PRESS RELEASE

Ipsen's 2013 results and 2014 financial objectives

- **Solid operating performance above expectations, with a recurring adjusted[1] operating margin of 17.0%[2]:**
- **Recurring adjusted[1] fully diluted EPS of €1.85, up 5.1%**
- **Operating cash-flow of €188.1 million, up 30.4%**
- **Proposed dividend of €0.80 per share, stable year-on-year**

Paris (France), 28 February 2014 – The Board of Directors of Ipsen (Euronext: IPN; ADR: IPSEY), chaired by Marc de Garidel, met on 27 February 2014 to review the Group's results for 2013, published today. The annual financial report, with regards to the regulated information, will be available on the Group's website, www.ipsen.com, Investor Relations section.

Extract from audited consolidated results for 2013 and 2012 restated[3] (in million euros)

	2013	*2012 restated[3]*	*% change*
Drug sales	1,191.3	1,187.0	+2.1%[4]
Sales	1,224.8	1,219.5	+2.2%[4]
Total revenues	1,281.8	1,277.4	+0.3%
Operating profit	190.7	117.1	+62.9%
Operating margin[2]	*15.6%*	*9.6%*	-
Recurring adjusted[1] operating profit	**208.6**	**198.3**	**+5.2%**
Recurring adjusted[1] operating margin[2]	*17.0%*	*16.3%*	-
Consolidated profit	**153.1**	**(27.5)**	***N/A***
Earnings per share – fully diluted (€)	1.83	(0.33)	*N/A*
Recurring adjusted[1] consolidated profit	154.0	147.1	+4.7%
Recurring adjusted[1] EPS – fully diluted (€)	**1.85**	**1.76**	**+5.1%**
Weighted average number of shares:			
Outstanding	*83,029,957*	*83,155,604*	-
Fully diluted	*83,163,230*	*83,460,232*	-

Commenting the 2013 performance, **Marc de Garidel, Chairman and Chief Executive Officer of Ipsen**, stated: "*2013 results highlight the improvement of the Group's operating result in the last two years and reflect the past restructuring efforts. The recurring adjusted[1] operating margin reached 17%[2], above expectations. From a clinical standpoint, 2013 was marked by important results for Dysport® and Somatuline®.* **Marc de Garidel** added: *"In 2014, the Group intends to accelerate specialty care growth and is preparing for the US launch of Somatuline® in NET and the tasquinimod phase III results in prostate cancer."*

Comparison between the Group's 2013 performance and its financial objectives

[1] "Recurring adjusted": reconciliations between results and recurring adjusted results for 2013 and 2012 are detailed in appendix 4
[2] In % of sales
[3] For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)
[4] Sales growth excluding foreign exchange impact, calculated by applying the average 2013 rates to 31 December 2012 sales figures

	Initial financial objectives[1]	*Revised financial objectives*[2]	*Realized in 2013*
Specialty care drug sales	[+6% ; +8%][3]	Around +3.0%[3]	+3.0%[3]
Primary care drug sales	[-8% ; -6%][3]	Around -1.0%[3]	-0.1%[3]
Recurring adjusted[4] operating margin	Around 16.0% of sales	Around 16.0% of sales	17.0% of sales

Review of full year 2013 results

In 2013, Group drug sales grew 2.1% year-on-year excluding foreign exchange impact[3] or 0.4% at current exchange rate.

Consolidated Group sales reached €1,224.8 million in 2013, up 2.2% year-on-year excluding foreign exchange impact[3].

Other revenues reached €57.0 million in 2013, down 1.5% compared to €57.9 million in 2012. In 2013, the Group recorded revenues of €17.7 million, compared with €20.9 million the previous year, notably arising from the Group's co-promotion and co-marketing agreements in France. In 2013, except for residual compensation paid to Ipsen by Novartis, this line item no longer included revenues from Exforge®, following the April 2012 termination of the co-promotion agreement with Novartis in France. Royalties received amounted to €15.3 million in 2013, up €3.4 million year-on-year, driven by the increase in royalties paid by Group partners.

Total revenues amounted to €1,281.8 million in 2013, up 0.3% compared with 2012.

Cost of goods sold amounted to €253.4 million, representing 20.7% of sales, compared with 20.9% of sales in 2012. The improvement in cost of goods sold stemmed notably from a favourable product mix and increased productivity efforts, partially offset by higher custom duties, as a result of the Group's increased business activity in certain countries and the decline in primary care volumes.

Research and development expenses represented €259.1 million in 2013, up 4.4% year-on-year, mainly driven by the major programmes conducted during the period on Dysport® (spasticity of the lower and upper limbs), tasquinimod and Somatuline®. Industrial and pharmaceutical development costs were stable between 2013 and 2012. These expenses notably included costs related to the validation of the tasquinimod manufacturing process, to the on-going rollout of a development platform for toxins, and to the work on a ready-to-use, liquid formulation for Dysport® (Dysport® Next Generation).

Selling, general and administrative expenses amounted to €555.1 million in 2013, representing 45.3% of sales, down 1.6% versus 2012. Royalties paid to third parties on sales of products marketed by the Group totalled €51.9 million in 2013, up 0.4% year-on-year, driven by improved in-market sales of in-licensed products. Other sales and marketing expenses amounted to €399.3 million, or 32.6% of sales, down 5.2% compared with 2012. The decline stemmed from the restructuring of both the French primary care sales force and the US sales force. General and administrative expenses grew 4.8% in 2013, notably as a result of actions taken to accelerate the execution of the Group's strategy and of a step-up in tax measures in France.

[1] 2013 initial guidance issued on 27 February 2013
[2] 2013 updated guidance communicated on 30 August 2013
[3] Sales growth excluding foreign exchange impact, calculated by applying the average 2013 rates to o 31 December 2012 sales figures

[4] "Recurring adjusted": reconciliations between results and recurring adjusted results for 2013 and 2012 are detailed in appendix 4

Reported operating income in 2013 amounted to €190.7 million, up 62.9% year-on-year, notably affected by:

- **Other operating income and expenses.** Other operating income, which primarily included revenue from the sublease of Ipsen's headquarters building, amounted to €5.7 million. Other operating expenses amounted to €12.0 million, down from €25.8 million the previous year. Other operating expenses primarily included non-recurring costs related to the acquisition of Syntaxin Ltd., the reorganisation of the US subsidiary, the settlement of a trade dispute with a partner, an administrative proceeding brought against the Group, as well as headquarters rental costs.
- **Amortisation of intangible assets (excluding software)**, represented a €4.4 million charge, compared to €5.8 million the previous year. The decrease is mainly due to the discontinuation of the IGF-1 license amortisation, following the new impairment loss recognised at 30 June 2013 (see impairment losses paragraph) and the complete amortisation of Exforge® (termination of the co-promotion agreement with Novartis in France effective 30 April 2012).
- **Restructuring costs**, which amounted to €0.2 million in non-recurring costs, mainly arising from the reversal of an accrual related to the primary care restructuring plan in France, offset by restructuring costs in the US (non-recurring costs of €4.1 million, which primarily included compensation-related expenses for the early termination of employment contracts) and by costs incurred by the Group to accelerate the implementation of transformation initiated in 2011, that aims at adapting the Group's operating structures to future challenges. In 2013, these costs were mainly related to measures taken to adjust resources in certain geographies following the implementation of the new strategy, the transformation and reorganization of Research and Development activities and the adjustment of support functions.
- **Impairment losses**, which represented a non-recurring charge of €12.6 million. In view of the supply interruption and the uncertainty about the date of re-supply in the US, the Group recognised a non-recurring €11.6 million impairment loss on the Increlex® IGF-1 asset at 30 June 2013. With this impairment loss, the carrying value of the IGF-1 active ingredient became zero. Ipsen also recognised a €1.0 million impairment loss following a decision by the Group not to exercise its right to develop a neurology programme.

Excluding purchase price allocation impacts, non-recurring restructuring costs and impairment charges, the Group's **recurring adjusted[1] operating income** amounted to €208.6 million, or 17.0% of consolidated sales, up 5.2% year-on-year.

Net financing costs represented a €5.8 million income, compared to a €1.3 million expense the previous year. The net income mainly resulted from a financial gain on the repayment of the Debtor-in-Possession (DIP) financing granted by Ipsen to Inspiration Biopharmaceuticals Inc. at the end of 2012, following the sale of its hemophilia assets to Baxter and Cangene.

Other financial income and expenses amounted to a €14.8 million charge at 31 December 2013. The expense primarily arose from a negative €11.2 million foreign exchange impact and a €2.0 million depreciation charge on convertible bonds subscribed by the Group to develop a neurology programme. At 31 December 2012, the Group recognised other financial income of €6.8 million, resulting from an unfavourable exchange rate impact, additional payments received on its sale of PregLem Holdings SA shares in 2010, and a profit from the sale of shares in Spirogen Plc during the year.

The Group effective tax rate was 21.8% of profit before tax from continuing operations in 2013, compared with 20.6% in 2012. Excluding non-recurring operating, financial and fiscal items, the Group's effective tax

[1] "Recurring adjusted": reconciliations between results and recurring adjusted results for 2013 and 2012 are detailed in appendix 4

rate amounted to 20.6% in 2013, compared with 23.3% in 2012.

Net profit from continuing operations amounted to €142.2 million at 31 December 2013, up 46.0% from the €97.4 million posted at 31 December 2012.

Net profit from discontinued operations amounted to €10.9 million at 31 December 2013, compared with a net loss of €124.8 million in 2012. It primarily comprises:

- the rebilling to Baxter of production costs for OBI-1 clinical samples prior to the effective transfer of the production site and staff,
- the negotiated repayment of advisory fees paid by Ipsen during the joint asset-sale process with Inspiration Biopharmaceuticals Inc.,
- the tax impact related to the compensation paid by the Group to the US subsidiary that sold the assets.

Consolidated net profit in 2013 was €153.1 million (€152.5 million attributable to Ipsen S.A. shareholders), compared to a €27.5 million consolidated net loss (€27.9 million loss attributable to Ipsen S.A shareholders) in 2012.

At 31 December 2013, **recurring adjusted[1] profit from continuing operations** amounted to €154.0 million, up 4.7% from €147.1 million a year earlier.

Net cash generated by operating activities from continuing operations amounted to €181.4 million in 2013, up €16.4 million year-on-year. Total net cash generated by operating activities amounted to €188.1 million in 2013, up 30.4% year-on-year. At 31 December 2013, the Group had a positive **net cash position[2]** of €125.4 million euros, compared with a positive net cash position of €113.3 million euros in 2012.

Dividend for the 2013 financial year proposed for the approval of Ipsen's shareholders

Ipsen's Board of Directors, which met on 27 February 2014, has decided to propose at Ipsen's annual shareholders' meeting to be held on 4 June 2014 the payment of a dividend of €0.80 per share, stable year-on-year, representing a pay-out ratio of approximately 44% of recurring adjusted[1] consolidated net profit (attributable to the Group's shareholders), compared to a pay-out ratio of approximately 46% for the 2012 financial year.

2014 financial objectives

Based on information currently available, the Group has set the following financial targets for 2014:

- **Specialty Care** drug sales growth year-on-year **between 4.0% and 6.0%**, driven by normalization of situation in the China, in a context of continued pricing pressure and uncertainty on Increlex® US resupply ;
- **Primary Care** drug sales decline year-on-year **between -2.0% and 0.0%,** excluding the launch of a Smecta® generic in France ;
- **Recurring adjusted[1] operating margin between [16.0%; 17.0%]** of sales. In 2014, Ipsen will continue to implement operating efficiency measures. The Group notably strives to limit the profitability impact of launching Somatuline® NET in the US.

The above objectives are set at constant currency and exclude major negative unforeseeable events, for instance the deterioration in the economic environment in Ukraine.

[1] "Recurring adjusted": reconciliations between results and recurring adjusted results for 2013 and 2012 are detailed in appendix 4
[2] Net cash and cash equivalents: cash and cash equivalents after deduction of bank overdrafts

Press conference (in French)

Ipsen will host a press conference on Friday 28 February 2013 at 9:00 a.m. (Paris time, GMT +1) at Pavillon Kléber - 7 rue Cimarosa - 75116 Paris (France).

