SHAREHOLDERS' MEETING NOTICE

Combined Shareholders' Meeting 2015

Wednesday 27 May 2015 at 3.00 p.m. (Paris time) at la Maison des Arts et Métiers
(Salon La Rochefoucauld), 9 bis, avenue d'Iéna, 75116 Paris

IPSEN
Innovation for patient care

SUMMARY

The present Shareholders' Meeting Notice is available on the Ipsen website (www.ipsen.com).

HOW TO PARTICIPATE IN THE MEETING?

The Shareholders of Ipsen are convened in an Combined Shareholders' Meeting on Wednesday 27 May 2015 at 3 p.m. (Paris time) at la Maison des Arts et Métiers (Salon La Rochefoucauld), 9 bis, avenue d'Iéna, 75116 Paris – France.

Preliminary formalities to be complied with for participating in the Shareholders' Meeting

All shareholders, regardless the number of shares held, are entitled to participate in, vote or be represented at this Meeting in accordance with the terms and conditions set forth by legal and regulatory provisions.

Shareholders who wish to attend the Shareholders' Meeting, be represented or vote by post, should provide proof of registration of their shares no later than two business days before the date of Shareholders' Meeting at 0.00 a.m., Paris time (*i.e.* Monday 25 May 2015, at 0.00 a.m., Paris time):

- for registered shareholders, by the registration of their shares in the books of registered shares held for the Company by its agent Société Générale Securities Services;
- for holders of bearer shares, by the registration of their shares, in their names or in the name of the intermediary acting on their behalf in their securities accounts, managed by the authorized banking or financial intermediary.

This registration of shares held under the form of bearer shares is evidenced by means of a statement of participation delivered by the authorized intermediary, which then provides evidence of their shareholder status.

The statement of participation delivered by the authorized intermediary shall be attached to the voting form for postal vote or proxy vote, or at the request for the admission card, sent by the authorized intermediary to Société Générale, Service des Assemblées, CS 30812, 44308 Nantes cedex 3, France or presented on the day of the Meeting by shareholders who did not receive their admission card.

Only these shareholders having such a status on 25 May 2015 at 0.00 a.m., Paris time, pursuant to the terms and conditions of the aforementioned Article R.225-85 of the French Commercial Code, may participate in this Shareholders' Meeting.

If you wish to attend the Shareholders' Meeting and vote in person

You must request an admission card, which document is required to attend the Meeting and to vote.

➔ **Please check box A on the voting form.**

➔ **Please date and sign the form.**

For holders of registered shares, please return the form in the enclosed prepaid envelope or by post, to the centralising agent mandated by the Company:

Société Générale
Service des Assemblées
CS 30812
44308 Nantes cedex 3 – France

For holders of bearer shares, please return the voting form to the custodian of your shares as soon as possible. Your custodian will send your voting form together with the statement of participation to the above address.

If you cannot or do not wish to attend the Shareholders' Meeting in person

➔ **Select one from the three available options by marking the corresponding box.**

- **Voting by post:** Mark the boxes corresponding to the resolutions on which you wish to vote no, if any.
- **Grant power to the Chairman of the Shareholders' Meeting:** The Chairman will cast a vote in favor of the adoption of the proposed resolutions presented or approved by the Board of Directors and a vote against the adoption of any other proposed resolutions.
- **To be represented by a person or legal entity of your choice:** Indicate the name and contact details of the person to whom you are granting the power to attend the Shareholders' Meeting and vote in your place.

To be taken into account, forms for postal vote must be effectively received by the Service des Assemblées of Société Générale, no later than three days before the date of the Shareholders' Meeting, *i.e.*, May 26th, 2015.

In accordance with the provisions of Article R.225-79 of the French Commercial Code, the notification of the appointment and revocation of a proxy may also be made electronically, by returning the signed and scanned form at the following email address: Assemblees.Generales@sgss.socgen.com. A copy of the identity document (on both sides) must be attached to the proxy form and for holders of bearer shares, a statement of participation. The holders of bearers shares must necessarily request from their financial intermediary managing their securities account, to send a written confirmation to Société Générale, Service des Assemblées (CS 30812, 44308 Nantes cedex 3, France).

The proxy granted may be revoked in the same forms. Only notifications of appointment or revocation of proxy duly signed and completed will be taken into account. Furthermore, only notifications of appointment or of revocation of proxy can be sent at the email address Assemblees.Generales@sgss.socgen.com, any other application or notification on another object will not be taken into account and/or dealt with.

Regardless of how you choose to participate (1)

➔ Please date and sign the form.

For holders of registered shares, please return the form in the enclosed prepaid envelope or by post, to the centralizing agent appointed by the Company:

Société Générale
Service des Assemblées
CS 30812
44308 Nantes cedex 3 – France

For holders of bearer shares, you must in all cases attach the statement of participation delivered by your financial intermediary. Your custodian will then send the form together with the statement of participation to the abovementioned address.

Please note that requests for admission cards or voting or proxy forms must not be sent directly to Ipsen SA.

It is specified that any shareholder who has already expressed his/her vote, sent a proxy, requested an admission card or a participation statement (Article R.225-85 III and IV of the French Commercial Code):

- may no longer opt for another means of participation;
- may dispose of all or part of his/her shares.

However, if the disposal is carried out before Monday 25 May 2015, at 0.00 a.m., Paris time, the Company shall consequently invalid or amend, as appropriate, the postal vote, the proxy, the admission card or the participation statement. To that end, the authorized intermediary, account holder, notifies the disposal to the Company or to its representative and provide the necessary information. No disposal or other transaction carried out after Monday 25 May 2015 at 0.00 a.m., Paris time, by whatever means, shall be notified by the authorized intermediary or taken into account by the Company, notwithstanding any other agreement to the contrary.

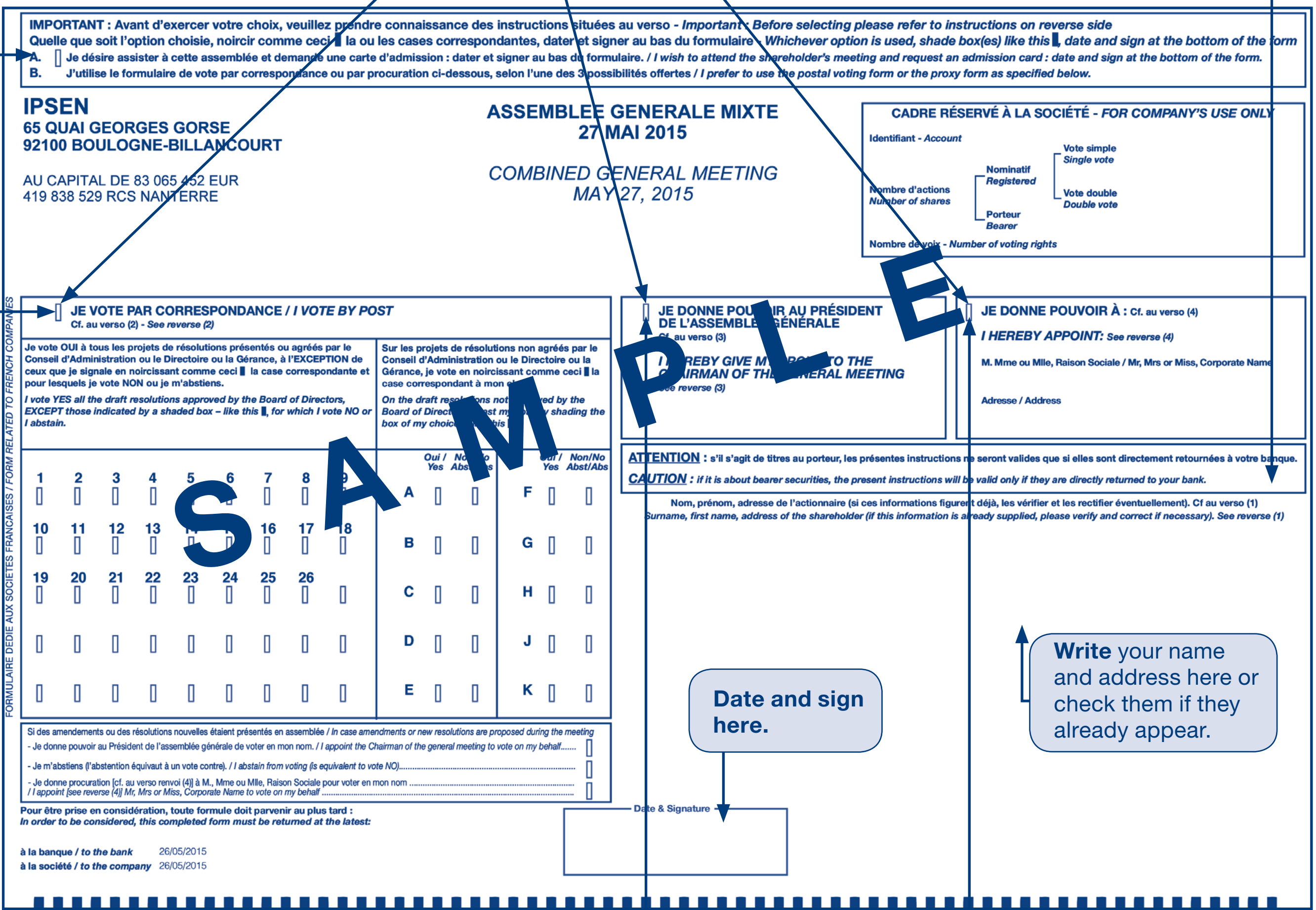
(1) Except in case of notification, at the abovementioned email address, of appointment or revocation of proxy.

How to complete the form?

To attend the Shareholders' Meeting and vote in person:
check here.

You cannot or do not wish to attend the Shareholders' Meeting in person:
select one from the 3 available options.

Your shares are bearer shares:
You must return the voting form to your custodian.



IMPORTANT : Avant d'exercer votre choix, veuillez prendre connaissance des instructions situées au verso - *Important : Before selecting please refer to instructions on reverse side*
Quelle que soit l'option choisie, noircir comme ceci ▮ la ou les cases correspondantes, dater et signer au bas du formulaire - *Whichever option is used, shade box(es) like this ▮, date and sign at the bottom of the form*
A. ▯ Je désire assister à cette assemblée et demande une carte d'admission : dater et signer au bas du formulaire. / *I wish to attend the shareholder's meeting and request an admission card : date and sign at the bottom of the form.*
B. J'utilise le formulaire de vote par correspondance ou par procuration ci-dessous, selon l'une des 3 possibilités offertes / *I prefer to use the postal voting form or the proxy form as specified below.*

IPSEN
65 QUAI GEORGES GORSE
92100 BOULOGNE-BILLANCOURT

AU CAPITAL DE 83 065 452 EUR
419 838 529 RCS NANTERRE

ASSEMBLEE GENERALE MIXTE
27 MAI 2015

COMBINED GENERAL MEETING
MAY 27, 2015

CADRE RÉSERVÉ À LA SOCIÉTÉ - *FOR COMPANY'S USE ONLY*
Identifiant - *Account*
Nombre d'actions - *Number of shares*: Nominatif - *Registered* (Vote simple - *Single vote*; Vote double - *Double vote*); Porteur - *Bearer*
Nombre de voix - *Number of voting rights*

FORMULAIRE DEDIE AUX SOCIETES FRANCAISES / *FORM RELATED TO FRENCH COMPANIES*

▯ **JE VOTE PAR CORRESPONDANCE / *I VOTE BY POST***
Cf. au verso (2) - *See reverse (2)*

Je vote OUI à tous les projets de résolutions présentés ou agréés par le Conseil d'Administration ou le Directoire ou la Gérance, à l'EXCEPTION de ceux que je signale en noircissant comme ceci ▮ la case correspondante et pour lesquels je vote NON ou je m'abstiens.
I vote YES all the draft resolutions approved by the Board of Directors, EXCEPT those indicated by a shaded box – like this ▮, for which I vote NO or I abstain.

Sur les projets de résolutions non agréés par le Conseil d'Administration ou le Directoire ou la Gérance, je vote en noircissant comme ceci ▮ la case correspondant à mon choix.
On the draft resolutions not approved by the Board of Directors, I cast my vote by shading the box of my choice like this ▮.

1 ▯ 2 ▯ 3 ▯ 4 ▯ 5 ▯ 6 ▯ 7 ▯ 8 ▯ 9 ▯
10 ▯ 11 ▯ 12 ▯ 13 ▯ 14 ▯ 15 ▯ 16 ▯ 17 ▯ 18 ▯
19 ▯ 20 ▯ 21 ▯ 22 ▯ 23 ▯ 24 ▯ 25 ▯ 26 ▯ ▯

	Oui / Yes	Non/No Abst/Abs		Oui / Yes	Non/No Abst/Abs
A	▯	▯	F	▯	▯
B	▯	▯	G	▯	▯
C	▯	▯	H	▯	▯
D	▯	▯	J	▯	▯
E	▯	▯	K	▯	▯

Si des amendements ou des résolutions nouvelles étaient présentés en assemblée / *In case amendments or new resolutions are proposed during the meeting*
- Je donne pouvoir au Président de l'assemblée générale de voter en mon nom. / *I appoint the Chairman of the general meeting to vote on my behalf*....... ▯
- Je m'abstiens (l'abstention équivaut à un vote contre). / *I abstain from voting (is equivalent to vote NO)*.... ▯
- Je donne procuration [cf. au verso renvoi (4)] à M., Mme ou Mlle, Raison Sociale pour voter en mon nom .... / *I appoint [see reverse (4)] Mr, Mrs or Miss, Corporate Name to vote on my behalf* .... ▯

Pour être prise en considération, toute formule doit parvenir au plus tard :
In order to be considered, this completed form must be returned at the latest:

à la banque / *to the bank* 26/05/2015
à la société / *to the company* 26/05/2015

▯ **JE DONNE POUVOIR AU PRÉSIDENT DE L'ASSEMBLÉE GÉNÉRALE**
Cf. au verso (3)
I HEREBY GIVE MY PROXY TO THE CHAIRMAN OF THE GENERAL MEETING
See reverse (3)

▯ **JE DONNE POUVOIR À :** Cf. au verso (4)
I HEREBY APPOINT: *See reverse (4)*
M. Mme ou Mlle, Raison Sociale / Mr, Mrs or Miss, Corporate Name
Adresse / Address

ATTENTION : s'il s'agit de titres au porteur, les présentes instructions ne seront valides que si elles sont directement retournées à votre banque.
CAUTION : *if it is about bearer securities, the present instructions will be valid only if they are directly returned to your bank.*

Nom, prénom, adresse de l'actionnaire (si ces informations figurent déjà, les vérifier et les rectifier éventuellement). Cf au verso (1)
Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary). See reverse (1)

Date & Signature

SAMPLE

Write your name and address here or check them if they already appear.

Date and sign here.

To vote by post:
check here and follow the instructions.

You wish to give your proxy to the Chairman of the Meeting:
check here and follow the instructions.

You wish to give your proxy to a specific representative:
check here and write the name and address of this representative.

BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND EXECUTIVE COMMITTEE

Composition of the Board of Directors, Committees of the Board and the Executive Committee

The Board of Directors

Mr. Marc de Garidel, Chairman and Chief Executive Officer (1)

Mr. Antoine Flochel, Vice-Chairman

Mrs. Hélène Auriol-Potier (*)

Mrs. Anne Beaufour

Mr. Henri Beaufour (1)

Mr. Hervé Couffin (*)

Mrs. Martha Crawford (*)

Mayroy SA, represented by Mr Philippe Bonhomme

Mr. Pierre Martinet (*)

Mr. Christophe Vérot (1)

Mrs. Carol Xueref

(*) Independant Director.
(1) Term of office expires at the conclusion of the Combined Shareholders' Meeting to be held on 27 May 2015.

Committees of the Board of Directors

Audit Committee

Mr. Pierre Martinet (Chairman)

Mr. Hervé Couffin

Mr. Christophe Vérot

Strategic Committee

Mr. Henri Beaufour (Chairman)

Mrs. Anne Beaufour

Mrs. Martha Crawford

Mr. Antoine Flochel

Mr. Marc de Garidel

Mrs. Carol Xueref

Compensation Committe

Mr. Antoine Flochel (Chairman)

Mrs. Hélène Auriol-Potier

Mr. Pierre Martinet

Appointments and Governance Committee

Mrs. Anne Beaufour (Chairperson)

Mr. Hervé Couffin

Mr. Christophe Vérot

Ethics Committee

Mrs. Hélène Auriol-Potier (Chairperson)

Mrs. Carol Xueref

Mayroy SA (reprensented by Mr Philippe Bonhomme)

The Executive Committee

Mrs. Christel Bories, Deputy Chief Executive Officer

Mr. Jonathan Barnsley, Executive Vice-President, Technical Operations

Mr. Claude Bertrand, Executive Vice-President, Research and Development, Scientific Director

Mr. Pierre Boulud, Executive Vice-President, Specialty Care Commercial Operations

Mrs. Dominique Brard, Executive Vice-President, Human Resources

Mr. Aymeric Le Chatelier, Executive Vice-President, Finances

Mr. Jean Fabre, Executive Vice-President, Primary Care Business Unit

Mr. François Garnier, Executive Vice-President, Corporate Counsel

Mr. Christophe Jean, Executive Vice-President, Strategy and Business Development

Mr. Philippe Robert-Gorsse, Executive Vice-President, Specialty Care Franchises

Information concerning Directors whose renewal is proposed

Marc de Garidel

Chairman and Chief Executive Officer

Member of the Strategic Committee

Born on 16 March 1958, french nationality

Since November 2010, Marc de Garidel holds the position of Chairman and Chief Executive Officer of Ipsen SA.

Marc de Garidel is Chairman and spokesperson of the G5, an association of eight leading French healthcare companies, since January 2011. He is also Vice-President of France's Healthcare Industries and Technologies Strategic Committee since July 2011. Marc de Garidel is Vice-President and a board member of the EFPIA (European Federation of Pharmaceutical Industries and Associations). He is a member of the Board of Directors of Pharnext.

Marc de Garidel is a knight of France's National Order of the Legion of Honor and a board member of the Society of Members of the Legion of Honor.

He is a teacher in the Master's Programs at ESSEC and ESCP Europe business schools.

Marc de Garidel began his career with pharmaceutical company Eli Lilly in 1983, where he held various roles, mainly finance-related, in France, the US and Germany. In 1995, Marc de Garidel joined Amgen, an American biotech company, where he held positions of increasing responsibility in finance. In 1998, he was appointed Deputy Chief Financial Officer of the Group "Corporate Controller", based in the US. In 2000, he takes up operational responsibilities in France, and progressively oversaw an increasing number of countries before heading the Southern region of Amgen International, the group's most important region in terms of sales. Between 2010 and 2012, Marc de Garidel was Chairman of the European Biopharmaceutical Enterprises association.

Marc de Garidel is a graduate of the École Spéciale des Travaux Publics (a leading French civil engineering school), and holds a Master's degree from the Thunderbird School of Global Management (Arizona, US) and an Executive MBA from Harvard Business School (Massachusetts, US).

As at 31 December 2014, Marc de Garidel directly owned 20,423 shares and 20,523 voting rights of the Company.

Positions currently held:

Ipsen Group:

- Ipsen Pharma SAS (France), Chairman
- Suraypharm SAS (France), Chairman

Others:

- G5 Santé (France), Chairman
- EFPIA, Director and Vice-President
- Pharnext (France), Director
- Healthcare Industries and Technologies, Vice-President of Strategic Committee

Positions previously held that expired during the last five years:

- Comité Biotech du Leem (Les Entreprises de Médicament)
- European Biopharmaceutical Enterprises, Chairman
- Promethera (Belgium), Non-Executive Chairman
- Inserm Transfer (France), Vice-President of the Advisory Board

Henri Beaufour

Director

Chairman of the Strategic Committee

Born on 6 January 1965, french nationality

Henri Beaufour holds a Bachelor of Arts degree (Georgetown, University Washington DC, United States).

As at 31 December 2014, Henri Beaufour held directly 1 share and 2 voting rights of the Company.

Positions currently held:

- Mayroy SA (Luxembourg), Director
- Beech Tree SA (Luxembourg), Director

Positions previously held that expired during the last five years:

- FinHestia S.à.r.l. (Luxembourg), Legal Manager
- Bluehill Participations & Cie S.C.A (Luxembourg), Member of the Advisory Board

Christophe Vérot

Director

Member of the Audit Committee and the Appointments and Governance Committee

Born on 23 July 1960, french nationality

Since 1991, Christophe Vérot has a consultancy activity in Corporate Finance then Valuation & Economics within PwC where he is a partner since 1995. Christophe Vérot is the author of several articles and publications on merger and acquisitions and valuation methods.

From 1985 to 1988, Christophe Vérot was an auditor at Price Waterhouse. From 1988 to 1991, he was a consultant at SIAR, a Scandinavian consultancy firm on strategy.

Christophe Vérot is a graduate of the ESSEC.

As at 31 December 2014, Christophe Vérot directly held 1,500 shares and 3,000 voting rights of the Company.

Positions currently held:

- PwC Investissements SAS, Chairman and member of the Management Committee
- PwC Corporate Finance SAS, Permanent representative of PwC Investissements to the Board of directors
- PwC Holdings France, Member of the Management Committee and Chairman
- PricewaterhouseCoopers Corporate Finance, Permanent representative of PwC Corporate Finance to the Management Committee

Positions previously held that expired during the last five years:

None.

Information concerning the candidate whose appointment is proposed

Michèle OLLIER

Born on 2 June 1958, french nationality

Since 2006, Michèle Ollier is a Partner at Index Ventures.

From 2003 to 2006, she was Director of Investment at Edmond de Rothschild Investment Partners in Paris. Between 2000 and 2002, she was International Vice-President Reproductive Health at Serono International. From 1994 to 2000, she held various positions at Rhone-Poulenc Rorer, in particular in oncology and in RPR Gencell, the group's gene therapy division. Previously, Michèle Ollier held various positions in charge of strategy, development and marketing in pharmaceutical companies Sanofi International and Bristol-Myers Squibb France.

Michèle Ollier is an ISSEC graduate (ESSEC Group) and is a Paris-Ouest University M.D.

Positions currently held:

- Minerva Neuroscience, Inc. (United States) (listed on the NASDAQ)
- Epsilon 3 Bio Limited (United Kingdom)
- LinguaFlex Inc. (United States)
- STX pharma Limited (United Kingdom)
- Purple Therapeutics Limited (United Kingdom)
- Encare Biotech BV (Netherlands)
- AbTco BV (Netherlands)

Positions previously held that expired during the last five years:

- Aegerion Inc (United States) (listed on the NASDAQ)
- Funxional Therapeutics (United Kingdom)
- OncoEthix (Switzerland)
- Cyrenaic Pharma Inc (United States)
- Sonkei Pharma Inc (United States)
- Mind-NRG (Switzerland)

AGENDA AND RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

Proposed Agenda

As an Ordinary Shareholders' Meeting:

- Approval of the annual financial statements for financial year ending 31 December 2014,
- Approval of the consolidated financial statements for financial year ending 31 December 2014,
- Appropriation of results and determination of the dividend,
- Special report of the Statutory Auditors on regulated-related agreements and commitments and approval and ratification of said agreements,
- Special report of the Statutory Auditors on regulated-related agreements and commitments and approval of a commitment taken in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer,
- Appointment of Mrs. Michèle Ollier as a Director,
- Renewal of the term of office of Mr. Marc de Garidel as a Director,
- Renewal of the term of office of Mr. Henri Beaufour as a Director,
- Renewal of the term of office of Mr. Christophe Vérot as a Director,
- Opinion on compensation elements due or allocated to Mr. Marc de Garidel, Chairman and Chief Executive Officer, for the financial year ended on 31 December 2014,
- Opinion on compensation elements due or allocated to Mrs. Christel Bories, Deputy Chief Executive Officer, for the financial year ended on 31 December 2014,
- Authorization to be given to the Board of Directors to allow the Company to repurchase its own shares pursuant to the provisions of Article L.225-209 of the French Commercial Code, duration of the authorization, purposes, terms and conditions, ceiling,

As an Extraordinary Shareholders' Meeting:

- Authorization to be given to the Board of Directors to cancel the shares repurchased by the Company pursuant to Article L.225-209 of the French Commercial Code, duration of the authorization, ceiling,
- Delegation of authority to be given to the Board of Directors to increase the capital by incorporating reserves, profits and/or premiums, duration of the delegation, maximum nominal amount of the share capital increase, treatment of fractional shares, suspension during a public offer,
- Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group company) with retention of preferential subscription rights, duration of the delegation, maximum nominal amount of the share capital increase, option to offer the unsubscribed securities to the public, suspension during a public offer,
- Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group company), without preferential subscription rights by means of a public offering and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer, duration of the delegation, maximum nominal amount of the share capital increase, issue price, option to restrict the issue to the amount of subscriptions or to distribute the unsubscribed securities, suspension during a public offer,
- Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group company), without preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code, duration of the delegation, maximum nominal amount of the share capital increase, issue price, option to restrict the issue to the amount of subscriptions or to distribute unsubscribed securities, suspension during a public offer,
- Authorization to increase the amount of issues in the event of excess demand,
- Delegation to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving rights to the share capital, within the limit of 10%, in order to pay for capital contributions in kind consisting of equity securities or securities giving rights to the share capital, duration of the delegation, suspension during a public offer,
- Authorization to be given to the Board of Directors to grant stock options to subscribe to and/or to purchase shares to waged staff members and/or certain company officers of the Company or of affiliated companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, exercise price, maximum duration of the option,
- Authorization to be given to the Board of Directors to allocate free of charge existing shares and/or shares to be issued to waged staff members and/or certain company officers of the Company or of affiliated companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, duration of acquisition, in particular in the case of disability, and vesting periods,
- Delegation of authority to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving right to the share capital without preferential subscription rights in favour of members of a company savings plan pursuant to Articles L.3332-18 *et seq.* of the French Labour Code, duration of the delegation, maximum nominal amount of the share capital increase,

issue price, possibility to allocate bonus shares in compliance with Article L.3332-21 of the French Labour Code,

- Authorization to be given to the Board of Directors to allocate free of charge preference shares to waged staff members and/or certain company officers waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, duration of acquisition, in particular in the case of disability, and vesting periods,
- Approbation to create a new category of preference shares and to amend accordingly the Articles of Association,
- Amendment of Article 24-3 of the Articles of Association,
- Powers to carry out any filings and formalities required by law.

Proposed Resolutions

As an Ordinary Shareholders' Meeting:

First resolution – Approval of the annual financial statements for financial year ending 31 December 2014

The Shareholders' Meeting, having considered the reports of the Board of Directors, of the Chairman of the Board and of the Statutory Auditors on financial statements for financial year ending 31 December 2014, approves, as they have been presented, the annual financial statements with a profit of €114,229,437.58.

Second resolution – Approval of the consolidated financial statements for financial year ending 31 December 2014

The Shareholders' Meeting, having considered the reports of the Board of Directors, of the Chairman of the Board and of the Statutory Auditors on the consolidated financial statements for financial year ending 31 December 2014, approves, as they have been presented, said financial statements with a profit (Group share) of 153,147 thousand euros.

Third resolution – Appropriation of results and determination of the dividend

The Shareholders' Meeting, upon proposal of the Board of Directors, and having noted that the profit for financial year ending 31 December 2014 amounted to €114,229,437.58:

- Notes that the profit for the 2014 financial year increased by the €87,676,390.94 beneficiary carry-forward from previous financial year brings the distributable profit to €201,905,828.52;
- Decides to allocate the distributable income as follows:
  - No allocation to the legal reserve, it already amounts to more than one-tenth of the share capital,
  - To the dividend for an amount of €70,450,514.30,
  - To the carry-forward item for an amount of €131,455,314.22.

The Shareholders' Meeting takes note that the gross total dividend allocated for each share is set at €0.85, while the entire amount paid out is eligible for the 40% tax credit provided for in Article 158-3-2° of the French General Tax Code.

The ex-dividend date is set on 29 May 2015 and the dividend will be paid on 2 June 2015.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 82,882,958 shares comprising the share capital as of 2 March 2015, the overall amount of dividends would be accordingly adjusted and the amount allocated to the carry-forward item would be determined on the basis of the dividends effectively paid.

