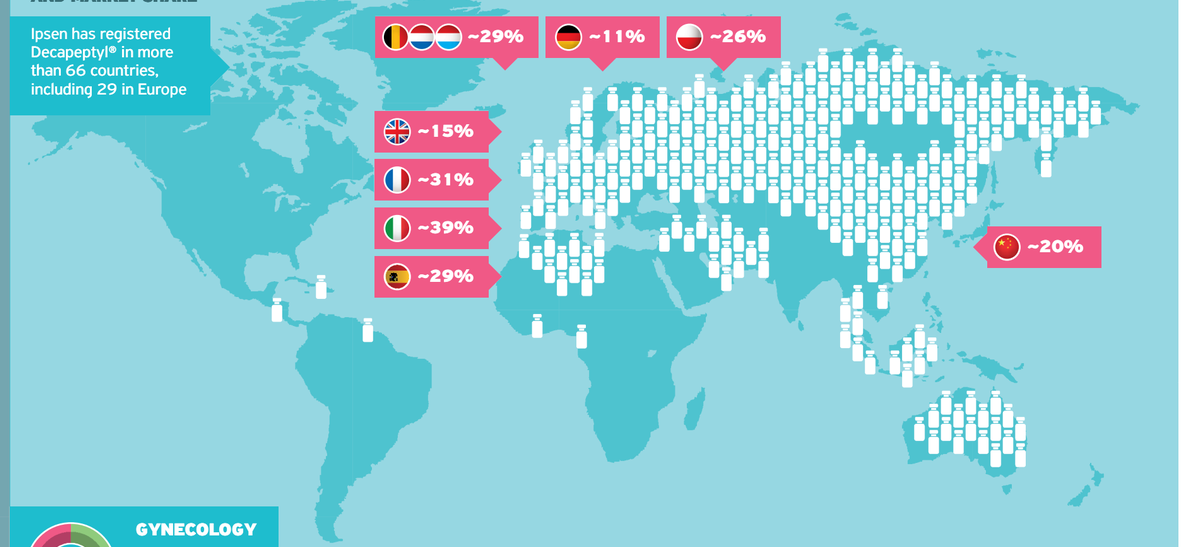
2012 HEXVIX® SALES: 12.3 M€

88 % OF SALES GENERATED IN THESE 5 COUNTRIES

AUSTRIA · FRANCE · GERMANY · ITALY · UNITED KINGDOM

DECAPEPTYL®
WORLDWIDE PRESENCE AND MARKET SHARE*

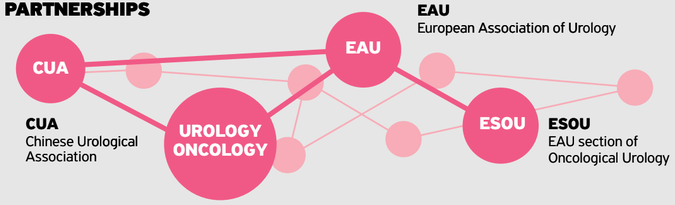
Ipsen has registered Decapeptyl® in more than 66 countries, including 29 in Europe



GYNECOLOGY
26% OF DECAPEPTYL® SALES

* source: IMS (local databases)

PARTNERSHIPS



EAU European Association of Urology

CUA Chinese Urological Association

ESOU EAU section of Oncological Urology

3i Pathways

IDENTIFY · INDIVIDUALISE · IMPROVE

The 3i Pathways program brings together Ipsen's initiatives in urology-oncology for an individualized approach of patient treatment.

Endometriosis

Gynecology, and endometriosis in particular, account for approximately a quarter of Decapeptyl® sales. Endometriosis is caused by the presence of endometrial tissue outside the uterine cavity, where it is normally found. Every month, the endometrium thickens to facilitate possible embedding by a fertilized ovum. If there is no fertilization, part of the endometrium is expelled with the menstrual flow, and is then formed again during the coming month. When a woman suffers from endometriosis, a tissue similar to the endometrium and reacting to the same hormones, attaches itself outside the uterus, mainly on pelvic organs. Unlike menstrual blood, blood from the endometrial tissue cannot be discharged outside the body, and thus accumulates, causing significant pain and, in some cases, infertility. Endometriosis is a painful condition and is still largely underdiagnosed. The condition affects one in ten women in childbearing age.
The condition can be controlled using GnRH analogs. By blocking the production of sexual hormones, they produce permanent but reversible medical amenorrhea, preventing progression of the condition and damage to the affected organs.

Tasquinimod, first molecule in its class

Currently in phase III, tasquinimod targets patients with metastatic prostate cancer, which are resistant to chemical or surgical castration. This promising molecule, co-developed by Ipsen and Active Biotech, is unique in several ways.

First of all, tasquinimod is the first of a new therapeutic class of antiangiogenic immuno-modulators (which inhibit or stimulate immune system reactions and inhibit the development of blood vessels that irrigate tumors). It also fulfills a therapeutic need between stages 2 and 4 of prostate cancer, and could transform the treatment paradigm, in particular via its action on the tumor's environment.

Secondly, Ipsen holds exclusive rights to tasquinimod in all countries where Decapeptyl® is present. The complementarity of the two molecules, combined with the expertise of the Urology-Oncology franchise, could make tasquinimod a significant growth driver.

Furthermore, tasquinimod's unique mode of action and its efficacy in other cancers could yield promising results. A phase II clinical trial evaluating the safety and efficacy of tasquinimod in advanced or metastatic hepato-cellular, ovarian, renal cell and gastric carcinomas in patients who have progressed after standard anti-tumor therapies is in progress. Thanks to its unique mode of action and immunomodulating and antiangiogenic properties, tasquinimod could provide a response to unmet medical needs for a number of other cancers.

Hexvix®: a major impact on the diagnosis and treatment of bladder cancer

Since September 2011, Ipsen holds the world-wide marketing rights to Hexvix®, excluding Nordic countries and the US. Hexvix® produces specific fluorescence in the tumor cells in the bladder during a cystoscopic procedure (examination of the bladder via the urethra) and thus improves the detection and resection of non-invasive tumors.

Hexvix® provides urologists with high added value for the treatment of bladder cancer. By sharply outlining the contours of the tumor, the product considerably reduces the risk of an incomplete resection.

Ipsen is strongly committed to the bladder cancer community, doctors and healthcare professionals, and contributes by offering complementary training programs on both the product and the condition.

Encouraging dialog between European and Chinese urologists

As part of an initiative to strengthen the partnership between Ipsen and learned societies in Europe and China, Ipsen launched, in 2011, a major program to promote dialog between the European Association of Urology (EAU) and the Chinese Urological Association (CUA). The program, which aims to improve patient care, covers two areas.
Twice a year, during the EAU and CUA congresses, European experts meet with their Chinese counterparts to help prepare national Chinese guidelines on prostate cancer care.
As part of an initiative called "Rising Star", four Chinese urologists selected by the CUA attended the EAU congress and then extended their stay in Europe, where they took one-week courses at four different centers of excellence. In return, four French urologists also attended the CUA congress last October and spent one month in China to study Chinese urology practices and share their experience in three centers of excellence.

Ipsen « Platinum Sponsor » of the European Association of Urology (EAU)

The EAU annual congress is the leading platform for the international urological community. More than 15,000 delegates attended the 28th EAU Congress in Milan (Italy) from March 15 to 19, 2013. In recognition of its work and its major contribution to prostate cancer patient care, Ipsen has been named "Platinum Sponsor" of the EAU Congress.
A number of Ipsen's initiatives motivated this distinction. First of all, Ipsen's involvement in international exchanges of practical experience, particularly through the EAU-CUA exchange program between the European and Chinese urology associations. Ipsen is also exclusive sponsor of the ESOU Congress (EAU Section of Oncological Urology), which was held in Rome (Italy) in January 2013.
In this context, a program initiated by Ipsen for young physicians, provided the opportunity for 15 European doctors to attend three round tables conducted by world-renowned professors, on the treatment of prostate, kidney and bladder cancer.

ENDOCRINOLOGY

ACROMEGALY AND NEUROENDOCRINE TUMORS (NET) ARE SLOW-GROWING DISEASES WHICH CAN BOTH BE TREATED WITH SOMATULINE® AUTOGEL®, THE ENDOCRINOLOGY FRANCHISE'S LEADING PRODUCT. IPSEN HAS REGISTERED SOMATULINE® AUTOGEL® FOR ACROMEGALY WORLDWIDE AND THE DRUG'S POTENTIAL FOR NET INDICATIONS PROVIDES THE FRANCHISE WITH SUSTAINED MEDIUM-TERM GROWTH PERSPECTIVES.

