PRESS RELEASE

Ipsen delivers strong sales growth of 18.8%[1] in the first half of 2017 and upgrades its guidance for full year 2017

Paris (France), 27 July 2017 – Ipsen (Euronext: IPN; ADR: IPSEY), a global specialty-driven biopharmaceutical group, today announced financial results for the first half of 2017.

H1 2017 Highlights

- Strong operating performance of 18.8%[1] Group sales growth and Core Operating Income margin improvement by 1.2 points to 26.2% of sales
- Specialty Care sales growth of 23.1%[1] reflects continued Somatuline® momentum and includes contribution of key new products Cabometyx® and Onivyde®
- Consumer Healthcare sales growth of 1.3%[1] including contribution of newly acquired products
- Upgraded full year 2017 guidance of Specialty Care sales growth greater than 24.0%[1], slight growth[1] of Consumer Healthcare sales, and Core Operating Income margin greater than 25.0% of sales

H1 2017 Key figures

(in millions of euros)	**H1 2017**	**H1 2016**	***% change***
Group sales	**919.5**	**763.8**	**+18.8%[1]**
Specialty Care sales	764.6	613.5	+23.1%[1]
Consumer Healthcare sales	154.8	150.4	+1.3%[1]
Core Operating Income[2;3]	**240.5**	**191.3**	**+25.7%**
Core operating margin (as a % net sales)	*26.2%*	*25.0%*	*+1.2 pts*
Core consolidated net profit[2]	**169.2**	**145.7**	**+16.2%**
Core EPS – fully diluted (€)	2.04	1.76	+15.7%
IFRS			
Operating Income	**176.4**	**174.6**	**+1.0%**
Operating margin (as a % net sales)	19.2%	22.8%	-3.6 pts
Consolidated net profit	**125.9**	133.3	-5.5%
EPS – fully diluted (€)	1.52	1.61	-5.9%
Free cash flow	94.9	73.6	+28.9%
Net cash / (debt) position[4]	(669.4)	17.3	n.a.

David Meek, Chief Executive Officer of Ipsen, stated: *"Our performance in the first half of 2017 exceeded expectations, leading to an improved financial outlook for the full year. Sales grew in the first half by an impressive 19% year-on-year and core operating margin improved by 1.2 points, both driven by Specialty Care performance. In the second half of the year, we expect Somatuline® to continue along its positive growth trajectory and also an increasing contribution from our new products Cabometyx® in Europe and Onivyde® in the U.S. We remain focused on the successful execution of the commercial portfolio as well as the transformation of our R&D model to build an innovative and sustainable pipeline."*

[1] Year-on-year growth excluding foreign exchange impacts
[2] Excludes amortization of intangible assets (excluding software), gain or loss on disposal of fixed assets, restructuring costs, impairment losses and other non-core items
[3] Reconciliation between the definition of Core Operating Income and the previous definition is presented on page 2
[4] Cash and cash equivalents, less bank overdrafts, bank loans and other financial liabilities and excluding financial derivative instruments

Full year 2017 upgraded guidance

Following the strong performance in the first half of 2017, the Group updates its financial targets for the full year 2017:

- **Specialty Care** sales growth upgraded to **greater than +24.0%**, reflecting the strong momentum for Somatuline® and Cabometyx®;
- **Revised slight** growth of **Consumer Healthcare**, reflecting primarily lower sales expected in the second half for Prontalgine® following a decree from the French Minister of Health on July 12, 2017 for all medicines containing codeine (e.g. Prontalgine®), dextromethorphan, ethylmorphine or noscapine to be available by prescription only to prevent misuse;
- **Core Operating Income margin** upgraded to **greater than 25.0% of sales**, based on the improved sales guidance and assuming additional investments to support the Cabometyx® and Onivyde® launches, increased R&D spend and higher employee variable compensation.

	Previous guidance	Updated guidance
Specialty Care sales[1]	> +18.0%	> +24.0%
Consumer Healthcare sales[1]	> +4.0%	> +0.0%
Core operating margin (as a % net sales)	> 24.0%	> 25.0%

Definition of Core Financial Measures

Effective December 31st, 2016, Ipsen updated its definition of Core financial measures (Core Operating income, Core consolidated net profit, Core EPS) to exclude the amortization of intangible assets (excluding software) and the gain or loss on disposal of fixed assets.

These performance indicators do not replace IFRS indicators, and should not be relied upon as such.

Reconciliations between IFRS H1 2016/2017 results and the newly defined Core financial measures are presented in Appendix 4 and in the "Reconciliation from Core consolidated net profit to IFRS consolidated net profit" table on page 13.

Below is a reconciliation of the Core Operating Income from the previous definition to the new reported definition:

(in millions of euros)	H1 2017	H1 2016	*% change*
Core operating income including amortization of intangible assets	**218.9**	**188.8**	**+15.9%**
Margin (as a % net sales)	*23.8%*	*24.7%*	*-0.9 pt*
Amortization of intangible assets (excluding software)	21.5	2.2	+872.5%
Gain or loss on disposal of fixed assets	0.1	0.3	-63.8%
Core operating income	**240.5**	**191.3**	**+25.7%**
Core operating margin (as a % net sales)	*26.2%*	*25.0%*	*+1.2 pts*

The company's auditors performed a limited review of the accounts.

[1] Year-on-year growth excluding foreign exchange impacts

Review of the first half 2017 results

Note: Unless stated otherwise, all variations in sales are stated excluding foreign exchange impacts.