In accordance with the provisions of Article 243 bis of the French General Tax Code, the Shareholders' Meeting acknowledged that dividends distributed for the three previous financial years were as follows:

For financial year	Incomes eligible for tax allowance		Incomes not eligible for tax allowance
	Dividends	Other incomes paid out	
2011	€67,381,258.40 (*) or €0.80 per share	–	–
2012	€67,280,202.40 (*) or €0.80 per share	–	–
2013	€66,089,327.20 (*) or €0.80 per share	–	–

(*) Including the amount of the unpaid dividend corresponding to treasury shares and allocated to the carry-forward item.

Fourth resolution – Special report of the Statutory Auditors on regulated-related agreements and commitments and approval and ratification of said agreements

The Shareholders' Meeting, having considered the Statutory Auditors' special report on regulated-related agreements and commitments presented to it, approves and, if applicable, ratifies the new agreements mentioned in said report.

Fifth resolution – Special report of the Statutory Auditors on regulated-related agreements and commitments and approval of a commitment taken in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer

The Shareholders' Meeting, having considered the Statutory Auditors' special report on regulated-related agreements and commitments defined by Article L.225-42-1 of the French

Commercial Code, approves the conditional commitment taken by the Company in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer, corresponding to compensation that may fall due should his position be changed or terminated, under the condition of the renewal of his mandate of Chairman and Chief Executive Officer by the Board of directors to be held after this Shareholders' Meeting.

Sixth resolution – Appointment of Mrs. Michèle Ollier as a Director

The Shareholders' Meeting, having considered the Report of the Board of directors, decides to appoint Mrs. Michèle Ollier as a director, in addition to current members, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2019 called to approve the financial statements for previous financial year.

Seventh resolution – Renewal of the term of office of Mr. Marc de Garidel as a Director

The Shareholders' Meeting, having considered the Report of the Board of directors, decides to renew the term of office of Mr. Marc de Garidel as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2019 called to approve the financial statements for previous financial year.

Eighth resolution – Renewal of the term of office of Mr. Henri Beaufour as a Director

The Shareholders' Meeting, having considered the Report of the Board of directors, decides to renew the term of office of Mr. Henri Beaufour as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2019 called to approve the financial statements for previous financial year.

Ninth resolution – Renewal of the term of office of Mr. Christophe Vérot as a Director

The Shareholders' Meeting, having considered the Report of the Board of directors, decides to renew the term of office of Mr. Christophe Vérot as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2019 called to approve the financial statements for previous financial year.

Tenth resolution – Opinion on compensation elements due or allocated to Mr. Marc de Garidel, Chairman and Chief Executive Officer, for the financial year ended on 31 December 2014

The Shareholders' Meeting, consulted in accordance with paragraph 24.3 of the AFEP-MEDEF Code of corporate governance for listed companies, revised in June 2013, to which the Company refers in accordance with Article L.225-37 of the French Commercial Code, delivers a favourable opinion on compensation elements due or allocated to Mr. Marc de Garidel, Chairman and Chief Executive Officer, for the financial year ended on 31 December 2014, as it have been presented in the Board of Directors' report.

Eleventh resolution – Opinion on compensation elements due or allocated to Mrs. Christel Bories, Deputy Chief Executive Officer, for the financial year ended on 31 December 2014

The Shareholders' Meeting, consulted in accordance with paragraph 24.3 of the AFEP-MEDEF Code of corporate governance for listed companies, revised in June 2013, to which the Company refers in accordance with Article L.225-37 of the French Commercial Code, delivers a favourable opinion on compensation elements due or allocated to Mrs. Christel Bories, Deputy Chief Executive Officer, for the financial year ended on 31 December 2014, as it have been presented in the Board of Directors' report.

Twelfth resolution – Authorization to be given to the Board of Directors to allow the Company to repurchase its own shares pursuant to the provisions of Article L.225-209 of the French Commercial Code, duration of the authorization, purposes, terms and conditions, ceiling

The Shareholders' Meeting, having considered the Board of Directors' report, authorizes the Board, with the ability to sub-delegate, for a period of eighteen months, in accordance with Articles L.225-209 *et seq.* of the French Commercial Code, to purchase, on one or several occasions as it shall see fit, Company shares within the limit of 10% of the number of shares comprising the share capital, adjusted, if applicable, to take into account any share capital increase or reduction that may occur during the period covered by the programme.

This authorization terminates the authorization given to the Board of Directors by the Shareholders' Meeting held on 4 June 2014 (eleventh ordinary resolution).

Such acquisitions may be carried out in order to:

- Stimulate the secondary market or ensure the liquidity of the Ipsen shares through the activities of an investment service provider *via* a liquidity agreement compliant with the AMAFI Code of conduct, as approved by the AMF,
- Retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions, it being specified that shares acquired for this purpose cannot exceed 5% of the Company's share capital,
- Ensure the hedging of stock option plans and/or bonus share plans (or similar plans) in favour of Group employees and/or company officers as well as all allocations of shares under a Company or Group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to Group employees and/or company officers,
- Ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force,
- Possibly cancel acquired shares, subject to the authorization to be granted by the present Shareholders' Meeting in its thirteenth extraordinary resolution.

These share purchases, sales, transfers or exchanges may be carried out by all means, including on the market or off-market or by multilateral negotiations systems or through systematic internalisers, or over the counter, including through the acquisition or sale of blocks of securities, and at such times as the Board shall see fit.

The Company reserves the right to use options or derivative instruments in accordance with applicable regulations.

The Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the Company's shares and until the end of the offer period.

The maximum purchase price is set at €70 per share. In the event of an equity transaction, in particular a stock split or a reverse stock split or an allocation of bonus shares, the aforementioned amount will be adjusted in the same proportions (multiplier coefficient equal to the ratio between the number of shares comprising the share capital before the transaction and the number of shares after the transaction).

The maximum amount of the transaction is accordingly set at €580,180,650 on the basis of a number of 82,882,958 shares.

The Shareholders' Meeting grants all powers to the Board of Directors to carry out these transactions, determine their terms and conditions, sign all necessary agreements and carry out all formalities.

As an Extraordinary Shareholders' Meeting

Thirteenth resolution – Authorization to be given to the Board of Directors to cancel the shares repurchased by the Company pursuant to Article L.225-209 of the French Commercial Code, duration of the authorization, ceiling,

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' report:

1) Authorizes the Board of Directors to cancel, as it shall see fit, on one or several occasions, subject to the limit of 10% of the share capital calculated on the day of the decision to cancel the shares, after deducting shares that may have been cancelled during the 24 previous months, the shares that the Company holds or may hold following the repurchases carried out under Article L.225-209 of the French Commercial Code as well as reduce the share capital proportionately in accordance with the legal and regulatory provisions in force,

2) Sets at twenty-four months from this Meeting the duration of the validity of this authorization,

3) Delegates all necessary powers to the Board of Directors to undertake all the transactions required by such cancellations and the resulting reductions in the share capital, accordingly change the Company's Articles of Association and to carry out any filings and formalities required by law.

Fourteenth resolution – Delegation of authority to be given to the Board of Directors to increase the capital by incorporating reserves, profits and/or premiums, duration of the delegation, maximum nominal amount of the share capital increase, treatment of fractional shares, suspension during a public offer

The Shareholders' Meeting, having met the quorum and majority requirements for ordinary shareholders' meetings, having considered the Board of Directors' report, and in accordance with the provisions of Articles L.225-129-2 and L.225-130 of the French Commercial Code:

1) Authorizes the Board of Directors to decide share capital increases, on one or several occasions, at such times and according to the terms and conditions the Board shall see fit, by the incorporation of reserves, profits, premiums or other sums that may be capitalised, by issuing and allocating bonus shares or by increasing the par value of existing ordinary shares, or by combining these two options.

2) Decides that should the Board of Directors use this delegation, in accordance with the provisions of Article L.225-130 of the French Commercial Code, in the case of a capital increase under the form of an allocation of bonus shares, fractional shares will not be tradable or assignable, and the corresponding equity securities will be sold; the proceeds from the sale will be allocated to the holders of rights within the delay set by regulations.

3) Sets at twenty-six months the duration of the validity of this delegation, calculated from the day of the present Meeting.

4) Decides that the amount of the capital increase resulting from issues carried out pursuant to this resolution shall not exceed 20% of the share capital on the day of this Meeting, without taking into account the amount required to safeguard, in accordance with the legislation, the rights of holders of securities giving rights to shares.

   This upper limit will count towards the overall ceiling defined in the fifteenth resolution submitted to the present Meeting.

5) Decides that the Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the Company's shares and until the end of the offer period.

6) Grants to the Board of Directors all necessary powers to implement this resolution, and to take all the measures and carry out all the formalities required to ensure the success of each capital increase, record its completion and amend accordingly the Articles of Association.

7) Takes note that the present delegation of authority shall cancel and supersede, as of this day, any previous delegation with the same purpose up to, if applicable, the unused part.

Fifteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company) with retention of preferential subscription rights, duration of the delegation, maximum nominal amount of the share capital increase, option to offer the unsubscribed securities to the public, suspension during a public offer

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, in particular, its Articles L.225-129-2, L.228-92 and L.225-132 *et seq.*:

1) Delegates to the Board of Directors its powers to issue, on one or several occasions, in such proportions and at such times as the Board shall see fit, either in euros, or in foreign currencies or in any other monetary unit established by reference to a basket of currencies,
   - ordinary shares,
   - and/or ordinary shares giving rights to the allocation of ordinary shares or debt securities,
   - and/or securities giving rights to ordinary shares to issue.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued may give access to ordinary shares of any company that owns directly or indirectly more than half of our Company's share capital or in which our Company owns directly or indirectly more than half of the share capital.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) Decides to set, as follows, the limits for the amounts of authorized issues should the Board of Directors use this delegation of power:

   The overall nominal amount of shares that could be issued pursuant to this delegation shall not exceed 20% of the share capital on the day of the present Meeting.

   If applicable, the nominal value of ordinary shares to be issued in order to safeguard, in accordance with the legislation and, when relevant, to comply with contractual stipulations setting out other adjustment cases, the rights of holders of securities giving access to the Company's share capital, will be added to this upper limit.

   The overall nominal amount of shares issued, directly or not, pursuant to the fourteenth and sixteenth and seventeenth resolutions submitted to this Meeting will count towards this upper limit.

4) Should the Board of Directors use this delegation of power with respect to the issues defined in 1) above:

   a/ decides that the issue or issues of ordinary shares or of securities giving access to the share capital will be reserved by preference to shareholders who will be able to commit to an irrevocable subscription,

   b/ decides that if the irrevocable subscriptions, and if applicable the revocable subscriptions, have not absorbed an entire issue as defined in 1/, the Board of Directors will be able to use the following options:

   - restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
   - distribute all or part of the securities that have not been subscribed to at its discretion,
   - offer to the public all or part of the securities that have not been subscribed to.

5) Decides that the Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

6) Decides that the Board of Directors will be entrusted with, in the limits set above, the powers required, in particular, to set the terms and conditions of the issue or issues, if applicable, record the completion of the capital increases resulting from said issues, amend accordingly the Articles of Association, charge the costs of the capital increases against the amount of the associated premiums, at its sole initiative, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases and, more generally speaking, do everything necessary in such a case.

7) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose.

Sixteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company), without preferential subscription rights by means of a public offering and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer, duration of the delegation, maximum nominal amount of the share capital increase, issue price, option to restrict the issue to the amount of subscriptions or to distribute the unsubscribed securities, suspension during a public offer

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and, in particular, its Articles L.225-129-2, L.225-136, L.225-148 and L.228-92:

1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in such proportions and at such times as the Board shall see fit, on the French and/or international market, by means of an offering to the public, either in euros, or in foreign currencies or in any other monetary unit established by reference to a basket of currencies:

   - ordinary shares,
   - and/or ordinary shares giving rights to the allocation of ordinary shares or debt securities,
   - and/or securities giving rights to ordinary shares to issue.

   These securities may be issued for the purpose of paying for securities transferred to the Company in the context of a public exchange offer on securities meeting the conditions set by Article L.225-148 of the French Commercial Code.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued may give rights to the ordinary shares of any company that owns directly or indirectly more than half of our Company's share capital or in which our Company owns directly or indirectly more than half of the share capital.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) The overall nominal amount of ordinary shares that could be issued pursuant to this delegation shall not exceed 10% of the share capital on the day of the present Meeting.

   If applicable, the nominal value of ordinary shares to be issued in order to safeguard, in accordance with the legislation and, when relevant, to comply with contractual stipulations setting out other adjustment cases, the rights of holders of securities giving access to the Company's share capital will be added to this upper limit.

   This amount will count towards the amount of the upper limit of the share capital increase set out in the thirteenth resolution and the upper limit defined in the fifteenth and seventeenth resolutions.

4) Decides to cancel shareholders' preferential subscription rights to ordinary shares and to securities giving rights to the capital and/or to debt securities covered by the present resolution, while leaving, however, the option for the Board of Directors to grant shareholders a priority right, in accordance with the legislation.

5) Decides that the sum due or to become due to the Company for each ordinary shares issued under this delegation of power, after taking into account, in the case of an issue of equity warrants, the issue price of said warrants, will be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

6) Decides, should securities be issued for the purpose of paying for securities transferred to the Company in the context of a public exchange offer, that the Board of Directors will hold, under the conditions set out in Article L.225-148 of the French Commercial Code and in the limits set above, the powers required to draw up the list of securities tendered to the exchange, set issuance conditions, the exchange parity as well as, if applicable, the amount of the windfall cash payment to be disbursed, and determine issuance terms and conditions.

7) Decides that if the subscriptions have not absorbed an entire issue as defined in 1/, the Board of Directors will be able to use the following options:
   - restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
   - distribute all or part of the securities that have not been subscribed to at its discretion.

8) Decides that the Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.

9) Decides that the Board of Directors will be entrusted with, in the limits set above, the powers required, in particular, to set the terms and conditions of the issue or issues, if applicable, record the completion of the capital increases resulting from said issues, amend accordingly the Articles of Association, charge the costs of the capital increases against the amount of the associated premiums, at its sole initiative, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases and, more generally speaking, do everything necessary in such a case.

10) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose.

Seventeenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company), without preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code, duration of the delegation, maximum nominal amount of the share capital increase, issue price, option to restrict the issue to the amount of subscriptions or to distribute unsubscribed securities, suspension during a public offer

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of the French Commercial Code and in particular its Articles L.225-192-2, L.225-136 and L.228-92:

1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in such proportions and at such times as the Board shall see fit, on the French and/or international market, by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code, either in euros, or in foreign currencies or in any other monetary unit established by reference to a basket of currencies:
   - ordinary shares,
   - and/or ordinary shares giving rights to the allocation of ordinary shares or debt securities,
   - and/or securities giving rights to ordinary shares to issue.

   In compliance with Article L.228-93 of the French Commercial Code, the securities to be issued may give rights to the ordinary shares of any company that owns directly or indirectly more than half of our Company's share capital or in which our Company owns directly or indirectly more than half of the share capital.

2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.

3) The overall nominal amount of ordinary shares that may be issued pursuant to this delegation shall not exceed 10% of the share capital on the day of the present Meeting, and it will furthermore be limited to 20% of the share capital per year.

   If applicable, the nominal value of ordinary shares to be issued in order to safeguard, in accordance with the legislation and, when relevant, to comply with contractual stipulations setting out other adjustment cases, the rights of holders of securities giving access to the Company's share capital, will be added to this upper limit.

   This amount will be deducted from the amount of the upper limit of the capital increase defined in the fifteenth and sixteenth resolutions.

4) Decides to cancel shareholders' preferential subscription rights to ordinary shares and to securities giving rights to the share capital and/or to debt securities that are the subject of the present resolution.

5) Decides that the sum due or to become due to the Company for each ordinary shares issued under this delegation of power, after taking into account, in the case of an issue of equity warrants, the issue price of said warrants, will be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

6) Decides that if the subscriptions have not absorbed an entire issue defined in 1/, the Board of Directors will be able to use the following options:
   - restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
   - distribute all or part of the securities that have not been subscribed to at its discretion.
7) Decides that the Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the company's shares and until the end of the offer period.
8) Decides that the Board of Directors will be entrusted with, in the limits set above, the powers required, in particular, to set the terms and conditions of the issue or issues, if applicable, record the completion of the capital increases resulting from said issues, amend accordingly the Articles of Association, charge the costs of the capital increases against the amount of the associated premiums, at its sole initiative, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases and, more generally speaking, do everything necessary in such a case.
9) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose.

Eighteenth resolution – Authorization to increase the amount of issues in the event of excess demand

The Shareholders' Meeting, having considered the Board of Directors' report, decides for every issue of ordinary shares or negotiable securities giving right to the share capital decided pursuant to the fifteenth and to the seventeenth resolutions, the number of securities to be issued may be increased under the conditions set out by Article L.225-135-1 and R.225-118 of the French Commercial Code and within the limit of the ceilings determined by the Meeting, whenever the Board of Directors notes an excess demand.

Nineteenth resolution – Delegation to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving rights to the share capital, within the limit of 10%, in order to pay for capital contributions in kind consisting of equity securities or securities giving rights to the share capital, duration of the delegation, suspension during a public offer,

The Shareholders' Meeting, having considered the Board of Directors' and the Statutory Auditors' report and in accordance with Article L.225-147 and L.228-92 of the French Commercial Code:

1) Authorizes the Board of Directors to issue, acting on a report of a certified public accountant appointed to assess the value of contributions to capital, ordinary shares or securities giving access to ordinary shares in order to pay for contributions in kind granted to the company and consisting of equity securities or securities giving rights to the share capital in the event the provisions of Article L.225-148 of the French Commercial Code are not applicable.
2) Sets at twenty-six months the duration of the validity of the present delegation, calculated from the day of the present Meeting.
3) Decides that the overall nominal amount of ordinary shares that may be issued pursuant to the present delegation shall not exceed 10% of the share capital on the day of the present Meeting, without taking into account the nominal value of ordinary shares to be issued to safeguard, in accordance with the legislation and, if applicable, to comply with contractual stipulations setting out other adjustment cases, the rights of holders of securities giving rights to the Company's share capital. This ceiling is independent from all the upper limits defined by the other resolutions submitted to the present Meeting.
4) Decides that the Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the Company's shares and until the end of the offer period.
5) Delegates all powers to the Board of Directors to approve the assessment of contributions, decide the capital increase resulting from said assessment, record the completion of the capital increases resulting from said issues, charge the all costs of the capital increase against the amount of the associated premiums, if applicable, and deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases, amend accordingly the Articles of Association and, more generally speaking, do everything necessary in such a case.
6) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose

Twentieth resolution – Authorization to be given to the Board of Directors to grant stock options to subscribe or to purchase shares to waged staff members and/or certain company officers of the Company or of affiliated companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, exercise price, maximum duration of the option

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report:

1) Authorizes the Board of Directors, pursuant to the provisions of Articles L.225-177 to L.225-185 of the French Commercial Code, to grant on one or several occasions, in favour of beneficiaries specified hereafter, options giving a right to subscribe to new shares of the Company to be issued as a part of a share capital increase or purchase existing shares of the Company resulting from repurchases carried out under the conditions set out by law.
2) Sets at twenty-six months as of the day of the present Meeting the duration of the validity of the present authorization.
3) Decides that the beneficiaries of these options may only be:
   - on the one hand, employees or some of them, or certain categories of the personnel, of the Ipsen company and, if applicable, companies or economic interest groupings that are affiliated to Ipsen as defined by Article L.225-180 of the French Commercial Code;

- on the other hand, the company officers who meet the conditions set by Article L.225-185 of the French Commercial Code.

4) The total number of options that may be granted by the Board of Directors pursuant to this delegation shall not carry the right to subscribe to or buy a number of shares higher than 3% of the share capital as of the day of the initial allocation, taking into account that the total number of bonus shares that may be allocated by the Board of Directors under the following authorization counts towards this upper limit.

   The total number of options that may be granted to the company officers may not entitle them to subscribe for or purchase more than 20% of the share capital in this envelope and the exercise of this options will be subject to performance conditions set by the Board of Directors.

5) Decides that no option shall be granted:
   - either in the period of ten stock market trading days preceding and following the date on which the consolidated financial statements are published,
   - or in the period between the date on which the Company's governing bodies have knowledge about information that, if disclosed, could have a material impact on the Company's share price, and the date that falls after ten stock market trading days after the one on which this information is made public,
   - less than twenty stock market trading days after the ex-dividend date of shares carrying a right to a dividend or a capital increase.

6) Takes note that this authorization includes, in favour of beneficiaries of options to subscribe to shares, an explicit waiver by shareholders of their preferential subscription rights to the shares that will be issued as options are gradually exercised.

7) Delegates all powers to the Board of Directors to set the other terms and conditions of the allocation of options and how they are to be exercised and notably to:
   - determine the conditions under which options will be granted and draw up the list, or define the categories, of beneficiaries as defined above; set, if applicable, the seniority conditions these beneficiaries will have to meet; decide under which conditions the price and the number of shares will have to be adjusted, in particular, under the assumptions set out in Articles R.225-137 to R.225-142 of the French Commercial Code;
   - determine the exercise period or periods of the options granted, taking into account the fact that the duration of options shall not exceed a period of ten years, as of their allocation date;
   - include the option to suspend temporarily the exercising of options during a maximum period of three months should financial transactions that involve exercising a right relating to shares occur;
   - carry out any and all operations and formalities directly or through an agent, aimed at completing the capital increase or increases which may be carried out, if applicable, pursuant to the authorization that proposed by this resolution; accordingly amend the Articles of Association and generally speaking do everything that will be necessary;
   - at its initiative if it so deems fit, deduct from the amount of the premiums relating to the capital increase the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases.

8) Takes note that the present authorization shall cancel and supersede any previous authorization with the same purpose.

Twenty-first resolution – Authorization to be given to the Board of Directors to allocate free of charge existing shares and/or shares to be issued to waged staff members and/or certain company officers of the Company or of affiliated companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, duration of acquisition, in particular in the case of disability, and vesting periods,

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, authorizes the Board of Directors, to allocate, on one or several occasions, in accordance with Articles L.225-197-1 and L.225-197-2 of the French Commercial Code, Company ordinary shares, whether existing or to be issued, in favour of:

- waged staff members of the Company or of companies that are directly or indirectly affiliated to it under the meaning of Article L.225-197-2 of the French Commercial Code,
- and/or company officers who meet the conditions defined by Article L.225-197-1 of the French Commercial Code.

The total number of bonus shares thus allocated shall not exceed 3% of the share capital at the date of the decision to make the initial allocation by the Board of Directors taking into account that the total number of shares which the options that could be granted by the Board of Directors, pursuant to the above authorization, will count towards this upper limit.

The total number of bonus shares that may be granted to the company officers may not entitle them to subscribe for or purchase more than 20% of the share capital in this envelope and the acquisition of this bonus shares will be subject to performance conditions set by the Board of Directors.

The allocation of shares to beneficiaries will be final at the end of an acquisition period that will last as long as determined by the Board of Directors, which shall not be lower than the minimum period required by law.

The beneficiaries will have to keep these shares during a period defined by the Board of Directors, taking into account the fact that the vesting period shall not be lower than the minimum period required by law. The cumulative duration of acquisition and conservation periods cannot be lower than the minimum required by law.

Exceptionally, the final allocation will occur before the end of the acquisition period in the event of disability of the beneficiary corresponding to a classification in the second and the third categories defined by Article L.341-4 of the French Social Security Code.

All powers are granted to the Board of Directors in order to:

- Set the conditions and, if applicable, the criteria applicable to the allocation of these shares;
- Determine the identity of beneficiaries as well as the number of shares allocated to every one of them;

- If applicable:
  - check whether there are sufficient reserves and transfer to a sequestered reserve at every allocation the sums required to pay up the new shares to be allocated,
  - decide, when the right time comes, the capital increase or increases by capitalisation of reserves, premiums or profits related to the issuance of the new bonus shares,
  - acquire the necessary shares under the share repurchase programme and transfer them to the plan,
  - determine the impacts on the rights of beneficiaries of transactions affecting the share capital or likely to affect the value of the allocated and acquired shares during the acquisition and vesting periods and, accordingly, change or adjust, if necessary, the number of shares allocated in order to safeguard the rights of beneficiaries;
  - take all useful measures in order to ensure compliance with the vesting obligation demanded from beneficiaries,
  - and, more generally, do everything implementing this authorization will require in accordance with the legislation in force.

This authorization entails the waiver by shareholders of their preferential subscription rights to the new shares issued by the means of the capitalisation of profits, reserves and premiums.

It is given for a period of twenty-six months from the day of the present Meeting.

The present authorization shall cancel and supersede any previous authorization with the same purpose.

Twenty-second – Delegation of authority to be given to the Board of Directors to increase the share capital by issuance of ordinary shares and/or securities giving right to the share capital without preferential subscription rights in favour of members of a company savings plan pursuant to Articles L.3332-18 *et seq.* of the French Labour Code, duration of the delegation, maximum nominal amount of the share capital increase, issue price, possibility to allocate bonus shares in compliance with Article L.3332-21 of the French Labour Code

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, acting pursuant to Articles L.225-129-6, L.225-138-1 and L.228-92 of the French Commercial Code and L.3332-18 *et seq.* of the French Labour Code:

1) Authorizes the Board of Directors, if it so sees fit, on its own initiative, to increase the share capital on one or several occasions by issuing ordinary shares or securities giving rights to the Company's share capital in favour of members of one or several group savings plans set up by the Company and/or French or foreign companies that are affiliated with it as defined by Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code.

2) Cancels, in favour of these persons, preferential subscription rights of shareholders to the shares that might be issued pursuant to the present delegation.

3) Sets at twenty-six months from the present Meeting the duration of the validity of this delegation.

4) Restricts the maximum nominal amount of the increase or increases that could be carried out by using this authorization at 5% of the amount of the share capital at the date of the present Meeting, and this amount is independent from any other ceiling defined with respect to the delegation of the power to carry out share capital increases. To this amount is added, if applicable, the additional amount of ordinary shares to be issued, in accordance with the law and any applicable contractual provisions providing for other adjustment cases, to preserve the rights of holders of securities entitling to the Company's equity securities.

5) Decides that the price of the shares to be issued, pursuant to 1/ of this delegation, shall not be more than 20% lower, or 30% lower when the vesting period defined by the plan pursuant to Articles L.3332-25 and L.3332-26 of the French Labour Code is longer than or equal to ten years, than the average opening price of the stock during the 20 stock market trading days preceding the Board of Directors' decision to carry out the capital increase and issue the corresponding shares, or higher than this average.

6) Decides, in application of the provisions of Article L.3332-21 of the French Labour Code, that the Board of Directors will be enabled to plan the free allocation to the beneficiaries defined in the first paragraph above, of shares to be issued or already issued or of other securities giving access to the Company's share capital to be issued or already issued, to cover (i) the employer's contribution that may be paid pursuant to the regulations of Company or Group savings plans, and/or (ii), if applicable, the discount.

7) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose.

The Board of Directors may implement or not this delegation, take all measures and carry out all necessary formalities.