Meeting, webcast and Conference Call (in English) for the financial community

Ipsen will host an analyst meeting on Friday 28 February 2014 at 14:30 a.m. (Paris time, GMT+1) at its headquarters in Boulogne-Billancourt (France). A web conference (audio and video webcast) and conference call will take place simultaneously. The web conference will be available at www.ipsen.com. Participants in the conference call should dial in approximately 5 to 10 minutes prior to its start. No reservation is required to participate. The reference for the conference is **ID 941674**. Phone numbers to call in order to connect to the conference are: from France and continental Europe +33 (0)17 0993 213, from UK +44 (0)207 0389 482 and from the United States +1 646 461 1771. No access code is required. A recording will be available shortly after the call. Phone numbers to access the replay of the conference are: from France and continental Europe +33 (0)17 0993 213, from UK +44 (0)207 0389 482 and from the United States +1 646 461 1771 and access code is 941674. This replay will be available for one week following the meeting.

About Ipsen

Ipsen is a global specialty-driven pharmaceutical company with total sales exceeding €1.2 billion in 2013. Ipsen's ambition is to become a leader in specialty healthcare solutions for targeted debilitating diseases. Its development strategy is supported by 3 franchises: neurology, endocrinology and 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 2013, R&D expenditure totaled close to €260 million, representing more than 21% of Group sales. Moreover, Ipsen also has a significant presence in primary care. The Group has close to 4,600 employees worldwide. 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.

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 favourable 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 fulfil 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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APPENDICES

Risk factors

The Group operates in an environment which is undergoing rapid change and exposes its operations to a number of risks, some of which are outside its control. The risks and uncertainties set out below are not exhaustive and the reader is advised to refer to the Group's 2012 Registration Document available on its website www.ipsen.com.

- The Group is faced with uncertainty in relation to the prices set for all its products, in so far as medication prices have come under severe pressure over the last few years as a result of various factors, including the tendency for governments and payers to reduce prices or reimbursement rates for certain drugs marketed by the Group in the countries in which it operates, or even to remove those drugs from lists of reimbursable drugs.
- The Group depends on third parties to develop and market some of its products, which generates or may generate substantial royalties for the Group, but these third parties could behave in ways that cause damage to the Group's business. 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.
- Actual results may depart significantly from the objectives given that a new product can appear to be promising at a development stage, or after clinical trials, but never be launched on the market, or be launched on the market but fail to sell, notably for regulatory or competitive reasons.
- The Research and Development process typically lasts between eight and twelve years from the date of discovery to a product being brought to market. This process involves several stages; at each stage, there is a substantial risk that the Group could fail to achieve its objectives and be forced to abandon its efforts in respect of products in which it has invested significant amounts. Thus, in order to develop viable products from a commercial point of view, the Group must demonstrate, by means of pre-clinical and clinical trials, that the molecules in question are effective and are not harmful to humans. The Group cannot be certain that favorable results obtained during pre-clinical trials will subsequently be confirmed during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safety and efficacy of the product in question such that the required marketing approvals can be obtained.
- The Group must deal with or may have to deal with competition (i) from generic products, particularly in relation to Group products which are not protected by patents, such as Forlax® and Smecta® (ii), products which, although they are not strictly identical to the Group's products or which have not demonstrated their bioequivalence, may obtain a marketing authorization for indications similar to those of the Group's products pursuant to the bibliographic reference regulatory procedure (well established medicinal use) before the patents protecting its products expire. Such a situation could result in the Group losing market share which could affect its current level of growth in sales or profitability.
- Third parties might claim the benefit of intellectual property rights with respect to the Group's inventions. The Group provides the third parties with which it collaborates (including universities and other public or private entities) with information and data in various forms relating to the research, development, manufacturing and marketing of its products. Despite the precautions taken by the Group with regard to these entities, in particular of a contractual nature, they (or certain of their members or affiliates) could claim ownership of intellectual property rights arising from the trials carried out by their employees or any other intellectual property right relating to the Group's products or molecules in development.
- The Group's strategy includes acquiring companies or assets which may enable or facilitate access to new markets, research projects or geographical regions or enable the Group to realize synergies with its existing businesses. Should the growth prospects or earnings potential of such assets as well as valuation assumptions change materially from initial assumptions, the Group might be under the obligation to adjust the values of these assets in its balance sheet, thereby negatively impacting its results and financial situation.
- The marketing of certain products by the Group has been and could be affected by supply shortages and other disruptions. Such difficulties may be of both a regulatory nature (the need to correct certain technical problems in order to bring production sites into compliance with applicable regulations) and a

technical nature (difficulties in obtaining supplies of satisfactory quality or difficulties in manufacturing active ingredients or drugs complying with their technical specifications on a sufficiently reliable and uniform basis). This situation may result in inventory shortages and/or in a significant reduction in the sales of one or more products. More specifically, in their US Hopkinton facility, Lonza, our supplier of IGF-1 (Increlex® drug substance), is experiencing manufacturing issues with Increlex®. Supply interruption occurred in mid-June 2013 in the US and in Q3 2013 in Europe and the rest of the world. On December 18th 2013, Ipsen announced that Lonza had successfully re-manufactured the active ingredient of Increlex® and that the European Medicines Agency (EMA) had been informed that Ipsen was preparing for the resupply of Increlex® in the European Union. Consultations with the National competent authorities have allowed a resupply in Europe early 2014. Resupply in the US is still pending. Ipsen is actively working with its third party manufacturer and the Food and Drug Administration (FDA) to bring Increlex® back to the US market as soon as possible.

- In certain countries exposed to significant public deficits, and where the Group sells its drugs directly to public hospitals, the Group could face discount or lengthened payment terms or difficulties in recovering its receivables in full. The Group closely monitors the evolution of the situation in Southern Europe where hospital payment terms are especially long. More generally, the Group may also be unable to purchase sufficient credit insurance to protect itself adequately against the risk of payment default from certain customers worldwide. Such situations could negatively impact the Group's activities, financial situation and results.
- In the normal course of business, the Group is or may be involved in legal or administrative proceedings. Financial claims are or may be brought against the Group in connection with some of these proceedings.
- The cash pooling arrangements for foreign subsidiaries outside the euro zone expose the Group to financial foreign exchange risk. The variation of these exchange rates may impact significantly the Group's results.

Major developments in 2013

During 2013, major developments included:

- On January 17, 2013 – Teijin Pharma Limited, the core company of the Teijin Group's healthcare business, and Ipsen announced the launch of Somatuline® 60/90/120 mg for subcutaneous injection in Japan for the treatment of acromegaly and pituitary gigantism (when response to surgical therapies is not satisfactory or surgical therapies are difficult to perform). In Japan, Teijin Pharma holds the rights to develop and market the drug.

- On January 24, 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced that they entered into an Asset Purchase Agreement (APA) whereby Baxter International (Baxter) agree 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 on 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. 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.

- On 6 February 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced that they entered into an Asset Purchase Agreement (APA) whereby Cangene Corporation (Cangene) agrees to acquire the worldwide rights to IB1001, a recombinant factor IX (rFIX) for the treatment of hemophilia B. Under the terms of the APA, Cangene has agreed to pay $5.9 million upfront, up to $50 million in potential additional commercial milestones as well net sales payments equivalent to tiered double digit percentage of IB1001 annual net sales. The APA is subject to certain closing conditions including Bankruptcy Court approval.

- On 7 February 2013 – Ipsen and Braintree Laboratories, Inc., a US-based company specializing in the development, manufacturing and marketing of specialty pharmaceuticals announced that Eziclen® / Izinova® (BLI-800) successfully completed its European decentralized registration procedure involving sixteen countries. The product will be indicated in adults for bowel cleansing prior to any procedure requiring a clean bowel (e.g. bowel visualization including bowel endoscopy and radiology or surgical procedure).

- On 20 February 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced the closing of the sale of the proprietary hemophilia B product, IB1001 (recombinant FIX), to Cangene Corporation (Cangene). Ipsen and Inspiration jointly agreed to sell their respective commercialization rights to IB1001 as part of the transaction. Cangene acquired worldwide rights to IB1001, a recombinant factor IX currently under regulatory review in the United States and Europe.

- On 27 February 2013 – Ipsen's Board of Directors appointed Christel Bories as Deputy Chief Executive Officer. This appointment will be effective as of 1 March 2013. Working alongside Marc de Garidel, Chairman and Chief Executive Officer, Christel Bories will be responsible for accelerating the execution of the Group's strategy.

- On 21 March 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced the closing of the sale of its lead hemophilia program, OBI-1 to Baxter International Inc. (Baxter), the global leader in hemophilia. Baxter acquired worldwide rights to OBI-1, a recombinant porcine factor VIII in development for the treatment of congenital hemophilia A with inhibitors and acquired hemophilia A, as well as Ipsen's manufacturing facility for OBI-1 in Milford, MA. The Ipsen employees working on the development and manufacturing of OBI-1 were offered employment by Baxter. Baxter has agreed to pay $50 million upfront, up to $135 million in potential additional development and sales milestones as well as tiered net sales payments ranging from 12.5% to 17.5% of OBI-1 global net sales. OBI-1 is currently in a pivotal trial for the treatment of individuals with acquired hemophilia A. 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 at least 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 9 April 2013 – Ipsen announced that Health Canada had granted a marketing authorization for Dysport® (Botulinum toxin type A for injection) for the temporary improvement in the appearance of moderate to severe frown lines (glabellar lines) in adult patients younger than 65 years of age. Medicis Aesthetics Canada, a division of Valeant Pharmaceuticals, will market Dysport® for use in aesthetic medicine in Canada.

- On 10 April 2013 – PeptiDream Inc., a Tokyo-based pharmaceutical company (PeptiDream), and Ipsen, a global specialty driven pharmaceutical Group, announced that they have entered into a research collaboration and license option agreement to discover, evaluate, potentially develop and launch therapeutic peptides to treat serious medical conditions in areas of therapeutic focus for Ipsen.

- On 24 April 2013 – Upon proposal of the Appointments and Governance Committee, the Board of Directors of Ipsen will propose to the Combined Shareholders' Meeting to be held on 31 May 2013 the renewal of the terms of office as Directors of Mr. Antoine Flochel and Mr. Gérard Hauser and the appointment as a Director of Mrs. Martha Crawford in replacement of Mr. Klaus-Peter Schwabe who did not request the renewal of his term of office.

- On 25 April 2013 – Ipsen announced that the supplier of Increlex®'s (mecasermin [rDNA origin] Injection) active ingredient, Lonza, was facing manufacturing issues with Increlex® at its Hopkinton site (MA, USA). The supply interruption occurred in mid-June 2013 in the US and in Q3 2013 in Europe and the rest of the world. Ipsen is actively working with its third party manufacturer and the Food and Drug Administration (FDA) to bring Increlex® back to the US market as soon as possible.

- On 25 April 2013 – Active Biotech and Ipsen announced that the companies have updated the analysis plan for the 10TASQ10 trial, a global Phase III clinical trial evaluating tasquinimod in patients with metastatic castrate-resistant prostate cancer (mCRPC) who have not yet received chemotherapy. The companies now plan to conduct the primary PFS analysis for the 10TASQ10 trial in 2014, at the same time as the first interim overall survival (OS) analysis. The time point for the OS interim analysis will be driven by the number of OS events. The specified number of radiographic progression-free survival (PFS) events for the primary end-point will have been exceeded at the time of interim OS analysis.

- On 14 June 2013 – Ipsen announced that, as part of the accelerated execution of its strategy in the USA, the Group adopted a new organizational model for the distribution of Dysport® in therapeutic indications. With the growing importance of market access and payer driven decisions in healthcare, Ipsen is shifting its business model toward account management in the USA. As such, the Dysport® sales force has been optimized and refocused on key accounts, which will allow the Group to better serve physicians and patients.