Group sales reached €919.5 million, up 18.8% year-on-year.

Specialty Care sales reached €764.6 million, up 23.1%, driven by the strong growth of Somatuline® and the contribution of €28.6 million of key new products Cabometyx® (mainly sales from Germany and France) and Onivyde® (with first sales booked in the second quarter following the closing of the transaction in early April 2017). Somatuline® growth of 31.8% was driven by a continued growth in North America, and a solid performance throughout Europe. Dysport® growth was fueled by the good performance of our partner Galderma in North America and Europe but still impacted by importation issues related to the temporary cancellation of the certificate of Good Manufacturing Practices (cGMP) in Brazil. Decapeptyl® sales reflect good volume growth in most geographies but also some continued price pressure, notably in China.

Consumer Healthcare sales reached €154.8 million, driven by the good performance of Smecta® thanks to the retail strategy in China and a positive sales dynamic in Russia, as well as the contribution of the recent acquisitions of new OTC products (including Prontalgine® in France) and the new products from Akkadeas Pharma in Italy. This performance was partly offset by some continued pressure in emerging markets like Algeria and Russia.

Core Operating Income totaled €240.5 million, up 25.7%, driven by the strong Specialty Care sales growth and reflects increased commercial investments mainly for the new products Cabometyx® and Onivyde®.

Core operating margin reached 26.2% of sales, up 1.2 points.

Core consolidated net profit was €169.2 million, compared to €145.7 million in 2016, up 16.2% and impacted by higher financial and income tax expenses.

Fully diluted core earnings per share grew by 15.7% to reach €2.04, compared to €1.76 in 2016.

IFRS Operating income was €176.4 million, up 1.0% compared to €174.6 million in 2016 after higher amortization of intangible assets from Cabometyx® and Onivyde®, and costs associated primarily with Onivyde® integration and R&D restructuring expenses. Operating income margin at 19.2% is down 3.6 points compared to the first half of 2016.

IFRS Consolidated net profit was €125.9 million versus €133.3 million in 2016 after higher financial and income tax expenses.

IFRS Fully diluted EPS (Earning per share) was €1.52 versus €1.61 in 2016.

Free cash flow reached €94.9 million, up by €21.3 million, driven by the improvement in Operating Cash Flow, partially compensated by higher restructuring costs and financial expenses.

Closing net debt reached €669.4 million at the end of June 2017, versus a cash position of €17.3 million at the end of June 2016 reflecting the acquisitions completed during the first half of 2017 for Onivyde®, the Consumer Healthcare product portfolio and the equity stake in Akkadeas Pharma.

The interim financial report, with regard to regulated information, is available on the Group's website, www.ipsen.com, under the Regulated Information tab in the Investor Relations section.

Conference call for the financial community

Ipsen will hold a conference call Thursday 27 July 2017 at 4:00 p.m. (Paris time, GMT+1). Participants should dial in to the call approximately 5 to 10 minutes prior to its start. No reservation is required to participate in the conference call.

France and continental Europe: +33 (0)1 7099 3534
UK: +44 (0)20 7162 9960
United States: +1 646 851 2094
Conference ID: 962299

A recording will be available for 7 days on Ipsen's website and at the following numbers:
France and continental Europe: +33 (0)1 70 99 35 29
UK: +44 (0)20 7031 4064
United States: +1 954 334 0342
Conference ID: 962299

About Ipsen

Ipsen is a global specialty-driven biopharmaceutical group focused on innovation and specialty care. The group develops and commercializes innovative medicines in three key therapeutic areas - Oncology, Neurosciences and Rare Diseases. Its commitment to oncology is exemplified through its growing portfolio of key therapies for prostate cancer, neuroendocrine tumors, renal cell carcinoma and pancreatic cancer. Ipsen also has a well-established Consumer Healthcare business. With total sales close to €1.6 billion in 2016, Ipsen sells more than 20 drugs in over 115 countries, with a direct commercial presence in more than 30 countries. Ipsen's R&D is focused on its innovative and differentiated technological platforms located in the heart of the leading biotechnological and life sciences hubs (Paris-Saclay, France; Oxford, UK; Cambridge, US). The Group has about 5,100 employees worldwide. Ipsen is listed in Paris (Euronext: IPN) and in the United States through a Sponsored Level I American Depositary Receipt program (ADR: IPSEY). For more information on Ipsen, visit www.ipsen.com.

Forward Looking Statement

The forward-looking statements, objectives and targets contained herein are based on the Group's management strategy, current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today. Use of the words "believes," "anticipates" and "expects" and similar expressions are intended to identify forward-looking statements, including the Group's expectations regarding future events, including regulatory filings and determinations. Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by the Group. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably the fact that a promising product in early development phase or clinical trial may end up never being launched on the market or reaching its commercial targets, notably for regulatory or competition reasons. The Group must face or might face competition from generic products that might translate into a loss of market share. Furthermore, the Research and Development process involves several stages each of which involves the substantial risk that the Group may fail to achieve its objectives and be forced to abandon its efforts with regards to a product in which it has invested significant sums. Therefore, the Group cannot be certain that favorable results obtained during pre-clinical trials will be confirmed subsequently during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safe and effective nature of the product concerned. There can be no guarantees a product will receive the necessary regulatory approvals or that the product will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Other risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the Group's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the Group's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions. The Group also depends on third parties to develop and market some of its products which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to the Group's activities and financial results. The Group cannot be certain that its partners will fulfil their obligations. It might be unable to obtain any benefit from those agreements. A default by any of the Group's partners could generate lower revenues than expected. Such situations could have a negative impact on the Group's business, financial position or performance. The Group expressly disclaims any obligation or undertaking to update or revise

any forward looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. The Group's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers. The risks and uncertainties set out are not exhaustive and the reader is advised to refer to the Group's 2016 Registration Document available on its website (www.ipsen.com).