Twenty-third resolution – Authorization to be given to the Board of Directors to allocate free of charge preference shares to waged staff members and/or certain company officers, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, duration of acquisition, in particular in the case of disability, and vesting periods,

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, in accordance with Articles L.225-197-1, L.225-197-2 and L.228-11 *et seq.* of the French Commercial Code:

1) Authorizes the Board of Directors, under the condition of the approval by this Shareholders' Meeting of the twenty-fourth extraordinary resolution, to allocate, on one or several occasions, free of charge existing or to be issued preference shares of the Company giving right to a conversion into Company ordinary shares, either already issued or to be issued, to waged staff members and corporate officers, or some of them, of the Company and/or of companies related to the Company as defined in article L.225-197-2 of the French Commercial Code;

2) Decides that the Board of Directors will define the criteria and allocation conditions for preference shares, in particular the identity of beneficiaries as well as the number of preference shares allocated to each one of them and will allocate said shares;

3) Decides that the total maximum number of ordinary shares that could result from the conversion of preference shares allocated, pursuant to this authorization, shall not exceed 3% of the Company's share capital on the date on which the Board of Directors decided to allocate them. This number does not take into account possible adjustments carried out to safeguard the rights of holders of securities giving access to the Company's capital, in compliance with statutory and regulatory provisions and, if need be, the applicable contractual stipulations. This ceiling will encompass the total number of shares that could result from the exercising of options or from the vesting of bonus shares allocated by the Board of Directors pursuant to authorizations given in the twentieth and twenty-first extraordinary resolutions;

4) Decides that the Company's Officers will be able to benefit from the new preference shares allocated pursuant to this authorization, in compliance with the provisions of Article L.225-197-6 of the French Commercial Code, and that the number of preference shares allocated in this manner to the Company's Officers shall not exceed 20% of the total number of preference shares within this envelop and the final acquisition of the preference shares allocated to the Company's officers will be subject to the performance conditions set by the Board of Directors;

5) Decides that the allocation of preference shares to their beneficiaries will be vested at the end of a vesting period the length of which will be set by the Board of Directors, which cannot be lower than the minimum period required by law. Beneficiaries will have to keep, if applicable, said preference shares for a period of time defined by the Board of Directors, taking into account the fact that said period shall not be lower than the minimum period required by law;

6) Takes note that the Board of Directors will make the allocation of preference shares conditional on performance-related criteria and will have to set for company officers the quantity of ordinary shares resulting from the conversion of preference shares they will be obliged to keep as registered shares until they stop working for the Company;

7) Decides, moreover, that should the beneficiary's disability correspond to a classification in the second or third categories defined in Article L.341-4 of the French Social Security Code, the preference shares will be vested before the end of the vesting period and, if applicable, of the lock-up period yet to be completed;

8) Takes note that this authorization automatically entails, in favour of beneficiaries, the waiver by shareholders of their preferential subscription rights to the preference shares that could be issued pursuant to this resolution and on the ordinary shares that could be issued during the conversion of preference shares;

9) Authorizes the Board of Directors to determine the impact on beneficiaries' rights of transactions changing the share capital or likely to affect the value of shares allocated during vesting periods and, accordingly, modify or adjust, if necessary, the number of allocated shares to safeguard the rights of beneficiaries;

10) Grants all powers to the Board of Directors, with the power to sub-delegate under the conditions stipulated by law, to implement this authorization and in particular to:

   - subject to legal limits and statutory provisions, set allocation conditions and criteria as well as the terms and conditions governing the conversion of preference shares, especially the minimum vesting period and, when relevant, the mandatory lock-up period;
   - set the number of preference shares to be issued and their vestment date;
   - ascertain the identity of beneficiaries as well as the number of shares allocated to each one of them;
   - bear in mind its power to suspend provisionally allocation rights;
   - check whether the Company's reserves are large enough and transfer during each allocation, to an unavailable reserve account the sums required to pay up the preference shares to be allocated;
   - decide, when the time comes, to carry out the right issue or issues through incorporation of reserves, issue premiums or earnings correlative issuance of new preference shares to be allocated free of charge;
   - record the completion of the issuance of preference shares and carry out the correlative changes in the Articles of Association;
   - set the terms and conditions according to which the rights of owners of securities giving access to the capital are safeguarded, in accordance with the legal and regulatory provisions and, if required, the applicable contractual stipulations;
   - when required, carry out the necessary acquisitions of shares under the share buyback program and allocate them to the allocation plan;
   - register the conversion of preference shares into ordinary shares in accordance with the Articles of Association, deduct, if needed, the sums required to pay up aforesaid shares from reserves, earnings or issue premiums; record, when relevant, the completion of the related capital increase(s) and carry out the correlative changes in the Articles of Association;
   - carry out all procedures and formalities required to complete capital increase(s);
   - and, more generally, do everything implementing this authorization require in accordance with the legislation in force.

This authorization is given for a period of twenty-six months from this present Meeting.

The Board of Directors will inform the Shareholders' Meeting every year, in accordance with legal and regulatory provisions in force, in particular Article L.225-197-4 of the French Commercial Code, about the transactions carried out pursuant to this resolution.

Twenty-fourth resolution – Approbation to create a new category of preference shares and to amend accordingly the Articles of Association,

The Shareholders' Meeting, having considered the Board of Directors' report and the Statutory Auditors' special report, under the condition of the approval by the Shareholders' Meeting of the twenty-third extraordinary resolution:

1) Decides, provided the Board of Directors implements the authorization granted by this Shareholders' Meeting under

the terms and conditions of the twenty-third extraordinary resolution, to allocate free of charge preference shares to certain beneficiaries defined in said resolution, to add in the Articles of Association the possibility of creating a new category of shares, *i.e.* preference shares governed by Articles L.228-11 *et seq.* of the French Commercial Code. Its characteristic features and the terms and conditions set for converting them into ordinary shares are set as explained below;

2) Decides that the issuance of preference shares shall be decided only as part of a free allocation of shares to waged staff members and/or company officers of the Company and of companies or undertakings that are related to it according to the provisions of Articles L.225-197-1 *et seq.* of the French Commercial Code;

3) Decides that the preference shares will have the following characteristics:
   - the par value of preference shares will be equal to the par value of ordinary shares;
   - the preference shares will be fully paid up when issued through the proportional incorporation into the share capital of the Company's reserves, issues premiums or earnings;
   - at the expiry of the vesting period, and when relevant, of the lock-up period, the preference shares will (i) be either converted into ordinary shares according to a conversion ratio defined in the conditions described below if the performance-related criterion is met (ii) or bought back by the Company at their par value in order to cancel them if the performance-related criterion is not met;
   - preference shares will not grant any voting right; however, owners of preference shares will have the right to take part in a special shareholders' meeting under the conditions set out in article L.225-99 of the French Commercial Code and by the Company's articles of association in the case of a change in the rights attached to this category of shares;
   - the preference shares will not grant any right to dividends or reserves; each preference share will benefit from a right in the liquidation proceeds proportional to the weight of its nominal amount in the Company's share capital;
   - the preference shares will not carry any preferential subscription right for any capital increase or any transaction with a preferential subscription right on ordinary shares and will not benefit from capital increases carried out by a free allocation of new shares or by an increase in the nominal amount of existing ordinary shares completed by the incorporation of reserves, earnings, issue premiums or other sums whose capitalisation would be accepted, or from free allocations of securities giving access to shares carried out for the owners of ordinary shares; however, the Conversion Ratio (as defined below) will be adjusted in order to safeguard owners' rights in the conditions set out contractually for this purpose in the rules of the plan leading to a free allocation of preference shares;
   - the preference shares will be fully paid up when issued by proportionally incorporating reserves, issue premiums or earnings of the Company into its share capital;
   - preference shares shall be registered shares;
   - preference shares will be untransferable (unless bought back by the Company);
   - no request will be made to get preference shares accepted on Euronext's regulated market in Paris;

4) Decides that the preference shares will be converted into ordinary shares according to the following terms and conditions:
   - preference shares will be converted into ordinary shares according to the performance of the stock market price of the Company's ordinary shares, on the fifth trading day following the expiry of the vesting period and, when relevant, of the applicable lock-up period (the "Conversion Date"), without any prior request from the bearer;
   - the number of ordinary shares that could result from the conversion of preference shares on the Conversion Date will be calculated according to a conversion ratio determined at each allocation date (the "Conversion Ratio"), according to the choice made by the Board of Directors, either according to the absolute value of the Company's stock market price at the Conversion Date, or according to the relative value of the Company's stock market price in comparison with the Benchmark Stock Market Index (as defined below);
   - if it chooses to determine the Conversion Ratio according to the absolute value of the Company's stock market price on the Conversion Date, the Board of Directors will have to set for this purpose on the allocation date:
     - the Weighted Stock Market Price starting from which the preference shares will give right to conversion on the Conversion Date (the "Floor Stock Market Price"),which shall not in any event be lower than the Company's Weighted Stock Market Price on the date of allocation of the preference shares;
     - the target Weighted Stock Market Price on the Conversion Date beyond which the number of ordinary shares resulting from the conversion will no longer increase (the "Ceiling Stock Market Price"), which shall not, in any event, be lower than the Company's Weighted Stock Market Price on the date of allocation of preference shares increased by 40%;
     - the maximum number of ordinary shares resulting from the conversion of the total number of preference shares, when the Floor Stock Market Price is reached; it being understood that this number shall not account for more than 0.25% of the Company's share capital on the allocation date of the preference shares;
     - the maximum number of ordinary shares resulting from the conversion of the total number of preference shares, when the Ceiling Stock Market Price is reached; it being understood that this number shall not account for more than 2% of the Company's share capital on the allocation date of the preference shares;
   - If the Board of Directors draws on this approach to determine the Conversion Ratio, the preference shares issued under the free allocation of preference shares will be converted into a number of ordinary shares calculated in a linear manner between the Floor Stock Market Price and the Ceiling Stock Market Price determined by the Board of Directors.
   - For the purposes of the above paragraphs, the "Weighted Stock Market Price" is defined as the weighted average

of the volumes of the Company's share price during the twenty trading sessions prior to the allocation date of the preference shares or the Conversion Date, as the case may be;

- If the Board chooses to determine the Conversion Ratio according to the relative value of the Company's stock price in comparison with the Benchmark Stock Market Index (as defined below), the Board of Directors will have to determine for this purpose on the allocation date:
  - the ranking of the Company's stock market price (the "Ranking of the Company's Stock Market Price") in the Stoxx 600 Europe TMI Healthcare index ("the Benchmark Stock Market Index") at the end of the last trading day prior to the date of allocation of preference shares;
  - the minimum Ranking of the Company's Stock Market Price under which preference shares will not give right to conversion on the Conversion Date (the "Floor Ranking"), which in any event, shall not be lower than the Stock Market Price's Ranking on the date of allocation of preference shares;
  - if necessary, the scale of the applicable Conversion Ratios according to the classification thresholds of stock market prices within the Benchmark Stock Market Index drawn upon by the Board of Directors;
  - the maximum number of ordinary shares resulting from the conversion of all the preference shares, when the Floor Ranking is reached; it being understood that this number shall not account for more than 0.25% of the Company's share capital on the date of allocation of preference shares;
  - the maximum number of ordinary shares resulting from the conversion of all the preference shares, when the Stock Market Price's Ranking reaches the first ranking (the "First Ranking"); it being understood that this number shall not account for more than 2% of the Company's share capital on the date of allocation of preference shares;
- If the Board of Directors chooses this approach to determine the Conversion Ratio, the preference shares issued as part of the free allocation of preference shares will be converted into a number of ordinary shares calculated in a linear manner between the Floor Ranking and the First Ranking or, if the Board of Directors has chosen a scale of Conversion Ratios with classification thresholds between the lower threshold and the upper threshold within which the Stock Market Price's Ranking will be found at Conversion Date;
- In both scenarios, the number of ordinary shares resulting from the conversion will have to be determined for every owner of preference shares by applying the Conversion Ratio to the number of preference shares held by every owner on Conversion Date;
- When the total number of ordinary shares an owner of preference shares is to receive as calculated by applying the Conversion Ratio to the number of preference shares he or she holds is not a whole number, said owner will receive the immediately lower number of ordinary shares;
- As an exception to the above principle, that for beneficiaries who are tax residents in France, the conversion may occur before the end of the vesting period and, when relevant, the lock-up period for preference shares when (i) the disability of the beneficiary leads to him or her being classified in the second and third categories set out in Article L.341-4 of the French Social Security Code, on a request of the beneficiary, and (ii) after the beneficiary's death, on a request of his or her right holders within six months of the death, provided they send an express request to the Company and attach a notarized statement spelling out the rules governing the sharing of the inheritance among them;
- At any rate, the conversion of preference shares into ordinary shares shall not occur between the publication in the *Bulletin Officiel des Annonces Légales Obligatoires* legal gazette of a Notice of meeting before any General Meeting and the holding of said Meeting and, if that were to be the case, the Conversion Date would be postponed until the end of the General Meeting;

5) Decides that the issuance of preference shares automatically entails that shareholders waive, to the benefit of beneficiaries of the attribution, their preferential subscription rights to said preference shares;

6) Decides that it will be possible to convert the preference shares converted into new or existing ordinary shares held under the buyback program and takes note of the fact that the conversion of preference shares into new ordinary shares entails that shareholders waive their preferential subscription rights to the new ordinary shares resulting from the conversion;

7) Decides that all the ordinary shares resulting from the conversion of preference shares will be definitively considered equivalent to ordinary shares that already existed on the Conversion Date and will carry immediate dividend rights;

8) Decides that the Board of Directors will have to record, if relevant, the number of new ordinary shares resulting from the conversion of preference shares which occurred on the Conversion Date and will carry out the required amendments to the Articles of Association;

9) Decides that as of the issuance of preference shares (in other words the vesting date of preference shares), the Company's share capital will be divided into two categories of shares: ordinary shares and preference shares;

10) Decides, if the conditions set by the Board of Directors are not met, that the Company will be able to buy back the preference shares at their par value and that the preference shares bought back in this manner will be cancelled and the share capital accordingly reduced, while creditors will hold the right to oppose such a move under the conditions set out in Article L.225-205 of the French Commercial Code;

11) Decides that the owners of preference shares will be convened to a special meeting and the specific rights they have been granted will be maintained in compliance with legal provisions (Articles L.225-99 sub-paragraph 2 and L.228-17 of the French Commercial Code);

12) Decides, in view of the foregoing, that, subject to the free allocation of preference shares by the Board of Directors, articles 6 and 9 of the Company's Articles of Association will have to be amended in the following manner and that a new article 12 and a new article 27 will have to be

introduced into the Company's articles of association, when the decision to allocate preference shares free of charge is taken by the Board of Directors, as follows:

"Article 6 – Share capital: new draft:

The share capital is set at€82,882,958. It is divided into 82,882,958 shares that all have the same par value and have been fully paid up.

The shares break down into two categories:

- *82,882,958 ordinary shares, which have been entirely subscribed, and all have the same par value and have been fully paid up; and*
- *[•] preference shares issued in application of Articles L.228-11* et sequitur *of the French Commercial Code, which all have a par value equal to that of an ordinary share and have all been fully paid up.*

The preference shares shall not account for more than 10% of the share capital.

In these articles of association, unless otherwise stated, the words "shares" and "shareholders" refer to ordinary shares and owners of Company ordinary shares"

"Article 9 – Form of shares: new draft:

The shares are registered as long as they are not they are not admitted to trading on a regulated market. The materiality of the shares is evidenced by their registration under the name(s) of the holder(s) on securities accounts kept for this purpose by the Company under the terms and conditions set out by law.

Once they are admitted to trading on a regulated market, the shares are registered or bearer shares at the discretion of the holder. Their materiality is then evidenced by their registration under the name(s) of the holder(s) on securities accounts kept for this purpose by the Company under the terms and conditions set out by law, by the Company or its custodian for registered shares, and by an authorized intermediary for bearer shares.

Preference shares are compulsorily registered"

"New article 12 – Specific rights and restrictions attached to preference shares:

12.1 – Rights attached to preference shares allocated free of charge.

12.1.1 Preference shares and the rights of their owners are governed by the applicable provisions of the French Commercial Code, and in particular its Articles L.228-11 et seq.

12.1.2 Preference shares do not benefit from any right to dividends or on reserves. Every preference share benefits from a right in liquidation proceeds proportional to the share its nominal amount accounts for in the share capital.

12.1.3 The owners of preference shares are not liable for any amount in excess of the nominal amount they own.

12.1.4 Ownership of a preference share automatically entails acceptance of the Company's articles of association and the decisions of its General Meetings.

12.1.5 Preference shares are fully paid up when issued through the proportional incorporation of the Company's reserves, issue premiums or earnings.

12.1.6 Preference shares are deprived of preferential subscription rights for any capital increases or any transaction with a preferential subscription right on ordinary shares and will not benefit from capital increases carried out by a free allocation of new shares or by increasing the nominal amount of existing ordinary shares resulting from the incorporation of reserves, earnings, issue premiums or other sums the capitalisation of which would be accepted, or from free allocations of securities giving access to shares carried out for the benefit of owners of ordinary shares.

12.1.7 Preference shares do not grant any voting right at General Meetings for the remaining lifespan of the Company. Every preference share gives right to a vote at the Special Meetings provided for by article 27 of the Company's articles of association.

12.1.8 Preference shares are not transferable (apart from when they are bought back by the Company).

12.1.9 Heirs, creditors, them right holders or other representatives of an owner of preference shares cannot request the affixing of seals on the Company's assets and valuables or request sharing them or having them sold by auction, or interfere in any manner whatsoever on the way it is run. In order to exercise their rights they must abide by the company's corporate records and the decisions of General Meetings.

12.2 – Conversion of preference shares allocated free of charge (when conversion conditions are fulfilled)

12.2.1 Provided the conditions described hereafter are met, preference shares will be automatically converted, on the Conversion Date (as defined below), into a variable number of ordinary shares according to the terms and conditions described in this article.

12.2.2 Preference shares will be converted, subject to the conditions set out in articles 12.2.3 or 12.2.7, as the case may be, of these articles of association, on the fifth trading day following the expiry of the vesting period and, when relevant, of the applicable lock-up period (the "Conversion Date"), without any prior request from the bearer. However, as an exception to the above principle, for beneficiaries who are tax residents in France, the conversion may occur before the end of this period when (i) the disability of the beneficiary leads to him or her being classified in the second and third categories set out in Article L.341-4 of the French Social Security Code, on a request from the beneficiary, and (ii) after the beneficiary's death, on a request from his or her right holders within six months of the death, provided they send an express request to the Company while attaching a notarized statement spelling out the rules governing the sharing of the inheritance among them.

12.2.3 The number of ordinary shares that could result from the conversion of preference shares on the Conversion Date will be calculated according to a conversion ratio determined on each allocation date (the "Conversion Ratio"), at the discretion of the Board of Directors, or according to the absolute value of the Company's stock market price on the Conversion Date, or according to the relative value of the Company's stock market price in comparison with the Benchmark Stock Market Index (as defined hereafter).

12.2.4 If it chooses to determine the Conversion Ratio according to the absolute value of the Company's stock market price on the Conversion Date, the Board of Directors will have to set for this purpose on the allocation date:

- *the Weighted Stock Market Price on the Conversion Date beyond which the number of ordinary shares* *resulting from the conversion will no longer increase (the "Ceiling Stock Market Price"), which shall not, in any event, be lower than the Company's Weighted Stock Market Price on the date of allocation of preference shares;*

- *the maximum number of ordinary shares resulting from the conversion of the total number of preference shares, when the Floor Stock Market Price is reached; it being understood that this number shall not account for more than 0.25% of the Company's share capital on the allocation date of the preference shares;*
- *the maximum number of ordinary shares resulting from the conversion of the total number of preference shares, when the Ceiling Stock Market Price is reached; it being understood that this number shall not account for more than 2% of the Company's share capital on the allocation date of the preference shares.*

12.2.5 If the Board of Directors draws on this approach to determine the Conversion Ratio, the preference shares issued under the free allocation of preference shares will be converted into a number of ordinary shares calculated in a linear manner between the Floor Stock Market Price and the Ceiling Stock Market Price determined by the Board of Directors.

12.2.6 For the purposes of the above paragraphs, the "Weighted Stock Market Price" is defined as the weighted average of the volumes of the Company's share price during the twenty (20) trading sessions prior to the allocation date of the preference shares or the Conversion Date, as the case may be.

12.2.7 If the Board chooses to determine the Conversion Ratio according to the relative value of the Company's stock price in comparison with the Benchmark Stock Market Index (as defined below), the Board of Directors will have to determine for this purpose on the allocation date:

- *the ranking of the Company's stock market price (the "Ranking of the Company's Stock Market Price") in the Stoxx 600 Europe TMI Healthcare index ("the Benchmark Stock Market Index") at the end of the last trading day prior to the date of allocation of preference shares;*
- *the minimum Ranking of the Company's Stock Market Price under which preference shares will not give right to conversion on the Conversion Date (the "Floor Ranking"), which in any event, shall not be lower than the Stock Market Price's Ranking on the date of allocation of preference shares;*
- *if necessary, the scale of the applicable Conversion Ratios according to the classification thresholds of stock market prices within the Benchmark Stock Market Index drawn upon by the Board of Directors;*
- *the maximum number of ordinary shares resulting from the conversion of all the preference shares, when the Floor Ranking is reached; it being understood that this number shall not account for more than 0.25% of the Company's share capital on the date of allocation of preference shares;*
- *the maximum number of ordinary shares resulting from the conversion of all the preference shares, when the Stock Market Price's Ranking reaches the first ranking (the "First Ranking"); it being understood that this number shall not account for more than 2% of the Company's share capital on the date of allocation of preference shares.*

12.2.8 If the Board of Directors chooses this approach to determine the Conversion Ratio, the preference shares issued as part of the free allocation of preference shares will be converted into a number of ordinary shares calculated in a linear manner between the Floor Ranking and the First Ranking or, if the Board of Directors has chosen a scale of Conversion Ratios with classification thresholds between the lower threshold and the upper threshold within which the Stock Market Price's Ranking will be found at Conversion Date;.

12.2.9 Under both scenarios, the number of ordinary shares resulting from the conversion will have to be determined for every owner of preference shares by applying the Conversion Ratio to the number of preference shares held by every owner on Conversion Date.

12.2.10 When the total number of ordinary shares which an owner of preference shares is set to receive as calculated by applying the Conversion Ratio to the number of preference shares he or she holds is not a whole number, said owner will receive the immediately lower number of ordinary shares.

12.2.11 The Company will inform the owners of preference shares of the implementation of the conversion by any means before the effective conversion date. At any rate, the conversion of preference shares into ordinary shares shall not occur between the publication in the Bulletin Officiel des Annonces Légales Obligatoires legal gazette of a Notice of meeting before any General Meeting and the holding of said Meeting and, if that were to be the case, the Conversion Date would be postponed until the end of the General Meeting.

12.2.12 Issuance of the preference shares will automatically entail that shareholders waive any right on the preference shares allocated free of charge pursuant to a decision or authorization of the General Meeting. The conversion of preference shares into ordinary shares will de facto entail that shareholders waive their preferential subscription right on new ordinary shares which might be, if need be, issued during this conversion.

12.2.13 The new ordinary shares resulting from the conversion of preference shares will be definitively considered equivalent to ordinary shares that already existed on the Conversion Date and will carry immediate dividend rights.

12.2.14 The Board of Directors will have to take note, if the need arises, of the number of ordinary shares resulting from the conversion of preference shares that occurred on the Conversion Date and will carry out the required amendments to the articles of association, in particular with respect to the breakdown of shares by category and will record the capital increase in compliance with legal provisions.

12.3 – Buyback of preference shares allocated free of charge (should conversion conditions not be met)

12.3.1 In the event where the number of ordinary shares would give right to preference shares by conversion would be equal to zero in application of conversion conditions, the Company will be allowed to buy back said preference shares in order to cancel them.

12.3.2 The preference shares will be bought back at their nominal unit value.

12.3.3 The Company will inform the owners of preference shares of the implementation of the buyback by all means before the effective date of the buyback.

12.3.4 All the preference shares bought back in this manner will be definitively cancelled on their buyback date and the Company's share capital will be accordingly reduced, while creditors will hold the right to oppose such a move in accordance with legal provisions.

12.3.5 The Board of Directors will have to record, if relevant, the number of preference shares bought back and cancelled by the Company on the Conversion Date and will carry out the required amendments in the stipulations of the articles of association relative to the amount of the share capital and the number of shares that make it up."

"New article 27 –Special Meetings:

27.1 – The owners of preference shares are convened to a Special Meeting for any project aimed on changing rights attached to preference shares, it being understood that collective decisions that come under the competency of the Company's Ordinary General Meeting or its Extraordinary General Meeting are not submitted to the approval of the Special Meeting. For all practical purposes, it is added that the following issues will not be submitted to the approval of Special Meetings of owners of existing preference shares, it being understood that this list is not exhaustive:

- *the conversion of preference shares in application of article 12.2 of these articles of association,*
- *transactions aimed at amortizing or changing the share capital, in particular capital increases through the issuance of ordinary shares or any securities giving access to the capital, whether with or without preferential subscription rights; and*
- *buybacks and/or cancellations of shares as part of (i) a repurchase of preference shares by the Company in application of article 12.3 of these articles of association, (ii) of the implementation of share buyback programs under the conditions stipulated by articles L.225-209* et sequitur *of the French Commercial Code and (iii) a public offer to buy back ordinary shares.*

By contrast, in accordance with the provisions of article L.228-17 of the French Commercial Code, any project to merge or split the Company will be submitted to the approval of any affected Special Meeting, when the unfolding of said project will rule out swapping preference shares against shares carrying equivalent specific rights.

27.2 Business can be legally transacted in Special Meetings only if the shareholders attending the Meeting or represented own at least, when convened for the first time, one-third and, when convened for the second time, one-fifth of the preference shares carrying a right to vote.

They take decisions on a two-thirds majority of the ballots held by the owners of preference shares belonging to a same category, whether present or represented. Only owners of preference shares registered in the Company's accounts may take part in these Special Meetings and cast a vote.

27.3 In the event of a change in or amortisation of capital, the rights of owners of preference shares are adjusted in order to safeguard their rights in application of article L.228-99 of the French Commercial Code."

13) Decides, as a consequence, to insert the foregoing articles 12 and 27, and the numbering of the (former) articles 12 to 31 of the Company's articles of association will be accordingly changed as well as references to the changed articles;

14) Gives all powers to the Board of Directors, with the authority to sub-delegate under the conditions set out by law. Gives the power to carry out all formalities and make any filings in view of implementing these changes in the articles of association;

15) Takes note that the Reports of the Board of Directors and of the Statutory Auditors drawn up in compliance with article R.228-18 of the French Commercial Code will be put at the disposal of shareholders no later than fifteen days after said Board of Directors meeting that will decide the conditions required to convert preference shares into ordinary shares according to the criteria and yardsticks defined by the Board of Directors, and which will be disclosed to shareholders at the next General Meeting.

Twenty-third resolution – Amendment of Article 24-3 of the Articles of Association

The Shareholder's Meeting, having considered the Board of Directors' report, decides to bring Article 24-3 of the Articles of Association into line with the new provisions of Article R.225-85 of the French Commercial Code amended by the Decree n° 2014-1466 dated 8 December 2014 and change it by consequence, the rest of the Article 24-3 remaining unchanged:

"24-3. The right to attend General Shareholders' Meetings is conditional on shareholders providing proof of the registration of their shares in an account in the name of the shareholder or the name of the registered intermediary on his/her behalf, no later than two business days before the date of the Shareholders' Meeting at 0.00 a.m., Paris time, either in the books of registered shares held by the Company, or in the bearer securities accounts kept by the authorized intermediary."

Twenty-sixth resolution – Powers to carry out formalities

The Shareholders' Meeting grants full authority to the holder of an original, copy or extract of the minutes of this Meeting to carry out any filings and formalities required by law.

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED AGENDA AND RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 27 MAY 2015

The Board of Directors convened the Shareholders of the Company to the Combined Shareholders' Meeting to be held on 27 May 2015, in order to report on the Company's operations during the financial year closed 31 December 2014 and submit the following proposed resolutions to their approval:

Approval of the annual financial statements and allocation of income (first to third ordinary resolutions)

The first items on the agenda relate to the approval of the parent company's annual financial statements (**first ordinary resolution**) and the consolidated financial statements (**second ordinary resolution**).

Ipsen SA's parent company financial statements for the year closed 31 December 2014 show a profit of €114,229,437.58.

The consolidated financial statements for the year closed 31 December 2014 show a profit (Group share) of €153,547 thousands of euros.

The **third resolution** aims to decide the appropriation of the year's profit and the setting of the dividend for 2014 financial year.

