

Ipsen's hemophilia partner, Inspiration Biopharmaceuticals, seeks Chapter 11 protection

- Inspiration to seek a \$18.3m debtor-in-possession (DIP) financing facility from Ipsen
- Ipsen and Inspiration propose to jointly sell hemophilia assets in a court-approved marketing and auction process
- Ipsen's 2020 ambitions confirmed

Paris (France), 31 October 2012 - Ipsen (Euronext: IPN; ADR: IPSEY) today announced that Inspiration Biopharmaceuticals Inc. (Inspiration) has commenced a voluntary reorganization case pursuant to Chapter 11's provisions of the United States Bankruptcy Code. Inspiration's Chapter 11 case was filed on October 30, 2012 with the United States Bankruptcy Court in Boston, Massachusetts.

With this filing, Inspiration is seeking to have the Bankruptcy Court's approval on detailed bidding and auction procedures for the sale of its assets to a third party purchaser. Inspiration's assets are notably comprised of commercial rights¹ to OBI-1, a recombinant porcine factor VIII (rpFVIII) for the treatment of hemophilia A with inhibitors and IB1001, a recombinant factor IX (rFIX) for the treatment of hemophilia B. Through its \$200 million of convertible bonds, Ipsen is Inspiration's only senior secured creditor.

Ipsen has agreed to include its hemophilia assets in the sale process under certain conditions. Ipsen's assets are comprised of commercial rights² to OBI-1 and IB1001 as well as its OBI-1 industrial facility in Milford (Boston, MA).

In connection with the proposed asset sale, Inspiration and Ipsen will jointly mandate an investment bank for the transaction.

Marc de Garidel, Chairman and Chief Executive Officer of Ipsen, said *"The Chapter 11 filing and the proposed asset sale reflect the efforts by both Inspiration and Ipsen to find the best path to develop and commercialize their product candidates. Both companies will now strive to find the best partner to provide both patients and the medical community with new therapeutic solutions."*

Marc de Garidel added: *"The first nine months sales of 2012, with all three specialty franchises up double digit, once more highlight the pertinence of the Group's strategy of focus. These solid fundamentals associated to external growth and partnering opportunities allow us to confirm our 2020 ambition of doubling sales and tripling recurring adjusted EBIT."*

¹ Mainly the Americas and Japan

² Europe (EU, Switzerland, Monaco, Norway, Lichtenstein, Georgia, Bosnia, Albania and all EU candidates excluding Turkey), Russia and CIS (Community of Independent States), part of Asia Pacific (main countries are Australia, New Zealand, China, Singapore, South Korea and Vietnam) and certain countries in North Africa (Morocco, Algeria, Tunisia, Libya)

Under the Chapter 11 procedure, Ipsen has agreed to provide Inspiration with so-called: "Debtor-in-Possession financing" (DIP) for an amount of up to \$18.3 million assuming certain conditions are met. It is anticipated that the DIP financing will be sufficient to enable Inspiration and Ipsen to successfully achieve the sale to a third party purchaser.

On the basis of available information, Ipsen's related impairment could result in the depreciation of part or all of the hemophilia-related assets on Ipsen's balance sheet for a total non-cash and non-recurring amount of around 120 million euros after tax (mainly composed of the convertible bonds, the Milford manufacturing site and the DIP financing). The ultimate charge will depend on the results of the auction process and the bankruptcy court's determination of the proceeds distribution to creditors therein.

Webcast and Conference Call (in English) for financial analysts

Ipsen will host a web conference (audio webcast) and conference call on Wednesday 31 October 2012 at 2:30 pm (Paris time - GMT+1).

The webcast will be available live at: http://webeventservices.reg.meeting-stream.com/ipsen_70636/. Participants in the conference call may connect for the meeting 5-10 minutes prior to its start. No reservations are required to participate. The telephone number to call in order to connect to the conference will be supplied online.

After the live event, this link becomes the archive (recording) link, available for one week following the meeting.