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Comparison of consolidated sales for the second quarter and first half of 2017 and 2016:

Sales by therapeutic area and by product[1]

Note: Unless stated otherwise, all variations in sales are stated excluding foreign exchange impacts.

The following table shows sales by therapeutic area and by product for the second quarter and first half of 2017 and 2016:

	2nd Quarter				6 months			
(in millions euros)	2017	2016	% Variation	% Variation at constant currency	2017	2016	% Variation	% Variation at constant currency
Oncology	299.9	227.5	*31.8%*	*31.1%*	560.8	431.9	*29.9%*	*29.0%*
Somatuline®	171.5	133.2	*28.8%*	*27.6%*	340.4	254.9	*33.6%*	*31.8%*
Decapeptyl®	93.5	89.4	*4.6%*	*5.1%*	171.0	167.6	*2.0%*	*2.5%*
Cabometyx®	9.3	0.0	*n.a.*	*n.a.*	16.9	0.0	*n.a.*	*n.a.*
Onivyde®	19.3	0.0	*n.a.*	*n.a.*	19.3	0.0	*n.a.*	*n.a.*
Other Oncology	6.4	4.9	*29.7%*	*29.9%*	13.3	9.4	*41.6%*	*41.8%*
Neurosciences	78.8	76.9	*2.4%*	*-0.8%*	165.4	140.5	*17.7%*	*13.8%*
Dysport®	77.8	76.4	*1.8%*	*-1.2%*	163.6	139.6	*17.2%*	*13.6%*
Rare Diseases	19.4	21.0	*-7.4%*	*-7.5%*	38.4	41.1	*-6.5%*	*-6.7%*
NutropinAq®	13.8	15.2	*-9.6%*	*-9.2%*	27.1	30.4	*-10.8%*	*-10.4%*
Increlex®	5.7	5.7	*-1.5%*	*-3.0%*	11.3	10.7	*5.7%*	*3.8%*
Specialty Care	**398.1**	**325.4**	***22.4%***	***21.1%***	**764.6**	**613.5**	***24.6%***	***23.1%***
Smecta®	29.6	24.9	*18.9%*	*17.1%*	58.8	54.1	*8.6%*	*6.6%*
Forlax®	11.3	10.1	*11.8%*	*11.0%*	21.3	20.1	*5.8%*	*5.0%*
Tanakan®	9.1	9.1	*0.4%*	*0.2%*	15.5	18.9	*-18.0%*	*-19.8%*
Fortrans/Eziclen®	8.8	8.1	*8.9%*	*2.6%*	15.8	12.8	*23.3%*	*15.7%*
Etiasa®	6.7	6.0	*12.8%*	*14.7%*	9.4	9.4	*0.4%*	*2.2%*
Other Consumer Healthcare	17.8	18.4	*-3.3%*	*-3.8%*	34.1	35.1	*-2.7%*	*-3.3%*
Consumer Healthcare	**83.3**	**76.5**	***8.9%***	***7.6%***	**154.8**	**150.4**	***3.0%***	***1.3%***
Group Sales	**481.4**	**401.9**	***19.8%***	***18.5%***	**919.5**	**763.8**	***20.4%***	***18.8%***

Sales amounted to €919.5 million, up 18.8% year-on-year, driven by 23.1% growth of Specialty Care sales, and 1.3% growth of Consumer Healthcare sales.

Sales of **Specialty Care** reached €764.6 million, up 23.1% year-on-year. Oncology and Neurosciences sales grew by 29.0% and 13.8%, respectively, while Rare Diseases sales decreased by 6.7%. Over the period, the relative weight of Specialty Care continued to increase to reach 83.2% of Group sales, compared to 80.3% in the previous year.

In **Oncology**, sales reached €560.8 million, up 29.0%, year-on-year, driven by the launch of Onivyde® and Cabometyx®, as well as the continued strong performance of Somatuline® while Decapeptyl® was slightly up by 2.5%. Oncology sales represented 61.0% of total Group sales, compared to 56.5% in the previous year.

[1] New sales reporting according to the main therapeutic indication of each product

Somatuline® – Sales reached €340.4 million, up 31.8% year-on-year, driven by a strong volume and continuous market share growth in North America as well as a good performance in most European countries, notably in France, Germany, and the UK.

Decapeptyl® – Sales reached €171.0 million, up 2.5% year-on-year, positively impacted by good sales trends in Europe, in Algeria and East Middle East, despite price pressure in China and Poland.

Cabometyx® – Sales reached €16.9 million, mainly driven by the good performance in France and Germany, which accounted for the majority of product sales.

Onivyde® – Sales reached €19.3 million registering first sales during the second quarter following completion of the acquisition from Merrimack in April 2017.

In **Neurosciences**, sales of **Dysport®** reached €163.6 million, up 13.6% year-on-year, driven by the good performance of our partner Galderma in aesthetics in North America and Europe, offset by the sales decrease in Brazil due to temporary importation issues. Neurosciences sales represented 18.0% of total Group sales, compared to 18.4% in the previous year.