- On 11 July 2013 – Ipsen announced results from the primary endpoint of the CLARINET® study, assessing the effect of Somatuline® Autogel® 120 mg on tumor progression-free survival in patients with gastroentero and pancreatic neuroendocrine tumors (GEP-NETs). Treatment with Somatuline® Autogel® 120 mg was found to be statistically significantly superior to placebo in extending time to either disease progression or death. The safety profile observed in the study is consistent with the known safety profile of Somatuline®. Comprehensive results from this study were disclosed at the 2013 European Cancer Congress (Sept. 27 – Oct. 1, 2013). CLARINET® provides medically important results as it is the first large scale placebo-controlled randomized study to demonstrate the antitumoral activity of a somatostatin analog in non-functioning GEP-NETs.

- On 15 July 2013 – Ipsen announced the closing of the acquisition of Syntaxin, a UK-based private life sciences company specialized in botulinum toxin engineering. Under the terms of the agreement, Ipsen will pay €27.9 million upfront, as well as further contingent payments that could reach €130 million or more depending on the achievement of development and commercial milestones. Furthermore, Syntaxin's shareholders will receive the greater part of additional downstream payments related to the company's most advanced asset, currently in Phase II clinical trials. The transaction fits into Ipsen's strategy to reinforce its core technological platforms, peptides and toxins. Syntaxin has a wealth of experience in botulinum toxin biology, supported by an extensive patent portfolio – with 75 granted

patents and over 130 patents pending. Syntaxin and Ipsen started collaborating in 2010. In 2011, they signed a global strategic partnership to explore the discovery and development of new compounds in the field of recombinant botulinum toxins. Syntaxin's team has used its extensive expertise in the discovery of new therapeutic candidates while Ipsen applied its skills to pharmacological, preclinical and clinical assessment of the compounds. Prior to the transaction, Ipsen owned c.10% of Syntaxin's capital on a fully diluted basis.

- On 15 July 2013 – Ipsen announced that it had initiated a research and development collaboration on novel engineered botulinum toxins with Harvard Medical School (Harvard). Under the terms of the agreement, Ipsen will fund Harvard research for at least three years with the aim to discover, evaluate and develop novel engineered recombinant botulinum toxins for the treatment of serious neurologic diseases. The collaboration will combine Harvard's discovery platform and botulinum toxins engineering expertise with Ipsen's know-how in drug discovery and pharmaceutical R&D. Ipsen will have exclusive worldwide rights on any candidate recombinant toxin stemming from the collaboration. Ipsen will be responsible for the development and marketing of the new toxins and will make associated upfront, milestones and royalty payments to Harvard.

- On 29 August 2013 – Ipsen announced the departure of Eric Drapé, Executive Vice-President, Technical Operations. Christel Bories, Deputy CEO, takes over his responsibilities on an interim basis.

- On 29 August 2013 – Ipsen and Allergan have signed an agreement to settle their dispute on patents for the therapeutic use of botulinum toxin in urology indications. This agreement has had no impact on the Group's treasury.

- On 17 September 2013 – Ipsen announced positive top line results from the primary endpoint of the ELECT® study, assessing the effect of Somatuline® Autogel® / Somatuline® Depot® (lanreotide) Injection 120 mg on the control of symptoms in patients with neuroendocrine tumors (NETs) associated with carcinoid syndrome. Treatment with Somatuline® was found to be statistically significantly superior to placebo in decreasing the number of days patients needed to use rescue medication (subcutaneous somatostatin analogues i.e., octreotide) to control symptoms associated with carcinoid syndrome.

- On 26 September 2013 – Ipsen announced plans to relocate its U.S. R&D operations in 2014 from Milford to Cambridge, MA – a leading hub for biotechnology research. This site will be key for innovation in targeted therapies across Ipsen's specialty areas as well as a center of excellence for peptides.

- On 28 September 2013 – Ipsen announced that results from CLARINET® Phase III clinical trial presented at the 2013 European Cancer Congress showed the antiproliferative effect of Somatuline® (lanreotide) 120 mg injection in the treatment of non-functioning gastroentero and pancreatic neuroendocrine tumors (GEP-NETs). CLARINET® met its primary endpoint by demonstrating that treatment with Somatuline® Autogel® / Somatuline® Depot® (lanreotide) Injection 120 mg was associated with a statistically significant reduction of the risk of disease progression or death by 53% vs. placebo (hazard ratio 0.47, 95% CI: 0.30–0.73; p=0.0002). This result is based on the observation that 62% of GEP-NET patients treated with Somatuline® had not progressed or died versus 22% with placebo over the follow-up period (Kaplan-Meier estimates). The median progression free survival was not reached (beyond 2 years) in the Somatuline® group versus 18 months in the placebo group.

- On 2 October 2013 – Ipsen announced its new organization project as well as the new composition of the Executive Committee to accelerate the implementation of the Group's strategy. The objective of the new organization is to continue to develop Specialty Care with the creation of two divisions represented at the Executive Committee level: Specialty Care Franchises and Specialty Care Commercial Operations. The project will also intensify the optimization of Primary Care activities with the creation of a dedicated Business Unit.

- On 7 October 2013 – PeptiDream Inc., a Tokyo-based pharmaceutical company, and Ipsen announced that they had expanded the scope of their April 2013 research collaboration and license option agreement to discover, evaluate, potentially develop and launch therapeutic peptides to treat serious medical conditions in areas of therapeutic focus for Ipsen.

- On 9 October 2013 – Active Biotech and Ipsen announced that Active Biotech, under the terms of the co-development and commercialization agreement on the novel candidate drug tasquinimod, had received a milestone payment of €12 million from Ipsen.

- On 6 November 2013 – Ipsen announced it has granted Natixis a mandate to purchase 800,000 shares, or 0.95% of the capital. This mandate begins on 6 November 2013 and will end on 6 May 2014. The purchased shares will be cancelled. This program is part of the authorization granted by the Combined Shareholder's meeting held on 31 May 2013. The renewal of the authorization is subject to approval by the 2014 Shareholder's meeting of Ipsen S.A.

- On 12 December 2013 – Ipsen announced the appointment of Dominique Brard as Executive Vice President in charge of Human Resources of the Ipsen group, in place of Etienne de Blois. Dominique will be a member of Ipsen's Executive Committee. She took up her new position on January 6th, 2014, reporting directly to Christel Bories, Deputy CEO of Ipsen.

- On 17 December 2013 – Ipsen announced positive initial results from the double-blind phase III study of Dysport® (abobotulinumtoxinA) in Adult Upper Limb spasticity. Regarding the primary endpoints, treatment with Dysport® showed statistically significant response versus placebo in the improvement of muscle tone, as measured by the Modified Ashworth Scale (MAS). In addition, a statistically significant clinical benefit for the patients treated with Dysport® was demonstrated versus placebo, as measured by the Physician Global Assessment (PGA). The safety profile observed in the study was consistent with the known safety profile of Dysport® in this indication. Comprehensive results from this double-blind study will be disclosed in the next few months at major international congresses.

- On 18 December 2013 – Ipsen announced that Lonza had successfully re-manufactured the active ingredient of Increlex® (mecasermin [rDNA origin] Injection) and that the Group was preparing for the resupply of Increlex® in Europe. A resupply plan was communicated to the European Medicines Agency. Consultations with the EU Member States' national competent authorities have allowed immediate resupply.

- On 18 December 2013 – Ipsen and Mayoly Spindler announced the signing of a cross-promotion agreement for their primary care activities in France. Through the creation of a co-managed commercial platform, the two companies will leverage their complementary competencies and product portfolios. Mayoly Spindler will benefit from Ipsen's experience in the promotion of medicines to general practitioners in France, in particular in the fields of gout and gastroenterology. In parallel, Ipsen will benefit from Mayoly Spindler's experience in pharmacies. This agreement leverages the complementarity of each company's product portfolio. In the field of gastroenterology, Meteospasmyl®, indicated to treat abdominal spasms, is complementary to Ipsen's product range which includes Smecta® and Forlax®. In the field of rheumatology, Colchicine® will complement Ipsen's Adenuric®. Under the terms of the agreement, each company will continue to book the sales of its own products.

After 31 December 2013, major developments included:

- On 10 January 2014 – Ipsen announced the appointment of Jonathan Barnsley as Executive Vice President in charge of Technical Operations. He will be a member of the Executive Committee of the Ipsen group. He will take up his new position on April 1st, 2014, reporting directly to Christel Bories, Deputy CEO of the Ipsen group.

- On 14 January 2014 – Ipsen and GW Pharmaceuticals plc announced that they have entered into an exclusive agreement for Ipsen to promote and distribute Sativex®, a sublingual cannabis extract spray intended for the treatment of spasticity due to multiple sclerosis in Latin America (excluding Mexico and the Islands of the Caribbean). GW will be responsible for commercial product supply to Ipsen. GW Pharmaceuticals and Ipsen aim to start regulatory filings in selected countries in Latin America during 2014 for the multiple sclerosis spasticity indication.

- On 14 January 2014 – Ipsen announced its decision to set up its own oncology team to commercialize Somatuline® Depot® (lanreotide) 120 mg Injection (« Somatuline® ») in neuroendocrine tumors in the US. Over the past few months, the Group had been considering both a "go-it-alone" and a partnership strategy following the communication of the data from the investigational CLARINET® phase III clinical

study evaluating the antiproliferative effect of Somatuline® in the treatment of non-functioning gastrointestinal & pancreatic NETs (GEP NETs). Ipsen expects that these encouraging results will support a key long-term opportunity for the Group to access an US addressable market in excess of $500 million[1]. Ipsen considers success in the US as a strategic priority. The "go-it-alone" option maximizes long term value creation and helps the US affiliate in reaching critical mass. Ipsen anticipates filing a Supplemental New Drug Application seeking an indication for Somatuline® in NETs in the first half of 2014. Maximum incremental annual cost associated with the launch of Somatuline® in the NET indication in the US is expected to range from €30 million to €40 million. As a result, US breakeven[2], initially expected in 2014, is postponed to 2017. Ipsen will continue to implement cost containment initiatives to minimize impact on overall Group profitability.

- On 17 January 2014 – Ipsen announced at ASCO GI that ELECT® clinical trial of Somatuline® in the control of symptoms in GEP-NET patients with carcinoid syndrome met its primary endpoint. Results of the ELECT® phase III study (poster 268) showed that treatment with Somatuline® 120 mg versus placebo resulted in a statistically significant reduction in the number of days in which immediate release octreotide was used as rescue medication, representing a mean difference of -14.8% (95%CI: -26.8, -2.8; p = 0.017). Somatuline® significantly improved the rates of complete/partial treatment success versus placebo (odds ratio = 2.4; 95%CI: 1.1, 5.3; p = 0.036).

- On 22 January 2014 – Ipsen announced the implementation of new governance in the United States, following its recently announced decision to launch Somatuline® for oncology indications. Marc de Garidel will personally oversee this projected launch. Cynthia Schwalm will join Ipsen's US Operations to head up the Endocrinology/Oncology Business Unit as of 3 February, 2014. As of mid-August 2014, she will take over as General Manager of the US commercial affiliate.

- On 5 February 2014 – Ipsen announced the results of the international Phase III clinical trial of Dysport® Next Generation (DNG) in cervical dystonia and the results of the European Phase II clinical trial of DNG in glabellar lines. In the light of these results, Ipsen announces its intention to file the first ready-to-use liquid toxin A in Europe and in the Rest of the World[3] (ROW). DNG was clinically and statistically superior to placebo in the cervical dystonia Phase III study at the dose of 500 units at week 4 after single dose (adjusted mean reduction of 12.5 with DNG versus 3.9 with placebo as assessed by the Toronto Western Spasmodic Torticollis Rating Scale, or TWSTRS, total score). When compared to Dysport®, DNG did not demonstrate the statistical non-inferiority in efficacy at week 4 (adjusted mean reduction of 12.5 with DNG versus 14.0 with Dysport® in TWSTRS total score). This efficacy difference is unlikely to be of clinical relevance. After repeated dose, DNG showed comparable efficacy to that of Dysport® as observed in former Phase III studies[4]. DNG was clinically and statistically superior to placebo and comparable to Dysport® in the glabellar lines Phase II study at the dose of 50 units after single dose. Across the studies, DNG showed safety profiles consistent with the known safety profile of Dysport®. Regarding DNG stability, analysis is still ongoing. The stability data trends are positive, providing confidence of achieving a commercially viable product. Ipsen is continuing stability testing to establish maximum shelf life across full product range. On the basis of these results and feedback from the Principal Investigator of the Phase III study, Ipsen intends to initiate a dialog with key agencies on the regulatory approach to file the first ready-to-use liquid toxin A in Europe and ROW[3].