Somatuline® Autogel®, a unique profile

Somatuline® (lanreotide) is at the heart of the Endocrinology franchise. In a highly competitive market, this somatostatin analog quickly gained 21% of the global market (in volume), rising to a 53% market share in certain territories. The product's specific features include injectable administration and an innovative sustained-release formula to maximize its benefits. The new self-injectable device with a retractable needle is designed for safe administration of the full dose of Somulatine® Autogel®, thus contributing to improving ease of use for patients. It is the only sustained-release, quick-acting and ready-to-use somatostatin analog on the market for once-a-month, or every 6 to 8 weeks, injection.

Ipsen is committed to improving its knowledge of patients and healthcare professionals in order to better meet their needs. Services for healthcare professionals and patients are tailored on a country by country basis according to their maturity regarding the two main indications of Somatuline®: acromegaly, a rare disease which is often diagnosed at an advanced stage, and neuroendocrine tumors (NET), which are often mistaken for other conditions.

Somatuline® sales grew 17% in 2012. The approval of Somatuline® for NET indications in the US in 2015 could multiply the product's potential by seven.

Acromegaly, rare but universal

Acromegaly, which is often mistaken for gigantism, is a hormonal disorder, marked by a thickening and widening of the hands and feet as well as an alteration of facial features, which set in slowly over time. These symptoms are related to a pituitary tumor which produces excess growth hormone (GH), which Somatuline® inhibits. Although rare (40-70 cases per million), acromegaly is present throughout the world. Managing acromegaly at an early stage – which means diagnosing the illness early – is crucial. Generally diagnosed 5 to 10 years after the appearance of the first symptoms in mature economies, acromegaly is diagnosed even later in other parts of the world. Cardiovascular disorders, diabetes, unaesthetic deformations, rheumatic disorders – the consequences of late diagnosis are serious.

Emerging markets such as Brazil - where Somatuline® was added to the list of essential medicines for the treatment of acromegaly in 2012, and therefore eligible for reimbursement – represent a significant market. In 2012, Somatuline® was also registered in Japan in collaboration with Ipsen's local partner Teijin, and launched in 2013.

Early diagnosis can help gain 2, 5, 10 years on the disease

This awareness campaign in Latin America developed with Sanofi, our partner in Latin America, features Cinderella being encouraged to ask the right questions if she suddenly found herself unable to slip a ring on her finger or a glass slipper on her foot. This awareness campaign won the Empreintes 2013 health advertising award.

Neuroendocrine tumors

These rare tumors, most commonly found in the gastrointestinal tract, are becoming better and better diagnosed, with each of the past three decades seeing a doubling in the frequency of diagnosis of NETs. Working alongside associations and the scientific community, one of the Franchise's missions is to ensure these illnesses are better diagnosed and to guide physicians in referring their patients to centers of expertise. One of the Franchise's other missions is to extend Somatuline®'s indication for the treatment – and reimbursement – of NETs to other countries. For example, in the US market alone, this new indication could multiply the product's potential by seven. The results of the Clarinet study, which should demonstrate Somatuline®'s antiproliferative action by slowing the progression of NETs, will be decisive.

An international program for healthcare personnel

In most countries, nurses are the ones who inject Somatuline® Autogel®. The device allows them to carry out the injection in one minute while listening to, and dialoging with, the patient. Nurses are on the front line and well positioned to find out how patients experience both the illness and the treatment. They are also in a position to provide information and guide the patient on daily management of their illness.
The Endocrinology franchise initiated an international master class designed for nurses. A committee met in November 2012 and in February 2013 to develop the content of a day-long master class, held in four languages, for approximately 40 nurses specialized in acromegaly and NETs, providing a forum for discussion, questions and answers between nurses and the various speakers.

Endocrinology master classes: acromegaly and NETs

Master classes are a significant element of the Endocrinology franchise's medical education program. 2012 saw the development of two acromegaly dedicated programs and one devoted to NETs. Each of the two acromegaly sessions, which took place at Harvard Medical School (Boston, US), were led by a facilitator and attended by 20 - 25 specialists. The program included both practical case studies and issues of controversy. The E-NET master class in Germany was attended by 125 practitioners with 20 top experts in the treatment of the disease. This highly successful attendance rate is all the more remarkable given the very few NET specialists in Europe, who are often located in Western Europe. Forty or so are based in centers of expertise and all took away materials to share information provided at the master class with their colleagues.

ENDOCRINOLOGY
2012 SALES

€ 307.6 MILLION

25.2% CONSOLIDATED GROUP SALES

+13.5% VARIATION AT CONSTANT CURRENCY

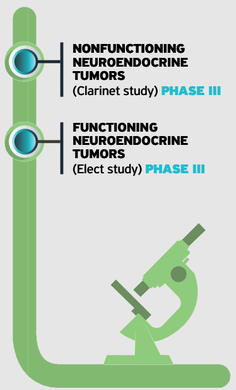
SOMATULINE®
2012 SALES

€ 225.7 MILLION

18.5% CONSOLIDATED GROUP SALES

+17.1% VARIATION AT CONSTANT CURRENCY

SOMATULINE®
PIPELINE



ACROMEGALY

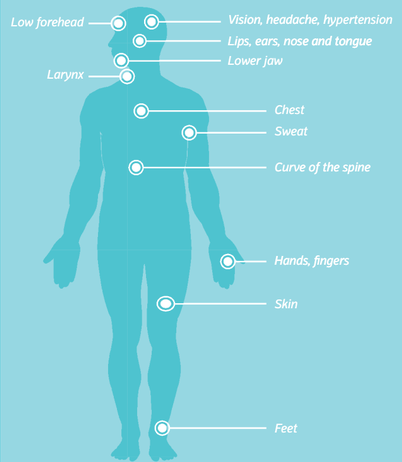
Acromegaly is a hormonal disorder, marked by a thickening and widening of the hands and feet as well as an alteration of facial features, which set in slowly over time. These symptoms are related to a pituitary tumor which produces excess growth hormone (GH).

SYMPTOMS Dysmorphia of the face, hands and feet linked to an increase in volume of soft tissues and bone areas. Cardiovascular anomalies.

PREVALENCE 40-70 cases per million

ANNUAL INCIDENCE 3-4 new cases per million or more

HYPERTROPHY / ANOMALY



NEUROENDOCRINE TUMORS

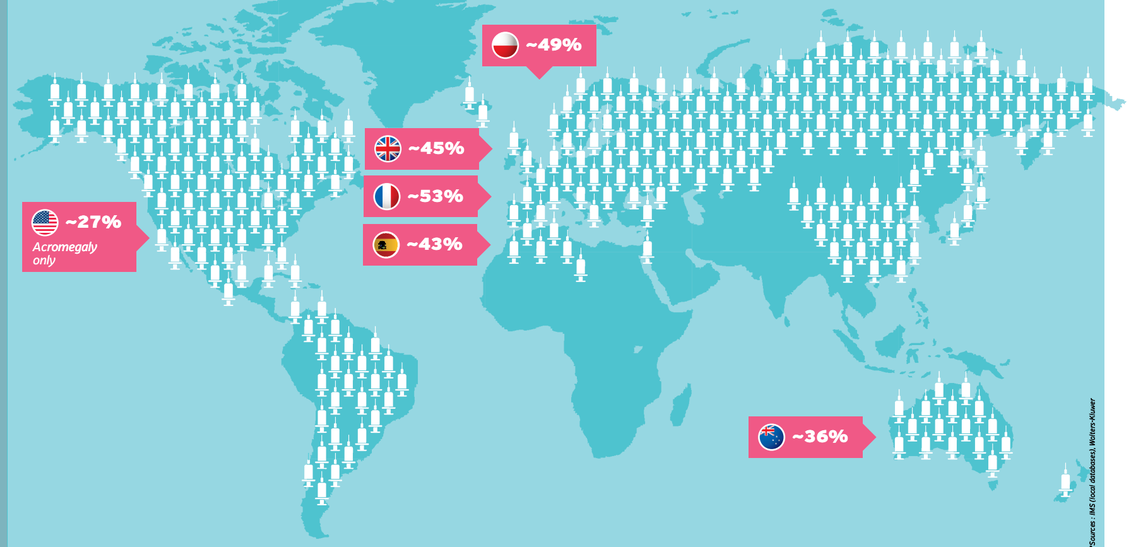
Neuroendocrine tumors (NETs) are rare diseases (±1% of digestive tumors). These tumors, most commonly found in the gastrointestinal tract, secrete abnormally high quantities of hormones which can cause diarrhea and flushing. As a result of the absence of specific symptoms, the disease is often diagnosed at a late stage.

SYMPTOMS Chronic diarrhea, abdominal pain and flushing in the face, neck and chest.

ANNUAL INCIDENCE 2 to 5 new cases per 100,000

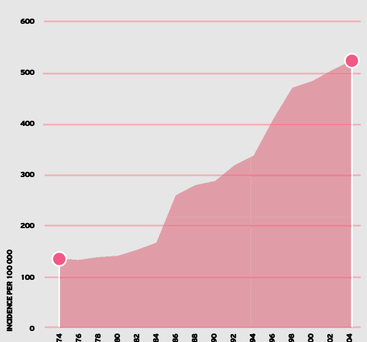
SOMATULINE®
WORLDWIDE PRESENCE AND MARKET SHARE*

Ipsen has registered Somatuline® and Somatuline® Autogel® in more than 55 countries, including 25 in Europe, for the treatment of acromegaly and neuroendocrine tumors.