In **Rare Diseases**, sales of **NutropinAq®** reached €27.1 million, down 10.4% year-on-year, impacted by lower volumes especially in Germany and France. Sales of **Increlex®** reached €11.3 million, up 3.8% year-on-year, driven by the United States. Rare Diseases sales represented 4.2% of total Group sales, compared to 5.4% in the previous year.

Consumer Healthcare sales reached €154.8 million, up 1.3% year-on-year, driven by the portfolio of products acquired in May 2017, and the equity stake in Akkadeas Pharma (Italy) acquired in January 2017. Over the period, Consumer Healthcare sales represented 16.8% of total Group sales, compared to 19.7% in the previous year.

Smecta® – Sales reached €58.8 million, up 6.6% year-on-year, driven by the favorable impact of the OTC strategy in China, the Diosmectal re-launch in Italy following the acquisition of an equity stake in Akkadeas Pharma in 2017, and a good sales dynamic in Russia, partly offset by a sales decrease in Vietnam due to an inventory build-up in early 2016 for the license renewal.

Forlax® – Sales reached €21.3 million, up 5.0% year-on-year, supported by growing sales to partners, partly offset by importation issues in Algeria.

Tanakan® – Sales reached €15.5 million, down 19.8% year-on-year due to a continuous market slowdown in France and Russia.

Fortrans®/Eziclen® – Sales reached €15.8 million, up 15.7% year-on-year helped by favorable base of comparison after Fortrans® shortage issues in the first half of 2016.

Etiasa® – Sales reached €9.4 million, up 2.2% year-on-year including impact of new distribution model in China.

Other Consumer Healthcare products sales reached €34.1 million (including €1.9 million for the first sales of Prontalgine®), down 3.3% year-on-year, mainly affected by the decline and price cut of Nisis®/Nisisco® and by Adrovance® underperformance, down 16.8% over the period.

Sales by geographical area

Group sales by geographical area in the second quarter and first half of 2017 and 2016 were as follows:

	2nd Quarter				6 months			
(in million euros)	2017	2016	% Variation	% Variation at constant currency	2017	2016	% Variation	% Variation at constant currency
France	62.7	56.4	*11.3%*	*11.3%*	124.2	111.5	*11.4%*	*11.4%*
Germany	35.6	31.4	*13.5%*	*13.5%*	70.3	60.8	*15.5%*	*15.5%*
Italy	25.2	21.4	*17.6%*	*17.6%*	48.9	43.0	*13.9%*	*13.9%*
United Kingdom	19.6	18.6	*5.3%*	*15.3%*	38.4	37.1	*3.4%*	*14.4%*
Spain	18.3	18.0	*2.0%*	*2.0%*	35.4	34.9	*1.3%*	*1.3%*
Major Western European countries	**161.6**	**145.9**	***10.8%***	***12.0%***	**317.2**	**287.4**	***10.4%***	***11.8%***
Eastern Europe	51.2	45.6	*12.3%*	*4.4%*	98.1	85.1	*15.3%*	*6.3%*
Others Europe	46.2	43.2	*6.8%*	*7.1%*	96.3	84.1	*14.5%*	*15.0%*
Other European Countries	**97.4**	**88.8**	***9.6%***	***5.7%***	**194.4**	**169.2**	***14.9%***	***10.6%***
North America	**117.9**	**64.8**	***81.9%***	***77.2%***	**220.3**	**118.2**	***86.5%***	***81.3%***
Asia	60.2	55.4	*8.7%*	*9.4%*	100.1	101.4	*-1.3%*	*-0.9%*
Others Rest of the world	44.4	47.0	*-5.6%*	*-8.4%*	87.4	87.7	*-0.3%*	*-4.1%*
Rest of the World	**104.6**	**102.4**	***2.1%***	***1.2%***	**187.5**	**189.1**	***-0.8%***	***-2.4%***
Group Sales	**481.4**	**401.9**	***19.8%***	***18.5%***	**919.5**	**763.8**	***20.4%***	***18.8%***

Sales in **Major Western European countries** reached €317.2 million, up 11.8%. Sales in Major Western European countries represented 34.5% of total Group sales, compared to 37.6% in 2016.

France – Sales reached €124.2 million, up 11.4% year-on-year, driven by the sustained growth of Somatuline® and the Cabometyx® launch contribution. Consumer Healthcare sales are up due to the acquisition of Prontalgine®, partly offset by lower sales of Tanakan®, Adrovance® and Nisis®/Nisisco®.

Germany – Sales reached €70.3 million, up 15.5% year-on-year, driven by the Cabometyx® sales and the strong growth of Somatuline®.

Italy – Sales reached €48.9 million, up 13.9% year-on-year, driven by the equity stake in Akkadeas Pharma acquired in January 2017, and the growth of Somatuline® and Decapeptyl®.

United Kingdom – Sales reached €38.4 million, up 14.4% year-on-year, driven by Somatuline® and Decapeptyl® growth.

Spain – Sales reached €35.4 million, up 1.3% year-on-year, mainly driven by Somatuline®, but impacted by lower sales in Rare Diseases.

Sales in **Other European countries** reached €194.4 million, up 10.6% year-on-year, supported by the strong performance of Dysport® across the region and the launch of Cabometyx® in certain countries.