- On 7 February 2014 – Ipsen announced that the phase III clinical trial evaluating Decapeptyl® (triptorelin pamoate) 11.25 mg administered subcutaneously in patients with locally advanced or metastatic prostate cancer has met its primary endpoints. The full study results will be presented this year during a medical congress. Based on these results, Ipsen intends to apply for the addition of the subcutaneous route, alongside the intramuscular route, to the label of triptorelin pamoate 11.25 mg.

[1] Ipsen 2013 estimates of US NET market
[2] Commercial contribution excluding Increlex® (mecasermin [rDNA origin]) Injection sales and revenues from U.S. collaboration with Valeant Pharmaceuticals Intl Inc. in aesthetic medicine
[3] Latin America, Middle East and Asia (ex Japan and China)
[4] Truong D. et al. Mov. Disord., 2005; 20 (7) 783-791; Truong et al., Parkinsonism Relat Disord. 2010 Jun;16(5):316-23

Government measures

In the current context of financial and economic crisis, the governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which have affected the Group sales and profitability in 2013. In addition, certain measures introduced in 2012 have continued to affect the Group's accounts year-on-year.

Measures impacting 2013

In the Major Western European countries:

- In France, Tanakan® was delisted on 1st March 2012. Moreover, sales of Nisis®/Nisisco® and Forlax® were negatively impacted by a step-up in the regulation known as "Tiers-payant" in July 2012, whereby the patient must pay upfront for a branded drug at the pharmacy – when genericized – and is reimbursed only later on. In addition, health authorities imposed price cuts of 5.5% on NutropinAq® in June 2013 and 12.5% on Nisis®/Nisico® in October 2013;
- In Spain, Tanakan® was delisted on 1st September 2012. The new draft of the Royal Decree that establishes the prices for products that have been marketed for more than 10 years was issued in March 2013 and affects all the LhRH (*Luteinizing hormone-Releasing Hormone*) analogues. The application of the final version was expected in Q3 2013, but was finally postponed to Q1 2014;
- In Italy, the price alignment of LhRH regional tenders is not yet applicable due to the political context.

In the Other European countries:

- In Belgium, a modulated price decrease of 1.95% on reimbursed products has been applicable since 1st April 2013 on top of the Inami tax;
- In the Netherlands, the NZA (Dutch health authority) transferred the budget for Growth Hormones from retail to hospital and introduced a new reimbursement system on 1st January 2013. The publication of the list containing the next wave of drugs to move to hospital budget was officially delayed. In both April 2013 and October 2013, Ipsen products were affected by price revisions due to the application of international reference pricing. This led to price increases on Decapeptyl®, Dysport® and Somatuline® and to a price decrease on NutropinAq®;
- In Finland, a general price cut of 5% was applied on all drugs as of 1st February 2013;
- In Portugal, new countries were included in the basket for the international reference pricing system, such as Slovakia, Spain and France. For retail products, the rule is to take the average of the basket. For hospital products, the rule is to take the lowest price of the basket. There is no significant impact on Ipsen's products. New measures published in 2013 called for a 6.0% price cut on all drugs and for a contribution of the pharmaceutical industry to the decrease of healthcare spending through the setup, by every pharmaceutical company, of a provision fund equal to 2.0% of sales;
- In Greece, the new reimbursement list based on hybrid ATC4 classification and patient co-payment amounts was implemented, replacing the former reimbursement rule. A new price bulletin was published on 1st April 2013 impacting all LhRH analogues. Following negotiations with the Greek Ministry of Health, the price of Increlex® was increased by 1.25% in September 2013 to account for its orphan drug status;
- In Latvia, a national tender for LhRH analogues was put in place by local authorities in order to avoid parallel trades. A new reference basket was set up in July 2013. Initially, the basket was composed of all members of the European Union but now comprises Lithuania, Estonia, Czech Republic, Slovakia, Romania, Hungary, and Denmark. The reference pricing rule remains unchanged and calls for taking the 3rd lowest price of the basket;
- In Czech Republic, the VAT on drugs was increased from 14% to 15% in January 2013. New prices were published on 1st January 2013. They stem from the international reference pricing system (average of the 3 lowest prices in 18 countries of the EU). Moreover, since January 2013, Growth Hormones are no longer considered a hospital product and are now subject to price revisions;

- In Slovakia, new prices were published on 1st June 2013. They were the result of the international reference pricing system based on the average of the 3 lowest prices prevailing in the 28 countries of the EU;
- In Poland, a new reimbursement limit was set after the launch of a competing product to Decapeptyl®. It led to the introduction of patient co-payments since 1st January 2013 and, thereafter, to a general price decrease by the industry as a way of compensating;
- In Romania, whereas prices are generally revised annually in March, the Ministry of Health has decided to freeze medicine prices until the end of 2013. In the meantime, the price setting methodology for new products will remain unchanged.

In the Rest of the World:

- China is still working on its international reference pricing system, which would include ten countries such as the USA, France, Germany, South Korea and Japan. However, there was no sign of further implementation or control at this time. Earlier this year, Tanakan® was included on the Essential Drug List (EDL), a decision usually accompanied by a price decrease;
- In Algeria, the "Ministère du Travail, de l'Emploi et de la Sécurité Sociale" (Ministry of Labour, Employment and Social Security) has finalized its List of Reference Tariffs (LTR). Class referencing on GnRH (*Gonadotropin-Releasing Hormone*) analogs was confirmed in October 2013 and is expected to be implemented in the first months of 2014. Once effective, the price of Decapeptyl® will be aligned with that of the cheapest molecule;
- In Colombia, the "National Committee of Drug Prices" (*Comisión Nacional de Precios de Medicamentos*) announced its intention to regulate the price of 195 medicines, including that of Somatuline®. New prices have been effective since their publication in the official gazette on 23rd August 2013.

Furthermore, and in the context of the financial and economic crisis, governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which will affect the Group sales and profitability beyond 2013.

Measures impacting 2014 and beyond

In the Major Western European countries:

- In France, Smecta® experienced a first price cut of 7.5% on 1st January 2014 and will experience a second 7.5% cut on 1st July 2014. Fortrans® price was cut 6.5% on 1st January 2014;
- In Germany, the government decided to partially revoke the AMNOG (The Pharmaceuticals Market Reorganisation Act) legislation introduced in 2010. Among other things, the pricing act entailed a mandatory 16% sales rebate for all prescription drugs, which has been reduced to 7% effective 1st January 2014;
- In Italy, the cap for pharmaceutical hospital expense was increased from 2.4% to 3.5% of hospital expenditure. In addition, pharmaceutical companies will have to pay 50.0% of any extra expenditure beyond this cap level. Also, Hexvix® will now be reimbursed at national level instead of being included in hospital budgets, which led to an official 6.5% price decrease;
- In the UK, a new PPRS (*Pharmaceutical Price Regulation Scheme*) was voted. It will have no impact on NHS prices, but will require a contribution estimated at less than 4% of net NHS sales in 2014, with a further increase anticipated in the following years. Moreover, tendering negotiations in 2014 will no longer take place by account (hospital) but by region.

In the Other European countries:

- In Portugal, the outcome of negotiations between the pharmaceutical industry and the Ministry of Health on the reimbursement threshold borne by the industry is expected soon. The final 2012 reimbursement amount is not yet confirmed, nor is the 2013 threshold. The final agreement will very much depend on the level of drug expenditure reached in 2013 as a percentage of GDP. Moreover, a

new 3.0% tax, to become effective in 2014, has also been introduced on all hospital business. Finally Slovenia replaced Slovakia in the basket for the international reference pricing system;

- In Greece, claw-back will potentially be adjusted by year-end and the target set by the Ministry of Health for 2013 currently stands at €2.4 billion. The government is aiming at €2.0 billion for 2014;
- In Belgium, the international reference pricing system was updated with new rules and a reference basket of 6 countries (France, Germany, the Netherlands, Austria, Ireland and Finland). The system has not yet been implemented;
- In the Netherlands, the new price list stemming from international price referencing has been published in October 2013;
- In Sweden, TLV (The Dental and Pharmaceutical Benefits Agency) announced that all products made out of a substance that has been registered for more than 15 years will have to lower their prices. A 7.5% price reduction will apply to all formulations of NutropinAq® and Decapeptyl® as of 1st January 2014;
- In Croatia, Czech Republic replaced France in the basket of countries included in the international reference pricing system;
- In Serbia, as of 1st July 2013, the Ministry of Health decided to include Romania in the basket of countries used for the calculation of international reference pricing. The rule is to take the average of the prices prevailing in Croatia, Slovenia, Italy and Romania;
- In Poland, a new legal act has been published leading to price reductions on Decapeptyl® and Somatuline® as of 1st January 2014;
- In Slovakia, as of 1st March 2014, a price decrease based on the average of the 3 lowest prices in the EU 28 will apply to several Ipsen products;
- In Slovenia, therapeutic reference pricing was introduced in June 2013 but does not yet apply.

In the Rest of the World:

- In Latin America, twelve countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, and Venezuela) agreed to create a regional drug-pricing database in order to harmonize drug prices in the region. At this stage, there has been no new announcement regarding this project;
- In Colombia, the application of international price referencing will affect the price of Dysport® 500U, after having impacted that of Somatuline® in August 2013;
- In Brazil, class referencing has been introduced for the public market. Hence, due to competition, the price of Dysport® 500U could be reduced every year over the next 4 years;
- In Tunisia, the Somatuline® Autogel® range was officially registered in Q4 2013, which will drive the "Pharmacie Centrale Tunisienne" import price of Somatuline® down in 2014;
- In Algeria, Ipsen had to renew the Marketing Authorization for all its Primary Care products before the end of 2013. This process could lead to price revisions in the first semester of 2014;
- In Morocco, due to class referencing, the price of Decapeptyl® 3M should be cut by 20% following the potential introduction of a Goserelin generic in the early months of 2014;
- In China, the price of Tanakan® could be cut in May 2014, following its inclusion on the Essential Drug List (EDL) in the ginkgo biloba extract category. Ipsen is contemplating different scenarios going forward;
- In Korea, the volume-price control implemented since 2011 will end in 2014, with an ultimate 7% price cut on Decapeptyl® in January 2014.

Comparison of consolidated income statement for 2013 and 2012

(in million euros)	31 December 2013		31 December 2012 restated[2]		*Change*
		% sales		*% sales*	
Sales	**1,224.8**	**100.0%**	**1,219.5**	**100.0%**	**0.4%**
Other revenues	57.0	*4.7%*	57.9	*4.7%*	*-1.5%*
Revenues	**1,281.8**	**104.7%**	**1,277.4**	**104.7%**	**0.3%**
Cost of goods sold	(253.4)	*-20.7%*	(254.3)	*-20.9%*	*-0.4%*
Research and development expenses	(259.1)	*-21.2%*	(248.2)	*-20.3%*	*4.4%*
Selling expenses	(451.3)	*-36.8%*	(473.0)	*-38.8%*	*-4.6%*
General and administrative expenses	(103.8)	*-8.5%*	(99.1)	*-8.1%*	*4.8%*
Other operating income	5.7	*0.5%*	5.6	*0.5%*	*2.2%*
Other operating expenses	(12.0)	*-1.0%*	(25.8)	*-2.1%*	*-53.6%*
Depreciation of intangible assets [3]	(4.4)	*-0.4%*	(5.8)	*-0.5%*	*-23.6%*
Restructuring costs	(0.2)	*0.0%*	(62.1)	*-5.1%*	*-99.6%*
Impairment gain/(losses)	(12.6)	*-1.0%*	2.4	*0.2%*	*-629.4%*
Operating income	**190.7**	***15.6%***	**117.1**	***9.6%***	***62.9%***
Recurring adjusted operating income [1]	***208.6***	***17.0%***	***198.3***	***16.3%***	***5.2%***
Investment income	8.0	*0.7%*	1.0	*0.1%*	*706.4%*
Financing costs	(2.2)	*-0.2%*	(2.3)	*-0.2%*	*-3.0%*
Net financing costs	**5.8**	***0.5%***	**(1.3)**	***-0.1%***	-
Other financial income and expense	(14.8)	*-1.2%*	6.8	*0.6%*	-
Income taxes	(39.6)	*-3.2%*	(25.2)	*-2.1%*	-
Share of profit (loss) from associated companies		-		-	-
Net profit (loss) from continuing operations	**142.2**	***11.6%***	**97.4**	***8.0%***	***46.0%***
Net profit (loss) from discontinued operations	10.9	*0.9%*	(124.8)	*-10.2%*	*-108.7%*
Consolidated net profit	**153.1**	***12.5%***	**(27.5)**	***-2.3%***	-
- Attributable to shareholders of Ipsen S.A.	152.5		(27.9)		
- Minority interests	0.6		0.5		

[1] See appendix 4
[2] For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)
[3] Excluding software

Sales

Consolidated Group sales reached €1,224.8 million in 2013, up 0.4% year-on-year and up 2.2% excluding foreign exchange impact[1].

