

Ipsen and Inspiration Biopharmaceuticals enter into an Asset Purchase Agreement with Baxter International on OBI-1

- OBI- 1 (rpFVIII) rights and Milford (MA)-based manufacturing facility sold to Baxter for an upfront payment of \$50m
- Baxter to pay up to \$135m in potential additional OBI-1 development and commercial milestones
- Baxter to make net sales payments equivalent to tiered double digit percentage of OBI-1 annual net sales
- OBI-1 Asset Purchase Agreement subject to closing conditions, including Bankruptcy Court and regulatory approvals
- Ongoing separate sale process for IB1001 (rhFIX)

Paris (France), 24 January 2013 - Ipsen (Euronext: IPN; ADR: IPSEY) and Inspiration Biopharmaceuticals Inc. (Inspiration) today announced they entered into an Asset Purchase Agreement (APA) whereby Baxter International (Baxter) agrees to acquire the worldwide rights to OBI-1, a recombinant porcine factor VIII (rpFVIII) in development for congenital hemophilia A with inhibitors and acquired hemophilia A, and Ipsen's industrial facility in Milford (Boston, MA).

The APA was filed yesterday, 23 January 2013, with the US Federal Bankruptcy Court in Boston (MA). The sale is a result of joint marketing and sale process pursued by Ipsen and Inspiration shortly after Inspiration filed for protection under Chapter 11 of the U.S. Bankruptcy Code on October 30, 2012. Ipsen has been providing Inspiration with Debtor-in-Possession financing (DIP) for an amount of up to \$18.3 million in order to permit the sale process to proceed.

Under the terms of the APA, Baxter has agreed to pay \$50 million upfront, up to \$135 million in potential additional development and commercial milestones as well as tiered net sales payments ranging from 12.5% to 17.5% of OBI-1 annual net sales.

The APA is subject to certain closing conditions, including Bankruptcy Court and regulatory approvals. Ipsen has agreed to extend the DIP to Inspiration for a period of 45 days i.e. for an additional amount of up to c. \$5 million.

The sale process for IB1001, a recombinant factor IX (rFIX) for the treatment and prevention of bleeding in patients with hemophilia B is separate and in the final bidding stage.

As Inspiration's only senior secured creditor and as the owner of non-Inspiration assets that will be included in the sale of both OBI-1 and IB1001, Ipsen will receive approximately 60% of the upfront payments. Over and above these upfront amounts, Ipsen will receive 80% of all payments up to a present value of \$304 million and 50% of all proceeds thereafter.

On the basis of available information, the share of upfront payment to be received by Ipsen should mainly cover the total amount of DIP financing provided to Inspiration. The remaining portion of proceeds is contingent on OBI-1's approval. As a consequence, the Group, as of 31 December 2012, may impair hemophilia related assets (mainly composed of the convertible bonds and the Milford manufacturing site) for a total amount of around €100 million after tax.

Evercore Partners served as exclusive financial advisor to Inspiration and Ipsen on the transaction.

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 with the objective of leading a joint marketing and sales process. Ipsen is seeking to exit hemophilia through this process.

On 24 January 2013, Ipsen and Inspiration announced that they had entered into an Asset Purchase Agreement for the sale of OBI-1 to Baxter subject to closing conditions, including Bankruptcy Court and antitrust approvals.

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 three franchises: neurology, endocrinology, uro-oncology. 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.ipsen.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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