Sales generated in **North America** reached €220.3 million, up 81.3% year-on-year, supported by the continued strong growth of Somatuline® and the good performance of Galderma for Dysport® in the aesthetics market. Sales in North America represented 24.0% of total Group sales, compared to 15.5% in 2016.

Sales in the **Rest of the World** reached €187.5 million, down 2.4% year-on-year, impacted by unfavorable inventory effects on Smecta® in Vietnam, on Decapeptyl® in the Middle East, on Dysport® in Southeast Asia and Brazil and on Bedelix® following import difficulties in Algeria.

Comparison of Core consolidated income statement for the first half of 2017 and the first half of 2016

Core financial measures are performance indicators. Reconciliation between these indicators and IFRS aggregates is presented in Appendix 4 “Bridges from IFRS consolidated net profit to Core consolidated net profit”

(in millions of euros)	30 June 2017	% of sales	30 June 2016	% of sales	% change
Sales	919.5	100%	763.8	100%	20.4%
Other revenues	50.2	5.5%	42.8	5.6%	17.4%
Revenue	**969.7**	**105.5%**	**806.6**	**105.6%**	**20.2%**
Cost of goods sold	(190.2)	-20.7%	(172.2)	-22.5%	10.4%
Selling expenses	(349.6)	-38.0%	(283.2)	-37.1%	23.5%
Research and development expenses	(115.0)	-12.5%	(95.0)	-12.4%	21.0%
General and administrative expenses	(68.3)	-7.4%	(59.0)	-7.7%	15.7%
Other core operating income	0.3	0.0%	0.2	0.0%	17.2%
Other core operating expenses	(6.3)	-0.7%	(6.1)	-0.8%	3.0%
Core Operating Income	**240.5**	**26.2%**	**191.3**	**25.0%**	**25.7%**
Net financing costs	(4.2)	-0.5%	(1.1)	-0.1%	288.6%
Other financial income and expense	(7.5)	-0.8%	(1.8)	-0.2%	309.9%
Core income taxes	(60.7)	-6.6%	(44.1)	-5.8%	37.6%
Share of net profit (loss) from entities accounted for using the equity method	1.0	0.1%	1.3	0.2%	-23.4%
Core consolidated net profit	**169.2**	**18.4%**	**145.7**	**19.1%**	**16.2%**
- Attributable to shareholders of Ipsen S.A.	169.2	18.4%	145.3	19.0%	16.4%
- Attributable to non-controlling interests	0.0	0.0%	0.3	0.0%	-85.1%
Core EPS fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	**2.04**		**1.76**		**15.7%**

Reconciliation from Core consolidated net profit to IFRS consolidated net profit

Core consolidated net profit	**169.2**		**145.7**
Amortization of intangible assets (excl softwares)	(15.0)		(1.5)
Other operating income or expenses	(22.5)		(4.0)
Restructuring costs	(7.3)		0.1
Impairment losses	-		(6.7)
Other	1.6		(0.3)
IFRS consolidated net profit	**125.9**		**133.3**
IFRS EPS fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	**1.52**		**1.61**

- **Sales**

For the six months ended 30 June 2017, the Group's consolidated sales came to €919.5 million, up 20.4% year-on-year and up 18.8% excluding the impact of foreign exchange.

- **Other revenues**

Other revenues for the first half of 2017 totaled €50.2 million, up 17.4% versus €42.8 million generated in the six-month period ended 30 June 2016.
The evolution was attributable to higher royalties received from Group partners, mainly Galderma for Dysport® and Menarini for Adenuric®.

- **Cost of goods sold**

For the six months ended 30 June 2017, Cost of goods sold amounted to €190.2 million, representing 20.7% of sales compared to €172.2 million, or 22.5% of sales, in the six-month period ended 30 June 2016.
The improvement in Cost of goods sold as a percentage of net sales was mainly driven by a favorable product mix from the growth in Specialty Care sales. Royalties paid to partners increased due to the growth of Group sales.

- **Selling expenses**

For the six months ended 30 June 2017, Selling expenses came to €349.6 million, representing 38.0% of sales, up 23.5% versus the six months ended 30 June 2016. The increase reflects the commercial efforts deployed to support the Cabometyx® launch in Europe, the growth of Somatuline® in the United States as well as the commercial investment for Onivyde® in the United States after the closing of the acquisition in April.

- **Research and development expenses**

For the half-year period ended 30 June 2017, Research and development expenses totaled €115.0 million, compared to €95.0 million in the same period in 2016.

The Group is strengthening its Oncology capabilities and increased development costs for Cabometyx®, the peptide receptor radionuclide therapy program and Onivyde®. In Neurosciences, the short acting toxin entered into the clinical phase, leading to a progressive increase of costs.

At 30 June 2017, the research tax credit amounted to €13.3 million, up €0.9 million versus 2016.

- **General and administrative expenses**

For the six months ended 30 June 2017, General and administrative expenses came to €68.3 million, up €9.2 million versus the same period in 2016. The increase resulted primarily from the strengthening of the structure to support the Onivyde® acquisition in the United States as well as to the impact of the Group’s positive performance on variable compensation.

- **Other core operating income and expenses**

In the first half of 2017, Other core operating expenses totaled €6.0 million, in line with the first half of 2016.