The Board of Directors proposes to the General Shareholders' Meeting to distribute a gross dividend of €0.85 for each share and subsequently to appropriate 2014 year's profit in the following manner:

Sources

- Profit for the financial year €114,229,437.58
- Carry-forward item from previous financial year €87,676,390.94
- Distributable profit €201,905,828.52

Appropriation

- No funding to the statutory reserve (the amount being beyond 10% of the share capital) –
- Dividends €70,450,514.30
- Carry-forward item €131,455,314.22

The ex-dividend date for the total gross dividend of €0.85 due for each share would be 29 May 2015 and its payment date 2 June 2015.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 82,882,958 shares comprising the share capital at 2 March 2015, the total amount of dividends would be accordingly adjusted and the amount allocated to the carry-forward item would be determined on the basis of the dividends effectively paid.

Pursuant to Article 243 bis of the French General Tax Code, the entire dividend will be eligible for the 40% allowance individuals who are tax residents in France benefit from, pursuant to Article 158-3 2° of aforesaid Code.

The amounts paid out as dividends for the three previous financial years are the following:

For financial year	Incomes eligible for tax allowance		Incomes not eligible for tax allowance
	Dividends	Other incomes paid out	
2011	€67,381,258.40 (*) or €0.80 per share	–	–
2012	€67,280,202.40 (*) or €0.80 per share	–	–
2013	€66,089,327.20 (*) or €0.80 per share	–	–

(*) Including the amount of the unpaid dividend corresponding to treasury shares and allocated to the carry-forward item.

Approval of regulated-related agreements and commitments (fourth and fifth ordinary resolutions)

The summary statement describing the agreements comprised in the scope of application of Articles L.225-38 *et seq.* of the French Commercial Code, entered into during the year closed 31 December 2014 or signed previously but with effects that have persisted during said financial year, was provided to the Statutory Auditors.

These agreements are described in the Special Report of the Statutory Auditors on page 37 of this brochure.

The purpose of the **fourth resolution** is to submit to the approval of the Shareholders' Meeting, in accordance with Article L.225-38 of the French Commercial Code, the regulated-related agreement concerning the exceptional remuneration decided in favour of Mr Antoine Flochel, Director and Deputy Chairman of the Board of Directors, within the special mandate entrusted with by the Board of Directors.

The Shareholders' Meeting is asked to approve this new agreement described in the Statutory Auditors' special report.

The purpose of the **fifth resolution** is to submit to the approval of the Shareholders' Meeting, pursuant to the provisions of Article L.225-42-1 of the French Commercial Code, the commitment taken in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer of the Company, corresponding to compensation that may fall due in case of termination of his term of office.

This commitment is described below (tenth ordinary resolution).

The Shareholders' Meeting is asked to approve this commitment described in the Statutory Auditors' special report.

Appointment of a new Director and renewal of the term of office of three Directors (sixth to ninth ordinary resolutions)

The Board of Directors proposes to the Shareholders' Meeting to appoint Mrs. Michèle Ollier as a Director, in addition to current members, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2019 called to approve the financial statements for the previous financial year (**sixth resolution**).

Information about Mrs. Michèle Ollier, whose appointment is proposed, is presented on page 7 of this brochure.

The Board of Directors acknowledged that Mrs. Michèle Ollier is independent in accordance with independence criteria established by the Company.

Moreover, as the terms of office of Messrs Marc de Garidel, Henri Beaufour and Christophe Vérot will expire at the end of the present Meeting, the Board of Directors proposes to the Shareholders' Meeting to:

- Renew the term of office of Mr. Marc de Garidel as a Director, for a four-year term that will expire at the conclusion of the Shareholders' Meeting to be held in 2019 called to approve the financial statements of the previous year (**seventh resolution**);
- Renew the term of office of Mr. Henri Beaufour as a Director, for a four-year term that will expire at the conclusion of the Shareholders' Meeting to be held in 2019, called to approve the financial statements of the previous year (**eighth resolution**);
- Renew the term of office of Mr. Christophe Vérot as a Director, for a four-year term that will expire at the conclusion of the Shareholders' Meeting to be held in 2019, called to approve the financial statements of the previous year (**ninth resolution**).

Information about the directors whose renewal is proposed is presented on page 6 of this brochure.

Opinion on compensation elements due or allocated to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for 2014 financial year (tenth and eleventh ordinary resolutions)

The Board of Directors proposes to the Shareholders' Meeting, in accordance with paragraph 24.3 of the AFEP-MEDEF Code of corporate governance for listed companies, revised in June 2013, to which the Company refers, to deliver a favourable opinion on compensation elements due or allocated to Mr Marc de Garidel, Chairman and Chief Executive Officer (**tenth resolution**) and Mrs Chistel Bories, Deputy Chief Executive Officer (**eleventh resolution**) for 2014 financial year indicated below:

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2014 FINANCIAL YEAR TO MR. MARC DE GARIDEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER

	Due for 2014	Presentation
Fixed compensation	€750,000 *(paid)*	The Board of Directors, at its meeting held on 26 February 2013, set Mr. Marc de Garidel's annual gross fixed compensation at €750,000 for 2013 and 2014 financial years.
Variable annual compensation	€1,033,000 *(to be paid in 2015)*	For 2014 financial year, the target variable compensation amounted to €750,000 gross (100% of the fixed compensation) that could vary between 0 to 150% (*i.e.* from €0 to €1,125,000) subject, for the two third of the target amount, to the achievement of performance conditions based on the achievement of a certain level of revenues, of operational outcome, of net profit for each share and of operational cash flow. For the remaining third of the target amount, the bonus is subject to a qualitative appreciation of his performance, especially his strategic orientations. The Board of Directors, at its meeting held on 2 March 2015, upon proposal of the compensation Committee, set the variable annual compensation of the Chairman and Chief Executive Officer to €1,033,000 for 2014 financial year. This amount will be paid in 2015.
Deferred variable compensation	NA	No deferred variable compensation.
Multi-yearly variable compensation (Mid Term Bonus – MTB)	€263,400 *(paid)*	The MTB that has been attributed in 2012 was subject to the achievement of performance conditions which are based on the duration of the plan, on quantitative criteria such as the achievement of a certain level of adjusted operating EBIT (50%), revenues (30%) and net profit for each share (20%). For confidentiality reasons, the detail of the qualitative criteria and the expected level of quantitative criteria are not made public. The Board of Directors, at its meeting held on 27 March 2014, assessed the performance conditions linked to this plan. The total amount of €263,400 has been paid in 2014. The MTB that has been attributed in 2013 (gross target amount of €375,000) and that will be paid in 2015, is subject to the achievement of presence condition and performance conditions which are based on the duration of the plan, on quantitative criteria such as the achievement of a certain level of revenue at a constant exchange rate (1/3), of adjusted operating EBIT (1/3) and net operating cash flow (1/3). For confidentiality reasons, the detail of the qualitative criteria and the expected level of quantitative criteria are not made public. The Board of Directors, at its meeting held on 1 April 2015, assessed the performance conditions. The total amount of €931,318 will be paid in 2015.

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2014 FINANCIAL YEAR TO MR. MARC DE GARIDEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
	Due for 2014	**Presentation**
Multi-yearly variable compensation (Stock appreciation Rights – SARs)	€0	The Board of Directors, at its meeting held on 30 March 2012, upon recommendation of the Compensation Committee, decided to attribute 166,000 SARs to the Chairman and Chief Executive Officer, under performance conditions based on qualitative and quantitative criteria, depending upon the outcome of Inspiration Biopharmaceuticals Inc. record. The Board of Directors, upon recommendation of the Compensation Committee decided to make an assessment of SARs by an independent third party and defer this assessment, in agreement with the beneficiary, at the end of the first quarter of 2016 in order to value a year flows fees of the underlying product (OBI-1) which was launched in late 2014.
Exceptional compensation	–	No exceptional compensation.
Directors' fees	€60,000 *(paid)*	Marc de Garidel receives a director's fee of €40,000 for a full year service and an additional fee of €20,000 for a full year service as a member of the Strategic Committee.
Benefits of any kind valuation	€9,184.56 *(paid)*	Benefits in kind consist of a company car and of an accommodation made temporarily available.
Stock options, performance shares or any other long term incentive compensation		
	Amount	**Presentation**
Allocation of stock options and/or performance shares	€374,427 *(accounting valuation)*	During the 2014 financial year, no options were granted to the Chairman and Chief Executive Officer. The Board of Directors, at its meeting held on 27 March 2014, upon recommendation of the Compensation Committee, decided to grant 18,712 performance bonus shares to the Chairman and Chief Executive Officer (representing 0.02% of the share capital), subject to a presence condition and performance conditions. The performance conditions are based on the achievement of a certain level of adjusting operating EBIT (50%) and of a certain exchange rate rank of Ipsen among comparable companies (50%). For confidentiality reasons, the quality criteria details and level of achievement expected by the quantity criteria, are not made public. *General Meeting held on 31 May 2013 – 20th resolution*
Elements of remuneration submitted to the Shareholder's Meeting vote under the procedure applicable to regulated-related agreements and commitments		
	Due	**Presentation**
Severance payment	–	• a payment due only in the event of a forced departure associated with a change of control or strategy, • in an amount equal to 24 month compensation (fixed and variable) in respect of his term of office, • payment which is subject to a performance condition (maintenance of the Group's recurring operational profit margin over the three years preceding the departure, with a minimum threshold (12.5% for 2011)), and • which includes the amount due in respect of any non-competition obligation, if applicable. *Board of Directors held on 11 October 2010* *General Meeting held on 1 June 2012 – 5th resolution*
Non-competition payment	–	In case of departure from the Group (for a reason other than a change of control), Mr. Marc de Garidel undertook, for a 24 month duration after his effective departure, not to exercise or participate, from an operational point of view (including as a consultant), in the territories of the European Economic Union and/or in Northern America, to an activity of development and/or commercialization of product of the same therapeutic class (source IMS-Health) than the two first products of the Group in terms of revenues. The compensation due by the Company in consideration of this commitment is comprised in the severance payment described above. *Board of Directors held on 11 October 2010* *General Meeting held on 1 June 2012 – 5th resolution*
Additional pension scheme	–	The Chairman and Chief Executive Officer benefits from the additional pension commitment existing within the Company which is a defined benefit plan (which also benefits to all Group employees) which involves the payment on retirement, subject to a minimum 5 year service, of a pension calculated by reference to the number of years of service within the Group, applied at a rate of 0.6% per year to the part of the total gross compensation (including bonuses) below 8 times the Annual Social Security Ceilling) and at a rate of 1% to the part of compensation in excess of 8 times the Annual Social Security Ceiling, applied to the compensation for the last 36-months in office. The provision for 2014 financial year amounts to €1,907,416. *Board of Directors held on 11 October 2010* *General Meeting held on 27 May 2011 – 7th resolution*

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2014 FINANCIAL YEAR TO MRS CHRISTEL BORIES, DEPUTY CHIEF EXECUTIVE OFFICER		
	Due for 2013	**Presentation**
Fixed compensation	€573,400 including : • €570,000 under the corporate mandate • €3,400 under car allowance *(paid)*	The Board of Directors, at its meeting held on 26 February 2013, set Mrs. Christel Bories' annual gross fixed compensation at €570,000 for 2014 financial year.
Variable annual compensation	€819,000 *(to be paid in 2015)*	For 2014 financial year, the target variable compensation was amounted to €570,000 (100% of the fixed compensation) that could vary from 0 to 150% (*i.e.* from €0 to €855,000), subject, for the two third of the target amount, to the achievement of performance conditions based on the achievement of a certain level of revenues, of operational outcome, of net profit for each share and of operational cash flow. For the remaining third of the target amount, the bonus is subject to a qualitative appreciation of her performance, especially strategic orientations. The Board of Directors, at its meeting held on 2 March 2015, upon proposal of the compensation Committee, set the variable annual compensation of the Deputy Chief Executive Officer to €819,000 for 2014 financial year. This amount will be paid in 2015.
Deferred variable compensation	NA	No deferred variable compensation.
Multi-yearly variable compensation (Mid Term Bonus – MTB)	€0	The MTB that has been attributed in 2013 (gross target amount of €285,000) and that will be paid in 2015 is subject to the achievement of presence and performance conditions based on the duration of the plan, on qualitative criteria and on quantitative criteria such as the achievement of a certain level of revenue at a constant exchange rate (1/3), of adjusted operating EBIT (1/3) and operational cash flow (1/3). For confidentiality reasons, the detail of the qualitative criteria and the expected level of quantitative criteria are not made public. The Board of Directors, at its meeting held on 1 April 2015, assessed the performance conditions. The total amount of €707,802 will be paid in 2015 to the Deputy Chief Executive Officer.
Exceptional compensation	NA	No exceptional compensation.
Directors' fees	NA	No directors' fees.
Benefits of any kind valuation	NA	No benefit in kind.
Stock options, performance shares or any other long term incentive compensation		
	Amount	**Presentation**
Allocation of stock options and/or performance shares	€284,562 *(accounting valuation)*	During 2014 financial year, no options were granted to the Deputy Chief Executive Officer. The Board of Directors, at its meeting held on 27 March 2014, upon recommendation of the Compensation Committee, decided to grant 14,221 performance bonus shares to the Deputy Chief Executive Officer (representing 0.02% of the share capital), subject to a presence condition and performance conditions. The performance conditions are based on the achievement of a certain level of adjusting operating EBIT (50%) and of a certain exchange rate rank of Ipsen among comparable companies (50%). For confidentiality reasons, the quality criteria details and level of achievement expected by the quantity criteria, are not made public. *General Meeting held on 31 May 2013 – 20th resolution*
Compensation elements submitted to the Shareholder's Meeting vote under the procedure applicable to regulated agreements and commitments		
	Due	**Presentation**
Severance payment	–	• a payment due only in the event of a forced departure associated with a change of control or strategy decided by the Board of Directors, • in an amount equal to 24 month compensation (fixed and variable) in respect of his term of office, • payment which is subject to a performance condition (maintenance of the Group's recurring operational profit margin over the three years preceding the departure, with a minimum threshold (12.5% for 2013)), and • which includes the amount due in respect of any non-competition obligation, if applicable. *Board of Directors held on 26 February 2013* *General Meeting held on 31 May 2013 – 6th resolution*

Compensation elements submitted to the Shareholder's Meeting vote under the procedure applicable to regulated agreements and commitments		
	Due	**Presentation**
Non-competition payment	–	In case of departure of the Group (for a reason other than a change of control), Mrs. Christel Bories undertook, for a 24 month duration after her effective departure, not to exercise or participate, from an operational point of view (including as a consultant), in the territories of the European Economic Union and/or in Northern America, to an activity of development and/or commercialization of product of the same therapeutic class (source IMS-Health) than the two first products of the Group in terms of revenues. The compensation due by the Company in consideration of this commitment is comprised in the severance payment described above. *Board of Directors held on 26 February 2013* *General Meeting held on 31 May 2013 – 6th resolution*
Additional pension scheme	–	The Deputy Chief Executive Officer benefits from the additional pension commitment existing within the Company which is a defined benefit plan (which also benefits to all Group employees) which involves the payment on retirement, subject to a minimum 5 year service, of a pension calculated by reference to the number of years of service within the Group, applied at a rate of 0.6% per year to the part of the total gross compensation (including bonuses) below 8 times the Annual Social Security Ceiling and at a rate of 1% to the part of compensation in excess of 8 times the annual Social Security Ceiling, applied to the compensation for the last 36-months in office. For 2014 financial year, the provision amounts €600,940. *Board of Directors held on 26 February 2013* *General Meeting held on 31 May 2013 – 6th resolution*

Authorizations to be given to the Board of Directors in view of purchases by the Company of its own shares in accordance with Article L.225-209 of the French Commercial Code (twelfth ordinary resolution) and in view, if applicable, of their cancellation (thirteenth extraordinary resolution)

Pursuant to the terms and conditions of the **twelfth resolution**, the Shareholders' Meeting is requested to authorize the Board of Directors, with the ability to sub-delegate, for a further period of eighteen months as of the present Meeting, to trade within the legal limit of 10% of the share capital, on one or several occasions, in order to purchase Company shares by acquiring blocks of securities or by using optional processes or derivative instruments in order to:

- Stimulate the secondary market or ensure the liquidity of the Ipsen shares through the activities of an investment service provider *via* a liquidity agreement compliant with the AMAFI Code of conduct, as approved by the AMF,
- Retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions, it being specified that shares acquired for this purpose cannot exceed 5% of the Company's share capital ,
- Ensure the hedging of stock option plans and/or bonus share plans (or similar plans) in favour of Group employees and/or company officers as well as all allocations of shares under a Company or Group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to Group employees and/or company officers,
- Ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force,
- Possibly cancel acquired shares, subject to the authorization to be granted by the present Shareholders' Meeting in its thirteenth extraordinary resolution.

These share purchases, sales, transfers or exchanges may be carried out by all means, including on the market or off-market or by multilateral negotiations systems or through systematic internalisers, or over the counter, including through the acquisition or sale of blocks of securities, and at such times as the Board shall see fit.

The Board of Directors may not, without prior authorization by the Shareholders' Meeting, make use of this authorization from the filing by a third party of a public offer for the Company's shares and until the end of the offer period.

This authorization shall cancel and supersede the previous authorization given to the Board of Directors by the Shareholders' Meeting of June 4, 2014 in its eleventh ordinary resolution.

The proposal is put to the General Shareholders' Meeting to set the maximum purchase price at €70 per share and by consequence the maximum amount of this transaction at €580,180,650 on the basis of a number of 82,882,958 shares.

Under the terms of the **thirteenth resolution**, it is proposed to the Shareholders' Meeting to renew the authorization given to the Board of Directors, for a period of 24 months, to cancel, if need be, the shares the Company holds or could hold following repurchases made pursuant to Article L.225-209 of the French Commercial Code, by reducing the share capital within the legal limit of 10% as calculated on the day the decision to cancel shares is taken, less possible shares cancelled during the 24 previous months. The Board of Directors decided to cancel 1,642,542 treasury shares at its meeting held on 17 March 2014.

Financial delegations

The Board of Directors would like to be granted the delegations of power required to issue, should it deem this useful, any amount of securities that might prove necessary with respect to developing the Company's operations. This is why shareholders are asked to accept to renew the delegations the Board had been granted and that will soon expire under the conditions set out hereafter. The status of delegations of authority and authorizations approved by the Combined Shareholders' Meetings held on 31 May 2013 are presented in the Document de reference 2014 filed with the *Autorité des marchés financiers* on 27 March 2015 (pages 221 and 222) and available on the Company's website (www.ipsen.com).

Delegation of power to increase the share capital by incorporation of profits, reserves and/or premiums (fourteenth extraordinary resolution)

The Shareholders' Meeting held on 31 May 2013 approved a delegation that allowed the Board of Directors to increase the share capital by incorporation of profits, reserves and/or premiums. The Board of Directors has not used this delegation of power.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the General Shareholders' Meeting, as set out in the **fourteenth extraordinary resolution**, to renew this delegation for a period of 26 months in order to give the Board of Directors the possibility to carry out such capital increases by incorporation of profits, reserves and/or premiums and by the issuance and the allocation of bonus shares and/or by increasing the par value of existing ordinary shares.

This delegation will be suspended during a public offer for the Company.

The Board of Directors proposes to the Shareholders' Meeting that the capital increases carried out pursuant to this authorization may reach a maximum ceiling of 20% of the share capital as of the day of the Meeting, without taking into account the amount required to safeguard, in accordance with the legislation, the rights of holders of negotiable securities carrying a right to shares. This ceiling counts towards the overall ceiling set out in the fifteenth resolution.

Delegation of power to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company) with retention of preferential subscription rights (fifteenth extraordinary resolution)

The Shareholders' Meeting held on 31 May 2013 approved a delegation allowing the Board of Directors to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while maintaining shareholders' preferential subscription rights. The Board of Directors has not used this delegation of power.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the General Shareholders' Meeting, pursuant to the **fifteenth extraordinary resolution**, to renew it for a period of 26 months in order to give the possibility to the Board to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while maintaining shareholders' preferential subscription rights. In compliance with the legislation, the securities to be issued might give rights to ordinary shares of any company that owns directly or indirectly more than half of our Company's share capital or ordinary shares of any company in which our Company owns directly or indirectly more than half of the share capital.

The Board of Directors proposes to the Shareholders' Meeting that the securities issued pursuant to this delegation may reach 20% of the Company's share capital at the date of the Meeting (without taking into account the amount required to safeguard, in accordance with the legislation, the rights of holders of negotiable securities carrying a right to shares). The shares issued pursuant to the delegations of power to increase the share capital by incorporation of profits, reserves and/or premiums (fourteenth extraordinary resolution) and while cancelling preferential subscription rights by means of a public offering and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer or by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code (sixteenth and seventeenth extraordinary resolutions) would count towards this ceiling.

If these subscriptions have not absorbed the entire issue, the Board of Directors may exercise one or more of the following options:

- restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
- distribute all or part of the securities that have not been subscribed to at its discretion,
- offer to the public all or part of the securities that have not been subscribed to.

This delegation will be suspended during a public offer for the Company.

Delegation of power to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company), while cancelling shareholders' preferential subscription rights by means of a public offering and/or for the purpose of paying for securities transferred to the Company in the context of a public exchange offer (sixteenth extraordinary resolution)

The Shareholders' Meeting held on 31 May 2013 approved a delegation that allowed the Board of Directors to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while cancelling shareholders' preferential subscription rights by means of a public offering. The Board of Directors has not used this delegation of power.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **sixteenth extraordinary resolution**, to renew it for a period of 26 months in order to give the possibility to the Board to issue ordinary shares giving right to ordinary shares or allocation of debt securities and/or securities giving right to ordinary shares while cancelling shareholders' preferential subscription rights by means of a public offering or in order to pay for securities that would be transferred to the Company in the context of a public exchange offer on securities meeting the conditions set by Article L.225-148 of the French Commercial Code.

In compliance with the legislation, the securities to be issued might give rights to ordinary shares of any company that owns directly or indirectly more than half of our Company's share capital or of any company in which our Company owns directly or indirectly more than half of the share capital.

The Board of Directors proposes to the Shareholders' Meeting that the securities issued pursuant to this delegation may reach 10% of the Company's share capital on the date of the Meeting. This ceiling is to count towards the overall ceiling defined in the fifteenth resolution and the upper limit defined in the seventeenth resolution.

The Board could grant, in such a case, a priority delay for shareholders to subscribe to the shares issued.

The sum due or to become due to the Company for each ordinary shares issued under this delegation of power, after taking into account, if equity warrants are issued, the subscription price of said warrants, would be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation.

Should securities be issued with the purpose of paying for securities that would be transferred to the Company in the context of a public exchange offer, the Board of Directors would hold, under the conditions set in Article L.225-148 of the French Commercial Code and in the limits set above, the powers required to draw up the list of securities tendered to the exchange, set issuance terms and conditions, the exchange parity as well as, should the need arise, the amount of the windfall cash payment to be disbursed, and determine issuance terms and conditions.

If these subscriptions have not absorbed all the ordinary shares, or negotiable securities giving access to the share capital, the Board of Directors may exercise the following options:

- restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
- distribute all or part of the securities that have not been subscribed to at its discretion.

This delegation will be suspended during a public offer for the Company.

■ Delegation of power to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company), while cancelling shareholders' preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code (seventeenth extraordinary resolution)

The Shareholders' Meeting held on 31 May 2013 delegated the authority allowing the Board of Directors to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company), while cancelling shareholders' preferential subscription rights by an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code. The Board of Directors has not used this delegation of power.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **seventeenth extraordinary resolution**, to renew it for a period of 26 months in order to enable the Board to issue ordinary shares giving, if appropriate, right to ordinary shares or allocation of debt securities (of the Company or a group company), and/or securities giving right to ordinary shares to issue (by the Company or a group Company), while cancelling shareholders' preferential subscription rights through a private placement.

In compliance with the law, the securities to be issued might give access to ordinary shares of any company that owns directly or indirectly more than half of our Company's share capital or of any company in which our Company owns directly or indirectly more than half of the share capital.

The Board of Directors proposes to the Shareholders' Meeting that the securities issued under this delegation may reach 10% of the Company's share capital on the date of the Meeting. This ceiling is to count towards the ceiling defined in the fifteenth and the sixteenth resolutions.

The sum due or to become due to the Company for every one of the ordinary shares issued under this delegation of power, after taking into account, if equity warrants are issued, the subscription price of said warrants, would be at least equal to the minimum required by the legal and regulatory provisions applicable at the time when the Board of Directors implements the delegation

If these subscriptions have not absorbed all the ordinary shares, or negotiable securities giving access to the share capital, the Board of Directors may exercise the following options:

- restrict the amount of securities or shares issued to the amount of the subscriptions, if applicable, within the limits set by the regulations,
- distribute all or part of the securities that have not been subscribed to at its discretion.

This delegation will be suspended during a public offer for the Company.

■ Authorization to increase the amount of issues in the event of excess demand (eighteenth extraordinary resolution)

For every issue of ordinary shares or securities decided in application of the fifteenth, sixteenth and seventeenth resolutions, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **eighteenth extraordinary resolution**, that the number of shares to be issued may be increased under the conditions set out in Article L.225-135-1 of the French Commercial Code and subject to the limits set by the Meeting.

Delegation of power to increase the share capital in order to pay for capital contributions in kind consisting of equity securities or securities giving rights to the Company's share capital (nineteenth extraordinary resolution)

The Shareholders' Meeting on 31 May 2013 gave a delegation of power allowing the Board of Directors to issue ordinary shares or securities in order to pay for contributions in kind granted to the Company and made up of equity securities or negotiable securities giving rights to the share capital. The Board has not used this delegation of power.

Nevertheless, as this delegation is about to expire, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **nineteenth extraordinary resolution**, to renew it for a period of 26 months in order to enable the Board to carry out such issues. The Board of Directors proposes to the Shareholders' Meeting that once completed the issues may reach 10% of the share capital on the date of the Meeting, taking into account that this ceiling is independent from the other upper limits defined by this Meeting.

This delegation will be suspended during a public offer for the Company.

Authorization to grant options to subscribe to or to purchase shares to waged staff members and/or certain company officers (twentieth extraordinary resolution)

The Shareholders' Meeting on 31 May 2013 authorized the Board of Directors to grant options to subscribe to and/or purchase shares to staff members and/or certain company officers. Note that the Board of Directors did not grant any option to subscribe to or to purchase shares in 2014.

Nevertheless, as this authorization is about to expire, the Board proposes to the Shareholders' Meeting, pursuant to the **twentieth extraordinary resolution**, to renew it for a period of 26 months. The options that might be granted under this authorization may not exceed 3% of the share capital. This ceiling would be common with the ceiling proposed for the allocation of bonus shares defined in the twenty-first resolution and for the allocation of free preference shares defined in the twenty-third resolution.

The total number of options that may be granted to the company officers may not entitle them to subscribe for or purchase more than 20% of the share capital in this envelope and the exercise of this options will be subject to performance conditions set by the Board of Directors.

The subscription and/or purchase prices shares for the beneficiaries would be set on the day when the options are granted by the Board of Directors according to the terms and conditions and subject to limits authorized by the legislation in force, without any discount. The duration of the options may not exceed ten years.

This authorization would entail waiving your preferential subscription rights to shares that will be issued as option are gradually exercised.

Authorization to allocate bonus shares to waged staff members and/or certain company officers (twenty-first extraordinary resolution)

The Shareholders' Meeting on 31 May 2013 authorized the Board of Directors to allocate bonus shares pursuant to the provisions of Article L.225-197-1 of the French Commercial Code in favour of staff members and/or certain company officers.

As this authorization is about to expire, the Board proposes to the General Shareholders' Meeting, pursuant to the **twenty-first extraordinary resolution**, to renew it for a period of 26 months. The bonus shares that might be allocated under this authorization may not exceed 3% of the share capital. This ceiling would be common with the ceiling proposed for the granting of options defined in the twentieth resolution for the allocation of free preference shares defined in the twenty-third resolution.

The total number of bonus shares that may be granted to the Company officers may not entitle them to subscribe for or purchase more than 20% of the share capital in this envelope and the acquisition of this bonus shares will be subject to performance conditions set by the Board of Directors.

The allocation of said shares to beneficiaries would be definitive after an acquisition period that will last a period determined by the Board of Directors, which shall not be lower than the minimum period required by law. The beneficiaries would then have to hold these shares during a vesting period determined by the Board of Directors, taking into account that the vesting period shall not be lower than the minimum period required by law. The cumulative duration of acquisition and conservation periods cannot be lower than the minimum required by law.