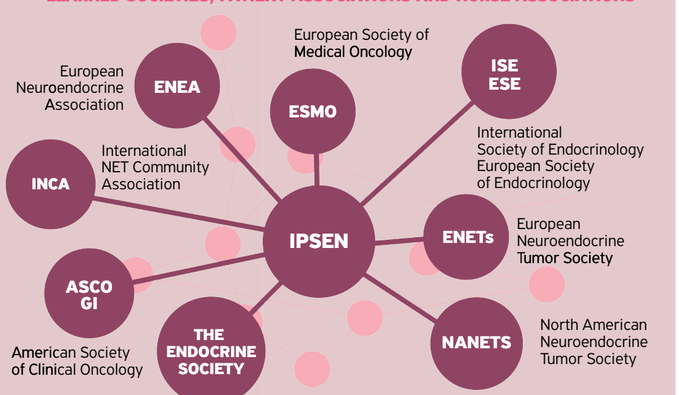
*Source : IMS (local databases), Wolters-Kluwer

NEUROENDOCRINE TUMORS
NET INCIDENCE IN THE US 1974-2004*



* Yao JC and al., Journal of Clinical Oncology 2008

PARTNERSHIPS
LEARNED SOCIETIES, PATIENT ASSOCIATIONS AND NURSE ASSOCIATIONS



NEUROLOGY

IPSEN FOCUSES ITS EFFORTS IN NEUROLOGY ON HELPING PEOPLE SUFFERING FROM NEURODEGENERATIVE CONDITIONS RESPONSIBLE FOR MOVEMENT DISORDERS.
THE NEUROLOGY FRANCHISE CAPITALIZES ON DYSPORT®, A TYPE A BOTULINUM TOXIN WITH HIGH GROWTH POTENTIAL BOTH IN THERAPEUTIC AND AESTHETIC INDICATIONS.
IPSEN IS COMMITTED TO PROVIDING PATIENTS AND HEALTHCARE PROFESSIONALS WITH HIGH ADDED VALUE TREATMENTS AND SERVICES.

Improving quality of life

Dystonia, spasticity, Parkinson's disease, Huntington's, multiple sclerosis – all cause movement disorders which lead to a deterioration in the quality of life.
The Neurology franchise is committed to improving the mobility, independence and quality of life of patients.
Certain patients have limited movement or experience difficulty walking, sometimes to the point of immobility, as a result of conditions as diverse as spasticity (exaggerated muscular tone following a stroke for example), cervical dystonia (a chronic condition in which the neck is deviated), hemifacial spasm (a movement disorder characterized by contractions of the muscles located on one side of the face that can lead to disfigurement) or blepharospasm (involuntary contraction of the eyelids). Incontinence linked to bladder overactivity, as well as the effects of spinal cord injury or multiple sclerosis are also part of the Franchise's clinical research programs.
Botulinum toxin injections cause contracted muscles to relax, enabling patients to return to a number of their daily activities, while relieving them and improving their quality of life.

Ipsen is also committed to developing comprehensive treatment for these conditions, as illustrated by the treatment of equinus foot in children: the best results are obtained by coordinating surgery, injections into eight different muscles, and physiotherapy to correct posture.

Globally, the botulinum toxin market is expected to grow 16% per annum up to 2017[1].

[1] *Source: Botulinum toxin, a global strategic business report, February 2011*

DYSPORT® 2012 SALES

€ 236.1 MILLION

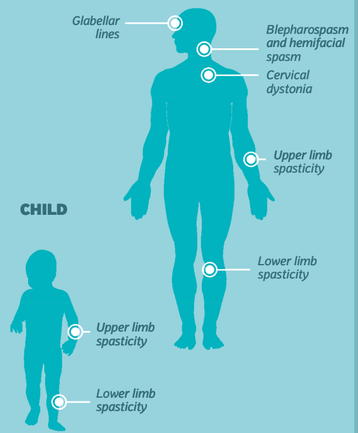
19.4% CONSOLIDATED GROUP SALES

+13.9% VARIATION AT CONSTANT CURRENCY

NEUROLOGY PIPELINE

- **MUSCLE SPASTICITY OF LOWER LIMBS > ADULTS** (Dysport®) **PHASE III**
- **MUSCLE SPASTICITY OF UPPER LIMBS > ADULTS** (Dysport®) **PHASE III**
- **MUSCLE SPASTICITY OF LOWER LIMBS > CHILDREN** (Dysport®) **PHASE III**
- **MUSCLE SPASTICITY OF UPPER LIMBS > CHILDREN** (Dysport®) **PHASE III**
- **TEMPORARY CORRECTION OF MODERATE TO SEVERE GLABELLAR LINES >ADULTS** (Dysport®/China) **PHASE III**
- **CERVICAL DYSTONIA** (Dysport® Next Generation) **PHASE III**
- **NEUROGENIC DETRUSOR OVERACTIVITY** (Dysport®) **PHASE II**
- **SYMPTOMS OF HUNTINGTON'S DISEASE** (BN82451) **PHASE I**

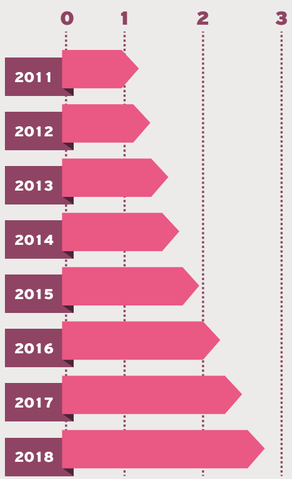
DYSPORT® INDICATIONS



Indications may vary by country

BOTULINUM TOXIN FACIAL AESTHETICS MARKET

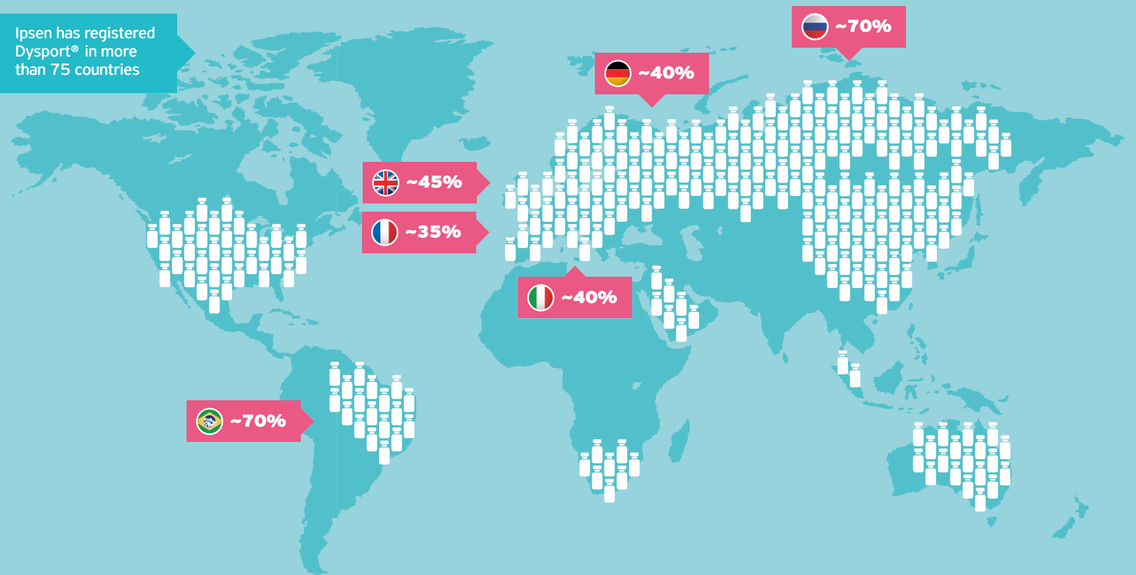
Global revenue ($bn)



© GlobalData

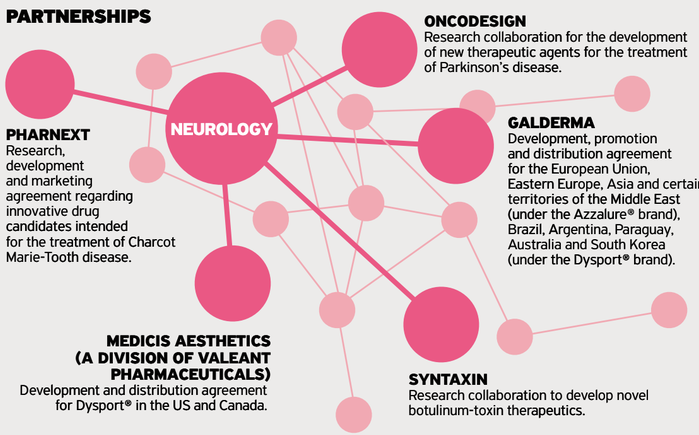
DYSPORT® WORLDWIDE PRESENCE AND MARKET SHARE*

Ipsen has registered Dysport® in more than 75 countries



*Sources : IMS, GERS, Datasus

PARTNERSHIPS



PHARNEXT
Research, development and marketing agreement regarding innovative drug candidates intended for the treatment of Charcot Marie-Tooth disease.