- **Core Operating Income**

Core Operating Income in the first half of 2017 came to €240.5 million, representing 26.2% of sales, compared to €191.3 million in Core Operating Income in the first half of 2016, representing 25.0% of sales. The strong performance of Specialty Care including the contribution from new products Cabometyx® and Onivyde®, combined with higher commercial investments enabled the Group to increase its profitability by 1.2 points. The growth of Core Operating Income between the first half of 2017 and 2016 reached 25.7%.

- **Net financing costs and Other financial income and expense**

In the first half of 2017, the Group incurred net financial expenses of €11.6 million, versus €2.9 million in the first half of 2016.

Net financing costs amounted to €4.2 million, versus €1.1 million in 2016, driven by interest expenses on the bond issued in June 2016 and by financing costs related to the acquisitions completed during this semester.

In the first half of 2017**,** Other financial income and expense amounted to an expense of €7.5 million, compared to €1.8 million in the first half of 2016, driven by the cost of hedging implemented to mitigate the foreign exchange risk of the Group.

- **Core income taxes**

In the first half of 2017, Core income tax expense of €60.7 million resulted from a core effective tax rate of 26.5% on pre-tax profit compared to a core effective rate of 23.4% in 2016. This increase is mainly attributable to the increase of unrecognized deferred tax assets in the United States and Germany.

- **Core consolidated net profit**

For the six months ended 30 June 2017, Core consolidated net profit increased by 16.2% to €169.2 million, fully attributable to Ipsen S.A. shareholders. This compares to Core consolidated net profit of €145.7 million, with €145.3 million attributable to Ipsen S.A. shareholders, at the end of June 2016.

- **Core Earning per share**

At the end of June 2017, Core EPS fully diluted came to €2.04, up 15.7% versus €1.76 per share at the end of June 2016.

From Core financial measures to IFRS reported figures

Reconciliations between IFRS 2016 / 2017 half-year results and the Core financial measures are presented in Appendix 4.

In the first half of 2017, the main reconciling items between Core consolidated net income and IFRS consolidated net income were:

- **Amortization of intangible assets (excluding software)**

Amortization of intangible assets (excluding software) for the six months ended 30 June 2017 amounted to €21.5 million before tax, compared to €2.2 million before tax in the first half of 2016. This variance consisted mainly of the amortization of the intangible assets for Cabometyx® and Onivyde®.

- **Other operating income and expenses and Restructuring costs**

Other non-core operating expenses for the six months ended 30 June 2017 amounted to €34.8 million before tax and Restructuring costs came to €7.9 million before tax.

Those expenses consisted mainly of integration costs related to the Onivyde® acquisition, the adaptation of the R&D structure and programs and a settlement with a partner in Japan.

In the first half of 2016, Other non-core operating expenses totaled €5.8 million before tax and consisted mainly of costs from the change in the Group's corporate governance and costs from the move to the new research and development site in Oxford, UK. Restructuring costs were €0.4 million before tax at the end of June 2016.

- **Impairment losses**

In the first half of 2017, no impairment loss was recognized in the Group accounts.

In the first half of 2016, Ipsen recorded an impairment for €8.4 million before tax, on MCNA intangible assets acquired from Telesta Therapeutics.

- **Other**

In the first half of 2017, Other items amounted to €1.6 million and was related to discontinued operations, while in the first half of 2016, Other items amounted to € 0.3 million.

As a consequence, IFRS reported indicators are:

- **Operating income**

In the first half of 2017, Operating income totaled €176.4 million in line with last year, with an Operating margin at 19.2%, down 3.7 points compared to the first half of 2016.

- **Consolidated net profit**

Consolidated net profit was €125.9 million at 30 June 2017, decreasing by 5.5% versus last year at €133.3 million.

- **Earning per share**

Fully diluted EPS was €1.52 at 30 June 2017 versus €1.61 last year.

Operating segments: Core Operating Income by therapeutic area

Segment information is presented according to the Group's two operating segments, Specialty Care and Consumer Healthcare.

All costs allocated to these two segments are presented in the key performance indicators. Only corporate overhead costs and the impact of the currency hedging policy are not allocated to the two operating segments. Research and development costs are allocated to the operating segments while formerly included in Unallocated.

The Group uses Core Operating Income to measure its segment performance and to allocate resources.

Sales, revenue and Core Operating Income are presented by therapeutic area for the 2017 and 2016 half-year periods in the following table.

(in millions of euros)		30 June 2017	30 June 2016 restated	Change	%
Specialty Care					
Sales		764.6	613.5	151.1	*24.6%*
Revenue		789.2	632.6	156.6	*24.8%*
Core Operating Income		281.3	214.8	66.5	*31.0%*
	% of sales	*36.8%*	*35.0%*		
Consumer Healthcare (*)					
Sales		154.8	150.4	4.4	*3.0%*
Revenue		180.5	174.0	6.5	*3.7%*
Core Operating Income		47.1	53.8	(6.7)	*-12.5%*
	% of sales	*30.4%*	*35.8%*		
Total Unallocated					
Core Operating Income		(87.8)	(77.3)	(10.5)	*13.7%*
Group total					
Sales		919.5	763.8	155.7	*20.4%*
Revenue		969.7	806.6	163.1	*20.2%*
Core Operating Income		240.5	191.3	49.2	*25.7%*
	% of sales	*26.2%*	*25.0%*		

(*) including drug related sales.