Exceptionally, the final allocation would occur before the end of the acquisition period in the event of disability of the beneficiary corresponding to a classification in the second and the third categories defined by Article L.341-4 of the French Social Security Code.

This authorization would entail waiving your preferential subscription rights to new shares issued by the capitalisation of profits, reserves and premiums.

Delegation of power to increase the share capital through the issuance of shares reserved for members of one or several company savings plan(s) (twenty-second extraordinary resolution)

The Shareholders' Meeting on 31 May 2013 gave a delegation allowing the Board of Directors to increase the share capital by issuing shares or negotiable securities giving rights to the Company's share capital reserved for members of one or several company savings plan(s). The Board has not used this delegation of power.

Nevertheless, as this delegation is about to expire and in order to ensure compliance with the provisions of Article L.225-129-6 of the French Commercial Code, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **twenty-second extraordinary resolution**, to renew it for a period of 26 months in order to enable the Board to undertake such issues in favour of members of one or several company or group savings plan or plans set up by the Company and/or French or foreign companies that are affiliated with it as defined by Article L.225-180 of the French Commercial Code and Article L.3344-1 of the French Labour Code.

The Board of Directors proposes to the Shareholders' Meeting that the issues carried out under this delegation may reach 5% of the share capital on the date of the Meeting, taking into account that this ceiling is independent from the other ceilings defined by this Meeting.

It is added that, in accordance with the provisions of Article L.3332-19 of the French Labour Code, the price of shares to be issued could not be either lower by more than 20% (or 30% when the vesting period set by the plan in compliance with Articles L.3332-25 and L.3332-26 of the French Labour Code is longer than or equal to ten years) than the average of the stock's opening prices during the 20 stock market trading days preceding the Board of Directors' decision relative to the capital increase and the corresponding issuance of shares, or higher than this average.

In application of the provisions of Article L.3332-21 of the French Labour Code, the Board of Directors could decide to allocate to the beneficiaries, free of charge, shares to be issued or already issued or other negotiable securities giving access to the Company's share capital to be issued or already issued, to cover (i) the employer's contribution that could be paid in accordance with the regulations of group or company savings plans, and/or (ii), if relevant, the discount.

■ Authorization to allocate free of charge preference shares to waged staff members and/or certain corporate officers (twenty-third resolution under extraordinary business) and approval of the creation of a category of preference shares and the correlative changes in the articles of association (twenty-fourth resolution under extraordinary business)

The Board of Directors proposes to the Shareholders' Meeting to authorize the Board of Directors to set up a plan to allocate free of charge preference shares in favour of waged staff members and certain company officers and approve the creation of a category of preference shares and amend accordingly the articles of association.

By granting preference shares, the Company hopes to encourage beneficiaries to participate in the long-term development of the Company, by involving them in the creation of enterprise value.

Under the terms and conditions of the **twenty-third extraordinary resolution**, it is proposed to the Shareholders' Meeting to authorize the Board of Directors, in accordance with articles L.225-197-1, L.225-197-2 and L.228-11 *et seq.* of the French Commercial Code, to allocate free preference shares giving right to conversion into ordinary shares of the Company for the benefit of employees and company officers of the Company and/or companies related to it as defined by article L.225-197-2 of the French Commercial Code. This authorization is to run for a period of 26 months.

The ordinary shares that could result from the conversion of preference shares allocated pursuant to this authorization shall not exceed 3% of the share capital. This ceiling would be common with the ceiling proposed for the granting of options defined in the twentieth resolution and for the allocation of bonus shares defined in the twenty-first resolution.

The total number of preference shares that may be granted to the Company officers shall not exceed 20% of the total number of preference shares allocated in this envelope and the acquisition of this preference shares shares will be subject to performance conditions set by the Board of Directors.

The allocation of preference shares to beneficiaries would be definitive after an acquisition period that will last a period determined by the Board of Directors, which shall not be lower than the minimum period required by law.

The beneficiaries would have to keep these shares during a vesting period determined by the Board of Directors, taking into account that the vesting period shall not be lower than the minimum period required by law starting from the vesting of said shares. The cumulative duration of acquisition and conservation periods cannot be lower than the minimum required by law.

Exceptionally, the final allocation would occur before the end of the acquisition period in the event of disability of the beneficiary corresponding to a classification in the second and the third categories defined by Article L.341-4 of the French Social Security Code.

This authorization would automatically entail waiving your preferential subscription right on preference shares that would be issued and on the ordinary shares that would be issued during the conversion of these preference shares.

Under the terms and conditions of the **twenty-fourth extraordinary resolution**, it is proposed to the Shareholders' Meeting to introduce into the articles of association the possibility to create a new category of shares, namely preference shares that would be convertible into ordinary shares and thereby, subject to free allocation of preference shares by the Board of Directors, amend articles 6 and 9 of the Company's Articles of Association and insert a new article 12 and a new article 27 into the Company's articles of association, covering the free allocation of preference shares by the Board of Directors, as follows:

"Article 6 – Share capital: new draft:

The share capital is set at €82,882,958. It is divided into 82,882,958 shares that all have the same par value and have been fully paid up.

The shares break down into two categories:

- *82,882,958 ordinary shares, which have been entirely subscribed, and all have the same par value and have been fully paid up; and*
- *[•] preference shares issued in application of Articles L.228-11 et sequitur of the French Commercial Code, which all have a par value equal to that of an ordinary share and have all been fully paid up.*

The preference shares shall not account for more than 10% of the share capital.

In these articles of association, unless otherwise stated, the words "shares" and "shareholders" refer to ordinary shares and owners of Company ordinary shares"

"Article 9 – Form of shares: new draft:

The shares are registered as long as they are not they are not admitted to trading on a regulated market. The materiality of the shares is evidenced by their registration under the name(s) of the holder(s) on securities accounts kept for this purpose by the Company under the terms and conditions set out by law.

Once they are admitted to trading on a regulated market, the shares are registered or bearer shares at the discretion of the holder. Their materiality is then evidenced by their registration under the name(s) of the holder(s) on securities accounts *kept for this purpose by the Company under the terms and conditions set out by law, by the Company or its custodian for registered shares, and by an authorized intermediary for bearer shares.*

Preference shares are compulsorily registered"

"New article 12 – Specific rights and restrictions attached to preference shares:

12.1 – Rights attached to preference shares allocated free of charge.

12.1.1 Preference shares and the rights of their owners are governed by the applicable provisions of the French Commercial Code, and in particular its articles L.228-11 et seq.

12.1.2 Preference shares do not benefit from any right to dividends or on reserves. Every preference share benefits from a right in liquidation proceeds proportional to the share its nominal amount accounts for in the share capital.

12.1.3 The owners of preference shares are not liable for any amount in excess of the nominal amount they own.

12.1.4 Ownership of a preference share automatically entails acceptance of the Company's articles of association and the decisions of its General Meetings.

12.1.5 Preference shares are fully paid up when issued through the proportional incorporation of the Company's reserves, issue premiums or earnings.

12.1.6 Preference shares are deprived of preferential subscription rights for any rights issue or any transaction with a preferential subscription right on ordinary shares and will not benefit from capital increases carried out by a free allocation of new shares or by increasing the nominal amount of existing ordinary shares resulting from the incorporation of reserves, earnings, issue premiums or other sums the capitalisation of which would be accepted, or from free allocations of securities giving access to shares carried out for the benefit of owners of ordinary shares.

12.1.7 Preference shares do not grant any voting right at General Meetings for the remaining lifespan of the Company. Every preference share gives right to a vote at the Special Meetings provided for by article 27 of the Company's articles of association.

12.1.8 Preference shares are not transferable (apart from when they are bought back by the Company).

12.1.9 Heirs, creditors, them right holders or other representatives of an owner of preference shares cannot request the affixing of seals on the Company's assets and valuables or request sharing them or having them sold by auction, or interfere in any manner whatsoever on the way it is run. In order to exercise their rights they must abide by the company's corporate records and the decisions of General Meetings.

12.2 – Conversion of preference shares allocated free of charge (when conversion conditions are fulfilled)

12.2.1 Provided the conditions described hereafter are met, preference shares will be automatically converted, on the Conversion Date (as defined below), into a variable number of ordinary shares according to the terms and conditions described in this article.

12.2.2 Preference shares will be converted, subject to the conditions set out in articles 12.2.3 or 12.2.7, as the case may be, of these articles of association, on the fifth trading day following the expiry of the vesting period and, when relevant, of the applicable lock-up period (the "Conversion Date"), without any prior request from the bearer. However, as an exception to the above principle, for beneficiaries who are tax residents in France, the conversion may occur before the end of this period when (i) the disability of the beneficiary leads to him or her being classified in the second and third categories set out in Article L.341-4 of the French Social Security Code, on a request from the beneficiary, and (ii) after the beneficiary's death, on a request from his or her right holders within six months of the death, provided they send an express request to the Company while attaching a notarized statement spelling out the rules governing the sharing of the inheritance among them.

12.2.3 The number of ordinary shares that could result from the conversion of preference shares on the Conversion Date will be calculated according to a conversion ratio determined on each allocation date (the "Conversion Ratio"), at the discretion of the Board of Directors, or according to the absolute value of the Company's stock market price on the Conversion Date, or according to the relative value of the Company's stock market price in comparison with the Benchmark Stock Market Index (as defined hereafter).

12.2.4 If it chooses to determine the Conversion Ratio according to the absolute value of the Company's stock market price on the Conversion Date, the Board of Directors will have to set for this purpose on the allocation date:

- *the Weighted Stock Market Price on the Conversion Date beyond which the number of ordinary shares resulting from the conversion will no longer increase (the "Ceiling Stock Market Price"), which shall not, in any event, be lower than the Company's Weighted Stock Market Price on the date of allocation of preference shares;*
- *the maximum number of ordinary shares resulting from the conversion of the total number of preference shares, when the Floor Stock Market Price is reached; it being understood that this number shall not account for more than 0.25% of the Company's share capital on the allocation date of the preference shares;*
- *the maximum number of ordinary shares resulting from the conversion of the total number of preference shares, when the Ceiling Stock Market Price is reached; it being understood that this number shall not account for more than 2% of the Company's share capital on the allocation date of the preference shares.*

12.2.5 If the Board of Directors draws on this approach to determine the Conversion Ratio, the preference shares issued under the free allocation of preference shares will be converted into a number of ordinary shares calculated in a linear manner between the Floor Stock Market Price and the Ceiling Stock Market Price determined by the Board of Directors.

12.2.6 For the purposes of the above paragraphs, the "Weighted Stock Market Price" is defined as the weighted average of the volumes of the Company's share price during the twenty (20) trading sessions prior to the allocation date of the preference shares or the Conversion Date, as the case may be.

12.2.7 If the Board chooses to determine the Conversion Ratio according to the relative value of the Company's stock price in comparison with the Benchmark Stock Market Index (as defined below), the Board of Directors will have to determine for this purpose on the allocation date:

- *the ranking of the Company's stock market price (the "Ranking of the Company's Stock Market Price") in the Stoxx 600 Europe TMI Healthcare index ("the Benchmark Stock Market Index") at the end of the last trading day prior to the date of allocation of preference shares;*
- *the minimum Ranking of the Company's Stock Market Price under which preference shares will not give right to conversion on the Conversion Date (the "Floor Ranking"), which in any event, shall not be lower than the Stock Market Price's Ranking on the date of allocation of preference shares;*
- *if necessary, the scale of the applicable Conversion Ratios according to the classification thresholds of stock market prices within the Benchmark Stock Market Index drawn upon by the Board of Directors;*
- *the maximum number of ordinary shares resulting from the conversion of all the preference shares, when the Floor Ranking is reached; it being understood that this number shall not account for more than 0.25% of the Company's share capital on the date of allocation of preference shares;*
- *the maximum number of ordinary shares resulting from the conversion of all the preference shares, when the Stock Market Price's Ranking reaches the first ranking (the "First Ranking"); it being understood that this number shall not account for more than 2% of the Company's share capital on the date of allocation of preference shares.*

12.2.8 If the Board of Directors chooses this approach to determine the Conversion Ratio, the preference shares issued as part of the free allocation of preference shares will be converted into a number of ordinary shares calculated in a linear manner between the Floor Ranking and the First Ranking or, if the Board of Directors has chosen a scale of Conversion Ratios with classification thresholds between the lower threshold and the upper threshold within which the Stock Market Price's Ranking will be found at Conversion Date.

12.2.9 Under both scenarios, the number of ordinary shares resulting from the conversion will have to be determined for every owner of preference shares by applying the Conversion Ratio to the number of preference shares held by every owner on Conversion Date.

12.2.10 When the total number of ordinary shares which an owner of preference shares is set to receive as calculated by applying the Conversion Ratio to the number of preference shares he or she holds is not a whole number, said owner will receive the immediately lower number of ordinary shares.

12.2.11 The Company will inform the owners of preference shares of the implementation of the conversion by any means before the effective conversion date. At any rate, the conversion of preference shares into ordinary shares shall not occur between the publication in the Bulletin Officiel des Annonces Légales Obligatoires *legal gazette of a Notice of meeting before any General Meeting and the holding of said Meeting and, if that were to be the case, the Conversion Date would be postponed until the end of the General Meeting.*

12.2.12 Issuance of the preference shares will automatically entail that shareholders waive any right on the preference shares allocated free of charge pursuant to a decision or authorization of the General Meeting. The conversion of preference shares into ordinary shares will de facto entail that shareholders waive their preferential subscription right on new ordinary shares which might be, if need be, issued during this conversion.

12.2.13 The new ordinary shares resulting from the conversion of preference shares will be definitively considered equivalent to ordinary shares that already existed on the Conversion Date and will carry immediate dividend rights.

12.2.14 The Board of Directors will have to take note, if the need arises, of the number of ordinary shares resulting from the conversion of preference shares that occurred on the Conversion Date and will carry out the required amendments to the articles of association, in particular with respect to the breakdown of shares by category and will record the capital increase in compliance with legal provisions.

12.3 – Buyback of preference shares allocated free of charge (should conversion conditions not be met)

12.3.1 In the event where the number of ordinary shares the preference shares would give right to by conversion would be equal to zero in application of conversion conditions, the Company will be allowed to buy back said preference shares in order to cancel them.

12.3.2 The preference shares will be bought back at their nominal unit value.

12.3.3 The Company will inform the owners of preference shares of the implementation of the buyback by all means before the effective date of the buyback.

12.3.4 All the preference shares bought back in this manner will be definitively cancelled on their buyback date and the Company's share capital will be accordingly reduced, while creditors will hold the right to oppose such a move in accordance with legal provisions.

12.3.5 The Board of Directors will have to record, if relevant, the number of preference shares bought back and cancelled by the Company on the Conversion Date and will carry out the required amendments in the stipulations of the articles of association relative to the amount of the share capital and the number of shares that make it up."

"New article 27 –Special Meetings:

27.1- The owners of preference shares are convened to a Special Meeting for any project aimed on changing rights attached to preference shares, it being understood that collective decisions that come under the competency of the Company's Ordinary General Meeting or its Extraordinary General Meeting are not submitted to the approval of the Special Meeting. For all practical purposes, it is added that the following issues will not be submitted to the approval of Special Meetings of owners of existing preference shares, it being understood that this list is not exhaustive:

- *the conversion of preference shares in application of article 12.2 of these articles of association,*
- *transactions aimed at amortizing or changing the share capital, in particular capital increases through the issuance of ordinary shares or any securities giving access to the capital, whether with or without preferential subscription rights; and*

- *buybacks and/or cancellations of shares as part of (i) a repurchase of preference shares by the Company in application of article 12.3 of these articles of association, (ii) of the implementation of share buyback programs under the conditions stipulated by articles L.225-209 et sequitur of the French Commercial Code and (iii) a public offer to buy back ordinary shares.*

By contrast, in accordance with the provisions of article L.228-17 of the French Commercial Code, any project to merge or split the Company will be submitted to the approval of any affected Special Meeting, when the unfolding of said project will rule out swapping preference shares against shares carrying equivalent specific rights.

27.2 Business can be legally transacted in Special Meetings only if the shareholders attending the Meeting or represented own at least, when convened for the first time, one-third and, when convened for the second time, one-fifth of the preference shares carrying a right to vote. They take decisions on a two-thirds majority of the ballots held by the owners of preference shares belonging to a same category, whether present or represented. Only owners of preference shares registered in the Company's accounts may take part in these Special Meetings and cast a vote.

27.3 In the event of a change in or amortisation of capital, the rights of owners of preference shares are adjusted in order to safeguard their rights in application of article L.228-99 of the French Commercial Code."

The twenty-third and twenty-fourth resolutions not separable, as the adoption of each resolution is conditional upon the approval by the Shareholders' Meeting of the other resolution.

Amendment of Article 24-3 of the Articles of Association regarding the participation to General Meetings (twenty-fifith extraordinary resolution)

It is proposed to the Shareholders' Meeting to bring Article 24-3 of the Articles of Association into line with the new provisions of Article R.225-85 of the French Commercial Code amended by the Decree n° 2014-1466 dated 8 December 2014 and change it by consequence, the rest of the Article 24-3 remaining unchanged:

"24-3. The right to attend General Shareholders' Meetings is conditional on shareholders providing proof of the registration of their shares in an account in the name of the shareholder or the name of the registered intermediary on his/her behalf, no later than two business days before the date of the Shareholders' Meeting at 0.00 a.m., Paris time, either in the books of registered shares held by the Company, or in the bearer securities accounts kept by the authorized intermediary."

Powers to carry out any filings and formalities required by law (twenty-sixth resolution)

The Board of Directors proposes to the Shareholders' Meeting to grant, pursuant to the **twenty-sixth resolution**, powers necessary for the performance of legal formalities in connection with the present Meeting.

The Board of Directors

REPORTS OF THE STATUTORY AUDITORS

Report of the Statutory Auditors on the annual financial statements

This is a free translation into English of the statutory auditors' report issued in the language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen S.A.

Registered office: 65, Quai Georges Gorse - 92650 Boulogne-Billancourt

Statutory Auditors' Report on annual financial statements

Year ended on 31 December 2014

To the Shareholders

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2014, on:
- the audit of the accompanying consolidated financial statements of Ipsen S.A.;
- the justification of our assessments;
- the specific verifications and information required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended.

2. Justification of our assessments

In accordance with the requirements of Article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we draw your attention to the following matters:

Your company measures every year the net asset value of its shares in associates and equity investments in the manner described in Note 2.1.2.2 to the financial statements. Our work consisted in evaluating the data and the estimates these assumptions are based upon. In particular, we focused on the cash flow forecasts drawn up by your Company's operational departments, checking the calculations made by your Company and in reviewing the procedure according to which management approves these estimates. We verified that Notes 2.1.2.2, 3.1.2 and 6 to the financial statements provide appropriate information. We assessed the reasonableness of these estimates.

These assessments were made as part of our audit of the annual financial statements taken as a whole and have therefore contributed to the formation of our opinion, given in the first part of this Report.

3. Specific verifications and information

As required by law we have also verified, in accordance with professional standards applicable in France, the information relative to the group stipulated by law.

We have no matters to report as to the fair presentation and consistency with the consolidated financial statements of the information given in the Board of Directors' Management Report and in the documents sent to shareholders covering the financial situation and the annual financial statements.

Regarding the information provided in application of the provisions of Article L.225-102-1 of the French Commercial Code on the remuneration and benefits paid to corporate officers and on the commitments made in their favour, we have verified that this information is consistent with the financial statements or the data drawn upon to prepare these financial statements and, if applicable, with the information collected by your Company from the companies it controls or that control it. On the basis of this work, we attest the exactness and fair presentation of this information.

In accordance with French law, we have ascertained that the appropriate disclosures have been provided in the Board of Directors' Management Report with regard to the identity of shareholders and holders of voting rights.

Paris La Défense and Neuilly-sur-Seine, 2 March 2015

The Statutory Auditors,

KPMG Audit
A division of KPMG S.A.

Philippe Grandclerc
Partner

Deloitte & Associés

Fabien Brovedani
Partner

Report of the Statutory Auditors on the consolidated financial statements

This is a free translation into English of the statutory auditors' report on the consolidated financial statements issued in French and it is provided solely for the convenience of English-speaking users.
The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the audit opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account balances, transactions, or disclosures.
This report also includes information relating to the specific verification of information given in the Group's management report.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen S.A.

Registered office: 65, Quai Georges Gorse 92650 Boulogne-Billancourt Cedex

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2014

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2014, on:

- the audit of the accompanying consolidated financial statements of Ipsen S.A.;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2014 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion, we draw your attention to the notes 3.2, 3.9 and 4 to the consolidated financial statements, which outline the effects on the Group's consolidated accounts and related comparative financial information of the change in classification of certain items of the income statement and in the segment information, in the context of the implementation of the Group's new organization.

2. Justification of our assessments

In accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:

Asset impairment

Goodwill and assets with indefinite useful life are tested for impairment on each reporting date and non-current assets are also tested for impairment when there is an indication that the asset may be impaired, using the methods described in note 3.16 to the consolidated financial statements. We reviewed the method of testing for impairment, together with the cash flow forecasts and assumptions used and verified that the disclosure provided in notes 6.3, 12.2, 13.2, 13.3 and 14.1 to the consolidated financial statements is appropriate.

Provisions

Notes 3.25 and 21 to the consolidated financial statements describe the provisions recorded by your Company. Our procedures consisted in assessing the data and assumptions on which these estimates are based, reviewing by sampling techniques calculations made by the Company, understanding the approval procedures by the Management Board of these estimates. In the context of our assessments, we obtained sufficient audit evidences to conclude that these estimates are reasonable.

Retirement benefit obligation

The methods of measuring post-employment advantages and other long term benefits are set out in note 3.24 to the consolidated financial statements. These liabilities have been measured by independent actuaries. We reviewed the data used, assessed the assumptions made and verified that the information disclosed in note 5.3 to the consolidated financial statements is appropriate.

Deferred tax

Note 3.32 to the consolidated financial statements describes the method of measuring and accounting deferred tax assets. We reviewed the data used, assessed the assumptions made and verified that the information disclosed in notes 10.2 and 10.3 to the consolidated financial statements is appropriate.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3. Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information relative to the group in the parent company's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris La Défense and Neuilly-sur-Seine, on the 2 March 2015

The Statutory Auditors
French original signed by

KPMG Audit
A division of KPMG S.A.
Philippe Grandclerc
Partner

Deloitte & Associés
Fabien Brovedani
Partner

Special Report of the Statutory Auditors on regulated agreements and commitments

This is a free translation into English of the statutory auditors' report issued in the language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen S.A.

Registered office: 65 quai Georges Gorse – 92650 Boulogne-Billancourt Cedex

Shareholders' meeting to approve the financial statements for the year ended 31 December 2014

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on regulated agreements and commitments.

It is incumbent upon us to inform you, on the basis of the information provided to us, the crucial terms and conditions of the agreements and commitments of which we were notified or we could find relating to this engagement. It is not our role to determine whether they are beneficial or appropriate or ascertain whether any other agreements or commitments exist. It is your responsibility, under the terms of Article R.225-31 of the French Commercial Code (*Code de commerce*), to evaluate the benefits arising from these agreements and commitments prior to their approval.

We are also required, where appropriate, to inform you about the information defined by Article R.225-31 of the French Commercial Code (*Code de commerce*) relating to the manner in which agreements and commitments, which had been approved by the General Meeting of Shareholders, were implemented in 2014.

We performed the procedures we considered necessary in accordance with professional guidance issued by the national institute of auditors (*Compagnie nationale des commissaires aux comptes*), relating to this engagement. Our work consisted in verifying that the information provided to us is in agreement with the underlying documentation from which it was extracted.

AGREEMENTS AND COMMITMENTS TO BE APPROVED BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments authorized in 2014

In accordance with Article L.225-40 of the French Commercial Code (*Code de commerce*), we were informed of the following agreements and commitments that had been previously authorized by your Board of Directors.

Sale and purchase of shares agreement between the Company and one of its shareholders holding more than 10% of voting rights

Your Board of Directors, at its meeting held on 17 March 2014, approved the proposal that Ipsen S.A. (hereafter "the Company") should take part in a private placement of shares envisioned by Mayroy S.A..

The placing of a purchase order by your Company with the bank in charge of the private placement and the resulting sale of shares can be compared to a sale and purchase of shares agreement entered into by a third party acting between the Company and one of its shareholders holding more than 10% of voting rights.

Your Board of Directors, taking a decision in accordance with Article L.225-38 of the French Commercial Code, authorized the placing of a buy order and the purchase of Ipsen shares by the Company (within the limit of 1% of the share capital) under the private placement mentioned above.

As part of this transaction, your Company bought back 842,542 of its Treasury shares in order to cancel them.

Negotiating mandate entrusted to Mr Antoine Flochel

Your Board of Directors on 4 June 2014 entrusted Mr Antoine Flochel (Manager of VicJen Finance) with a special mandate in order to assist your Company in negotiating the strategic partnership with Galderma. The Board of Directors meeting on 28 August 2014 decided to grant Mr Antoine Flochel a sum of €60,000 excluding tax, as compensation under this mandate.

Your Company recognized expenses totalling €600,000 exclusive of tax in this respect in fiscal year 2014.

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in prior years that continued to be implemented in 2014

In accordance with Article R.225-30 of the French Commercial Code, we were informed that the following agreements and commitments, already approved by the General Meeting in prior years, continued to be implemented in 2014.

Liquidity contract with Mayroy S.A.

On 6 December 2005 a liquidity contract to carry out market making for stocks options was signed between Ipsen S.A., Mayroy S.A. and Société Générale Bank & Trust, under which Mayroy S.A. gave a mandate to Société Générale Bank & Trust to ensure the accounting and administrative management of its stock option plans, to the benefit of Ipsen S.A. employees. An amendment dated 29 June 2010 changed Mayroy S.A.'s initial mandate for the accounting and administrative management of stock option plans, by authorizing Société Générale Bank & Trust to transfer treasury shares held by Mayroy S.A. as payment of the exercising of options by Ipsen Group beneficiaries.

The expense related to this service recognized by Ipsen S.A. in 2014 came in at €0.

Agreements and commitments approved in prior years that were not implemented in 2014

Furthermore, we were informed about the following agreements and commitments, already approved by a General Meeting in previous years, which were not implemented during the past year.

Commitments granted to Mr Marc de Garidel, Chief Executive Officer & Chairman of the Board and, in the case of termination of employment

- Your Board of Directors at its meeting of 11 October 2010 authorized granting to Mr Marc de Garidel:
  - the benefit of membership of the supplementary pension plan in force at Ipsen S.A., giving right to, on retirement and subject to seniority of at least 5 years, the payment of an annuity calculated by reference to seniority within the Group, at a rate of 0.60% per year of seniority on the part of total gross compensation (bonus included) that is lower than eight times the annual social security ceiling and at a rate of 1% per year on total gross compensation (bonus included) for the part of said total gross compensation that is higher than eight times the annual social security ceiling. Total gross compensation corresponds to the average compensation of the last 36 months of office.
  - a severance payment due under his position as CEO of the Company, the terms and conditions of which are in accordance with the recommendations set out in the AFEP/MEDEF Corporate Governance Code, in other words:
    - a payment due only in the event of a forced departure related to a change in control or in strategy,
    - a sum amounting to 24 months' compensation due under his position as CEO of the Company,
    - payment of which is subject to a performance-related condition: the Group's recurring operating margin needs to remain above a minimum threshold (12.5% for 2011) during the three years preceding his departure,
    - including the amount due, if applicable, in respect of any non-compete commitment mentioned above.

Non-compete commitments taken by Mr Marc de Garidel, Chairman of the Board and Chief Executive Officer

- Your Board of Directors approved at its meeting of 11 October 2010 the commitment taken by Mr Marc de Garidel, if he were to leave the Group for any other reason than a change in control, not to carry out or participate in any activity related to the development and/or marketing of products belonging to the same therapeutic class (source: IMS-Health) as the two best selling products of the Ipsen Group, during the twenty-four months after his effective departure, in an operational capacity (including as a consultant), in the European Economic Area (EEA) and/or in Northern America.