ONCODESIGN
Research collaboration for the development of new therapeutic agents for the treatment of Parkinson's disease.

GALDERMA
Development, promotion and distribution agreement for the European Union, Eastern Europe, Asia and certain territories of the Middle East (under the Azzalure® brand), Brazil, Argentina, Paraguay, Australia and South Korea (under the Dysport® brand).

MEDICIS AESTHETICS (A DIVISION OF VALEANT PHARMACEUTICALS)
Development and distribution agreement for Dysport® in the US and Canada.

SYNTAXIN
Research collaboration to develop novel botulinum-toxin therapeutics.

IXCELLENCE NETWORK

INITIATED IN EUROPE, THIS MEDICAL EDUCATION PROGRAM IN SPASTICITY AND DYSTONIA COMPRISES **6 CENTERS OF EXCELLENCE**.

- *Col Cap Concept*
- *Management of pediatric spasticity*
- *Ultrasound guided injection*
- *Motor re-learning techniques*
- *GAS & GAIT analysis*
- *EMG Guided Injection*

4 NEW CENTERS WILL OPEN BY THE END OF 2013.

- *Muscle palpation & EMG in adults*
- *Muscle palpation in dystonia*
- *Muscle palpation & EMG in pediatric spasticity*
- *Muscle palpation & EMG in adult spasticity*

Dysport®, one product, multiple indications

Therapeutic indications

Botulinum toxin is indicated for the treatment of various conditions, and the extension of Dysport® indications is a strong growth driver for the Franchise.
Eight clinical trials, including four phase III studies for the treatment of upper and lower limb muscle spasticity in adults and children, are in progress. The Group is also working on a urological application of Dysport® for patients suffering from incontinence as a result of neurological disorders (spinal cord injury, multiple sclerosis...).

The Neurology franchise works closely with movement disorder specialists (neurologists, rehabilitation specialists, physiotherapists) to better identify unmet needs and address them early in the development process. This investment in therapeutic developments is fundamental.
In 2011, Ipsen entered into an agreement with Syntaxin for the development of new toxins.
In the future, the Neurology franchise could also build bridges with the Endocrinology (peptide/toxin combination) and Urology-Oncology (action on tumors) franchises.

The development of a new formulation, "Dysport® Next Generation", also demonstrates Ipsen's commitment to maintaining both the scientific advance and competitive advantages of Dysport®. Finally, Ipsen and Oncodesign, with the University of Leuven (Belgium), entered into a research collaboration aimed at exploring possible new treatments for Parkinson's disease.

Aesthetic indications

Movement disorders and aesthetic medicine are inseparable components of the specific dynamic of the Neurology franchise. Dysport® is indicated, depending on countries, to reduce glabellar lines, frown lines or "crow's feet", and is a key player in the field of aesthetic indications which has seen significant growth. Practitioners and patients use Dysport® as an alternative to more invasive and expensive surgical procedures, which are often irreversible.

In the US, Dysport®, which is marketed by Medicis Aesthetics, continued to grow throughout the year in a very dynamic market which is currently valued at USD 500 million[1].
In 2012, Dysport® sales generated by the agreement with Medicis grew by 23%. In 2013, the Canadian regulatory authority (Health Canada) granted a marketing authorization for Dysport® for the temporary correction of moderate to severe glabellar lines in adults aged under 65.

Galderma holds exclusive rights for the development, promotion and distribution of Ipsen's botulinum toxin type A product for aesthetic uses in Europe and in certain other territories (Latin America and Asia). Galderma markets the product mainly under the brand name Azzalure®. In 2012, Dysport® sales generated by the agreement with Galderma grew 34%.

In certain countries, Dysport® is also prescribed for the treatment of hyperhidrosis, characterized by excessive perspiration for which conventional solutions are hardly efficient – a market which shows significant potential.

Ipsen is also committed to success in new territories. In 2012, the Neurology franchise enjoyed many positive results in Brazil, Russia, Argentina and Australia.

[1] *Source: Millennium Research Group, November 2012/Strategic business report, February 2011*

Outstanding through excellence

Throughout the world, Ipsen endeavors to ensure that the perception and use of its product remains clear and pays great attention to the medicalization of injection techniques to improve patient care. This commitment has led the Neurology franchise to create specialist, high-level anatomical training, an interactive anatomical atlas designed for tablets, and botulinum toxin injection workshops for specialists.

Ipsen also organizes master classes which are CME (Continuous Medical Education) accredited to develop the awareness of practitioners regarding challenges in patient care (from recognizing suffering to assessing treatment objectives) as well as new methods for improving treatment.

The first South American master class on these conditions was held in São Paulo (Brazil) in September 2012. Other training programs on these disorders are available for nurses and physiotherapists.

Dystonia and quality of life: a global patient survey

Ipsen supported the first major international survey conducted among patients with cervical dystonia. The survey was initiated by two patient associations in Europe and in the US. 1,071 patients in 38 countries across all five continents responded to an online questionnaire.
Between March and December 2012, the survey was designed to investigate on patient profiles, their diagnosis and how the condition affects their daily life. It also provided more information about disease management, treatments (including botulinum toxin) and patient relationships with doctors and patient organizations or associations. The final results of the survey will be presented at the "Second International Congress on Treatment of Dystonia", in Hanover (Germany) in May 2013. The results of this study will help design material to better serve patients.

Ixcellence Network

Ixcellence Network is a medical education program created by Ipsen and developed with the help of a group of international experts. The main objective of this program is to improve patient care in the field of spasticity and cervical dystonia.
Initiated in Europe, this network now comprises six centers of excellence: UK, Germany, Italy, Spain, Portugal and France. Each center offers innovative, high-level training courses such as "GAS and GAIT analysis", "Col-Cap-Concept", "Management of pediatric spasticity". These courses allow doctors to improve their knowledge, exchange and share experiences to optimize treatment outcomes and provide patients with improved therapeutic care.
There are 22 training programs planned for this year, which will receive official European CME (Continuous Medical Education) accreditation. Four new centers of excellence will open at the end of 2013 in Mexico, Russia, Brazil and South Korea.

R&D

A STRONG COMMITMENT

Ipsen's ambitions in Research & Development are spearheaded by two technological platforms focused on peptides and toxins, a strong commitment to translational research, a robust partnership policy and a promising pipeline.
Ipsen's R&D aims to produce three proof of concept (PoC) studies, five new early-development molecular entities and a significant number of confirmatory clinical development projects by 2015. Proof of concept is the exploratory drug development stage that provides a first demonstration of a drug's pharmacological activity on humans, which justifies the pursuit of clinical, efficacy and tolerance evaluations.

The success of Ipsen's R&D is based on five key closely interlinked objectives.

Patient focus

Ipsen's mission, "innovation for patient care", highlights the Group's determination to focus on patients and unmet medical needs and to provide innovative therapeutic solutions. Focusing on patients is critical to determine unmet medical needs and identify both the pathophysiological mechanisms and biological targets that should be developed. This approach is fundamental both in clinical development phases and to bring innovative molecules to the market.

Focus and align priorities on the Franchise strategy

The Franchises determine medical needs and contribute to specifying patient populations which most require new and differentiated treatments. Research then defines which molecular targets should be stimulated or inhibited to satisfy the medical need. This collaboration fosters the development of competitive molecules. This highly focused approach concentrates efforts on unmet medical needs, while optimizing the allocation of resources.

Scientific and medical excellence

Focused on peptides and toxins, Ipsen's internal R&D is concentrating and developing its expertise on these two platforms with the objective of increasing its understanding of both basic sciences and clinical aspects. Ipsen has entered into agreements with highly specialized companies and is strengthening its partnership policy through agreements with major research institutes and medical centers of excellence, on a global scale.

Speed of execution across the value chain

During preclinical and clinical development, the early designation of therapeutic targets and markers allows to better define the potential value of molecules, accelerate the development process as well as the construction of the product dossiers which are submitted to regulatory bodies for market authorization.

An open and collaborative project-centric innovation model

The alignment of priorities on the Franchises and the implementation of project teams – which bring together a broad range of competencies focused on shared objectives – are the pillars of Ipsen's collaborative innovation model.
The Group's innovation model, which fosters the development of partnerships with major research institutes (Salk Institute, US) and centers of excellence (Institut Gustave Roussy, France; Massachusetts General Hospital, US, etc.), allows Ipsen to leverage the breadth of its strengths. Compared with peers of comparable size and positioning, Ipsen is one of the pharmaceutical companies with the most projects in phase III.