Other revenues

Other revenues amounted to €57.0 million in 2013, down 1.5% compared to €57.9 million in 2012.

Other revenues break down as follows:

(in million euros)	31 December 2013	31 December 2012 restated[(2)]	Change *in value*	Change *in %*
Breakdown by type of revenue				
- Royalties received	15.3	11.9	3.4	*28.8%*
- Milestone payments - Licensing agreements [(1)]	24.0	25.1	-1.1	*-4.4%*
- Other (co-promotion revenues, re-billings)	17.7	20.9	-3.2	*-15.3%*
Total	57.0	57.9	-0.9	*-1.5%*

[(1)] Milestone payments relating to licensing agreements are recognized primarily as milestone payments received on a pro rata basis over the life of partnership agreements

[(2)] For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)

- **Royalties received** amounted to €15.3 million in 2013, up €3.4 million year-on-year, driven by the increase in royalties paid by Group partners.

- **Milestone payments relating to licensing agreements** amounted to €24.0 million in 2013, mainly generated by the partnerships with Medicis (acquired by Valeant in 2012), Menarini, and Galderma.

- **Other revenues,** which primarily included revenues from the Group's co-promotion and co-marketing agreements in France, amounted to €17.7 million in 2013, compared with €20.9 million the previous year. In 2013, except for residual compensation paid to Ipsen by Novartis, this line item no longer included revenues from Exforge®, following the April 2012 termination of the co-promotion agreement with Novartis in France.

Cost of goods sold

In 2013, the cost of goods sold amounted to €253.4 million, representing 20.7% of sales, compared with €254.3 million, or 20.9% of sales, for the same period in 2012.

The improvement in cost of goods sold in 2013 stemmed notably from a favourable product mix and increased productivity efforts, partially offset by higher custom duties, as a result of the Group's increased business activity in certain countries and the decline in primary care volumes.

Research and development expenses

At 31 December 2013, research and development expenses represented €259.1 million or 21.2% of sales, compared with 20.3% of sales the previous year.

[1] Variations excluding foreign exchange impact were calculated by restating the 31 December 2012 figures with the exchange rates at 31 December 2013

The table below provides a comparison of research and development expenses for 2013 and 2012:

(in million euros)	31 December 2013	31 December 2012 restated[4]	Change in value	Change in %
Breakdown by expense type				
- Drug-related research and development [1]	(210.9)	(198.9)	(12.0)	6.0%
- Industrial and pharmaceutical development [2]	(40.9)	(40.9)	(0.0)	0.1%
- Strategic development [3]	(7.2)	(8.3)	1.1	-13.4%
Total	(259.1)	(248.2)	(10.9)	4.4%

[1] Drug-related research & development aims at identifying new agents, determining their biological characteristics and developing small-scale manufacturing processes. Patent-related expenses are included in this type of expense.
[2] Industrial development includes the chemical, biotechnical and development-process research costs to industrialise the small-scale production of agents developed by the research laboratories. The role of pharmaceutical development is to lead new product development projects, such as bibliographic research, formulation feasibility studies, method adaptation, method development and validation, and transpositions.
[3] Strategic development includes costs incurred for research into new product licenses and establishing partnership agreements.
[4] For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)

- **Drug-related research and development costs** increased 6.0% versus 2012. The main research and development projects for 2013 included Dysport® (spasticity of the lower and upper limbs), tasquinimod and Somatuline®.

- **Industrial and pharmaceutical development costs** were stable year-on-year. These expenses notably included costs related to the validation of the tasquinimod manufacturing process, to the on-going rollout of a development platform for toxins, and to the work on a ready-to-use, liquid formulation for Dysport® (Dysport® Next Generation).

Selling, general and administrative expenses

Selling, general and administrative expenses amounted to €555.1 million in 2013, representing 45.3% of sales, down 1.6% versus 2012.

The table below provides a comparison of selling, general and administrative expenses between 2013 and 2012:

(in million euros)	31 December 2013	31 December 2012 restated[1]	Change in value	Change in %
Breakdown by expense type				
Royalties paid	(51.9)	(51.7)	(0.2)	0.4%
Other sales and marketing expenses	(399.3)	(421.3)	21.9	-5.2%
Selling expenses	(451.3)	(473.0)	21.7	-4.6%
General and administrative expenses	(103.8)	(99.1)	(4.7)	4.8%
Total	(555.1)	(572.1)	17.0	-3.0%

[1] For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)

- **Selling expenses** amounted to €451.3 million in 2013, representing 36.8% of sales, compared to €473.0 million in 2012, or 38.8% of sales.

- Royalties paid to third parties on sales of products marketed by the Group totalled €51.9 million in 2013, up 0.4% year-on-year. This increase was driven by improved in-market sales of in-licensed products;

- Other sales and marketing expenses amounted to €399.3 million, or 32.6% of sales, down 5.2% from the €421.3 million, or 34.5% of sales, recorded the previous year. The decline stemmed from the restructuring of both the French primary care sales force and the US sales force.

- **General and selling expenses** grew 4.8% in 2013. The increase resulted notably from actions taken to accelerate the execution of the Group's strategy, as well as from a step-up in tax measures in France.

Other operating income and expenses

Other operating income, which primarily included revenue from the sublease of Ipsen's headquarters building, amounted to €5.7 million in 2013, compared with €5.6 million the prior year.
Other operating expenses amounted to €12.0 million, down from €25.8 million in 2012. Besides headquarters rental costs, other operating expenses primarily included non-recurring costs related to the acquisition of Syntaxin Ltd., the reorganisation of the US subsidiary, and the settlement of a trade dispute with a partner and of an administrative proceeding brought against the Group.

Amortisation of intangible assets (excluding software)

At 31 December 2013, amortisation charges of intangible assets reached €4.4 million, compared to €5.8 million the previous year. The decrease is mainly due to the discontinuation of the IGF-1 license amortisation, following the new impairment loss recognised at 30 June 2013 (see impairment losses paragraph) and the complete amortisation of Exforge® (termination of the co-promotion agreement with Novartis in France effective 30 April 2012).

Restructuring costs

The Group recorded €0.2 million in non-recurring restructuring costs at 31 December 2013, mainly arising from the reversal of an accrual related to the primary care restructuring plan in France, offset by restructuring costs in the US and by costs incurred by the Group to accelerate the implementation of transformation initiated in 2011, that aims at adapting the Group’s operating structures to future challenges. In 2013, these costs were mainly related to measures taken to adjust resources in certain geographies following the implementation of the new strategy, the transformation and reorganization of Research and Development activities and the adjustment of support functions.
In June 2013, as part of its effort to accelerate the execution of its strategy in the United States, the Group adopted a new key account management organisational model for the distribution of Dysport® in therapeutic indications in the US market. The decision was based on the growing importance of payer driven decision-making and new market access conditions in healthcare. Accordingly, Dysport® sales forces were streamlined and refocused to better serve physicians and patients. At 31 December 2013, the Group recognised non-recurring costs of €4.1 million, which primarily included compensation-related expenses for the early termination of employment contracts.

Impairment losses

At 31 December 2013, the Group recorded a non-recurring impairment loss of €12.6 million.
In the first half of 2013, Ipsen announced that Lonza, the supplier of Increlex®'s active ingredient (mecasermin [rDNA origin]), was facing manufacturing issues with Increlex® at its Hopkinton (MA, USA) production site. Increlex® supply interruption began in the US in mid-June 2013, and affected Europe and the rest of the world in the third quarter of the year.

Furthermore, Lonza on 25 July 2013 announced that it would gradually wind down its Hopkinton site. Lonza however said that the closure would not affect its obligations to customers.
In view of the supply interruption and the uncertainty about the date of re-supply in the US, the Group recognised a non-recurring €11.6 million impairment loss on the Increlex® IGF-1 active ingredient at 30 June 2013. On 18 December 2013, Ipsen announced that Lonza had successfully re-manufactured the active ingredient of Increlex®. The European Medicines Agency (EMA) was informed that Ipsen was preparing for the resupply of Increlex® in the European Union (EU). Consultations with the EU Member States' national competent authorities allowed for a re-supply early 2014.
However, resupply in the US is still under review. Ipsen is actively working with its third party manufacturer and the Food and Drug Administration (FDA) to bring Increlex® back to the US market as soon as possible. Given the uncertainty around the resupply of the US market, there was no accrual reversal related to Increlex®'s active ingredient in the consolidated financial statements for the year ended 31 December 2013. With this impairment loss, the carrying value of the IGF-1 asset became zero.
Ipsen also recognised a €1.0 million impairment loss following a decision by the Group not to exercise its right to develop a neurology programme.

Operating income

Based on the above items, the operating income reported at 31 December 2013 amounted to €190.7 million, or 15.6% of sales. In 2012, operating income represented 9.6% of Group sales and was notably impacted by restructuring costs associated with the primary care restructuring plan in France and costs related to the transfer to the East cost of the Group's North American commercial subsidiary that occurred between June 2011 and June 2012.
The Group's **recurring adjusted[1] operating income** amounted to €208.6 million at 31 December 2013, or 17.0% of consolidated sales, up 5.2% compared to 2012.

Operating segments: Operating income by geographical region

On 2 October 2013, Ipsen announced its project of new organization and new composition of the Executive Committee to accelerate strategy implementation. The purpose of the new organization is to help optimize Primary care activities through the setting up of a new dedicated Business Unit and to continue to develop Specialty care.
Specialty care and Primary care will now be managed separately, because their activities have very different strategic and operational rationales, with specific organizations, resources and profiles adapted to the challenges facing each organization.
The implementation of this project was subject to the examination by the staff representative bodies competent in each country concerned, according to the specific processes and methods laid down in the regulations governing each country.

Because this organisation was not in effect in 2013, the related operating segment information was left unchanged in the financial statements ended 31 December 2013. Indeed, the internal reporting provided throughout 2013 to the "chief operating decision-maker", i.e. the Executive Committee, thus corresponds to the Group's managerial organisation based on the geographical regions in which the Group operates.
Accordingly, operating segments, as defined in IFRS 8, correspond to long-term groupings of countries. Operating segments existing as of 31 December 2013 were as follows:

- "Major Western European countries": France, Italy, Spain, the United Kingdom and Germany;
- "Other European countries": other Western European countries and Eastern Europe;

[1] See appendix 4

- "North America": comprising for the most part the United States and Canada;
- "Rest of the World": all countries not included in the three preceding operating segments.