About the partnership agreement between Inspiration and Ipsen and the product portfolio

In January 2010, Inspiration entered into a strategic agreement with Ipsen, leveraging the combined expertise and resources of the two companies, to develop a broad portfolio of hemophilia products and two products in phase III. IB1001, an investigational intravenous recombinant factor IX (rFIX) therapy for the treatment and prevention of bleeding episodes in people with hemophilia B and OBI-1 an investigational intravenous recombinant porcine factor VIII (rpFVIII) therapy for the treatment of patients with i) acquired hemophilia A and ii) congenital hemophilia A who have developed inhibitors against human FVIII.

In August 2011, Ipsen and Inspiration announced the extension of their agreement to create a hemophilia business unit structure that will act as the exclusive sales organization for all hemophilia products commercialized under the Inspiration brand in Europe.

In July 2012 Inspiration announced that IB1001 was placed on clinical hold by the Food and Drug Administration (FDA).

On 21 August 2012, Ipsen and Inspiration renegotiated their 2010 partnership. This agreement aimed to establish an effective structure whereby Ipsen gained commercial rights in key territories. Inspiration remains responsible for the world-wide development of OBI-1 and IB1001. Ipsen paid a bridging facility for an amount of \$30 million providing both Inspiration with time to secure independent third party financing and Ipsen with time to assess potential ways forward.

On 31 August 2012, Ipsen paid Inspiration \$7.5 million and received a warrant for 15% of Inspiration's equity. Ipsen had agreed to pay Inspiration an additional \$12.5 million if Inspiration had raised third party financing by the contractual deadline of 30 September 2012. Inspiration did not manage to raise external funding by this contractual deadline.

On 30 October 2012, Inspiration commenced a voluntary reorganization case pursuant to Chapter 11's provisions of the United States Bankruptcy Code.

About Chapter 11

Chapter 11 of the U.S. Bankruptcy Code is a legal process under which a company can continue and maintain its business in the ordinary course and be protected from creditors' efforts to collect on their debts while it reorganizes and restructures its business. Nonetheless, certain of the company's activities are

subject to close review and approval by a judge as well as a committee of major creditors if appointed in the Chapter 11 case.

About Ipsen

Ipsen is a global specialty-driven pharmaceutical company with total sales exceeding €1.1 billion in 2011. Ipsen's ambition is to become a leader in specialty healthcare solutions for targeted debilitating diseases. Its development strategy is supported by four franchises: neurology / Dysport[®], endocrinology / Somatuline[®], uro-oncology / Decapeptyl[®] and hemophilia. Moreover, the Group has an active policy of partnerships. Ipsen's R&D is focused on its innovative and differentiated technological platforms, peptides and toxins. In 2011, R&D expenditure totaled more than €250 million, above 21% of Group sales. The Group has total worldwide staff of close to 4,500 employees. Ipsen's shares are traded on segment A of Euronext Paris (stock code: IPN, ISIN code: FR0010259150) and eligible to the "Service de Règlement Différé" ("SRD"). The Group is part of the SBF 120 index. Ipsen has implemented a Sponsored Level I American Depositary Receipt (ADR) program, which trade on the over-the-counter market in the United States under the symbol IPSEY. For more information on Ipsen, visit www.ipсен.com.

Ipsen's Forward Looking Statement

The forward-looking statements, objectives and targets contained herein are based on the Group's management strategy, current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by the Group. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably the fact that a promising product in early development phase or clinical trial may end up never being launched on the market or reaching its commercial targets, notably for regulatory or competition reasons. The Group must face or might face competition from Generics that might translate into a loss of market share.

Furthermore, the Research and Development process involves several stages each of which involves the substantial risk that the Group may fail to achieve its objectives and be forced to abandon its efforts with regards to a product in which it has invested significant sums. Therefore, the Group cannot be certain that favorable results obtained during pre-clinical trials will be confirmed subsequently during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safe and effective nature of the product concerned. The Group also depends on third parties to develop and market some of its products which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to the Group's activities and financial results. The Group cannot be certain that its partners will fulfill their obligations. It might be unable to obtain any benefit from those agreements. A default by any of the Group's partners could generate lower revenues than expected. Such situations could have a negative impact on the Group's business, financial position or performance.

The Group expressly disclaims any obligation or undertaking to update or revise any forward looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law.

The Group's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers.

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