Translational research

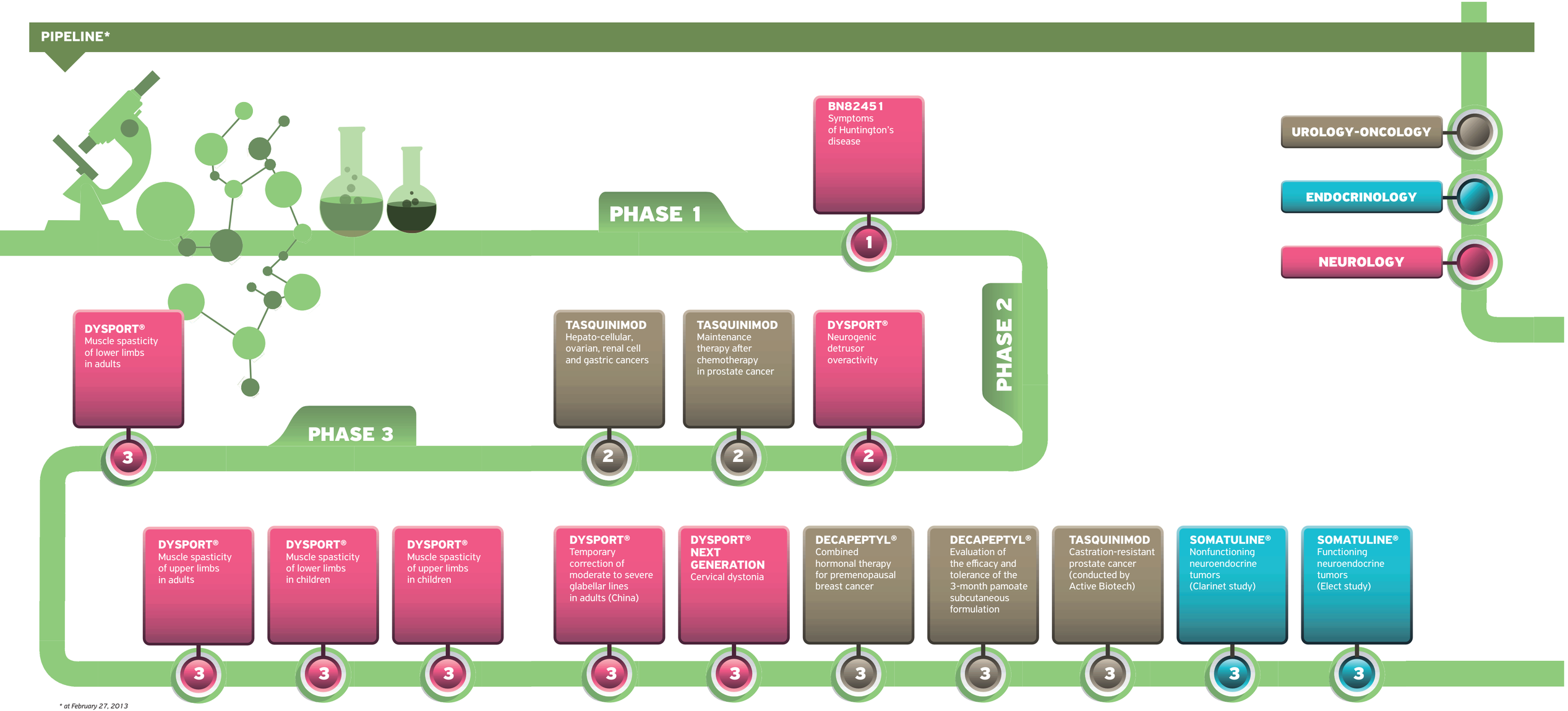
Translational research forms a dynamic bridge between basic science and clinical medicine. Applied at all stages of Ipsen's R&D, translational research places the patient at the heart of the research process to translate research into therapeutic concepts and support research teams during product development.
At a very early stage in the value chain and throughout the research phase, Ipsen endeavors to understand the disease and to formulate and develop therapeutic PoCs with patients and hospital practitioners. The scientist and clinical practitioner form a project team to produce therapeutic innovations that closely match patient needs. For example, the translational research team provides support to tasquinimod clinical testing with Active Biotech.
A number of agreements have been signed with major translational research centers in Europe and the US, as well as partnerships with centers of excellence and university hospitals.


Primo Star

R&D PROGRAMS

IPSEN'S R&D ACTIVITIES ARE FOCUSED ON THE DISCOVERY AND DEVELOPMENT OF NEW MOLECULES AND ON PROGRAMS FOR THE LIFECYCLE MANAGEMENT OF PRODUCTS ALREADY MARKETED BY THE GROUP (NEW FORMULATIONS, EXTENSION OF INDICATIONS AND REGISTRATION OF PRODUCTS IN NEW GEOGRAPHICAL AREAS).
IN 2012, IPSEN'S R&D EXPENDITURE TOTALED CLOSE TO €250 MILLION, REPRESENTING MORE THAN 20% OF SALES.

PIPELINE*



** at February 27, 2013*

INNOVATIVE TECHNO-LOGICAL PLATFORMS

RESEARCH AT IPSEN IS FOCUSED ON PEPTIDE AND TOXIN ENGINEERING, AREAS IN WHICH THE GROUP HAS THE MOST EXPERTISE, RECOGNITION AND POTENTIAL FOR THE DEVELOPMENT OF HIGHLY DIFFERENTIATED PRODUCTS.

Focus

Ipsen's research is focused on toxins and peptides, while maintaining the Group's expertise in discovering small molecules through partnerships.

Peptides: a long-standing expertise

Ipsen has a strong history of peptide drug discovery and formulation. The Group continues to apply this expertise to projects based on analogs of natural peptides which are closely aligned with patient needs. Somatuline® Autogel® symbolizes this ability to combine advances in research with formulation innovation.

The Group's peptide platform capitalizes on its knowledge in this area in an innovative manner to leverage the huge proportion of molecular targets yet to be developed as drugs, such as small molecules and antibodies. Peptide engineering is conducted by Ipsen's R&D center in Milford (MA, US) and Les Ulis (France), in collaboration with academic research centers. Pharmaceutical development is conducted in Dreux (France).

Toxins: about botulinum toxin

Botulinum toxin has the potential to satisfy a large number of unmet medical needs. Ipsen's toxin platform, which benefits from the technologies required for the early stages of exploration (new products) and development (new applications), aims to provide first-class support for Dysport® to meet the needs of both patients and practitioners. Through its investment in toxin biology, both within the company and with partners (such as Syntaxin), the Group aims to identify the characteristics of new toxins delivering high therapeutic added value, with the potential to improve quality of life for patients.

Within each platform, the focus is on sharing projects and objectives. The proof of concept is the cornerstone of the process. As a result, all functions involved anticipate the lifecycle of the molecule in R&D at an earlier stage. At each stage of the process, this participative model contributes to finding answers to key questions such as the singularity and differentiation of each molecule.

SCIENTIFIC AFFAIRS

OPPORTUNITIES STEMMING FROM EXTERNAL RESEARCH COLLABORATIONS ARE LED BY A SPECIFIC DEPARTMENT WITHIN R&D. THE SCIENTIFIC AFFAIRS DEPARTMENT IS INVOLVED IN STRATEGICALLY CENTRALIZING, ORGANIZING, PLANNING AND COORDINATING PARTNERSHIPS.

MAIN EARLY STAGE & ACADEMIC PARTNERSHIPS

Ipsen's R&D effort is supported by an active partnership policy from fundamental research through to clinical development. Promoting dialog in order to foster innovation by capturing synergies from skills and expertise: such is the logic underlying these collaborations that support Ipsen in transforming the scientific advances of its partners into therapeutic opportunities for patients. These partnerships also provide an opportunity for Ipsen to accelerate the testing of the feasibility and relevance of its research concepts.
At the research stage, Ipsen has established various collaborations with the academic world and has signed partnerships with innovative biotechnology companies.
This strategy opens access to novel and promising technologies for the discovery of new candidate drugs.

INSTITUT DU CERVEAU ET DE LA MOELLE ÉPINIÈRE (ICM)
Paris, France
Translational science research collaboration in neurology

LUND UNIVERSITY
Malmö, Sweden
Prostate cancer research collaboration

Ipsen and bioMérieux, a leader in the field of *in vitro* diagnostics entered into an agreement in February 2011 to develop a personalized approach to medicine based on Ipsen's portfolio of innovative compounds and bioMérieux's expertise in diagnostic tests.