The table below provides an analysis of sales, revenues and operating income by operating segment for 2013 and 2012:

(in million euros)	**31 December 2013**	*% of sales*	**31 December 2012 restated***	*% of sales*	Change	*%*
Major Western European countries						
Sales	497.3	*100.0%*	518.5	*100.0%*	(21.2)	*-4.1%*
Revenue	525.2	*105.6%*	549.9	*106.0%*	(24.8)	*-4.5%*
Operating income	196.5	*39.5%*	140.5	*27.1%*	56.1	*39.9%*
Other European countries						
Sales	329.4	*100.0%*	306.0	*100.0%*	23.4	*7.6%*
Revenue	336.9	*102.3%*	312.2	*102.0%*	24.7	*7.9%*
Operating income	146.8	*44.6%*	135.9	*44.4%*	10.9	*8.0%*
North America						
Sales	64.2	*100.0%*	72.8	*100.0%*	(8.5)	*-11.7%*
Revenue	81.8	*127.3%*	90.5	*124.4%*	(8.7)	*-9.6%*
Operating income	11.0	*17.1%*	(10.5)	*-14.5%*	21.5	*-204.2%*
Rest of the World						
Sales	333.9	*100.0%*	322.2	*100.0%*	11.7	*3.6%*
Revenue	336.3	*100.7%*	323.5	*100.4%*	12.9	*4.0%*
Operating income	137.8	*41.3%*	123.2	*38.2%*	14.6	*11.8%*
Total allocated						
Sales	1,224.8	*100.0%*	1,219.5	*100.0%*	5.3	*0.4%*
Revenue	1,280.2	*104.5%*	1,276.1	*104.6%*	4.1	*0.3%*
Operating income	492.1	*40.2%*	389.0	*31.9%*	103.0	*26.5%*
Total unallocated						
Revenue	1.6	-	1.3	-	0.3	*20.4%*
Operating income	(301.3)	-	(271.9)	-	(29.4)	*10.8%*
Group total						
Sales	1,224.8	*100.0%*	1,219.5	*100.0%*	5.3	*0.4%*
Revenue	1,281.8	*104.7%*	1,277.4	*104.7%*	4.4	*0.3%*
Operating income	190.7	*15.6%*	117.1	*9.6%*	73.6	*62.9%*

* For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)

Sales generated in the **Major Western European countries** amounted to €497.3 million in 2013, down 4.1% year-on-year. The growth of specialty care products was more than offset by the consequences of a tougher competitive environment in the French primary care market. Sales in the Major Western European countries represented 40.6% of total Group sales in 2013, compared to 42.5% the previous year. In 2013, operating income amounted to €196.5 million, up 39.9% year-on-year, representing 39.5% of sales, compared to 27.1% in 2012, notably resulting from the primary care restructuring plan in France. In 2012, the Group had recorded €57.6 million non-recurring costs related to the primary care restructuring plan in France.

Sales generated in the **Other European countries** (other Western and Eastern European countries) reached €329.4 million, up 7.6%. Sales growth was mainly driven by the good performance of Russia where primary care (notably Fortrans®, Tanakan® and Smecta®) and specialty care (notably Dysport® and Decapeptyl®) posted strong growth rates. Over the period, the supply of Dysport® for aesthetic use to Galderma contributed to growth. The Netherlands, Ukraine, Kazakhstan and Turkey notably posted strong performance. In 2013, sales in this region represented 26.9% of consolidated Group sales, compared to 25.1% a year earlier. Operating income in 2013 amounted to €146.8 million, compared to €135.9 million the previous year, and represented 44.6% of the region's sales for the year, up from 44.4% the previous year.

In **North America,** 2013 sales amounted to €64.2 million, down 11.7%. Restated for the Increlex® supply interruption, sales were up 3.0% year-on-year, driven by the strong volume growth and continued penetration of Somatuline® in the acromegaly market, by the double-digit growth of Dysport® in therapeutics and by the continuous supply of Dysport® for aesthetic use to Valeant. In 2013, sales in North America represented 5.2% of consolidated Group sales, compared to 6.0% a year earlier. Operating income totalled €11.0 million, representing a €21.5 million improvement over 2012. The increase stemmed primarily from a steep reduction in selling and administrative costs, following the restructuring of the commercial subsidiary.

In the **Rest of the World,** where the Group markets most of its products through distributors or commercial agents, except in a few countries where Ipsen has a direct presence, sales amounted to €333.9 million, up 3.6%. During the year, sales were affected by an exceptional political situation in certain Middle Eastern countries where Ipsen, in the absence of payment guarantees, had stopped supplying its products in the second quarter. Moreover, 2013 sales were affected by the performance of Decapeptyl® in China, where the product suffered from the disruption of hospital market promotion due to the investigation of certain pharmaceutical companies by local authorities. Sales growth was fuelled by the good performance of primary care in China (notably Smecta® and Etiasa®) and in Algeria (notably Smecta® and Forlax®), of Dysport® in Brazil, of Somatuline® in Australia, and of the Sanofi partnership in Mexico. Over the period, sales in the Rest of the World continued to grow to reach 27.3% of total consolidated Group sales, compared to 26.4% the previous year. Operating income for the year totalled €137.8 million, up 11.8% over the €123.2 million posted in 2012, and represented respectively 41.3% and 38.2% of sales in 2013 and 2012.

Unallocated operating income (expenses) amounted to (€301.3) million, compared with (€271.9) million in 2012. The expenses consisted mainly of the Group's central research and developments costs for €281.1 million in 2013, compared with €263.7 million in 2012, and, to a lesser extent, unallocated general and administrative expenses. Unallocated revenue amounted to €1.6 million in 2013, compared with €1.3 million the previous year.

Net financing costs and other financial income and expenses

At 31 December 2013, the Group had net financial expense of €9.0 million, compared to a net financial income of €5.4 million the previous year.

- **The net financing costs** represented a €5.8 million income, compared to a €1.3 million expense in 2012. The net income mainly resulted from a financial gain on the repayment of the Debtor-in-Possession (DIP) financing granted by Ipsen to Inspiration Biopharmaceuticals Inc. at the end of 2012, following the sale of its hemophilia assets to Baxter and Cangene.

- **Other financial income and (expenses)** amounted to (€14.8) million at 31 December 2013. The expense primarily arose from a negative €11.2 million foreign exchange impact and a €2.0 million depreciation charge on convertible bonds subscribed by the Group to develop a neurology programme.

At 31 December 2012, the Group recognised other financial income of €6.8 million, resulting from an unfavourable exchange rate impact, additional payments received on its sale of PregLem Holdings SA shares in 2010, and a profit from the sale of shares in Spirogen Plc during the year.

Income taxes

At 31 December 2013, the effective tax rate was 21.8% of profit before tax from continuing operations, compared with an effective rate of 20.6% a year earlier.
The difference notably resulted from the implementation in France of a new 3.0% tax on dividend payouts, which negatively impacted the effective tax rate by 1.1 percentage points.
Excluding non-recurring operating, financial and fiscal items, the Group's effective tax rate amounted to 20.6% in 2013, compared with 23.3% in 2012.

Net profit (loss) from continuing operations

As a result of the above items, at 31 December 2013, profit from continuing operations amounted to €142.2 million, up 46.0% from the €97.4 million posted at 31 December 2012. This profit represented 11.6% of sales for the year, compared with 8.0% in 2012.
At 31 December 2013, **recurring adjusted[1] profit from continuing operations** amounted to €154.0 million, up 4.7% from €147.1 million a year earlier.

Net profit (loss) from discontinued operations

At 31 December 2013, net profit from discontinued operations totalled €10.9 million. It primarily comprised the rebilling to Baxter of production costs for OBI-1 clinical samples prior to the effective transfer of the production site and staff, the negotiated repayment of advisory fees paid by Ipsen during the joint asset-sale process with Inspiration Biopharmaceuticals Inc., and the tax impact related to the compensation paid by the Group to the US subsidiary that sold the assets.
At 31 December 2012, the net loss from discontinued operations totalled €124.8 million. The net loss included €16.7 million in depreciation charge from discontinued operations comprised of non-recurring losses on Group-held receivables from the rebilling of OBI-1 industrial development costs in the second and third quarters of the year, rebilled expenses for setting up the European operations, and a €10.6 million gain from the accelerated recognition of deferred income recorded during the 2010 transaction with Inspiration Biopharmaceuticals Inc. following the OBI-1 sub-license agreement. The impairment losses recognised on assets held for sale stemmed from a €20.0 million provision for property, plant and equipment at the Milford site, an €18.0 million provision for intangible assets related to OBI-1 and IBI1001 rights, €85.0 million in losses on convertible bonds, and a €6.0 million loss related to the Inspiration Biopharmaceuticals Inc. warrant, which the Group waived. The tax impact from these non-recurring losses, net of the accelerated deferred income, was a €36.0 million tax credit. The net loss also included the €21.7 million share of losses in Inspiration Biopharmaceuticals Inc., which was recognised until it was reclassified in assets held for sale.

Consolidated net profit

As a result of the items above, consolidated net profit was €153.1 million (€152.5 million attributable to Ipsen S.A. shareholders), compared to a €27.5 million consolidated net loss (€27.9 million loss attributable to Ipsen S.A shareholders) at 31 December 2012.
At 31 December 2013, **recurring adjusted[1] consolidated net profit** amounted to €154.0 million, up 4.7% over the €147.1 million recorded the previous year.

[1] *See* appendix *4*

Earnings per share

At 31 December 2013, basic earnings attributable to the Group amounted to €1.84 per share, up from basic EPS of (€0.34) a year earlier.

Recurring adjusted[1] basic earnings per share attributable to the Group amounted to €1.85 at 31 December 2013, up 5.1% year-on-year.

Milestone payments received in cash but not yet recognised in the Group income statement

At 31 December 2013, the total of milestone payments received in cash by the Group but not yet recognised as other revenues in the income statement amounted to €125.7 million, compared with €152.4 million a year earlier.

The Group recorded no new deferred income from its partnerships in 2013.

These deferred revenues will be recognised in the Group's future income statements as follows:

(in million euros)	31 December 2013	31 December 2012 restated**
Total *	**125.7**	**152.4**
Deferred revenues will be recognised over time as follows:		
In the year n+1	21.7	22.4
In the years n+2 and subsequent	104.0	130.0

* Amounts converted at average exchange rates respectively at 31 December 2013 and 31 December 2012

** For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)

CASH FLOW AND CAPITAL

The consolidated cash flow statement at 31 December 2013 shows that the Group's operating activities generated net cash flow from continuing operations of €181.4 million, up €16.4 million year-on-year.

Analysis of the Group's cash flow statement

(in million euros)	31 December 2013	31 December 2012 restated*
- Cash flow from operating activities before changes in working capital requirement	201.6	175.3
- (Increase) / decrease in working capital requirement for operations	(20.1)	(10.3)
o Net cash flow from operating activities	181.4	165.0
- Net investments in tangible and intangible assets	(62.3)	(76.5)
- Convertible note subscriptions	-	(0.2)
- Other cash flow from investments	(41.4)	11.8
o Net cash provided (used) by investment activities	(103.7)	(64.8)
o Net cash provided (used) by financing activities	(76.5)	(73.2)
o Net cash provided (used) by discontinued operations	6.7	(56.2)
CHANGES IN CASH AND CASH EQUIVALENTS	**7.9**	**(29.2)**
Opening cash and cash equivalents	**113.3**	**144.8**
Impact of exchange rate fluctuations	4.1	(2.3)
Closing cash and cash equivalents	**125.4**	**113.3**

* For purposes of comparison between the two financial years, the 2012 consolidated cash flow statement has been restated in accordance with IAS 19 revised.

Net cash flow from operating activities

In 2013, cash flow from operating activities before changes in working capital requirement amounted to €201.6 million, up from the €175.3 million generated in 2012.
Working capital requirement for operating activities amounted to €20.1 million in 2013, compared with €10.3 million the prior year. The 2013 increase stemmed from the following items:

- In 2013, inventories decreased by €2.9 million, versus an increase of €7.1 million in 2012. The decline resulted from the implementation of action plans aimed at improving productivity;

- In 2013, trade receivables grew by €1.8 million, versus a decrease of €10.1 million at 31 December 2012. The increase stemmed primarily from the increase in commercial activity of the Russian affiliate, which was offset by the collection of trade receivables in Southern Europe and the unblocking of the economic situation in some Middle Eastern countries;

- In 2013, trade payables decreased by €4.6 million, versus an increase of €15.0 million in 2012. The difference resulted from lower external costs during the year, mainly as a result of the primary care restructuring plan in France and the strategic reallocation of resources;

- In 2013, the net change in other operating assets and liabilities comprised the use of €30.8 million, versus a use of €10.9 million in 2012. The Group recorded no new deferred revenues from its partnerships in 2013 or 2012. Conversely, in 2013, the Group recognised €21.9 million in deferred revenues from its partnerships, compared with €24.5 million in 2012;

- The change in net tax liability in 2013 represented a source of funds totalling €14.2 million. The change resulted primarily from the reimbursement in 2013 of an excess amount of tax paid for the fiscal year 2012.