  The compensation due by your Company to Mr Marc de Garidel in consideration of these non-compete commitments is included in the severance payment due in the case of termination of employment, described above.

Commitments granted to Mrs Christel Bories, Deputy Chief Executive Officer, in the case of termination of employment

- Your Board of Directors authorized at its 26 February 2013 meeting granting to Mrs Christel Bories:
  - the benefit of membership of the supplementary pension plan in force at Ipsen S.A., giving right to, on retirement and subject to seniority of at least 5 years, the payment of an annuity calculated by reference to seniority within the Group, at a rate of 0.60% per year of seniority on the part of total gross compensation (bonus included) that is lower than eight times the annual social security ceiling and at a rate of 1% per year on total gross compensation (bonus included) for the part of said total gross

compensation higher than eight times the annual social security ceiling. Total gross compensation corresponds to the average compensation of the last 36 months of office.

- a severance payment due under her position as Deputy CEO of the Company, the terms and conditions of which are in accordance with the recommendations set out in the AFEP/MEDEF Corporate Governance Code, in other words:
- a payment due only in the event of a forced departure related to a change in control or in strategy decided by the Board of Directors,
- a sum amounting to 24 months' (fixed and variable) compensation due under her position as Deputy CEO of the Company,
- payment of which is subject to a performance-related condition: the Group's recurring operating margin needs to remain above a minimum threshold (12.5% for 2013) during the three years preceding her departure,
- including the amount due, if applicable, in respect of any non-compete commitment described below.
- Non-compete commitments taken by Mrs Christel Bories, Deputy Chief Executive Officer

- Your Board of Directors approved at its 26 February 2013 meeting the commitments taken by Mrs Christel Bories, in the event she should leave the Group for any other reason than a change in control, not to carry out or participate in any activity related to the development and/or marketing of products belonging to the same therapeutic class (source: IMS-Health) as the two best selling products in terms of revenue of the Ipsen Group, during the twenty-four months after her effective departure, in an operational capacity (including as a consultant), in the European Economic Area (EEA) and/or in Northern America.

  The compensation due by your Company to Mrs Christel Bories in consideration of these non-compete commitments is included in the severance payment due in the case of termination of employment, described above.

Paris La Défense and Neuilly-sur-Seine, 2 March 2015

The Statutory Auditors

KPMG Audit *A division of KPMG S.A.*	Deloitte & Associés
Philippe Grandclerc *Partner*	Fabien Brovedani *Partner*

Report of the Statutory Auditors on the Report of the Chairman of the Board of Directors prepared in accordance with the provisions of Article L.225-235 of the French Commercial Code

This is a free translation into English of the statutory auditors' report issued in the language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Ipsen S.A.

Registered office: 65, quai Georges Gorse – 92650 Boulogne-Billancourt Cedex

Statutory Auditors' report, prepared in accordance with Article L.225-235 of French commercial code (*Code de Commerce*) on the report prepared by the Chairman of the Board of Directors of the Company

Year ended 31 December 2014

To the Shareholders,

In our capacity as statutory auditors of Ipsen S.A. and in accordance with Article L.225-235 of French Commercial Code (*Code de commerce*), we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of French Commercial Code (*Code de commerce*) for the year ended 31 December 2014.

It is the Chairman's responsibility to prepare, and submit to the Board of Directors for approval, a report on the internal control and risk management procedures implemented by the Company and containing the other disclosures required by Article L.225-37 of French Commercial Code (*Code de commerce*), particularly in terms of corporate governance.

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and
- to attest that this report contains the other disclosures required by Article L.225-37 of French Commercial Code (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:

- obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the Company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L.225-37 of French Commercial Code (*Code de commerce*).

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by Article L.225-37 of French Commercial Code (*Code de commerce*).

Paris la Défense and Neuilly-sur-Seine, 2 March 2015

The Statutory Auditors

KPMG Audit *A division of KPMG S.A.*	Deloitte & Associés
Philippe Grandclerc *Partner*	Fabien Brovedani *Partner*

EXECUTIVE SUMMARY: THE IPSEN GROUP IN 2014

Extract from audited consolidated results for 2014 and 2013 restated (1) (in million euros)

	2014	2013 restated (2)	% change
Drug sales	1,259.0	1,191.3	+7.4% (2)
Sales	1,274.8	1,224.8	+5.7% (2)
Total revenues	1,332.4	1,281.8	+4.0%
Core operating profit	260.6	228.0	+14.3%
Core operating margin (3)	*20.4%*	*18.6%*	–
Operating profit	221.4	210.5	+5.2%
Operating margin	*17.4%*	*17.2%*	–
Consolidated net profit	**154.0**	**153.1**	**+0.6%**
Earnings per share – fully diluted (€)	1.87	1.83	+2.2%
Core consolidated net profit	182.6	153.7	+18.8%
Core EPS – fully diluted (€)	**2.22**	**1.84**	**+20.3%**
Weighted average number of shares:			
Outstanding	*82,093,561*	*83,029,957*	–
Fully diluted	*82,220,289*	*83,163,230*	–

(1) For purposes of comparison between the two financial years, the 2013 income statement has been restated in accordance with IAS 19 revised (see appendix 5).
(2) Growth at constant currency.
(3) In % of sales.

Comparison of 2014 performance with financial objectives announced for the period

	Financial objectives (1)	Realized in 2014
Specialty care sales	[+9%; +10%]	+9.9% (2)
Primary care sales	[-1%; +1%] (2)	+0.5% (2)
Core operating marging	Around 20.0% of sales	20.4% of sales

(1) 2014 revised financial objectives communicated on 29 October 2014.
(2) Sales growth excluding foreign exchange impact, calculated by applying the average 2014 rates to the 31 December 2013 sales figures.

Highlights of the full year 2014 sales

In 2014, Group drug sales increased 7.4% excluding foreign exchange impact or 5.7% at current exchange rate.

Consolidated Group sales reached €1,274.8 million in 2014, up 4.1% year-on-year and up 5.7% excluding foreign exchange impact.

Other revenues totaled €57.6 million, up 1.2% over the €57.0 million generated in 2013.

Total revenues reached €1,332.4 million, up 4.0% compared to 2013.

The cost of goods sold amounted to €310.0 million, representing 24.3% of sales, compared to €305.3 million representing 24.9% of sales for the same period in 2013. The higher cost of goods sold was mainly driven by the positive mix effect resulting from the 10% growth in specialty care sale volumes. The cost of goods sold, however, benefited from a change in the method of consolidation of the Swiss company Linnea. The costs borne by Linnea are now consolidated using the equity method (1).

Research and development expenses reached €186.9 million, representing 14.7% of sales, compared with 16.0% of sales a year earlier. The year-on-year decline stemmed from the favorable impact of research tax credits, with other research and development costs up slightly. The main research and development projects undertaken in 2014 concerned Dysport® in spasticity and glabellar lines indications with the liquid formulation (Dysport® Next Generation), tasquinimod's phase II proof of concept and phase III prostate cancer in China, Somatuline® and Dopastatin (endocrinology).

(*) In accordance with the norm IFRS11 "Partnerships" applicable since 1 January 2014 on the accounting treatment of joint ventures.

Selling expenses totaled €464.1 million, representing 36.4% of sales, up 4.8% versus 2013. The increase was driven by organic growth and recruitment by the US affiliate of an oncology sales force to launch Somatuline® Depot® (lanreotide) 120 mg Injection in the treatment of gastrointestinal and pancreatic neuroendocrine tumors (GEP NETs). The US Food and Drug Administration (FDA) approved the treatment on 16 December 2014. The rise in selling expenses was partially offset by the favorable tail-end impact from the primary care sales forces restructuring in France and the Dysport® sales force restructuring in the US, both carried out in 2013.

General and administrative expenses amounted to €111.2 million, up 7.2%.

Core operating income amounted to €260.6 million, representing 20.4% of sales. The accelerated implementation of the Group's strategy, in particular the transformation and the business unit organization, triggered strong sales performance and led to tightly managed costs, enabling the Group to improve its profitability by 1.8 percentage points in 2014.

Restructuring costs reached €21.9 million. They correspond mainly to costs incurred by the Group to accelerate the rollout of the transformation project, such as measures to adapt support functions, to continue the restructuring of R&D activities, and to restructure the specialty care business model, as well as the costs incurred from transferring the operations of US-based subsidiary Ipsen Bioscience Inc. from Milford to Cambridge. At 31 December 2013, restructuring costs totaled €0.2 million and were derived chiefly from the reversal of an accrual related to the primary care restructuring plan in France, offset by restructuring costs in the US.

An impairment loss of €8.0 million was recorded as a result of the write-down of a Syntaxin Ltd. intangible asset, which has no impact on ongoing studies. At 31 December 2013, the Group recognized an €11.6 million impairment loss on the Increlex® IGF-1 active ingredient following supply interruptions in the market and uncertainty over the date of resupply in the US. Ipsen also recognized a €1.0 million impairment loss following a decision by the Group not to exercise its right to develop a neurology program.

Net financing costs showed expense of €3.0 million, compared to income of €5.8 million a year earlier. The 2013 net income stemmed mainly from a financial gain on 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.

Other financial expenses amounted to €12.0 million, a €2.8 million improvement over the prior year. The 2014 expense arose primarily from a negative €10.1 million foreign exchange impact resulting mainly from the sharp depreciation of the Russian ruble in the fourth quarter of the year. In 2013, other financial expenses stemmed primarily from a negative €11.2 million foreign exchange impact and €2.0 million in write-down on convertible bonds subscribed by the Group to develop a neurology program.

The effective tax rate amounted to 26.1% of pre-tax profit from continuing operations, compared with an effective rate of 29.4% a year earlier. The Group benefitted from the favorable outcome of a number of tax audits ended in 2014. Furthermore, the effective tax rate benefitted from a decline in non-deductible spending from 2013 to 2014.

Profit from continuing operations came to €154.5 million, up 8.6% from €142.2 million at 31 December 2013.

Net loss from discontinued operations totaled €0.5 million. It included the rebilling of production costs for OBI-1 clinical samples to Baxter. At 31 December 2013, net profit from discontinued operations totaled €10.9 million. That result stemmed primarily from the rebilling of production costs for OBI-1 clinical samples to Baxter, prior to the effective transfer of the production site and personnel, as well as from 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.

Consolidated net profit came to €154.0 million (€153.5 million attributable to Ipsen S.A. shareholders), relatively flat against €153.1 million (€152.5 million attributable to Ipsen S.A. shareholders) at 31 December 2013.

Core net profit amounted to 182.6 million euros, sharply up compared to the 153.7 million euros recorded at 31 December 2013.

Net cash flow from operating activities amounted to 246.2 million euros, up 64.8 million euros year-on-year. At 31 December 2014, **closing cash and cash equivalents** reached 180.1 million euros, compared to cash and cash equivalents of 125.4 million euros in 2013.

Dividend for the 2014 financial year proposed for the approval of Ipsen's Shareholders Meeting

Ipsen S.A. Board of Directors, which met on 2 March 2015, has decided to propose at Ipsen's annual shareholders' meeting to be held on 27 May 2015 the payment of a dividend of €0.85 per share, up €0.05 year-on-year, representing a pay-out ratio of approximately 45% of consolidated net profit (attributable to the Group's shareholders), compared to a pay-out ratio of approximately 44% for the 2013 financial year.

Update on European regulatory review for Somatuline® Autogel® in gastroenteropancreatic neuroendocrine tumors (GEP NETs)

After the approval granted by the US Food and Drug Administration (FDA) in December 2014, the EU procedure recommended granting a new indication for the treatment of gastroenteropancreatic neuroendocrine tumors (GEP NETs) for Somatuline® Autogel® (lanreotide) 120 mg Injection in 25 countries of the European Union. The decision will be implemented by the competent authority in each of these countries. The first approval was granted in the UK on 27 February 2015.

Financial objectives for 2015

Based on information currently available, the Group has set the following financial targets for 2015:

- **Specialty Care** drug sales growth year-on-year **between 8.0% and 10.0%;**
- **Primary Care** drug sales decline year-on-year **between -3.0% and 0.0%**;
- **Core operating income between 19.0% and 20.0%** of sales, excluding any major further deterioration of the economic environment in Russia.

Sales objectives are set at constant currency and, from 2015 onwards, the drug-related sales (active substances and raw materials) will be recorded in the Primary Care sales line.

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 2013 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), experienced manufacturing issues with Increlex® which led in 2013 to supply interruption in the US, Europe and the rest of the world. Consultations with the National competent authorities of the European Union have allowed a resupply in Europe early 2014. In the United States, Ipsen has released a first batch of Increlex®'s active ingredient on 2 June 2014 and a second one in September 2014. Ipsen anticipates that additional lots will be released in the coming months, as the company continues to work closely with the FDA to make additional Increlex® lots available 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

During 2014, major developments included:

- On **10 January 2014** – Ipsen announced the appointment of Jonathan Barnsley as Executive Vice President in charge of Technical Operations. He is a member of the Executive Committee of the Ipsen group. He took up his new position on 1 April 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 (5).
- 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.
- On **18 March 2014** – Ipsen announced positive results from its phase IIa clinical trial assessing Dysport® in the treatment of Neurogenic Detrusor Overactivity (NDO) in patients with urinary incontinence not adequately managed by anticholinergics. Results show that treatment with Dysport® was associated with a mean reduction from baseline of urinary incontinence episodes greater than 75%, 12 weeks after the injection, regardless of how the drug is administered. These results were achieved with a single dose of Dysport® 750 Units injected in either 15 or 30 sites in the detrusor muscle. Efficacy was confirmed by improvement in urodynamic parameters and quality of life. The safety profile observed in the study is consistent with the safety profile expected in this indication.
- On **20 March 2014** – Ipsen announced that Mayroy, its controlling shareholder, had completed an institutional private placement of 5,888,290 shares representing c.7% of Ipsen's share capital, at a price of €29.50 per share. As part of this transaction, Ipsen purchased 842,542 of its own shares (representing 1% of its share capital) to be cancelled. Ipsen has been informed that the proceeds of this sale will be used to partially finance the repurchase by Mayroy of the entire stake held in its share capital by its minority shareholder, Opera Finance Europe, a Luxembourg-registered company controlled by Mrs Véronique Beaufour. Opera Finance Europe and its stakeholders do not sit on the Board of Directors of Ipsen and play no active role in the management of the Group. The repurchase of the balance of the stake of Opera Finance Europe will be financed by

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

the delivery by Mayroy of Ipsen shares representing c.4% of Ipsen share capital. These shares will be placed into an escrow account for a period of 12 months following completion of the transaction.

As a result of this transaction, Ipsen's free-float increases to c.40% (1) from c.30%. Mayroy's stake in Ipsen's share capital and voting rights now amounts to c.57.6% and c.73.3%respectively. The indirect stake held by Beech Tree (controlling shareholder of Mayroy) in Ipsen has slightly increased. Ipsen has also been informed that the shareholders' agreement between Beech Tree, its subsidiaries and the Schwabe family, which was entered into on December 31, 2008 in order to preserve the stability of Mayroy's controlling share ownership structure, has been renewed until 30 June 2015.

- On **9 April 2014** – Ipsen confirmed its eligibility for the PEA-PME scheme, in accordance with the French decree n° 2014-283 of 4 March 2014. The Group complies with the thresholds set by the legislator for eligibility to the PEA-PME scheme, namely having less than 5,000 employees and total revenue below €1,500 million or total assets below €2,000 million. As a consequence, investment in company shares can be made through PEA-PME accounts, benefiting from the same tax advantages as the traditional Equity Savings Plan (PEA). Ipsen was included by Euronext in the CAC® PME index.
- On **12 April 2014** – Ipsen announced that a first set of results on phase III clinical study of Dysport® in the treatment of adults suffering from Upper Limb Spasticity was presented on Saturday, 12 April, at the 8th World Congress for NeuroRehabilitation in Istanbul (Turkey). Four weeks after Dysport® injection, the Phase III clinical study results demonstrated that:
  - Patients treated with Dysport® showed a statistically significantly ($p < 0.0001$) higher proportion of responders in muscle tone improvement versus placebo (*i.e.* exhibiting ≥ 1 point improvement as measured by the Modified Ashworth Scale, MAS). At week 4, patients treated with Dysport® 500 units and 1,000 units showed responding rates of 73.8% and 78.5%, respectively, compared to 22.8% in the placebo arm;
  - Patients treated with Dysport® showed a statistically significantly ($p < 0.0001$) higher clinical benefit versus placebo, as measured by the Physician Global Assessment (PGA). At week 4, the mean PGA score for patients treated with Dysport® 500 units and 1000 units were 1.4 and 1.8, respectively, compared to 0.6 in the placebo arm.
  - Additionally, patients treated with Dysport® showed a higher proportion of responders from baseline in improved passive function versus placebo (exhibiting ≥ 1 grade decrease as measured by the disability assessment scale). At week 4, patients treated with Dysport® 1,000 units showed a statistically significant response rate of 62%. Patients treated with Dysport® 500 units showed a clinically relevant response rate of 50%. Placebo arm showed a 39% response rate.
- On **13 May 2014** – Ipsen announced that a supply of Increlex® will be available in the US starting 2 June 2014. In collaboration with the FDA (Food and Drug Administration), Ipsen is releasing one batch of Increlex®'s active ingredient. Ipsen anticipates that additional lots will be released in the coming months, as the company continues to work closely with the FDA to make additional Increlex® lots available as soon as possible.
- On **1 July 2014** – Ipsen announced that it has submitted a Supplemental New Drug Application to the US Food and Drug Administration (FDA) for Somatuline® Depot® 120 mg injection for the treatment of gastroenteropancreatic neuroendocrine tumors (GEP-NETs). In the European Union, Ipsen has submitted national marketing authorization variations for Somatuline® Autogel® 120mg injection to the drug regulatory authorities in 25 countries of the European Union. Following EU and US submissions, Ipsen intends to implement worldwide submission roll-out.
- On **11 July 2014** – Ipsen and Galderma, a global healthcare company focused on dermatology and skin health, announced that they have significantly expanded the scope of their neurotoxin partnership. Under the terms of the agreement, the Dysport® distribution rights in the US and Canada, held originally by Valeant, have been included in the partnership between Ipsen and Galderma for the distribution of Dysport®/Azzalure® in aesthetic and dermatology indications. This partnership now covers the US, Canada, Brazil and Europe (2) for a period extending to 2036. As part of this renegotiated agreement, Galderma will pay €25 million to Ipsen and benefit from improved margins in those territories. Ipsen will manufacture and supply the finished product to Galderma and receive royalties from Galderma. In addition, the companies will increase the scope of their R&D collaboration through which each company will benefit from the other party's research compounds within its respective and exclusive areas of focus. In this regard, Ipsen will gain control of the intellectual property for Galderma's liquid toxin in the US, Canada, Brazil and Europe (2) in exchange for a €10 million payment, while Galderma retains commercialization rights.
- On **17 July 2014** – Ipsen announced that the New England Journal of Medicine has published clinical trial results showing that Somatuline® Autogel® / Somatuline® Depot® (lanreotide) Injection 120 mg (referred to as Somatuline®) achieved statistically significant prolongation of progression free survival over placebo in patients with metastatic gastroenteropancreatic neuroendocrine tumors (GEP-NETs). CLARINET®, an investigational phase III randomized, double-blind, placebo-controlled study of the antiproliferative effects of Somatuline® was conducted in 48 centers across 14 countries. The article titled "Lanreotide in Metastatic Enteropancreatic Neuroendocrine Tumors" is available online at NEJM.org and has been published in the July 17th edition (N. Engl. J. Med. 2014; 371: 224-233). The data gathered from 204 GEP-NET patients over the 96-week study showed that placebo-treated patients had a median PFS of 18.0 months and 33.0% had not progressed or died at 96 weeks, whereas the median

(1) Calculation taking into account the placement aforementioned, the cancellation of the Ipsen shares purchased as part of this transaction, and the cancellation of the 800,000 shares purchased as part of the program announced on 6 November 2013.
(2) Excluding Russia.

PFS for Somatuline® treated patients was not reached and 65.1% had not progressed or died at 96 weeks (stratified logrank test, $p < 0.001$). This represented a 53% reduction in risk of disease progression or death based on a hazard ratio of 0.47 (95% CI: 0.30–0.73). These statistically and clinically significant antiproliferative effects of Somatuline® were observed in a large population of patients with grade G1 or G2 (World Health Organization classification) GEP-NETs, and independent of hepatic tumor volume (≤ 25% or > 25%). Quality of life measures were not different between the Somatuline® and placebo groups. Safety data generated from the study are consistent with the known safety profile of Somatuline®.

- On **26 August 2014** – The North-American affiliate announced that a new supply of Increlex® would be available starting in September 2014. In collaboration with the U.S. Food and Drug Administration (FDA), Ipsen released a second batch of Increlex® in 2014. The first batch was made available for distribution in June of 2014.
- On **1 September 2014** – Ipsen announced that the US Food and Drug Administration (FDA) had accepted and granted priority review of its supplemental New Drug Application (sNDA) for Somatuline® Depot® 120 mg injection in the treatment of gastroenteropancreatic neuroendocrine tumors (GEP-NETs). The FDA designates priority review status to drug candidates that have the potential to offer a significant improvement in treatment compared to currently approved options. Decision is expected in early Q1 2015. In the European Union, the dossier of the national marketing authorization variations for Somatuline® Autogel® 120 mg injection has been validated by all national 25 drug regulatory authorities. The first decisions are expected by Q2 2015.The regulatory submissions and variations were supported by the results of the CLARINET® Phase III study, which demonstrated the antitumor effect of Somatuline® in the treatment of patients with GEP-NETs, and which was recently published in the 17 July issue of The New England Journal of Medicine.
- On **27 September 2014** – Ipsen announced the presentation at the ESMO 2014 Congress (26-30 September in Madrid) of the preliminary results of the phase II proof-of-concept clinical trial with tasquinimod in monotherapy, evaluating the compound in four advanced tumor types. The main objective of the study was to determine the clinical activity of tasquinimod in advanced hepatocellular (HCC), ovarian (OC), renal cell (RCC) and gastric (GC) carcinomas in patients who had progressed after standard anti-tumor therapies. Primary endpoint was the PFS rate at a predefined time for each cohort. Secondary objectives included PFS, response rate, OS, safety, pharmacokinetics and biomarkers.The data did not support further development of tasquinimod in monotherapy in heavily pretreated patients with advanced OC, RCC and GC. Pharmacokinetic and biomarkers analyses are ongoing. Preliminary results from the futility analysis reported sufficient clinical activity to complete the recruitment of the HCC cohort for which results are expected in 2015.The safety profile was consistent with the known safety profile of tasquinimod in previous studies.
- On **2 October 2014** – Ipsen announced that Susheel Surpal would step down as Chief Financial Officer of Ipsen as of 31 October 2014 to pursue new opportunities.
- On **10 October 2014** – Ipsen announced the appointment of Aymeric Le Chatelier as Executive Vice President, Chief Financial Officer effective as of 3 November 2014. He will report directly to Marc de Garidel, Chairman and Chief Executive Officer and to Christel Bories, Deputy Chief Executive Officer. He will be a member of the Chairman Committee and of the Executive Committee.
- On **10 October 2014** – Ipsen announced positive results from the phase III study of triptorelin pamoate 11.25 mg (Decapeptyl® 3 months) administered subcutaneously in patients with locally advanced or metastatic prostate cancer at the European Association of Urology (EAU) 14th Central European Meeting in Cracow, Poland (10-12 October 2014). The primary objective of the study was to assess the efficacy and safety profile of the sustained-release triptorelin pamoate 11.25 mg (Decapeptyl® 3 months) formulation when administered by the subcutaneous route in men with locally advanced or metastatic prostate cancer. This objective was met with castration levels of testosterone achieved in 97.6% [95% CI: 93.2-99.5] of men at week 4 and castration maintained in 96.6% of these men [95% CI: 91.6-99.1] at week 26.
- On **22 October 2014** – Ipsen and Lexicon Pharmaceuticals, Inc. announced that they have entered into an exclusive licensing agreement for Ipsen to commercialize telotristat etiprate outside of North America and Japan, with a focus on the treatment of carcinoid syndrome. Lexicon retains sole rights to commercialize telotristat etiprate in the United States, Canada and Japan. Lexicon will continue to lead the global Phase 3 clinical program for telotristat etiprate in carcinoid syndrome, from which data are expected in 2015. The pivotal Phase 3 trial is comparing telotristat etiprate to placebo on a background of somatostatin analog (SSA) therapy, the current standard of care, in patients whose carcinoid syndrome is not adequately controlled with lanreotide or octreotide. The clinical Phase 3 study is recruiting in approximately 70 centers worldwide. Lexicon will continue to be responsible for the potential registration of telotristat etiprate in the U.S., Canada and Japan, while Lexicon and Ipsen will collaborate to seek regulatory approvals in Europe and other countries within the Ipsen licensed territory, with Ipsen assuming the lead responsibility in those markets. Under the financial terms of the agreement, Lexicon is eligible to receive up to $145 million, comprising $23 million upfront payment and additional payments contingent upon achievement of clinical, regulatory and commercial milestones. In addition, Lexicon is also eligible to receive royalties on net sales of telotristat etiprate in the licensed territory.
- On **6 November 2014** – Otonomy, Inc., a clinical-stage biopharmaceutical company focused on the development and commercialization of innovative therapeutics for diseases and disorders of the inner and middle ear, and Ipsen, a global specialty-driven pharmaceutical company, announced that they have entered into an exclusive licensing

agreement enabling Otonomy to utilize Ipsen's gacyclidine data in the development and registration of OTO-311. OTO-311 is Otonomy's sustained-exposure formulation of gacyclidine, an N-MethylD-Aspartate (NMDA) receptor antagonist, in development for the treatment of tinnitus.

- On **18 November 2014** – Ipsen and the Salk Institute for Biological Studies (Salk Institute) announced that they have agreed to renew their collaboration in medical sciences for another three years. The common objective for Ipsen and the Salk Institute is to achieve critical insights in the understanding of human diseases so as to develop new therapies for the treatment of patients afflicted with serious medical conditions.
- On **20 November 2014** – Ipsen and French National Center for Scientific Research (CNRS) announced the creation of the Archi-Pex (peptide architectures and formulations) joint research and innovation lab in collaboration with the French Alternative Energies and Atomic Energy Commission (CEA) and the University of Rennes 1. This is the result of a public-private partnership active since 1999. The joint Archi-Pex lab, supported by the French National Research Agency, seeks to conduct multi-disciplinary research bringing together academic teams in physics and biology with the researchers at Ipsen's center for pharmaceutical development based in Dreux (France). The aim is to innovate in the formulation of hormonal peptides and to reduce the development time. Understanding of the pharmaceutical efficacy arising from basic knowledge is the key to Archi-Pex project.
- On **28 November 2014** – Ipsen announced that the US Food and Drug Administration (FDA) has accepted for review its supplemental Biologics License Application (sBLA) for Dysport® (abobotulinumtoxinA) in the treatment of upper limb spasticity in adult patients. The regulatory filing was based on a clinical Phase III study involving nearly 250 adult patients with upper limb spasticity. The international, multi-center, double-blind, randomized, placebo controlled trial compared the efficacy of Dysport® versus placebo in hemiparetic patients following a stroke or brain trauma. The data showed that those treated with Dysport® demonstrated a statistically significant ($p < 0.0001$) improvement in muscle tone and a higher clinical benefit, versus placebo. The safety profile observed in the study was consistent with the known safety profile of Dysport®.
- On **12 December 2014** – Ipsen announced that the International Breast Cancer Study Group (IBCSG) presented results of the randomized phase III SOFT clinical trial at the 2014 San Antonio Breast Cancer Symposium. Suppression of Ovarian Function Trial (SOFT) assessed the value of ovarian suppression in reducing breast cancer recurrence in young women receiving tamoxifen, and evaluated the role of the aromatase inhibitor exemestane plus ovarian suppression in this population. Ovarian suppression was obtained entirely by monthly injections of triptorelin (active ingredient of Ipsen's Decapeptyl®) over 5 years for 81% of patients. Treatment combining tamoxifen plus ovarian suppression reduced the relative risk of developing invasive breast cancer recurrence by 22% in women who did not transition into menopause after receiving chemotherapy, when compared to treatment with tamoxifen alone.
- On **16 December 2014** – François Garnier has been appointed Executive Vice President, General Counsel for the Ipsen Group effective as of January 5, 2015. As such, he will sit on the Chairman's Committee and on the Executive Committee.
- On **16 December 2014** – Ipsen announced that Somatuline® Depot® (lanreotide) Injection 120 mg (referred to as Somatuline®) was approved by the US Food and Drug Administration (FDA) for the treatment of adult patients with unresectable, well- or moderately-differentiated, locally advanced or metastatic gastroenteropancreatic neuroendocrine tumors (GEP-NETs).Somatuline®'s approval was based on demonstration of improved progression-free survival (PFS) in CLARINET® multi-center, international, randomized (1:1), double-blind, placebo controlled study that enrolled 204 patients with unresectable, well- or moderately-differentiated, locally advanced or metastatic, non-functioning GEP-NETs. Patients were randomized to receive either Somatuline® (lanreotide) 120 mg or placebo subcutaneously every 28 days. The primary efficacy endpoint was PFS as determined by independent central radiology review. The trial demonstrated a significant prolongation of PFS for the Somatuline® (lanreotide) arm [HR 0.47 (95% CI: 0.30, 0.73); $p < 0.001$; stratified log-rank test]. The median PFS in the Somatuline® (lanreotide) arm had not been reached at the time of the final analysis and therefore is greater than 22 months. The median PFS in the placebo arm was 16.6 months. Safety data were evaluated in 101 patients who received at least one dose of Somatuline® (lanreotide). The most commonly (greater than or equal to 10%) reported adverse reactions in Somatuline® (lanreotide)-treated patients were abdominal pain, musculoskeletal pain, vomiting, headache, injection site reaction, hyperglycemia, hypertension, and cholelithiasis. The most common serious adverse reaction of Somatuline® (lanreotide) observed in this trial was vomiting (4%).