BIOMÉRIEUX
Marcy l'Étoile, France

Ipsen and Active Biotech, a biotechnology company that focuses on autoimmune/inflammatory diseases and cancer, entered into a broad partnership for the co-development of tasquinimod for the treatment of castrate-resistant prostate cancer. Signed in April 2011, the partnership expands the Urology-Oncology franchise's scope adding a new and promising drug to its pipeline to fulfill Ipsen's ambition of developing new therapies for the treatment of prostate cancer.

ACTIVE BIOTECH
Lund, Sweden

G.B. ROSSI CLINIC
Verona, Italy
Endocrinology research collaboration

GENOVA UNIVERSITY
Genoa, Italy
Endocrinology research collaboration

CORDOBA UNIVERSITY
Cordoba, Spain
Endocrinology research collaboration

Since 2008, Ipsen has been collaborating with the Salk Institute for Biological Studies, a non-profit research institution dedicated to fundamental research in life sciences and the training of the future generation of researchers. The objective of the partnership is to advance knowledge in the field of proliferative and degenerative diseases. Furthermore, the development of stem cell technologies opens new research perspectives for neurodegenerative diseases.

SALK INSTITUTE
La Jolla, US

CHARITÉ MEDICAL SCHOOL AND UNIVERSITY HOSPITAL
Berlin, Germany
Endocrinology research collaboration

UPPSALA UNIVERSITY HOSPITAL
Uppsala, Sweden
Endocrinology research collaboration

MASSACHUSETTS GENERAL HOSPITAL
Boston, US

Ipsen entered into a sponsored research agreement with Massachusetts General Hospital, in November 2011, to conduct collaborative studies on the anti-tumor effects of Ipsen's compounds and also identify potential new targets associated with nonfunctioning tumors.
During the first phase of this agreement, the research team at MGH carried out *in vitro* cell proliferation testing of Ipsen's compounds on pituitary-derived folliculostellate cell lines.These tests will be followed by *in vivo* pharmacological studies.

BRIGHAM AND WOMEN'S HOSPITAL
Boston, US
Peptide research collaboration

INSERM
Paris, France
Endocrinology and oncology research collaboration

ROME UNIVERSITY
Rome, Italy
Endocrinology research collaboration

ONCODESIGN
Dijon, France

Ipsen and Oncodesign entered into a research collaboration in January 2012 to develop innovative LRRK2 kinase inhibitors as potential therapeutic agents against Parkinson's disease and for potential additional uses in other therapeutic areas. The entry of a new partner in December 2012, the Leuven-based Laboratory for Neurobiology and Gene Therapy at the Université Catholique (Belgium), opens up new prospects for the alliance.

INSTITUT DE CANCÉROLOGIE GUSTAVE ROUSSY (IGR)
Paris, France

Ipsen and the Institut de Cancérologie Gustave Roussy signed a partnership in the area of medical oncology to leverage the combined expertise of their respective R&D teams. The three-year agreement signed in July 2012 seeks to address the complex challenges of cancer treatment and focuses on identifying innovative therapeutic targets and biomarkers to accelerate the transition between preclinical development phases and clinical proof of concept.

SYNTAXIN
Oxford, UK

Ipsen and Syntaxin, a biotechnology company specializing in innovative biopharmaceutical therapies targeting cell secretion pathways entered into a strategic partnership agreement in October 2011. Syntaxin and Ipsen have teamed up to develop innovative botulinum toxin therapies, leveraging their respective expertise in the field. Syntaxin will be responsible for the discovery of new therapeutic candidates and Ipsen will focus on pharmacological, preclinical and clinical assessments of the newly discovered compounds.

CORPORATE RESPONSABILITY

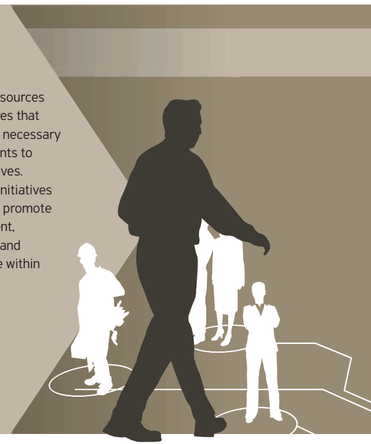

IPSEN

HUMAN RESOURCES

TO SUPPORT IPSEN'S STRATEGY AND DEVELOPMENT, THE GROUP'S HUMAN RESOURCES POLICY FOCUSES ON INDIVIDUAL AND COLLECTIVE SUPPORT FOR EMPLOYEES AND ON THE DEVELOPMENT OF NEW COMPETENCIES.

RETAINING AND DEVELOPING TALENTS

Ipsen's Human Resources department ensures that the Group has the necessary expertise and talents to achieve its objectives.
A broad range of initiatives was introduced to promote career development, develop potential and leverage expertise within the Group.



INTERNAL MOBILITY

Ipsen is committed to internal mobility, which was the focus of a strong effort in 2012. Mobility, whether functional or geographic, is essential for individual development and sustaining Group momentum.
Ipsen's internal mobility policy offers new career opportunities to employees, while contributing to the company's performance.
Close to 10% of Group employees benefited from internal mobility opportunities in 2012. To ensure a smooth transition, Human Resources worked steadily at providing individual and collective support through coaching, mentoring and on-boarding programs.
New positions were created to develop Ipsen's internal expertise, primarily in the medical and market access fields.

GROWING IN AND WITH THE COMPANY

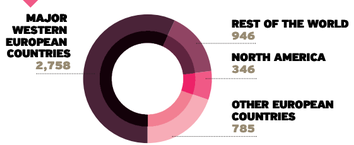
The individual performance appraisal is a fundamental process in human resources management.
This dialog between employees and managers provides the opportunity to translate the Group's objectives into individual goals that are both challenging and achievable. It is also a forum during which individual short-term development priorities can be identified in order to help employees meet these expectations. In a constantly shifting environment, with changing economic models and the emergence of new skills areas, employees also need to take the long view and ensure their career development.

An Individual Development Plan (IDP) was developed by Ipsen to assist employees and provide them with a roadmap to reach their future goals. Their career, experience and opportunities for growth are analyzed before building a step-by-step action plan. Since its inception, almost 600 employees and 600 managers have been trained in preparation for IDPs.

Employee survey: from analysis to action

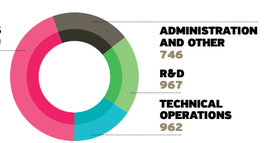
Ipsen conducted its first employee survey in early 2011 to measure employee satisfaction and commitment, understand employees' perception of Ipsen and of their future, and to gain better knowledge of their expectations with regard to management, information, communication, training and individual development. 82% of employees took part in the survey carried out by an independent firm.

GEOGRAPHICAL BREAKDOWN*



TOTAL EMPLOYEES = 4,835

BREAKDOWN BY ACTIVITY*



** at December 31, 2012*

IPSEN, COMMITTED TO DIVERSITY

Promoting opportunities for the disabled

Ipsen launched a program to promote employment of the disabled in France in 2008, known as PHARE. The project aims at maintaining employees with disabilities in the workplace, at recruiting employees with disabilities, or at outsourcing services to companies employing disabled workers or to sheltered employment centers. In addition, Ipsen has created partnerships with two specialist associations to facilitate work-study opportunities for young disabled students. Initiatives to increase awareness across the Group are organized on a regular basis.

Ipsen is also a founding member of the first French Clubhouse, working with Cap Cités, an organization dedicated to supporting people with psychological difficulties. The Clubhouse, which opened in October 2011, offers vital support services and promotes innovative and suitable employment opportunities in a single location. It is managed jointly by patients and employees. Ipsen is also a partner of the "Handivalides" days in France, organized to increase awareness of disabilities in French higher education colleges and universities.

Gender equality

Diversity and mutual respect are part of Ipsen's DNA. These commitments are reflected in the promotion of equal opportunity and the refusal of all forms of discrimination during the hiring process and throughout employees' careers. To illustrate Ipsen's commitment to gender equality, the Group has, for example, introduced specific arrangements for parental leave in France. Ipsen has also taken steps to ensure it offers equal pay and opportunities for growth to all staff. The Group strives to implement working conditions which are favorable to work-life balance and the responsibilities of family life. The comparative position of men and women in the company is monitored regularly and forms the basis for detailed reports and indicators.

ACTION PRINCIPLES

Ipsen has set ambitious strategic objectives that require a change in corporate culture. Accountability, team spirit, result orientation and agility are the four action principles that form the reference framework to guide day-to-day actions, behaviors and attitudes both within the company and with stakeholders.

CULTURAL CHANGE

Ipsen Competency Model

Convinced that beyond skills and technical expertise, it is how people act that makes the difference, Ipsen's Human Resources team has translated the Group's four action principles into 15 competencies considered as key transformation factors which are critical to Ipsen's continued success.
The resulting Competency Model applies to all employees irrespective of their position in the company. An interview guide has been prepared to assist managers to integrate this skills framework into their managerial practice, which includes effective development strategies, as well as advice on using the skills models to support performance evaluations and in the recruitment process.
A similar document will be drawn up for employees and Group-wide training programs will be rolled out based on this model.