Net cash flow used by investment activities

In 2013, net cash used by investment activities amounted to €103.7 million, compared with a net use of €64.8 million in the prior year. It included:

- Investments in tangible and intangible assets, net of disposals, totalling €62.3 million, versus €76.5 million at 31 December 2012. This cash outflow mainly included:

    - €42.0 million in acquisitions of property, plant and equipment, compared with €49.0 million in 2012. These acquisitions consisted primarily of investments required to maintain the Group's production equipment, as well as investments in capacity, notably at the Signes, Dublin and Wrexham industrial sites;

    - €20.4 million in investments in intangible assets, versus €27.7 million in 2012, chiefly as part of the Group’s partnership policy, in particular with Active Biotech for the rights of tasquinimod (€12,0 million), and Mayoly Spindler for its cross-partnership with Ipsen in the primary care business in France.

- The use of €28.7 million for other investment activities, including €26.2 million to acquire Syntaxin Ltd. on 12 July 2013.

- A €12.7 million decrease in working capital requirement for investment activities, corresponding mainly to the recognition of a milestone payment to Active Biotech for tasquinimod in 2013 and which was recognised in 2012.

Net cash flow from investing activities

In 2013, net cash used in financing activities totalled €76.5 million, down from a net use of €73.2 million in 2012. The Group paid out €66.9 million in dividends in 2013, versus €67.5 million paid out in the previous year.

Net cash from discontinued operations

At 31 December 2013, net cash provided (used) by discontinued operations related to Inspiration Biopharmaceuticals Inc. amounted to a net source of funds totalling €6.7 million, versus a net use of funds totalling €56.2 million the previous year.

(in million euros)	31 December 2013	31 December 2012 restated*
- Cash flow from operating activities before changes in working capital requirement	7.7	(3.5)
- (Increase) / decrease in working capital requirement for operations held for sale	(1.0)	(17.3)
o Net cash flow provided (used) by operations held for sale	6.7	(20.8)
- Net investments in tangible and intangible assets	-	(5.8)
- Convertible note subscriptions	-	(26.7)
- Other cash flow from investments	-	(2.9)
o Net cash provided (used) by investment activities	-	(35.4)
o Net cash provided (used) by financing activities	-	-
CHANGES IN CASH AND CASH EQUIVALENTS	**6.7**	**(56.2)**

* For purposes of comparison between the two financial years, the 2012 consolidated cash flow statement has been restated in accordance with IAS 19 revised

Net cash provided (used) by operations held for sale breaks down as follows:

- In 2013, net cash provided (used) by operations amounted to a net source of funds totalling €6.7 million, compared with a net use of funds of €20.8 million a year earlier. The result stemmed mainly from the recovery of OBI-1 sales rights in the amount of USD 22.5 million, as part of the strategic partnership agreement renegotiated with Inspiration Biopharmaceuticals Inc. on 21 August 2012. It also resulted from cash generated by the supply of clinical samples to Baxter.

- At 31 December 2012, net cash provided (used) by investment activities amounted to a use of funds totalling €35.4 million, primarily owing to the subscription by Ipsen of €26.7 million in convertible bonds issued by Inspiration Biopharmaceuticals Inc. and the €6.1 million acquisition of commercial rights on IB1001-related intangible assets.

Analysis of the Group's treasury

(in million euros)	31 December 2013	31 December 2012 restated*
Cash	63.1	58.6
Short-term investments	67.8	45.1
Interest-bearing deposits	0.1	10.0
Cash and cash equivalents	**131.0**	**113.6**
Bank overdrafts - liabilities	(5.6)	(0.4)
Closing net cash and cash equivalents	**125.4**	**113.3**
Bank loans	-	-
Other financial liabilities	12.3	15.9
Non-current liabilities	**12.3**	**15.9**
Bank loans	4.0	4.0
Financial liabilities	3.5	4.5
Current liabilities	**7.5**	**8.5**
Debt	**19.9**	**24.4**
Derivative financial instruments	(0.2)	(1.1)
NET CASH AND CASH EQUIVALENTS [(1)]	**105.7**	**90.0**

* For purposes of comparison between the two financial years, the 2012 consolidated cash flow statement has been restated in accordance with IAS 19 revised

(1) Net cash and cash equivalents: Cash and cash equivalents and securities held for sale, less bank overdrafts, bank loans and other financial liabilities, with derivative financial instruments added back

In January 2012, Ipsen S.A. signed a five-year, €400.0 million loan with a bank syndicate. This single-currency credit line was established to meet the general financing needs of the company's operations. At the initiative of the borrower, the line may be drawn for short-term periods of one, two, three or six months or for any other duration subject to agreement between Ipsen S.A. and the facility agent, to better adapt the facility to the Group's cash flow profile.

As a result, the Group ended the line contracted in June 2008 without having to pay any penalties.
The total amount of the drawdowns at all times must be below the credit line ceiling, which remains constant over the duration of the contract.

Under the terms and conditions of the agreement, and in addition to the usual contractual clauses, the Group committed to staying within maximum levels of the Net-debt-to-equity and Net-debt-to-EBITDA ratios in its consolidated financial statements at the end of each financial half year. The covenant ratios are as follows, as per the credit agreement:

- Net debt to equity: 1
- Net debt to EBITDA[1]: 3

In the event of default, the bank syndicate may demand early repayment of the loan agreement.

At 31 December 2013, the Group had a positive net cash position. As a result, the net-debt-to-equity and net-debt-to-EBITDA[1] covenant ratios had no significance.

[1] EBITDA: Earnings Before Interest, Taxes, Depreciation and Amortisation

APPENDIX 1

Consolidated income statement

(in million euros)	31 December 2013	31 December 2012 restated*
Net sales	1,224.8	1,219.5
Other revenues	57.0	57.9
Revenue	**1,281.8**	**1,277.4**
Cost of goods sold	(253.4)	(254.3)
Research and development expenses	(259.1)	(248.2)
Selling expenses	(451.3)	(473.0)
General and administrative expenses	(103.8)	(99.1)
Other operating income	5.7	5.6
Other operating expenses	(12.0)	(25.8)
Amortisation of intangible assets (**)	(4.4)	(5.8)
Restructuring costs	(0.2)	(62.1)
Impairment losses	(12.6)	2.4
Operating income	**190.7**	**117.1**
Investment income	8.0	1.0
Financing costs	(2.2)	(2.3)
Net financing costs	**5.8**	**(1.3)**
Other financial income and expense	(14.8)	6.8
Income taxes	(39.6)	(25.2)
Share of profit (loss) from associated companies	0.0	0.0
Net profit (loss) from continuing operations	**142.2**	**97.4**
Net profit (loss) from discontinued operations	10.9	(124.8)
Consolidated net profit	**153.1**	**(27.5)**
- Attributable to shareholders of Ipsen	152.5	(27.9)
- Minority interests	0.6	0.5

Basic earnings per share, continuing operations (in € per share)	1.71	1.17
Diluted earnings per share, continuing operations (in € per share)	1.70	1.16

Basic earnings per share, discontinued operations (in € per share)	0.13	(1.50)
Diluted earnings per share, discontinued operations (in € per share)	0.13	(1.50)

Basic earnings per share (in € per share)	1.84	(0.34)
Diluted earnings per share (in € per share)	1.83	(0.33)

(*) For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised (see appendix 5)
(**) Excluding software

APPENDIX 2

Consolidated balance sheet before net profit allocation

(in million euros)	31 December 2013	31 December 2012 restated*
ASSETS		
Goodwill	310.7	298.2
Other intangible assets	144.8	129.2
Property, plant & equipment	287.5	281.8
Equity investments	6.7	12.0
Investments in associated companies	-	-
Non-current financial assets	1.5	-
Other non-current assets	9.7	18.7
Deferred tax assets	202.5	215.6
Total non-current assets	**963.5**	**955.5**
Inventories	121.5	127.9
Trade receivables	243.5	256.3
Current tax assets	42.8	54.4
Other current assets	60.3	53.6
Current financial assets	0.2	0.5
Cash and cash equivalents	131.0	113.6
Assets of discontinued operations	2.6	-
Total current assets	**601.8**	**606.3**
TOTAL ASSETS	**1,565.3**	**1,561.9**

EQUITY AND LIABILITIES		
Share capital	84.2	84.3
Additional paid-in capital and consolidated reserves	743.4	844.6
Net profit for the period	152.5	(27.9)
Exchange differences	(8.7)	1.6
Equity attributable to Ipsen shareholders	**971.5**	**902.5**
Attributable to minority interests	2.2	2.0
Total shareholders' equity	**973.7**	**904.5**
Retirement benefit obligation	45.7	42.7
Provisions	45.0	25.6
Bank loans	-	-
Other financial liabilities	12.3	15.9
Deferred tax liabilities	6.8	2.5
Other non-current liabilities	105.6	133.8
Total non-current liabilities	**215.4**	**220.4**
Provisions	20.7	66.2
Bank loans	4.0	4.0
Financial liabilities	3.5	4.5
Trade payables	154.8	159.8
Current tax liabilities	5.8	3.3
Other current liabilities	181.7	198.3
Bank overdrafts	5.6	0.4
Liabilities of discontinued operations	-	0.5
Total current liabilities	**376.2**	**437.0**
TOTAL EQUITY & LIABILITIES	**1,565.3**	**1,561.9**

(*) For purposes of comparison between the two financial years, the 2012 consolidated balance sheet has been restated in accordance with IAS 19 revised (see appendix 5)