For the half year period ended 30 June 2017, **Specialty Care** sales grew to €764.6 million, up 24.6% over the first six months of 2017 (or 23.1% at constant exchange rate), driven by the contribution of the two new products Onivyde® and Cabometyx® and the strong growth of Somatuline®. The relative weight of Specialty Care products continued to increase, reaching 83.2% of total consolidated sales at 30 June 2017, versus 80.3% a year earlier. In the first half of 2017, **Core Operating Income** for Specialty Care amounted to €281.3 million, representing 36.8% of sales. This compares to €214.8 million in the prior-year period, representing 35.0% of sales. The improvement reflects Somatuline® continued sales growth in the United States and Europe and the Cabometyx® and Onivyde® incremental sales, along with increased commercial investments to support growth and launches.

For the six months ended 30 June 2017, sales of **Consumer Healthcare** products came to €154.8 million, up 3.0% year on year, driven by the good performance of Smecta® and the portfolio of Sanofi products acquired in May 2017. In the first half of 2017, **Core Operating Income** for Consumer Healthcare amounted €47.1 million, representing 30.4% of sales in comparison of 35.8% at 30 June 2016. This variance reflects the commercial efforts deployed to support the implementation of the OTx strategy as well as an increase in medical studies expenses.

In the first half of 2017, **Unallocated Core Operating Income** came to a negative €87.8 million, compared to a negative €77.3 million in the year-earlier period. The evolution is mainly attributable to the Group's positive performance on higher variable compensation and investments to support Ipsen's growth. These expenses consisted mainly of unallocated corporate expenses and of the impact from the currency hedging policy.

Net cash flow and financing

In the first half of 2017, the Group had a net cash decrease of €738.0 million after the acquisition of the Onivyde® assets, OTC products portfolio including Prontalgine® and the equity stake in Akkadeas Pharma, bringing closing net debt to €669.4 million.

- **Analysis of the consolidated net cash flow statement**

(in millions of euros)	30 June 2017	30 June 2016
Opening net cash / (debt)	**68.6**	**186.9**
Core Operating Income	**240.5**	**191.3**
Non-cash items	(4.5)	(5.4)
Change in operating working capital requirement	(35.4)	(26.3)
(Increases) decreases in other working capital requirement	(20.0)	(8.9)
Net capex (excluding milestones paid)	(37.2)	(34.9)
Dividends received from entities accounted for using the equity method	0.0	1.2
Operating Cash Flow	**143.4**	**117.0**
Other operating income and expenses and restructuring costs (cash)	(18.3)	(10.2)
Financial income (cash)	(9.1)	2.3
Current income tax (P&L, excluding provisions for tax contingencies)	(32.6)	(34.8)
Other operating cash flow	11.5	(0.6)
Free Cash Flow	**94.9**	**73.6**
Dividends paid	(70.6)	(70.3)
Net investments (business development and milestones)	(759.8)	(172.6)
Share buyback	(4.0)	-
Other (discontinued operations)	1.6	(0.3)
Shareholders return and external growth operations	**(832.9)**	**(243.3)**
CHANGE IN NET CASH / (DEBT)	**(738.0)**	**(169.7)**
Closing net cash / (debt)	**(669.4)**	**17.3**

- **Operating cash flow**

At 30 June 2017, Operating Cash Flow totaled €143.4 million, up €26.4 million (+22.6%) versus 30 June 2016. The increase was driven by higher Core Operating Income, partially offset by an increase in working capital requirement (WCR) and net capital expenditure (excluding milestones paid).

Working capital requirement for operating activities increased by €35.4 million at 30 June 2017, compared with an increase of €26.3 million at 30 June 2016. The change at 30 June 2017 stemmed mainly from the following:

- A €19.5 million rise in inventories during the first half, in step with business growth and recent acquisitions;
- A €34.0 million increase in trade receivables in line with sales growth, to compare to a €22.4 million increase in trade receivables at the end of June 2016;
- A €18.1 million increase in trade payables at end of June 2017 in correlation with the phasing of operating expenses mainly to support the growth of the business. At the end of June 2016, trade payables rose by €3.1 million.

In the first half of 2017, other WCR need increased by €20.0 million. This increase was mainly driven by negative seasonality on working capital components (including the payment of variable compensation and VAT), partially compensated by the reimbursement of R&D tax credit. The other WCR increased by €8.9 million in the first half of 2016.

Net capital expenditure advanced €2.3 million year-on-year to €37.2 million at 30 June 2017. These investments were aimed at reinforcing the production capacity at the United Kingdom and France industrial sites.

- **Free cash flow**

At 30 June 2017, Free Cash Flow came to €94.9 million, up €21.3 million (+28.9%) versus 30 June 2016. This evolution is mainly driven by an improvement in Operating Cash Flow, partially compensated by higher Other operating income or expenses and restructuring costs, and increased Financial expenses.

Other non-core operating income and expenses and restructuring costs of €18.3 million included Onivyde® integration costs as well as the impact of the transformation of the R&D model. At the end of June 2016, €10.2 million of such payments were primarily comprised in costs arising from the change in corporate governance, as well as payments for earlier restructuring plans that were staggered over several fiscal periods.

The €9.1 million in financial expenses paid at end June 2017 resulted from interests on the bond issued in June 2016 and hedging costs. In comparison, the €2.3 million in financial income collected at end June 2016 resulted mainly from the collection of dividends, an earnout payment related to the sale of Spirogen shares and realized foreign exchange gains.

The change in current income tax stemmed mainly from the change in the effective tax rate.