ENVIRONMENT, HEALTH AND SAFETY

IPSEN'S ACTIVITIES REQUIRE OPTIMUM SECURITY LEVELS AND A STRATEGY THAT IS RESPECTFUL OF THE ENVIRONMENT. IPSEN'S COMMITMENT IS FORMALIZED BY WAY OF A COMPREHENSIVE ENVIRONMENT, HEALTH AND SAFETY (EHS) POLICY, BASED ON THE ISO 14001 (ENVIRONMENT) AND OHSAS 18001 (HEALTH AND SAFETY) GUIDELINES. THE GROUP'S APPROACH IS PART OF A CONTINUOUS IMPROVEMENT POLICY AND SETS OUT TO INCREASE ACCOUNTABILITY ACROSS THE ORGANIZATION.

With Environment, Health and Safety (EHS) as integral components of Ipsen's activities, the Group further strengthened its EHS policy in 2012, stressing individual accountability at all levels of the organization. Ipsen has committed to:

- design and manage its products and business to reduce their carbon footprint and enhance the protection of people and the environment, according to ethical and compliant practices;
- minimize the risk of accidents and incidents;
- contribute to the continuous improvement of EHS performance and culture.

Certificates

Ipsen is committed to a voluntary ISO 14001 (environment) and OHSAS 18001 (health and safety) certification policy.
Five of the Group's manufacturing sites are ISO 14001 certified: Dreux, Signes and L'Isle-sur-la-Sorgue (France), Cork (Ireland) and Tianjin (China), demonstrating their commitment to protecting the environment. Certification is renewed each year and is part of Ipsen's continuous improvement policy. Two sites have obtained OHSAS 18001 certification: Dreux (France) and Cork (Ireland), in recognition of their efforts to ensure safety in the workplace. Ipsen's sites at Les Ulis (France), Milford (US) and Wrexham (UK) have aligned their EHS management systems with the Group's corporate standards, and regular internal audits are conducted to assess compliance. The Wrexham facility in the UK obtained certification according to three standards: BS 8555 certification for the implementation of its environmental management system; the Corporate Health Standard in recognition of its efforts to promote health and safety in the workplace (both of these from the local authorities), and the RoSPa Gold Award (Royal Society for the Prevention of Accidents).

Trained and accountable

Ipsen renewed and extended its environment, health and safety awareness and training program in 2012. Each site rolled out its program according to its specific risks and impacts. All employees received training regarding the risks inherent to their roles and the environmental impacts associated with their activities. This preventive approach helps employees adapt a responsible attitude in their daily work.

CERTIFICATION ISO 14001

FRANCE
DREUX
SIGNES
L'ISLE-SUR-LA-SORGUE
IRELAND
CORK
CHINA
TIANJIN

CERTIFICATION OHSAS 18001

FRANCE
DREUX
IRELAND
CORK

CERTIFICATION BS 8555

UNITED KINGDOM
WREXHAM

Climate change and carbon footprint

Ipsen is engaged in a voluntary policy to assess its direct and indirect greenhouse gas emissions, measure the environmental impact of its activities and implement priority measures to reduce them. At end 2012, each entity in the Group had produced at least a first report on greenhouse gas emissions to raise stakeholder awareness and provide an initial benchmark. Ipsen has rolled out a number of initiatives in the past several years to reduce its carbon footprint, focusing on energy consumption in particular:

- using videoconferencing and web-conferencing as an alternative to meetings requiring travel;
- gradually replacing the corporate fleet with low-carbon vehicles;
- carpooling and shuttles to reduce the use of private cars;
- in Cork, the implementation of "lean" initiatives for energy efficiency, in particular for the improvement of waste processing systems.

The Group published its carbon footprint report, in accordance with Article 75 of the French environmental law, Grenelle II, demonstrating its commitment to countering global warming by reporting a wider scope than the scope required under the law. These reports are available on Ipsen's website.

ETHICS AND CORPORATE CITIZENSHIP

IPSEN HAS A LONG HISTORY OF INVOLVEMENT WITH THE COMMUNITY, PARTICULARLY WITH NONPROFIT ORGANIZATIONS AND CHARITABLE ACTIVITIES. ETHICS AND CORPORATE CITIZENSHIP FORM PART OF THE GROUP'S CORPORATE SOCIAL RESPONSIBILITY POLICY.

ETHICS AND COMPLIANCE

Ipsen endeavors to enforce the highest ethical standards. To this end, the Group implemented an Ethics and Compliance program to ensure that Ipsen's practices comply with applicable laws and regulations as well as its own code of ethics. The program also sets out to promote a culture of integrity and transparency across the organization.

The Ethics and Compliance program is based on four fundamental principles: patient care, protecting innovation, fair competition in the market place and integrity.

Patient care. Ipsen's primary objective is to satisfy unmet medical needs and to use its knowledge, expertise and technology to provide effective therapeutic solutions that cater to patient needs.

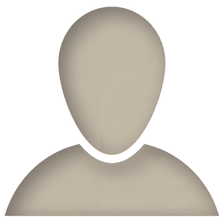
Protecting innovation. Innovation is at the heart of Ipsen's business. Intellectual property rights are a major issue for the Group, which seeks to protect its innovations, brands and copyrights. In addition, Ipsen has developed an information security policy that applies to all Group entities and staff.

Fair competition. Through its medical excellence, the quality of its products and the quality of related information, Ipsen seeks to outperform its competitors through honest and legal means. The Group ensures that it competes fairly on the market and complies with applicable legal requirements wherever it operates.

Integrity. Ipsen acts with integrity and honor in its dealings with all stakeholders: patients, healthcare professionals, public authorities, public officials, shareholders and employees.

2012 HIGHLIGHTS

PATIENT



MEXICO THE CANDY FOUNDATION

Ipsen supports the Candy Foundation, with the aim of helping low-income families with children suffering from cerebral palsy. The foundation's primary objective is to offer medical treatment consisting of botulinum toxin injections.
The foundation also offers personalized medical follow-up for families encompassing a range of specialist services such as functional reeducation, physiotherapy or neuropediatrics. More than eighty children were treated by the foundation in Mexico in 2012.

SPAIN « E-SPASTI »

Resolute in its determination to support patients and improve their quality of life, the Group supports innovative health initiatives.
Ipsen Spain is taking part in a pilot tele-medicine project in partnership with Sant Pau hospital in Barcelona for patients suffering from spasticity of the lower limbs. The program aims to enhance their quality of life through a daily in-home exercise regime, maintaining contact with their doctor and eliminating the need for hospital visits, except for their Dysport® injection.

FRANCE TULIPE

The Ipsen group is a member of the Tulipe nonprofit organization. Founded in 1982 Tulipe pools medicines donated by pharmaceutical companies in France to meet urgent needs among populations affected by crisis, natural disasters, and conflicts.

SOUTH KOREA DYSPORT® INJECTIONS

April 2012 saw Ipsen provide more than 60 Dysport® injections free of charge to 40 patients at the Cerebral Palsy Rehabilitation Center in Seoul, at St. Mary's Hospital in Daejeon and at Fatima Hospital in Daegu.

NICARAGUA BRIGADAS UROLÓGICAS

Every year, since 2007, Ipsen Spain organizes the Brigadas Urológicas mainly in Nicaragua but also in Guatemala and Costa Rica. Spanish urologists are sent there to operate critical cases and train local urologists. Ipsen also contributes by sending surgical equipment used during the procedures. More than 800 surgeries were performed since the launch of the project.

AND MORE...

The Group has also joined forces with a number of different organizations in fundraising or awareness campaigns, such as the blood donation drive organized with the American Red Cross in Milford (MA, US), and the Blue September events in Dublin (Ireland), to raise awareness of cancer prevention amongst men, etc.

PROGRESS

FRANCE PHARE

Ipsen launched a program (PHARE) to promote employment of the disabled in France in 2008. The project aims at maintaining employees with disabilities in the workplace, at recruiting employees with disabilities or at outsourcing services to companies employing disabled workers or to sheltered employment centers. The PHARE plan is organized around a network of representatives at each site and aims to raise awareness through targeted campaigns.
For example, Ipsen is a partner of "Handivalides" days in France, organized to increase awareness of disabilities in French higher education colleges and universities. The purpose of these initiatives is to:

- improve perception and understanding of the complexity of disability,
- promote appropriate behaviors,
- encourage the development of disability policies.

In addition, Ipsen has created partnerships with two specialist associations to facilitate work-study opportunities for young disabled students.

UNITED NATIONS « GLOBAL COMPACT »

Ipsen joined the UN Global Compact in 2012, committing to align its operations and strategy with 10 principles in the area of human rights, labor, environment and anti-corruption.
Becoming a member of the Global Compact means embracing the conviction that commercial practices founded on universally shared principles will contribute to the emergence of a more stable and sustainable global economy as well as prosperous and dynamic societies.