APPENDIX 3

Consolidated cash flow statement

(in million euros)	31 December 2013			31 December 2012 restated*		
	Continuing operations	Operations held for sale / discontinued operations	Total	Continuing operations	Operations held for sale / discontinued operations	Total
Consolidated net profit	**142.2**	**10.9**	**153.1**	**97.4**	**(124.8)**	**(27.5)**
Share of profit (loss) from associated companies before impairment losses	-	-	-	-	21.7	21.7
Net profit (loss) before share of profit (loss) from associated companies	**142.2**	**10.9**	**153.1**	**97.4**	**(103.2)**	**(5.8)**
Non-cash and non-operating items	-	-		-	-	
- Depreciation, amortisation, provisions	25.6	0.1	25.7	70.2	-	70.2
- Impairment losses included in operating income and net financial income	12.6	-	12.6	(2.4)	125.4	123.1
- Change in fair value of financial derivatives	(0.1)	-	(0.1)	(2.5)	-	(2.5)
- Net gains or losses on disposals of non-current assets	0.6	0.1	0.7	1.9	-	1.9
- Share of government grants released to profit and loss	(0.1)	-	(0.1)	(0.1)	-	(0.1)
- Foreign exchange differences	3.4	-	3.4	(1.4)	6.1	4.6
- Change in deferred taxes	11.6	(3.4)	8.2	7.7	(31.8)	(24.1)
- Share-based payment expense	5.0	-	5.0	4.6	-	4.6
- Gain or (loss) on sales of treasury shares	0.2	-	0.2	0.1	-	0.1
- Other non-cash items	0.4	-	0.4	(0.2)	-	(0.2)
Cash flow from operating activities before changes in working capital requirement	***201.6***	***7.7***	***209.3***	***175.3***	***(3.5)***	***171.8***
- (Increase)/decrease in inventories	2.9	-	2.9	(7.1)	-	(7.1)
- (Increase)/decrease in trade receivables	(1.8)	-	(1.8)	10.1	-	10.1
- Increase/(decrease) in trade payables	(4.6)	-	(4.6)	15.0	-	15.0
- Net change in income tax liability	14.2	(0.2)	13.9	(17.4)	-	(17.4)
- Net change in other operating assets and liabilities	(30.8)	(0.7)	(31.5)	(10.9)	(17.3)	(28.2)
Change in working capital requirement related to operating activities	**(20.1)**	**(1.0)**	**(21.1)**	**(10.3)**	**(17.3)**	**(27.6)**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**181.4**	**6.7**	**188.1**	**165.0**	**(20.8)**	**144.2**
Acquisition of property, plant & equipment	(42.0)	-	(42.0)	(49.0)	-	(49.0)
Acquisition of intangible assets	(20.4)	-	(20.4)	(27.7)	(6.1)	(33.8)
Proceeds from disposal of intangible assets and property, plant & equipment	0.2	-	0.2	0.3	0.3	0.6
Acquisition of shares in non-consolidated companies	0.0	-	0.0	(0.4)	-	(0.4)
Convertible note subscriptions	-	-	-	(0.2)	(26.7)	(26.9)
Proceeds from sales of investment securities	-	-	-	13.9	-	13.9
Payments to post-employment benefit plans	(2.3)	-	(2.3)	(6.1)	-	(6.1)
Impact of changes in the consolidation scope	(26.2)	-	(26.2)	-	-	-
Other cash flow related to investment activities	(0.4)	-	(0.4)	(0.5)	(2.9)	(3.4)
Deposits paid	0.3	-	0.3	(0.4)	-	(0.4)
Change in working capital related to operating activities	(12.7)	-	(12.7)	5.3	-	5.3
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	**(103.7)**	**-**	**(103.7)**	**(64.8)**	**(35.4)**	**(100.2)**
Additional long-term borrowings	-	-	0.0	-	-	0.0
Repayment of long-term borrowings	(0.2)	-	(0.2)	(0.3)	-	(0.3)
Net change in short-term borrowings	0.1	-	0.1	-	-	-
Capital increase by Ipsen	0.8	-	0.8	-	-	-
Treasury shares	(16.4)	-	(16.4)	0.2	-	0.2
Dividends paid by Ipsen	(66.6)	-	(66.6)	(66.5)	-	(66.5)
Dividends paid by subsidiaries to minority interests	(0.3)	-	(0.3)	(1.0)	-	(1.0)
Deposits received	0.0	-	0.0	0.0	-	0.0
DIP financing	7.1	-	7.1	(7.2)	-	(7.2)
Change in working capital related to operating activities	(1.0)	-	(1.0)	1.6	-	1.6
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**(76.5)**	**-**	**(76.5)**	**(73.2)**	**-**	**(73.2)**
CHANGE IN CASH AND CASH EQUIVALENTS	**1.2**	**6.7**	**7.9**	**27.0**	**(56.2)**	**(29.2)**
Opening cash and cash equivalents	**113.3**	**-**	**113.3**	144.8	**-**	**144.8**
Impact of exchange rate fluctuations	4.1	-	4.1	**(2.3)**	-	(2.3)
Closing cash and cash equivalents	**118.6**	**6.7**	**125.4**	**169.5**	**(56.2)**	**113.3**

* For purposes of comparison between the two financial years, the 2012 cash flow statement has been restated in accordance with IAS 19 revised

APPENDIX 4

Reconciliation of the income statement at 31 December 2013 and the recurring adjusted income statement at 31 December 2013

(in million euros)	**31 December 2013 Adjusted recurring**	*% sales*	Operations held for sale [1]	Other non-recurring items [2]	**31 December 2013**	*% sales*
Revenue	**1,281.8**	**104.7%**			**1,281.8**	**104.7%**
Cost of goods sold	(253.4)	-20.7%			(253.4)	-20.7%
Research and development expenses	(259.1)	-21.2%			(259.1)	-21.2%
Selling expenses	(451.3)	-36.8%			(451.3)	-36.8%
General and administrative expenses	(103.8)	-8.5%			(103.8)	-8.5%
Other operating income	4.4	0.4%		1.4	5.7	0.5%
Other operating expenses	(5.9)	-0.5%		(6.0)	(12.0)	-1.0%
Amortisation of intangible assets [3]	(4.1)	-0.3%		(0.3)	(4.4)	-0.4%
Restructuring costs	0.0	0.0%		(0.2)	(0.2)	0.0%
Impairment losses		-		(12.6)	(12.6)	-1.0%
Operating income	**208.6**	**17.0%**		**(17.9)**	**190.7**	**15.6%**
Financial income/(expense)	**(14.7)**	**-1.2%**		**5.7**	**(9.0)**	**-0.7%**
Income taxes	(39.9)	-3.3%		0.3	(39.6)	-3.2%
Share of profit (loss) from associated companies		0.0%				0.0%
Net profit (loss) from continuing operations	**154.0**	**12.6%**		**(11.8)**	**142.2**	**11.6%**
Net profit (loss) from discontinued operations		0.0%	10.9		10.9	0.9%
Consolidated net profit	**154.0**	**12.6%**	**10.9**	**(11.8)**	**153.1**	**12.5%**
- Attributable to shareholders of Ipsen S.A.	153.5		10.9	(11.8)	152.5	
- Minority interests	0.6				0.6	
- Basic earnings per share	*1.85*				*1.84*	

[1] Impact on profit from discontinuing haematology operations (Inspiration Biopharmaceuticals Inc.) and from costs related to the supply of clinical samples to Baxter

[2] Other non-recurring items included:

- Impairment losses recognised during the period, as described in the "Impairment losses" paragraph;
- Certain non-recurring fees incurred as part of the acquisition of Syntaxin Ltd.;
- Non-recurring costs to restructure the Group's North American commercial subsidiary and the provision release related to the restructuring of the primary care business in France;
- Settlement of a trade dispute with a partner;
- Settlement of an administrative proceeding brought against the Group;
- The repayment of Debtor-in-Possession (DIP)-type financing granted by Ipsen to Inspiration Biopharmaceuticals Inc. at the end of 2012, following the sale of its hemophilia assets to Baxter and Cangene, and €2.0 million in depreciation expense on convertible bonds subscribed by the Group to develop a neurology programme

[3] Excluding software

Reconciliation of the restated income statement at 31 December 2012 and the restated recurring adjusted income statement at 31 December 2012

(in million euros)	31 December 2012, recurring adjusted* restated	*% sales*	Operations held for sale [1]	Other non-recurring items [2]	31 December 2012 restated*	*% sales*
Revenue	**1,277.4**	**104.7%**			**1,277.4**	**104.7%**
Cost of goods sold	(254.3)	-20.9%			(254.3)	-20.9%
Research and development expenses	(248.2)	-20.3%			(248.2)	-20.3%
Selling expenses	(473.0)	-38.8%			(473.0)	-38.8%
General and administrative expenses	(99.1)	-8.1%			(99.1)	-8.1%
Other operating income	5.6	0.5%			5.6	0.5%
Other operating expenses	(7.8)	-0.6%		(18.0)	(25.8)	-2.1%
Amortisation of intangible assets [3]	**(3.3)**	-0.3%		(2.5)	(5.8)	-0.5%
Restructuring costs	1.0	0.1%		(63.1)	(62.1)	-5.1%
Impairment losses		0.0%		2.4	2.4	0.2%
Operating income	**198.3**	**16.3%**		**(81.2)**	**117.1**	**9.6%**
Financial income/(expense)	**(6.5)**	**-0.5%**		**11.9**	**5.4**	**0.4%**
Income taxes	(44.8)	-3.7%		19.6	(25.2)	-2.1%
Share of profit (loss) from associated companies		0.0%				0.0%
Net profit (loss) from continuing operations	**147.1**	**12.1%**		**(49.7)**	**97.4**	**8.0%**
Net profit (loss) from discontinued operations		0.0%	(124.8)		(124.8)	-10.2%
Consolidated net profit	**147.1**	**12.1%**	**(124.8)**	**(49.7)**	**(27.5)**	**-2.3%**
- Attributable to shareholders of Ipsen S.A.	146.6		(124.8)	(49.7)	(27.9)	
- Minority interests	0.5				0.5	
- Basic earnings per share	*1.76*				*(0.34)*	

* For purposes of comparison between the two financial years, the 2012 income statement has been restated in accordance with IAS 19 revised

[1] Impact on profit (loss) from discontinuing haematology operations (Inspiration Biopharmaceuticals Inc.)

[2] Other non-recurring items included:

- Non-recurring fees incurred as part of executing the strategy announced 9 June 2011;
- Non-recurring restructuring costs arising from the relocation of the Group's North American subsidiary to the East Coast and from the primary care business in France;
- The settlement of a trade dispute with a partner;
- An administrative proceeding brought against the Group;
- Additional payments from the sale of PregLem shares.

[3] Excluding software

APPENDIX 5

Reconciliation of the income statement reported at 31 December 2012 and the restated income statement at 31 December 2012

(in million euros)	31 December 2012 reported	Restatements according to IFRS IAS19 revised	31 December 2012 restated
Sales of goods	1,219.5	-	1,219.5
Other revenues	57.9	-	57.9
Revenue	**1,277.4**	**-**	**1,277.4**
Cost of goods sold	(254.8)	0.4	(254.3)
Research and development expenses	(248.6)	0.4	(248.2)
Selling expenses	(473.5)	0.5	(473.0)
General and administrative expenses	(99.1)	-	(99.1)
Other operating income	5.6	-	5.6
Other operating expenses	(25.8)	-	(25.8)
Amortisation of intangible assets [(1)]	(5.8)	-	(5.8)
Restructuring costs	(63.1)	1.0	(62.1)
Impairment losses	2.4	-	2.4
Operating income	**114.8**	**2.3**	**117.1**
Investment income	1.0	-	1.0
Financing costs	(2.3)	-	(2.3)
Net financing costs	**(1.3)**	**-**	**(1.3)**
Other financial income and expense	6.8	-	6.8
Income taxes	(24.4)	(0.8)	(25.2)
Share of profit (loss) from associated companies	-	-	-
Net profit (loss) from continuing operations	**95.8**	**1.6**	**97.4**
Net profit (loss) from discontinued operations	(124.8)	-	(124.8)
Consolidated net profit	**(29.0)**	**1.6**	**(27.5)**
- Attributable to shareholders of Ipsen	(29.5)	1.6	(27.9)
- Minority interests	0.5	-	0.5

[(1)] Excluding software

Reconciliation of the balance sheet reported at 31 December 2012 and the restated balance sheet at 31 December 2012

(in million euros)	31 December 2012 reported	Restatements according to IFRS IAS19 revised	31 December 2012 restated
ASSETS			
Goodwill	298.2		298.2
Other intangible assets	129.2		129.2
Property, plant & equipment	281.8		281.8
Equity investments	12.0		12.0
Investments in associated companies			
Non-current financial assets	6.7	(6.7)	
Other non-current assets	18.7		18.7
Deferred tax assets	208.2	7.5	215.6
Total non-current assets	**954.7**	**0.8**	**955.5**
Inventories	127.9		127.9
Trade receivables	256.3		256.3
Current tax assets	54.4		54.4
Other current assets	53.6		53.6
Current financial assets	0.5		0.5
Cash and cash equivalents	113.6		113.6
Assets of discontinued operations			
Total current assets	**606.3**		**606.3**
TOTAL ASSETS	**1,561.1**	**0.8**	**1,561.9**

EQUITY AND LIABILITIES			
Share capital	84.3		84.3
Additional paid-in capital and consolidated reserves	867.8	(23.2)	844.6
Net profit for the period	(29.5)	1.6	(27.9)
Exchange differences	1.6		1.6
Equity attributable to Ipsen shareholders	**924.2**	**(21.7)**	**902.5**
Attributable to minority interests	2.0		2.0
Total equity	**926.3**	**(21.7)**	**904.5**
Retirement benefit obligation	19.9	22.8	42.7
Provisions	25.6		25.6
Bank loans			
Other financial liabilities	15.9		15.9
Deferred tax liabilities	2.8	(0.3)	2.5
Other non-current liabilities	133.8		133.8
Total non-current liabilities	**197.9**	**22.5**	**220.4**
Provisions	66.2		66.2
Bank loans	4.0		4.0
Financial liabilities	4.5		4.5
Trade payables	159.8		159.8
Current tax liabilities	3.3		3.3
Other current liabilities	198.3		198.3
Bank overdrafts	0.4		0.4
Liabilities of discontinued operations	0.5		0.5
Total current liabilities	**437.0**		**437.0**
TOTAL EQUITY & LIABILITIES	**1,561.1**	**0.8**	**1,561.9**