After **31 December 2014,** major developments included:

- On **26 January 2015** – Ipsen announced topline results for two double-blind phase III studies of Dysport® (abobotulinumtoxinA) in Pediatric Lower Limb (PLL) spasticity in children with cerebral palsy and in Adult Lower Limb (ALL) spasticity in patients who had experienced a stroke or traumatic brain injury. In the PLL phase III study, conducted in children with hemiparetic or diplegic cerebral palsy, treatment with Dysport® showed a statistically significant response versus placebo in the improvement of muscle tone, as measured by the Modified Ashworth Scale (MAS; primary endpoint), and a statistically significant overall benefit versus placebo, as measured by the Physician Global Assessment (PGA; first secondary endpoint). In the ALL phase III study, conducted in hemiparetic patients who had experienced a stroke or traumatic brain injury, treatment with Dysport® at the dose of 1,500 U showed a statistically significant response versus placebo in the improvement of muscle tone, as measured by the Modified Ashworth Scale (MAS; primary endpoint). An overall benefit (measured by the Physician Global Assessment (PGA); first secondary endpoint) versus placebo was observed but did not reach statistical significance according to the pre-specified statistical analysis. Other spasticity and functional outcome results are currently being analyzed. The safety profile observed in the studies was consistent with the known safety profile of Dysport® in these indications. Comprehensive results from these double-blind studies will be disclosed in the next few months at major international congresses. Ipsen will share these results with key regulatory agencies this year.

- On **24 February 2015** – Ipsen and Canbex Therapeutics Ltd (Canbex) announced that Canbex has granted Ipsen an option giving Ipsen the exclusive right to purchase 100% of Canbex shares upon completion of the Phase IIa study of Canbex's lead candidate for the treatment of spasticity in people with multiple sclerosis (MS), known as VSN16R. Canbex is a spin-off of University College London (UCL) that raised a Series A financing of GBP 2.3 million in 2013 from MS Ventures (the corporate venture arm of Merck Serono, Merck KGaA), the Wellcome Trust and UCL Business Plc. Under the financial terms of the agreement, Ipsen has paid an option fee of €6 million to Canbex. If Ipsen elects to exercise its option to acquire Canbex at the end of the proof of concept Phase IIa study, Canbex's shareholders will be eligible to receive a total of up to an additional €90 million, comprising an acquisition payment, and additional milestone payments contingent upon launch subsequent to achievement of clinical and regulatory success. In addition, Canbex shareholders will be eligible to receive royalties on world-wide annual net sales of VSN16R.
- On **2 March 2015** – Ipsen announced that Dominique Laymand has been appointed Senior Vice President, Chief Ethics and Compliance Officer for the Ipsen group, effective as of 16 March. She will report directly to Marc de Garidel, Chairman and CEO of Ipsen. Dominique Laymand will be a member of the Chairman's Committee.
- On **2 March 2015** – Ipsen announced that additional supply of Increlex® has been made available in the United States. In collaboration with the FDA (Food and Drug Administration), Ipsen is releasing a third batch of Increlex® since product supply was resumed in May 2014.

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 2014. In addition, certain measures introduced in 2013 have continued to affect the Group's accounts year-on-year.

■ Measures impacting 2014

In the Major Western European countries:

- In France, the price of Smecta® was cut by 7.5% as of 1 July 2014, following a first price cut of the same magnitude as of 1 January 2014. Moreover, health authorities have required a 4.0% price cut on Decapeptyl® as of 1 April 2014;
- In the UK, Decapeptyl® has been sold at 100.0% of the NHS (National Health Service) price since March 2014.

In the Other European countries:

- In Belgium, Dysport® experienced a 2.4% price decrease as of January 2015 as the product has been reimbursed for more than 15 years in the market. In Luxemburg, Dysport® will be impacted by the same decrease as the country references the Belgium price;
- In Czech Republic, as of October 2014, the Ministry of Health decided to increase drug prices to compensate for the Czech Kroun devaluation. Ipsen benefited from a price increase of around 7.0% on all its products;
- In Denmark, in May 2014, the DHMA (The Danish Health and Medicines Authority) granted a 50.0% price increase on Increlex®, based on the Pharmacist Purchase Price;
- In Estonia, the Ministry of Health decreased the price of Decapeptyl® 1M by 9.7% following application of international reference pricing. However, the reimbursement rate increased to 100.0% from 50.0% for use as adjuvant therapy to radiotherapy;
- In Greece, the €2.44 billion claw-back introduced end of 2013 has not been readjusted by the Ministry of Health as initially anticipated. Health authorities are targeting €2 billion for 2014. Decapeptyl® was impacted by a significant increase in patient co-payment. In addition, since 1 April 2014, the Ministry of Health has recognized the difference between biological products, biosimilars and generics. It will therefore not be possible for these different product types to be part of common tenders;
- In Italy, Hexvix® experienced a 13.0% price cut in February 2014 after it became eligible for reimbursement at the national level;
- In Lithuania, Somatuline® was granted national reimbursement in April 2014 in the acromegaly indication;
- In Poland, Decapeptyl® and Somatuline® have been affected by a price revision applicable as of 1 January 2014. Dysport® obtained reimbursement in spasticity indications, effective from July 2014 to July 2016. In Primary Care, the price of Fortrans® increased by 10.0% in September

2014 following strong support from the Polish Endoscopy Medical Society;

- In Portugal, the Ministry of Health is pressing the local pharmaceutical association (APIFARMA) in the context of negotiations with the industry on the spending exceeding a certain threshold in 2014. For the 2015 government budget, the Ministry of Finance contemplates the introduction of an extraordinary tax with a particular attention to pharmaceutical industry profits;
- In the Netherlands, the application of international reference pricing led to a price decrease on NutropinAq® and to price increases on Somatuline®, Dysport® and Decapeptyl® as of 1 April 2014. Somatuline® benefited from a second price increase as of 1st October 2014;
- In Norway, the December 2013 review of international reference pricing led to price cuts on Dysport® and NutropinAq®, and to a price increase on Somatuline®. In addition, Somatuline® benefited from a price increase in November 2014 following the application of international reference pricing;
- In Slovakia, in April 2014, Ipsen submitted prices for the second yearly revision based on the average 3 lowest prices in EU 28. This led to price decreases on all Ipsen products;
- In Slovenia, the official price of Dysport® was cut in June 2014 to be aligned with the reimbursed price;
- In Sweden, since January 2014, products that have been marketed for more than 15 years (notably Decapeptyl®) are subject to a mandatory price cut of 7.5%. In June 2014, TLV (The Dental and Pharmaceutical Benefits Agency) granted a 25.0% price increase on the Pharmacist Purchase Price to Increlex®;
- In Switzerland, Dysport® was impacted by a price cut in December 2013 following the application of international reference price;

In the Rest of the World:

- In Brazil, products with no generics on the market benefited from a 1.0% price increase in 2014;
- In Colombia, the "National Committee of Drug Prices" (Comisión Nacional de Precios de Medicamentos) imposed a price cut on 364 medicines in December 2013, including Dysport®. In August 2013, the prices of 195 medicines had already been regulated, including Somatuline®;
- In China, the NDRC (National Development & Reform Commission) issued a "Low-Price Drug List" in May 2014 to align the prices of all ginkgo biloba tablets. However, Tanakan® is excluded from this list and will keep its original retail price;
- In Turkey, due to a revision of international reference pricing in September 2014, the price of Somatuline® was raised. However, the mandatory rebate on the reimbursement price was also raised.

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 2014.

Measures impacting beyond 2014

In the Major Western European countries:

- In France, the 2014 Social Security Finance Bill (PLFSS) was introduced, with the possibility for the first time for the pharmacist to substitute biotechnology products by biosimilars, except when forbidden by the physician on the prescription. This rule was not enforced yet, pending the publication of a decree. In addition, the French government presented the new Social Security Finance Bill (PLFSS), which sets forth expenditure targets in the healthcare sector for 2015. The target growth of healthcare expenditure has been fixed at 2.1% year-on-year, down from 2.4% in 2014. This is expected to result in €3.2 billion savings. In addition, Decapeptyl® will experience a 3.0% price decrease as of 1 January 2015. Finally, the two Smecta® price cuts will fully impact countries that reference French prices (incl. European Union, sub-Saharan Africa) in 2015;
- In Germany, the mandatory sales rebate for the official price of prescription drugs, initially set at 16.0%, was reduced to 7.0% as of 1 January 2014;
- In Spain, the final Royal Decree List arising from the implementation of the Reference Price System was published on 15 July 2014. As a result, the official published prices of Decapeptyl® and Dysport® will be affected. Additionally, the mandatory rebate of 15.0% applicable on the official price of Decapeptyl® was canceled;
- In the UK, the new PPRS (Pharmaceutical Price Regulation Scheme) was implemented, with the option for pharmaceutical companies to apply a 5.0% to 7.0% price cut on the NHS (National Health Service) selling price modulated over the whole portfolio, or the option to reimburse this amount through pay back. Moreover, since January 2014, tenders are managed at the regional level instead of the hospital level.

In the Other European countries:

- In Bulgaria, the Ministry of Health published a new ordinance to extend the limitation of price increases of over-the-counter (OTC) medicines to 1.0% for another year;
- In Czech Republic, the Parliament approved the introduction of a reduced VAT rate on medicines, down to 10.0% from 21.0% as of 2015. The reduced VAT rate will have a positive impact on access to medicines;
- In Croatia, Czech Republic replaced France in the basket of countries included in the international reference pricing system;
- In Kazakhstan, pressurized to address corruption issues, the Ministry of Healthcare and Social Development will amend the methodology and mechanism for price determination, hence increasing transparency within

government procurement process. It intends to create a national drug formulary that will include maximum pricing for medications with proven clinical efficacy and for brands within the context of international non-proprietary name (INN);

- In Ukraine, the Ministry of Health published a draft resolution that introduces Internal and External Reference Pricing for prescription drugs and for medicines procured through state funds. Rule will be to take the average price of the countries of origin: Bulgaria, the Czech Republic, Hungary, Latvia, Moldova, Poland, Serbia, Slovakia. This development reflects the intent of the Ukrainian government to monitor drug prices, notably given the average price rise of 16.0% reported this year, resulting from the "anti-crisis" measures (currency devaluation and implementation of a 7.0% VAT on drug prices as of 1st April 2014). The potential state price regulation would reportedly affect 10,000 drugs, or approximately 80.0% of the market, with the maximum margin on bulk purchases being 10.0%, and retail mark-up of 25.0%;

In the Rest of the World:

- In Algeria, marketing authorizations for the Primary Care portfolio were renewed. In addition, Smecta® "localization" has successfully undergone review from the Algerian Price Committee. Ipsen secured a price for the next 5 years and price revision will only occur when a Smecta® generic is approved. In the context of the sharp and continuous decline in oil prices, authorities are looking at drastically reducing import costs, as of January 2015. This will impact pharmaceuticals which account for €3 billion in the state budget;
- In South Africa, the Department of Health published draft legislation governing pricing of novel drugs in the country. The guidelines set forth a potential international reference pricing system. No timeline for advancement is known yet;
- In China, the NDRC (National Development & Reform Commission) will deregulate the national drug pricing system from 2015. It will theoretically allow the free setting of drug prices, rather than forcing companies to adhere to government regulated price caps on drug retail prices. However, local government tender centers will keep control over the bidding price, which is the price to patients plus the hospital margin;
- In Morocco, the Ministry of Health is looking at lowering the prices of several ranges of medications. This will affect drugs used for the treatment of various chronic conditions, including cardiovascular diseases, diabetes, inflammatory, infectious, digestive diseases, as well as some cancer drugs and treatments for benign prostatic hyperplasia;
- In Tunisia, the creation of a National Medicines Agency (*"Agence nationale du Médicament"*) is at an advanced stage of preparation. The Ministry of Health updated existing texts on regulatory and clinical requirements so as to meet the highest international standards;
- In Turkey, authorities are thinking of introducing a flexible price system in 2014. The exact content is not yet known but measures such as not including countries under Troïka (countries where policies are imposed by the European Commission, the European Central Bank and the International Monetary Fund), an update of foreign exchange rates, and a price increase for products under shortage, are currently under consideration.

Comparison of consolidated income statement for 2014 and 2013

(in million euros)	31 December 2014		31 December 2013 restated		Change
		% sales		% sales	
Sales	**1,274.8**	**100.0%**	**1,224.8**	**100.0%**	**4.1%**
Other revenues	57.6	4.5%	57.0	4.7%	1.2%
Revenues	**1,332.4**	**104.5%**	**1,281.8**	**104.7%**	**4.0%**
Cost of goods sold	(310.0)	-24.3%	(305.3)	-24.9%	1.5%
Selling and marketing expenses	(464.1)	-36.4%	(442.9)	-36.2%	4.8%
Research and development expenses	(186.9)	-14.7%	(195.8)	-16.0%	-4.5%
General and administrative expenses	(111.2)	-8.7%	(103.8)	-8.5%	7.2%
Other core operating income	9.4	0.7%	3.8	0.3%	147.5%
Other core operating expenses	(9.1)	-0.7%	(9.8)	-0.8%	-6.9%
Core Operating Income	**260.6**	**20.4%**	**228.0**	**18.6%**	**14.3%**
Other operating income	0.4	0.0%	1.9	0.2%	-81.8%
Other operating expenses	(9.6)	-0.8%	(6.6)	-0.5%	44.7%
Restructuring costs	(21.9)	-1.7%	(0.2)	0.0%	–
Impairment losses	(8.0)	-0.6%	(12.6)	-1.0%	-36.5%
Operating Income	**221.4**	**17.4%**	**210.5**	**17.2%**	**5.2%**
Investment income	1.7	0.1%	8.0	0.7%	-79.2%
Financing costs	(4.7)	-0.4%	(2.2)	-0.2%	108.6%
Net financing costs	**(3.0)**	**-0.2%**	**5.8**	**0.5%**	**–**
Other financial income and expenses	(12.0)	-0.9%	(14.8)	-1.2%	–
Income taxes	(53.8)	-4.2%	(59.3)	-4.8%	–
Share of profit (loss) from associates and joint ventures	1.9	0.1%	0.0	–	–
Net profit / (loss) from continuing operations	**154.5**	**12.1%**	**142.2**	**11.6%**	**8.6%**
Net profit / (loss) from discontinued operations	(0.5)	0.0%	10.9	0.9%	–
Consolidated net profit	**154.0**	**12.1%**	**153.1**	**12.5%**	**0.6%**
– Attributable to shareholders of Ipsen S.A.	153.5		152.5		
– Non-controlling interest	0.5		0.6		

■ Sales

Consolidated Group sales reached €1,274.8 million in 2014, up 4.1% year-on-year and up 5.7% excluding foreign exchange impact [(1)].

■ Other revenues

Other revenues totaled €57.6 million at 31 December 2014, up 1.2% over the €57.0 million generated in 2013.

The growth stemmed from the following:

- Higher royalties received from Group partners, in particular for Adenuric® and for Dysport® following a contract renegotiation with Galderma in July 2014;
- Lower milestone payments related to licensing agreements after receiving a milestone payment in 2013 for meeting a Somatuline® sales target;
- Lower Group co-promotion income after recognizing in 2013 remaining compensation paid by Novartis, following the termination of the Exforge co-promotion agreement in April 2012.

(1) Excluding foreign exchange impact, variations were calculated by restating the 31 December 2013 consolidated financial statements with currency rates at 31 December 2014.

Other revenues break down as follows:

(in million euros)	31 December 2014	31 December 2013 restated	Change	
			in value	in %
Breakdown by type of revenue				
– Royalties received	18.6	15.3	3.3	21.9%
– Milestone payments – Licensing agreements (1)	23.0	24.0	(1.0)	-4.0%
– Other (co-promotion revenues, re-billings)	16.0	17.7	(1.7)	-9.8%
Total	**57.6**	**57.0**	**0.6**	**1.2%**

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

Cost of goods sold

At 31 December 2014, the cost of goods sold amounted to €310.0 million, representing 24.3% of sales, compared to €305.3 million representing 24.9% of sales for the same period in 2013.

The higher cost of goods sold resulted primarily from the increase in royalties paid – as the later are correlated with sales, from a nearly 10% growth in specialty care sale volumes and from a decrease in the restated value of inventories related to lower industrial cost prices in 2014.

The cost of goods sold, however, benefited from a change in the method of consolidation of the Swiss company Linnea. The costs borne by Linnea are now consolidated using the equity method (*).

Selling expenses

At 31 December 2014, selling expenses totaled €464.1 million, representing 36.4% of sales, up 4.8% versus 2013. The increase was driven by organic growth and recruitment by the US affiliate of an oncology sales force to launch Somatuline® Depot® (lanreotide) 120 mg Injection in the treatment of gastrointestinal and pancreatic neuroendocrine tumors (GEP NETs). The US Food and Drug Administration (FDA) approved the treatment on 16 December 2014. The rise in selling expenses was partially offset by the favorable tail-end impact from the primary care sales forces restructuring in France and the Dysport® sales force restructuring in the US, both carried out in 2013.

Research and development expenses

At 31 December 2014, research and development expenses reached €186.9 million, representing 14.7% of sales, compared with 16.0% of sales a year earlier.

The year-on-year decline stemmed from the favorable impact of research tax credits, with other research and development costs up slightly.

The main research and development projects undertaken in 2014 concerned Dysport® in spasticity and glabellar lines indications with the liquid formulation (Dysport® Next Generation), tasquinimod's phase II proof of concept and phase III prostate cancer in China, Somatuline® and Dopastatin (endocrinology).

A comparison of research and development expenses for the years ended 31 December 2014 and 2013 is presented in the following table.

(in million euros)	31 December 2014	31 December 2013 restated	Change	
			in value	in %
Breakdown by type of expense				
– Drug-related research and development (1)	(168.8)	(167.4)	(1.4)	0.9%
– Industrial and pharmaceutical development (2)	(41.2)	(40.9)	(0.3)	0.6%
– Strategic development (3)	(7.2)	(7.2)	0.0	-0.1%
– Research tax credits (4)	30.3	19.7	10.6	53.4%
Total	**(186.9)**	**(195.8)**	**8.9**	**-4.5%**

(1) Drug-related research & development is aimed 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 industrialize 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) In accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, research tax credits are now recognized in core operating income.

(*) In accordance with the norm IFRS11 "Partnerships" applicable since 1 January 2014 on the accounting treatment of joint ventures.

General and administrative expenses

General and administrative expenses increased 7.2% in 2014, notably as a result of measures aimed at supporting the Group's transformation and a heavier tax burden in France.

Other core operating income and expenses

Other core operating income came to €0.3 million, versus other core operating expenses of €6.0 million in 2013. The income stemmed primarily from revenue generated by subleasing Ipsen's headquarters, as well as the favorable impact of the cash flow hedging policy put into place at the end of 2013.

Core operating income

At 31 December 2014, core operating income amounted to €260.6 million, representing 20.4% of sales. The accelerated implementation of the Group's strategy, in particular the transformation and the business unit organization, triggered strong sales performance and led to tightly managed costs, which – when coupled with the favorable impact of research tax credits – enabled the Group to improve its profitability by 1.8 percentage points in 2014.

Operating segments: Core operating income by therapeutic area

Segment information is now presented to reflect the primary care business and the specialty care business, the Group's two operating segments, in line with the new organization put into place and announced by the Group on 2 October 2013.

There is no allocation of general and administrative expenses between these two segments. Likewise, the Group's research and development spending is not allocated according to the two operating segments. R&D continues to be managed on a global basis, with investment decisions made independently by the Executive Committee, even when a successful program generates revenue for just one of the two segments.

The Group uses core operating income to measure its segment performance and to allocate resources.

For purposes of comparison between the two financial years, operating segment information was restated for the financial year ended 31 December 2013.

Sales, revenue and core operating income are presented by therapeutic area for the 2014 and 2013 financial years in the following table.

	31 December 2014		31 December 2013 restated		Change	
(in million euros)		% sales		% sales	in value	%
Specialty care						
Sales	947.1	100.0%	871.1	100.0%	76.0	8.7%
Revenue	974.9	102.9%	901.0	103.4%	73.9	8.2%
Core operating income	400.5	42.3%	361.7	41.5%	38.8	10.7%
Primary care (*)						
Sales	327.8	100.0%	353.7	100.0%	(25.9)	-7.3%
Revenue	357.5	109.1%	380.8	107.7%	(23.3)	-6.1%
Core operating income	127.2	38.8%	133.1	37.6%	(5.9)	-4.4%
Total allocated						
Sales	1,274.8	100.0%	1,224.8	100.0%	50.0	4.1%
Revenue	1,332.4	104.5%	1,281.8	104.7%	50.6	4.0%
Core operating income	527.7	41.4%	494.7	40.4%	33.0	6.7%
Total unallocated						
Core operating income (expenses)	(267.2)	–	(266.7)	–	(0.5)	0.2%
Group total						
Sales	1,274.8	100.0%	1,224.8	100.0%	50.0	4.1%
Revenue	1,332.4	104.5%	1,281.8	104.7%	50.6	4.0%
Core operating income	260.6	20.4%	228.0	18.6%	32.6	14.3%

(*) Including active ingredients and raw materials.

Specialty care sales grew 8.7% to €947.1 million in 2014. The relative weight of specialty care products continued to increase to reach 74.3% of total Group sales, compared to 71.1% in 2013.

Decapeptyl® sales, up 6.0% in 2014, benefitted from the product's weak performance in China during the first nine months of 2013, and a favorable base effect in the Middle East. Somatuline® sales, which increased 16.4% to €287.5 million, were driven by strong volume and value growth in the United States, strong volume growth in Germany together with a reduction in mandatory rebates on prescription drug sales, and solid volume momentum in the United Kingdom. Sales of Increlex® grew 1.4% year-on-year to €12.9 million, after supply gradually resumed in Europe in early 2014 and in the United States in June 2014. Dysport® sales increased 5.1% to €254.5 million, but were severely penalized by an unfavorable foreign exchange impact. Dysport® sales were fuelled by the strong volume performance of the therapeutic and aesthetic segments in Brazil, as well as by the supply of the product to Galderma for aesthetic indications. In 2014, core operating income totaled €400.5 million, representing 42.3% of sales. That result compares to 2013 core operating income of €361.7 million, representing 41.5% of sales. The improvement reflects the favorable sales trend and the positive tail-end impact of the Dysport® sales force restructuring in the United States, offset by expenses incurred to set up US sales operations and to launch Somatuline® in neuroendocrine tumors.

In 2014, sales of **primary care** products, including active ingredients and raw materials, came to €327.8 million, down 7.3% year-on-year. The decline was mainly triggered by the unfavorable impact of the change in consolidation method [(1)] for the Swiss company Linnea. Excluding Linnea, sales of primary care drugs decreased 2.6%. In France, sales fell 9.9% as a result of two consecutive 7.5% price reductions for Smecta® and the launch of a competing product to Tanakan® in March 2013. Internationally, sales grew 0.6%, driven by strong performances in China, Algeria and Russia, offsetting the decline in France. Primary care sales in France accounted for 27.8% of the Group's total primary care sales in 2014, compared with 30.1% in the previous year. In 2014, core operating income for primary care amounted €127.2 million, representing 38.8% of sales. That result compares to 2013 core operating income of €133.1 million, representing 37.6% of sales. The increase in profitability mainly resulted from the ultimate impact of the primary care sales force restructuring in France.

Unallocated core operating income (expenses) came to (€267.2) million, compared with (€266.7) million in 2013. The expenses consisted mainly of the Group's research and development costs, which totaled €183.4 million in 2014, compared with €190.7 million in 2013, and unallocated general and administrative expenses.

Other operating income and expenses

At 31 December 2014, non-core other operating expenses amounted to €9.2 million, compared with non-core other operating expenses of €4.7 million a year earlier. Non-core other operating expenses at 31 December 2014 arose primarily from costs related to the transfer of the Group's US-based subsidiary Ipsen Bioscience Inc.'s operations from Milford to Cambridge, and expenses related to the renegotiation of the partnership contract with Galderma. In 2013, non-core other operating expenses primarily included costs related to the acquisition of Syntaxin Ltd., the reorganization of the US-based subsidiary Ipsen Biopharmaceuticals Inc., and the settlement of a trade dispute with a partner, as well as the settlement of an administrative proceeding brought against the Group.

Restructuring costs

Restructuring costs reached €21.9 million at 31 December 2014. They correspond mainly to costs incurred by the Group to accelerate the rollout of the transformation project, such as measures to adapt support functions, to continue the restructuring of R&D activities, and to restructure the specialty care business model, as well as the costs incurred from transferring the operations of US-based subsidiary Ipsen Bioscience Inc. from Milford to Cambridge.

At 31 December 2013, restructuring costs totaled €0.2 million and were derived chiefly from the reversal of an accrual related to the primary care restructuring plan in France, offset by restructuring costs in the US.

Impairment losses

At 31 December 2014, the Group recorded an €8.0 million impairment loss resulting from the write-down of a Syntaxin Ltd. intangible asset, which has no impact on ongoing studies.

At 31 December 2013, the Group recognized an €11.6 million impairment loss on the Increlex® IGF-1 active ingredient following supply interruptions in the market and uncertainty over the date of resupply in the US. Ipsen also recognized a €1.0 million impairment loss following a decision by the Group not to exercise its right to develop a neurology program.

Net financing costs and other financial income and expenses

At 31 December 2014, the Group had net financial expense of €15.1 million, versus net financial expense of €9.0 million a year earlier.

- **Net financing costs** amounted to €3.0 million, compared to income of €5.8 million a year earlier. The 2013 net income stemmed mainly from a financial gain on 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.
- At 31 December 2014, **other financial expenses** amounted to €12.0 million, a €2.8 million improvement over the prior year. The 2014 expense arose primarily from a negative €10.1 million foreign exchange impact resulting mainly from the sharp depreciation of the Russian ruble in the fourth quarter of the year. In 2013, other financial expenses stemmed primarily from a negative €11.2 million foreign exchange impact and €2.0 million in write-down on convertible bonds subscribed by the Group to develop a neurology program.

Income taxes

At 31 December 2014, the effective tax rate amounted to 26.1% of pre-tax profit from continuing operations, compared with an effective rate of 29.4% a year earlier.

The Group benefitted from the favorable outcome of a number of tax audits ended in 2014. Furthermore, the effective tax rate benefitted from a decline in non-deductible spending from 2013 to 2014.