UNITED KINGDOM BUSINESS COMMUNITY

One day a year, employees at Ipsen's Slough site in the UK donate their time to offer a helping hand to those in need: gardening for the disabled, renovation of a refuge for women and helping the elderly are some of their ventures.

CHINA SHARING TEACHING METHODS

Ipsen supports the Tianjin Education Assistance Foundation, which offers week-long courses in Tianjin city for teachers in rural areas. The foundation provides them with the opportunity to refresh their teaching skills, learn modern teaching methods and expand their horizons by assisting teachers in the city's schools. In 2012, 25 teachers attended the course and returned to their students armed with new knowledge.

ENVIRONMENT

FRANCE « CYCLAMED »

Ipsen supports the Cyclamed program to collect unused medicines returned to pharmacies by patients. Medicines thrown in garbage, in nature or in pipes can pollute waterways and groundwater. The Cyclamed take-back program collects unused medicines and disposes of them in dedicated incineration plants, recovering the energy produced to generate heat and lighting for homes.

FRANCE APIVIGILANCE

At its Signes site, Ipsen partnered with three companies in the Signes industrial zone to invest in a biosurveillance system using bees as biomarkers of environmental quality. Micro-samples, collected by bees from flowers, rivers, streams and the air, are analyzed to produce daily eco-toxicology assessments and detect the presence of possible pollutants. The Apivigilance project sets out to:

- assess the environmental impact of companies in the sector,
- measure the results of environmental policies,
- specify improvement targets, if required.

ECUADOR FUNDACIÓN JOCOTOCO

In 2012, Ipsen made a two-year commitment to the rainforest conservation charity, the World Land Trust, which is active in protecting the most threatened habitats and improving our understanding of biodiversity. The funds were used by the Jocotoco Foundation to plant 1,600 tropical trees in the Jorupe reserve in the south of Ecuador.

CULTURE

FRANCE THE LOUVRE MUSEUM

Ipsen has been a member of the Louvre Museum's corporate program since 2008 and contributes to funding the world-famous museum and protecting its heritage.
In 2007, Ipsen participated in the acquisition of an Egyptian medical papyrus from the New Empire (1550-1050 BC), which was declared a "national treasure", and sponsored the exhibition, "Meroe, Empire on the Nile", in 2010. In 2012, Ipsen sponsored the "Belles Heures of Jean de France, Duc de Berry" exhibition, which featured 47 individual leaves, considered as masterpieces of book illumination from the 15th Century.

THE “FONDATION IPSEN”

IMPROVING UNDERSTANDING FORMS THE BASIS FOR TACKLING TODAY'S CHALLENGES IN BIOMEDICINE. THE MISSION OF THE “FONDATION IPSEN” IS TO PROVIDE INSIGHT ON EMERGING THEMES AND ACT AS CATALYST TO FOSTER SCIENTIFIC EXCHANGE AND THE DISSEMINATION OF KNOWLEDGE.

THE "FONDATION IPSEN"

Created in 1983 under the aegis of the Fondation de France, the "Fondation Ipsen" remains faithful to its tradition and commitments, focusing on emerging biomedical research themes, such as induced pluripotent stem (iPS) cells and cellular reprogramming (for which the Nobel Prize for Medicine was awarded in 2012), the relationship between Alzheimer's disease and prions, epigenetics, and intrauterine programming.
The involvement of the "Fondation Ipsen" in the most promising scientific fields was highlighted again this year with the participation of 2012 Nobel laureate, John Gurdon, as a speaker at the foundation's 20th Medicine and Research in Neurosciences (CMRs) Meeting, and the awarding of the Nobel Prize for Chemistry in 2012 to Robert Lekowith, a recipient of the foundation's Endocrinology prize.

MEDICINE AND RESEARCH

The "Fondation Ipsen" continues to host its series of scientific meetings, known as "Colloques Médecine et Recherche" (CMR):

27TH CMR
Paris (France) 02/27/2012

Theme
Alzheimer's disease, proteopatic seeds and neurodegenerative diseases
In collaboration with
Mathias Jucker, *Hertie-Institute Clinical Brain Research, Tübingen, Germany*
Highlights
It had been shown for the first time that all neurodegenerative pathologies develop in a manner similar to prion diseases
With the participation of
Eric Kandel, Nobel Prize 2000 and Stanley Prusiner, discoverer of the concept of prions, Nobel Prize 1997.

8TH CMR CANCER SERIES
Ouro Preto (Brazil)
03/10-14/2012

Theme
Mouse models of human cancer: are they relevant?
In collaboration with
Inder Verma
Salk Institute for Biological Studies, La Jolla, US
With the participation of
Michael Bishop, Nobel Prize 1989, and David Baltimore, Nobel Prize 1975

20TH CMR NEUROSCIENCE SERIES
Paris (France)
04/12/ 2012

Theme
Programmed cells: from basic neuroscience to therapy
In collaboration with
Fred H. Gage
Salk Institue for Biological Studies, La Jolla, US
With the participation of
John Gurdon, Nobel Prize of Medicine 2012

12TH CMR ENDOCRINOLOGY SERIES
Paris (France)
12/03/2012

Theme
Hormones, intrauterine health and programming
In collaboration with
Jonathan Seckl
Queen's Medical Research Institute, University of Edinburgh, Edinburgh, UK

PARTNERSHIPS

Alongside its core activities, the "Fondation Ipsen" also pursues prestigious partnerships. In addition to the Days of Molecular Medicine series, the foundation continued its collaboration with Cell Press and the Days of Molecular Medicine Global Foundation to organize "Forces in Biology", the sixth in the Days of Molecular Medicine Exciting Biology series, held in Dublin (Ireland), from October 4 to 6, 2012.
The Immunology symposium, part of the Biological Complexity series organized in partnership with the Salk Institute and *Nature*, was held in La Jolla (California, US) on January 18, 19 and 20, 2012. Jules Hoffmann and Bruce Beutler, the 2011 Nobel prizewinners in Medicine, were amongst the speakers at the meeting.

DAYS OF MOLECULAR MEDICINE

The "Fondation Ipsen" teamed up with prestigious American journal, Science *(which recently launched* Science Translational Medicine*), the Karolinska Institute of Stockholm (awarder of the Nobel Prize), and the Days of Molecular Medicine Foundation (DMMGF), headed by Harvard Professor Ken Chien, to organize the annual Translational Medicine conference. The 2012 edition on the theme of "The translational science of rare diseases: from rare to care" was held in Vienna (Austria) from October 8 to 10, with the participation of the Institute of Molecular Biotechnology of the Austrian Academy of Sciences (IMBA) and Ludwig-Maximilians-University (LMU). Some of the world's leading specialists in rare diseases presented their most recent work.*

"FONDATION IPSEN"

PRIZES

The "Fondation Ipsen" awards prizes for outstanding research at international conferences.

23RD NEURONAL PLASTICITY PRIZE
> 8TH Neurosciences Forum Barcelona, Spain
Federation of European Neurosciences

Catherine Dulac
Howard Hughes Medical Institute, Harvard University, Cambridge, US
Michael Meaney
Douglas Mental Health University Institute, McGill University, Montreal, Canada
J. David Sweatt
University of Alabama at Birmingham, Birmingham, US

> Pioneering work on epigenetic mechanisms involved in brain development, behavior and their pathologies.

17TH LONGEVITY PRIZE
Linda Fried
Columbia University, New York, US

> Work on the frailty syndrome related to aging.

20TH JEAN-LOUIS SIGNORET NEUROPSYCHOLOGY PRIZE
Cathy Price
University College, London, UK

> Work on the neurological bases of reading and writing.

11TH ENDOCRINOLOGY PRIZE
Jeffrey Friedman
Rockefeller University, New York, US

> Discovery of the leptin hormone and its role in regulating body weight.

To date, the "Fondation Ipsen" has over 100 publications to its name and has awarded more than 250 prizes and scholarships.

PUBLICATIONS

Thank you to all Ipsen members of staff who appear in this publication.

CONCEPTION AND EDITORIAL .tof, Ipsen-Public Affairs and Corporate Communications
CREATED AND PRODUCED BY .tof/jeanyvesverdu sprl
PHOTO CREDITS © Gérard Uféras. Pages: 4, 24 (except Christel Bories, DR), 58, 59, 66, 67, 74, 75, 83
Completed on April, 10, 2013
Printed in Brussels by Hayez/Elite Services
Printed on paper Munken Lynx by Arctic Paper (company certification ISO 14001, EMAS, OHSAS 18001, ISO 9001; paper certification FSCTM & PEFC)
Company registration No RCS Nanterre 419 838 529

65, quai Georges Gorse - 92100 Boulogne-Billancourt - France
www.ipsen.com

Follow us

www.facebook.com/IpsenGroup www.twitter.com/IpsenGroup