(1) In accordance with the norm IFRS11 "Partnerships" applicable since 1 January 2014 on the accounting treatment of joint ventures.

Share of profit (loss) from associated companies and joint ventures

During the 2014 financial year, Ipsen recorded €1.9 million in profit from associated companies and joint ventures owing to a change in the method for consolidating sales of the Swiss company Linnea. Ipsen's share of the profit of Linnea, a company jointly controlled by Ipsen and the Schwabe Group, is now consolidated using the equity method, in accordance with the norm IFRS11 "Partnerships" applicable since 1 January 2014 on the accounting treatment of joint ventures.

Net profit (loss) from continuing operations

As a result of the items above, at 31 December 2014, profit from continuing operations came to €154.5 million, up 8.6% from €142.2 million at 31 December 2013.

Net profit (loss) from discontinued operations

At 31 December 2014, the net loss from discontinued operations totaled €0.5 million. It included the rebilling of production costs for OBI-1 clinical samples to Baxter.

At 31 December 2013, net profit from discontinued operations totaled €10.9 million. That result stemmed primarily from the rebilling of production costs for OBI-1 clinical samples to Baxter, prior to the effective transfer of the production site and personnel, as well as from 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.

Consolidated net profit

Consolidated net profit came to €154.0 million (€153.5 million attributable to Ipsen S.A. shareholders), relatively flat against €153.1 million (€152.5 million attributable to Ipsen S.A. shareholders) at 31 December 2013.

Earnings per share

At 31 December 2014, basic earnings attributable to the Group amounted to €1.87 per share, up from 1.84 a year earlier.

Milestones payment received in cash but not yet recognised in the Group income statement

At 31 December 2014, milestone payments collected by the Group but not yet recognized in the income statement amounted to €143.5 million, compared with €125.7 million a year earlier.

For the 2014 financial year, the Group recorded €25.0 million as part of the renegotiated partnership contract with Galderma.

Deferred income will be recognized in the Group's future income statement as follows:

(in million euros)	31 December 2014	31 December 2013
Total (*)	**143.5**	**125.7**
The deferred income will be recognized over time as follows:		
In the year n+1	24.9	21.7
In the years n+2 and subsequent	118.6	104.0

(*) Amounts converted at average exchange rates respectively at 31 December 2014 and 31 December 2013.

Cash flow and capital

The consolidated cash flow statement at 31 December 2014 shows that the Group generated net cash flow of €54.4 million, up €46.5 million over the prior year.

Breakdown of cash flow statement

(in million euros)	31 December 2014	31 December 2013
– Cash flow from operating activities before changes in working capital requirement	240.9	201.6
– (Increase) / decrease in working capital requirement for operations	5.3	(20.1)
• Net cash flow from operating activities	**246.2**	**181.4**
– Net investments in financial and tangible and intangible assets	(84.2)	(62.3)
– Other cash flow from investments	(9.5)	(41.4)
• Net cash provided (used) by investment activities	**(93.7)**	**(103.7)**
• Net cash provided (used) by financing activities	**(97.7)**	**(76.5)**
• Net cash provided (used) by discontinued operations	**(0.4)**	**6.7**
CHANGES IN CASH AND CASH EQUIVALENTS	**54.4**	**7.9**
Opening cash and cash equivalents	**125.4**	**113.3**
Impact of exchange rate fluctuations	0.4	4.1
Closing cash and cash equivalents	**180.1**	**125.4**

Net cash flow from operating activities

In 2014, cash flow from operating activities before changes in working capital requirement amounted to €240.9 million, up from the €201.6 million generated in 2013.

Working capital requirement for operating activities decreased by €5.3 million in 2014, compared to an increase of €20.1 million in the prior year. The 2014 decrease stemmed from the following items:

- In 2014, inventories declined by €7.6 million, versus a decrease of €2.9 million in 2013. The execution of action plans helped improve the Group's productivity;
- In 2014, trade receivables grew by €8.5 million, versus an increase of €1.8 million at 31 December 2013. Strong business growth accounted for the lion's share of the increase, which was offset by the collection of trade receivables in Southern Europe, the unblocking of the economic situation in some Middle Eastern countries and tighter management of payment terms in Russia;
- In 2014, trade payables increased by €19.5 million, compared to a €4.6 million decrease in 2013. The increase resulted primarily from the seasonal effects of external costs, as well as a favorable base effect at the end of 2013;
- In 2014, the net change in other operating assets and liabilities constituted a source of funds amounting to €11.6 million, versus a use of funds totaling €30.8 million in 2013. For the 2014 financial year, the Group recognized €25.0 million in deferred income related to the renegotiated partnership contract with Galderma;
- The change in net tax liability in 2014 represented a use of funds totaling €24.9 million. That result compares to a source of funds a year earlier amounting to €14.2 million, which stemmed primarily from the reimbursement in 2013 of an excess amount of tax paid for the 2012 financial year.

Net cash flow used by investment activities

In the 2014 financial year, net cash used by investment activities amounted to €93.7 million in net use of funds, compared with a €103.7 million net use of funds in the prior year. It included:

- Investments in tangible and intangible assets, net of disposals, totaling €84.2 million, versus €62.3 million at 31 December 2013. This cash outflow mainly included:
  - €47.4 million in acquisitions of property, plant and equipment, compared with €42.0 million in 2013. The increase was generated mainly by capital spending to transfer the US research and development site from Milford to Cambridge, capital spending at manufacturing sites, in particular in the United Kingdom, and spending on IT assets;
  - €37.0 million in acquisitions of intangible assets, compared with €20.4 million in 2013. In July 2014, Ipsen acquired control of the intellectual property of Galderma's liquid toxin in the US, Canada, Brazil, and Europe, in exchange for a €10.0 million payment. In October 2014, Ipsen invested €18.0 million as part of a licensing agreement with Lexicon Pharmaceuticals Inc. to market telotristat etiprate outside of North America and Japan. In 2013, this item included €12.0 million as part of the Group's partnership policy with Active Biotech for tasquinimod.
- In 2014, cash flow used by other investment activities included €3.6 million in changes in the scope of consolidation corresponding to the change in consolidation method for the Swiss company Linnea [1]. In 2013, this item included the use of €26.2 million to acquire Syntaxin Ltd. on 12 July 2013, and a €12.7 million decrease in working capital requirement corresponding mainly to a milestone payment made to Active Biotech for tasquinimod in 2013 and recognized in 2012.

(1) In accordance with the norm IFRS11 "Partnerships" applicable since 1 January 2014 on the accounting treatment of joint ventures.

Net cash provided (used) by financing activities

In 2014, net cash used in financing activities represented a net use of funds totaling €97.7 million, compared with €76.5 million in net use of funds in 2013. The movement resulted primarily from a €65.7 million dividend payment and €31.7 million in own share purchases.

Net cash provided (used) by discontinued activities

At 31 December 2014, net cash provided (used) by discontinued operations amounted to use of funds totaling €0.4 million related to the supply of clinical samples to Baxter. That result compares to a €6.7 million source of funds a year earlier, corresponding primarily to the recovery of $22.5 million in OBI-1 sales rights as part of the renegotiation of the strategic partnership with Inspiration Biopharmaceuticals Inc. announced 21 August 2012.

Breakdown of Group cash flow

(in million euros)	31 December 2014	31 December 2013
Cash	69.1	63.1
Short-term investments	117.1	67.8
Interest-bearing deposits	0.1	0.1
Cash and cash equivalents	**186.3**	**131.0**
Bank overdrafts	(6.1)	(5.6)
Closing net cash and cash equivalents	**180.1**	**125.4**
Other financial liabilities	(12.1)	(12.3)
Non-current liabilities	(12.1)	(12.3)
Bank loans	(4.0)	(4.0)
Financial liabilities	(4.0)	(3.5)
Current liabilities	(8.0)	(7.5)
Debt	**(20.1)**	**(19.9)**
Derivative financial instruments	0.8	0.2
Net cash and cash equivalents (*)	**160.8**	**105.7**

(*) Net cash and cash equivalents: Cash and cash equivalents, less bank overdrafts, bank loans and other financial liabilities, with derivative financial instruments added back.

On 17 October 2014, Ipsen S.A. refinanced a syndicated loan it had contracted in 2012. As a result, the total amount of the loan increased from €400 million to €500 million for a duration of five years with two one-year extension options.

This new, multiple-currency credit line was established to meet the general financing needs of the Group's operations. At the initiative of the borrower, the line may be drawn down for short-term periods.

Under the terms of the contract, the Group must respect the following covenant ratios at the close of each half-year period:

- Net debt to equity: less than 1x
- Net debt to EBITDA (1): less than 3.5x

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

At 31 December 2014, the Group had a positive net cash position. As a result, the net-debt-to-equity and net-debt-to-EBITDA (1) covenant ratios were not meaningful.

(1) EBITDA: Earnings Before interest, Taxes, Depreciation and Amortization.

APPENDIX 1

Consolidated income statement

(in million euros)	31 December 2014	31 December 2013 Restated
Sales	**1,274.8**	**1,224.8**
Other revenues	57.6	57.0
Revenue	**1,332.4**	**1,281.8**
Cost of goods sold	(310.0)	(305.3)
Selling expenses	(464.1)	(442.9)
Research and development expenses	(186.9)	(195.8)
General and administrative expenses	(111.2)	(103.8)
Other core operating income	9.4	3.8
Other core operating expenses	(9.1)	(9.8)
Core operating income	**260.6**	**228.0**
Other operating income	0.4	1.9
Other operating expenses	(9.6)	(6.6)
Restructuring costs	(21.9)	(0.2)
Impairment losses	(8.0)	(12.6)
Operating income	**221.4**	**210.5**
Investment income	1.7	8.0
Financing costs	(4.7)	(2.2)
Net financing costs	**(3.0)**	**5.8**
Other financial income and expense	(12.0)	(14.8)
Income taxes	(53.8)	(59.3)
Share of profit (loss) from associates and joint ventures	1.9	–
Net profit (loss) from continuing operations	**154.5**	**142.2**
Net profit (loss) from discontinued operations	(0.5)	10.9
Consolidated net profit	**154.0**	**153.1**
– Attributable to shareholders of Ipsen S.A.	153.5	152.5
– Non-controlling interest	0.5	0.6
Basic earnings per share, continuing operations (in € per share)	*1.88*	*1.71*
Diluted earnings per share, continuing operations (in € per share)	*1.87*	*1.70*
Basic earnings per share, discontinued operations (in € per share)	*(0.01)*	*0.13*
Diluted earnings per share, discontinued operations (in € per share)	*(0.01)*	*0.13*
Basic earnings per share (in € per share)	*1.87*	*1.84*
Diluted earnings per share (in € per share)	*1.87*	*1.83*

APPENDIX 2

Consolidated balance sheet before net profit allocation

(in millions of euros)	31 December 2014	31 December 2013
ASSETS		
Goodwill	324.4	310.7
Other intangible assets	160.9	144.8
Property, plant & equipment	309.6	287.5
Equity investments	15.0	6.7
Investments in companies accounted for using the equity method	13.7	–
Non-current financial assets	4.2	1.5
Deferred tax assets	204.6	202.5
Other non-current assets	9.3	9.7
Total non-current assets	**1,041.7**	**963.5**
Inventories	105.5	121.5
Trade receivables	243.5	243.5
Current tax assets	65.9	42.8
Current financial assets	0.1	0.2
Other current assets	67.8	60.3
Cash and cash equivalents	186.3	131.0
Assets of disposal group classified as held for sale	2.6	2.6
Total current assets	**671.6**	**601.8**
TOTAL ASSETS	**1,713.3**	**1,565.3**
EQUITY AND LIABILITIES		
Share capital	82.9	84.2
Additional paid-in capital and consolidated reserves	801.7	743.4
Net profit (loss) for the period	153.5	152.5
Exchange differences	27.1	(8.7)
Equity attributable to Ipsen shareholders	**1,065.2**	**971.5**
Equity attributable to minority interests	2.7	2.2
Total shareholders' equity	**1,067.9**	**973.7**
Retirement benefit obligation	59.6	45.7
Non-current provisions	42.1	45.0
Other non-current financial liabilities	12.1	12.3
Deferred tax liabilities	5.6	6.8
Other non-current liabilities	115.8	105.6
Total non-current liabilities	**235.2**	**215.4**
Current provisions	26.0	20.7
Current bank loans	4.0	4.0
Current financial liabilities	4.0	3.5
Trade payables	179.8	154.8
Current tax liabilities	4.1	5.8
Other current liabilities	186.1	181.7
Bank overdrafts	6.1	5.6
Total current liabilities	**410.2**	**376.2**
TOTAL EQUITY & LIABILITIES	**1,713.3**	**1,565.3**

APPENDIX 3

Consolidated cash flow statement

(in millions of euros)	31 December 2014			31 December 2013 Restated		
	Continuing operations	Operations held for sale / discontinued operations	Total	Continuing operations	Operations held for sale / discontinued operations	Total
Consolidated net profit	**154.5**	**(0.5)**	**154.0**	**142.2**	**10.9**	**153.1**
Share of profit (loss) from companies accounted for using the equity method before impairment losses	(0.3)		(0.3)		–	–
Net profit (loss) before share from companies accounted for using the equity method	**154.2**	**(0.5)**	**153.7**	**142.2**	**10.9**	**153.1**
Non-cash and non-operating items						
– Depreciation, amortization, provisions	50.2	–	50.2	25.6	0.1	25.7
– Impairment losses included in operating income and net financial income	8.0	–	8.0	12.6	–	12.6
– Change in fair value of financial derivatives	(2.7)	–	(2.7)	(0.1)	–	(0.1)
– Net gains or losses on disposals of non-current assets	2.6	–	2.6	0.6	0.1	0.7
– Share of government grants released to profit and loss	(0.0)	–	(0.0)	(0.1)	–	(0.1)
– Foreign exchange differences	9.8	–	9.8	3.4	–	3.4
– Change in deferred taxes	13.8	–	13.8	11.6	(3.4)	8.2
– Share-based payment expense	4.8	–	4.8	5.0	–	5.0
– Gain or (loss) on sales of treasury shares	0.1	–	0.1	0.2	–	0.2
– Other non-cash items	(0.0)	–	(0.0)	0.4	–	0.4
Cash flow from operating activities before changes in working capital requirement	**240.9**	**(0.5)**	**240.5**	**201.6**	**7.7**	**209.3**
– (Increase)/decrease in inventories	7.6	–	7.6	2.9	–	2.9
– (Increase)/decrease in trade receivables	(8.5)	–	(8.5)	(1.8)	–	(1.8)
– Increase/(decrease) in trade payables	19.5	–	19.5	(4.6)	–	(4.6)
– Net change in income tax liability	(24.9)	–	(24.9)	14.2	(0.2)	13.9
– Net change in other operating assets and liabilities	11.6	0.0	11.6	(30.8)	(0.7)	(31.5)
Change in working capital requirement related to operating activities	**5.3**	**0.0**	**5.3**	**(20.1)**	**(1.0)**	**(21.1)**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**246.2**	**(0.4)**	**245.8**	**181.4**	**6.7**	**188.1**
Acquisition of property, plant & equipment	(47.4)	–	(47.4)	(42.0)	–	(42.0)
Acquisition of intangible assets	(37.0)	–	(37.0)	(20.4)	–	(20.4)
Proceeds from disposal of intangible assets and property, plant & equipment	0.3	–	0.3	0.2	–	0.2
Acquisition of shares in non-consolidated companies	(0.1)	–	(0.1)	0.0	–	0.0
Payments to post-employment benefit plans	(1.0)	–	(1.0)	(2.3)	–	(2.3)
Impact of changes in the consolidation scope	(3.6)	–	(3.6)	(26.2)	–	(26.2)
Other cash flow related to investment activities	(2.5)	–	(2.5)	(0.4)	–	(0.4)
Deposits paid	0.3	–	0.3	0.3	–	0.3
Change in working capital related to operating activities	(2.6)	–	(2.6)	(12.7)	–	(12.7)
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	**(93.7)**	**–**	**(93.7)**	**(103.7)**	**–**	**(103.7)**

(in millions of euros)	31 December 2014			31 December 2013 Restated		
	Continuing operations	Operations held for sale / discontinued operations	Total	Continuing operations	Operations held for sale / discontinued operations	Total
Additional long-term borrowings	2.2	–	2.2	–	–	–
Repayment of long-term borrowings	(5.2)	–	(5.2)	(0.2)	–	(0.2)
Net change in short-term borrowings	–	–	–	0.1	–	0.1
Capital increase by Ipsen	3.1	–	3.1	0.8	–	0.8
Treasury shares	(31.7)	–	(31.7)	(16.4)	–	(16.4)
Dividends paid by Ipsen	(65.5)	–	(65.5)	(66.6)	–	(66.6)
Dividends paid by subsidiaries to minority interests	(0.2)	–	(0.2)	(0.3)	–	(0.3)
DIP financing	–	–	–	7.1	–	7.1
Change in working capital related to operating activities	(0.5)	–	(0.5)	(1.0)	–	(1.0)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**(97.7)**	**–**	**(97.7)**	**(76.6)**	**–**	**(76.6)**
CHANGE IN CASH AND CASH EQUIVALENTS	**54.9**	**(0.4)**	**54.4**	**1.2**	**6.7**	**7.9**
Opening cash and cash equivalents	**125.4**	**–**	**125.4**	**113.3**		**113.3**
Impact of exchange rate fluctuations	0.4	–	0.4	4.1		4.1
Closing cash and cash equivalents	**180.6**	**(0.4)**	**180.1**	**118.6**	**6.7**	**125.4**

APPENDIX 4

Reconciliation of the income statement reported at 31 December 2013 and the restated income statement at 31 December 2013 released in 2014

As part of the effort to implement its new organization, the Group reviewed the presentation of its financial statements and changed the classification of certain items on its income statement, with the view that the new presentation would provide more relevant information to financial statement readers.

- The Group decided to present core operating income as the main management indicator for understanding and measuring the performance of its activities going forward. Items not included in core operating income are not tabbed as "exceptional" or "extraordinary" but correspond to unusual, abnormal or infrequent items of disclosure targeted in paragraph 28 of the IASB Framework.
- Research tax credits were reclassified as operating grants, in accordance with common practice within the pharmaceutical industry. In accordance with IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance, operating grants are now recognized in core operating income, after the R&D expenses to which they are directly linked have been deducted. In previous years, research tax credits were disclosed in income taxes.
- Royalties paid under a license for products marketed by the Group are now recognized in the cost of goods sold, in accordance with common practices within the pharmaceutical industry. In previous years, they were recognized as selling expenses.
- The allocation of internal costs within the various functions was revised on the consolidated income statement following the implementation of the new organization. As a result, certain support function expenses previously recognized as research and development costs were reclassified as selling expenses, a move deemed by the Group to be more relevant given the activity of the concerned services and the new organization.

These reclassifications had no impact on net profit.

The Group on 31 December 2014 applied the new income statement format, which complies with IAS 1 Revised, and restated the comparison reporting periods in accordance with the new presentation as well.

The impact of the various reclassifications on the consolidated income statement for the period ended 31 December 2013 is presented in the following table:

(in million euros)	31 December 2013 reported	Royalties	Research tax credit	Internal Medical department	Reclassifcation of other operating income and expenses	Amortization of intangible assets	31 December 2013 restated
Sales	1,224.8	–	–	–	–	–	1,224.8
Other revenues	57.0	–	–	–	–	–	57.0
Revenues	**1,281.8**	**–**	**–**	**–**	**–**	**–**	**1,281.8**
Cost of goods sold	(253.4)	(51.9)	–	–	–	–	(305.3)
Selling and marketing expenses	(451.3)	51.9	–	(43.5)	–	–	(442.9)
Research and development expenses	(259.1)	–	19.7	43.5	–	–	(195.8)
General and administrative expenses	(103.8)	–	–	–	–	–	(103.8)
Other core operating income	–	–	–	–	3.8	–	3.8
Other core operating expenses	–	–	–	–	(5.4)	(4.4)	(9.8)
Core Operating Income	**–**	**–**	**–**	**–**	**–**	**–**	**228.0**
Other operating income	5.7	–	–	–	(3.8)	–	1.9
Other operating expenses	(12.0)	–	–	–	5.4	–	(6.6)
Amortization of intangible assets	(4.4)	–	–	–	–	4.4	–
Restructuring costs	(0.2)	–	–	–	–	–	(0.2)
Impairment gain/(losses)	(12.6)	–	–	–	–	–	(12.6)
Operating income	**190.7**	**–**	**19.7**	**–**	**–**	**–**	**210.5**
Adjusted recurring operating income	***208.6***	**–**	**–**	**–**	**–**	**–**	**–**
Net financing costs	5.8	–	–	–	–	–	5.8
Other financial income and expenses	(14.8)	–	–	–	–	–	(14.8)
Income taxes	(39.6)	–	(19.7)	–	–	–	(59.3)
Share of profit (loss) from associates	–	–	–	–	–	–	–
Net profit (loss) from continuing operations	**142.2**	**–**	**–**	**–**	**–**	**–**	**142.2**
Net profit (loss) from discontinued operations	10.9	–	–	–	–	–	10.9
Consolidated net profit	**153.1**	**–**	**–**	**–**	**–**	**–**	**153.1**
– attributable to shareholders of Ipsen S.A.	152.5	–	–	–	–	–	152.5
– non-controlling interest	0.6	–	–	–	–	–	0.6

APPENDIX 5

Core consolidated net profit for 2014, versus prior year

(in million euros)	31 December 2014	Non-Core items	31 December 2014 Core	31 December 2013	Non-Core items	31 December 2013 restated Core
Core operating income	**260.6**	**–**	**260.6**	**228.0**	**–**	**228.0**
Other operating income	0.4	(0.4)	–	1.9	(1.9)	–
Other operating expenses	(9.6)	9.6	–	(6.6)	6.6	–
Restructuring costs	(21.9)	21.9	–	(0.2)	0.2	–
Impairment losses	(8.0)	8.0	–	(12.6)	12.6	–
Operating income	**221.4**	**39.1**	**260.6**	**210.5**	**17.5**	**228.0**
Investment income	1.7	–	1.7	8.0	–	8.0
Financing costs	(4.7)	–	(4.7)	(2.2)	–	(2.2)
Net financing costs	**(3.0)**	**–**	**(3.0)**	**5.8**	**–**	**5.8**
Other financial income and expenses	(12.0)	–	(12.0)	(14.8)	(5.7)	(20.5)
Income taxes	(53.8)	(11.0)	(64.8)	(59.3)	(0.3)	(59.6)
Share of profit (loss) from associates and joint ventures	1.9	–	1.9	–	–	–
Net profit (loss) from continuing operations	**154.5**	**28.1**	**182.6**	**142.2**	**11.5**	**153.7**
Net profit (loss) from discontinued operations	(0.5)	0.5	–	10.9	(10.9)	–
Consolidated net profit	**154.0**	**28.6**	**182.6**	**153.1**	**0.6**	**153.7**
– Attributable to shareholders of Ipsen S.A.	153.5	28.6	182.1	152.5	0.6	153.2
– Non-controlling interest	0.5	–	0.5	0.6	–	0.6
Diluted earnings per share – attributable to Ipsen S.A. shareholders (in € per share)	*1.87*	–	2.22	*1.83*	–	1.84

Under the new presentation format for its income statement, the Group uses core operating income as the main management indicator for understanding and measuring the performance of its activities going forward. Items not included in core operating income are not tabbed as “exceptional” or “extraordinary” but correspond to unusual, abnormal or infrequent items of disclosure targeted in paragraph 28 of the IASB Framework.

Similarly, core consolidated net profit corresponds to net profit adjusted for non-core items as defined above, net of taxes.

FINANCIAL RESULTS FOR THE LAST FIVE YEARS

NATURE OF INFORMATION (in thousands of euros)	2010	2011	2012	2013	2014
Share capital at the year-end					
– Share capital	84,196	84,227	84,255	84,243	82,869
– *Number of shares*	*84,196,213*	*84,226,573*	*84,255,373*	*84,242,701*	*82,869,083*
– *Number of existing preference shares (without voting rights)*	–	–	–	–	–
– *Maximum number of shares to be created*	–	–	–	–	–
Operations and results of the year					
– Net revenues	16,970	19,531	19,692	10,197	16,083
– *Earnings before tax, employees profit sharing, depreciation, amortization and provisions*	*163,556*	*49,369*	*70,884*	*57,051*	*113,297*
– Income tax expenses – Profit (credit)	5,893	3,296	22,532	4,966	8,646
– *Employees profit sharing due for the year*	*(178)*	*(318)*	*(78)*	*(38)*	*(4)*
– *Earnings after tax, employees profit sharing and depreciation, amortization and provisions*	*82,015*	*53,366*	*91,730*	*62,106*	*114,229*
– Earnings distributed (*)	62,273	66,518	66,458	66,601	65,520
Earnings per share					
– Earnings after tax and employees profit sharing but before depreciation, amortisation and provisions	2	1	1	1	1
– Earnings after tax, employees profit sharing, depreciation, amortisation and provisions	1	1	1	1	1
– Dividend per share	0,75	0,80	0,80	0,80	0,80
Personnel					
– Average number of staff employed during the year (**)	21	20	18	17	16
– Payroll	13,141	13,247	10,070	10,122	16,558
– Amounts paid in connection with employees benefits (social security contributions, social works, etc.)	4,612	4,492	5,620	4,236	6,245

(*) Dividends on treasury shares are allocated to the carry-forward account.
(**) Including members of the Executive Committee.

* Innover pour mieux soigner.

IPSEN
Innovation for patient care*

REQUEST FOR MATERIALS AND INFORMATION

Pursuant to Articles R.225-81 and R.225-83 of the French Commercial Code

Ipsen encourages its Shareholders to opt in favour of the sending of documents by email in order to reduce the quantity of printed materials.

COMBINED SHAREHOLDERS' MEETING OF 27 MAY 2015

I, the undersigned,

Mrs. ☐ Mr. ☐

Last Name (or company name): ____________________

First Name: ____________________

Address: ____________________

Zip Code: |_|_|_|_|_| City: ____________________ Country: ____________________

Email address: ____________________ @ ____________________

Owner of: ____________________ registered shares

And/or ____________________ bearer shares held by ____________________
(Please attach a copy of the certificate of registration of the shares in the securities accounts of your custodian)

☐ Hereby request to receive the materials and information set forth by Articles R.225-81 and R.225-83 of the French Commercial Code relating to the Combined Shareholders' Meeting of 27 May 2015.

☐ Hereby request to receive the materials and information set forth by Article R.225-83 of the French Commercial Code relating to the Combined Shareholders' Meeting of 27 May 2015, having already received those provided for by Article R.225-81 of the French Commercial Code together with my notice.

These documents and information are available on the Ipsen website (www.ipsen.com), in particular under the "General Meetings" section.

☐ By post

☐ By email (subject to your acceptance of the use of electronic means under the terms set out by law)

In: ____________________ Date: ____________________ 2015

Signature

This request is to be sent to Société Générale, Service des Assemblées, CS 30812, 44308 Nantes cedex 3, France or to the custodian of your shares.

Information: In accordance with the provisions of Article R.225-88 of the French Commercial Code, registered shareholders may request through a single demand, that the documents and information set forth in Articles R.225-81 and R.225-83 of the French Commercial Code, be sent to them for any subsequent shareholders' meetings. In case the shareholder woul benefit of this possibility, mention must be made in this present request indicating specifications for sending documents (post or email) and, if necessary, the email address. In this regard, it is indicated that the sending by email could be used for all formalities provided for in Articles R.225-68 (meeting notice), R.225-72, R.225-74, R.225-88 and R.236-3 of the French Commercial Code. Shareholders whose have agreed to the use of the email could request the return to the sending by post at least thirty five days before the date of the publication of the meeting notice referred to in Article R.225-67 of the French Commercial Code, either by post or by electronic means.

IPSEN
Société anonyme with a share capital of €83,065,452
Registered office: 65 quai Georges Gorse – 92100 Boulogne-Billancourt – France
419 838 529 R.C.S. Nanterre

Innovation for patient care*

* Innover pour mieux soigner.

www.ipsen.com