- **Shareholders return and external growth operations**

At 30 June 2017, the dividend payout to Ipsen S.A. shareholders amounted to €70.2 million.

Net investments at 30 June 2017 amounted to €760 million, including the acquisition of Onivyde® assets from Merrimack Pharmaceuticals on April 3rd for €666 million including the purchase price and future earn-outs (discounted and probabilized under IFRS), the acquisition of Consumer Healthcare products in European territories from Sanofi for €86 million and the equity stake in Akkadeas Pharma for €5 million as well as an additional commercial milestone paid to Exelixis for €9 million following the exclusive licence agreement signed in 2016. This was partially offset by a €8 million regulatory milestone payment received from Radius.

At 30 June 2016, net financial investments mainly encompassed a €184 million upfront payment to Exelixis for the exclusive licensing agreement for cabozantinib and a €5 million upfront payment to 3B Pharmaceuticals GmbH, partially offset by regulatory milestone payments received from Acadia and Radius (€10 million) and by scheduled payments related to the agreement signed with Galderma in December 2015 for Asia-Pacific markets (€7 million).

Reconciliation of cash and cash equivalents and net cash

(in millions of euros)	30 June 2017	30 June 2016
Closing cash and cash equivalents	**170.9**	**359.5**
Bonds	(297.3)	(296.9)
Other financial liabilities (excluding derivative instruments) (**)	(134.9)	(18.9)
Non-current financial liabilities	**(432.1)**	**(315.8)**
Credit lines and bank loans	(92.7)	(4.0)
Financial liabilities (excluding derivative instruments) (**)	(315.5)	(22.3)
Current financial liabilities	**(408.1)**	**(26.3)**
Debt	**(840.3)**	**(342.2)**
Net cash / (debt) (*)	**(669.4)**	**17.3**

(*) Net cash / (debt): cash and cash equivalents, less bank overdrafts, bank loans and other financial liabilities and excluding financial derivative instruments.
(**) Financial liabilities mainly exclude €13.2 million in derivative instruments at 30 June 2017, compared with €12.6 million in derivative instruments at 30 June 2016.

Analysis of Group cash

On 16 June 2016, Ipsen S.A. issued €300 million unsecured seven-year public bond loan with an annual interest rate of 1.875%.

In addition, €300 million in bilateral long term bank loans were contracted with a maturity of 6.5 years. At 30 June 2017, none of this bank loans have been drawn down.

On 6 June 2017, Ipsen S.A. has amended its syndicated loan to increase the facility amount from €300 million to €600 million and to extend its maturity until 17 October 2022. This syndicated loan does not contain any financial covenants. At 30 June 2017, €89 million were drawn on this facility.

On 27 June 2017, Ipsen S.A. increased its program of emission of NEU CP - Negotiable European Commercial Paper, from €300 million to €600 million, among which €312 million were issued on 30 June 2017.

APPENDICES

■ Appendix 1 – Consolidated income statement

(in millions of euros)	30 June 2017	30 June 2016 restated
Sales	**919.5**	**763.8**
Other revenues	50.2	42.8
Revenue	**969.7**	**806.6**
Cost of goods sold	(190.2)	(172.2)
Selling expenses	(349.6)	(283.2)
Research and development expenses	(115.0)	(95.0)
General and administrative expenses	(68.3)	(59.0)
Other operating income	1.9	1.1
Other operating expenses	(64.2)	(15.1)
Restructuring costs	(7.9)	(0.4)
Impairment losses	-	(8.4)
Operating Income	**176.4**	**174.6**
Investment income	*0.6*	*0.4*
Financing costs	*(4.8)*	*(15)*
Net financing costs	(4.2)	(1.1)
Other financial income and expense	(7.5)	(1.8)
Income taxes	(41.4)	(39.4)
Share of net profit (loss) from entities accounted for using the equity method	1.0	1.3
Net profit (loss) from continuing operations	**124.4**	**133.6**
Net profit (loss) from discontinued operations	1.6	(0.3)
Consolidated net profit (loss)	**125.9**	**133.3**
- Attributable to shareholders of Ipsen S.A.	125.9	133.0
- Attributable to non-controlling interests	0.0	0.3

Basic earnings per share, continuing operations (in euros)	1.51	1.62
Diluted earnings per share, continuing operations (in euros)	1.50	1.61
Basic earnings per share, discontinued operations (in euros)	0.02	(0.00)
Diluted earnings per share, discontinued operations (in euros)	0.02	(0.00)
Basic earnings per share (in euros)	1.53	1.62
Diluted earnings per share (in euros)	1.52	1.61

Appendix 2 – Consolidated balance sheet before allocation of net profit

(in millions of euros)	30 June 2017	31 December 2016
ASSETS		
Goodwill	396.7	357.2
Other intangible assets	899.0	380.1
Property, plant & equipment	382.8	379.0
Equity investments	22.8	21.2
Investments in companies accounted for using the equity method	16.4	15.6
Non-current financial assets	136.6	0.2
Deferred tax assets	181.3	213.2
Other non-current assets	6.1	6.7
Total non-current assets	**2,041.7**	**1,373.1**
Inventories	152.2	113.3
Trade receivables	394.1	363.5
Current tax assets	51.1	66.3
Current financial assets	12.1	6.6
Other current assets	115.2	75.2
Cash and cash equivalents	200.6	425.5
Total current assets	**925.3**	**1,050.4**
TOTAL ASSETS	**2,967.0**	**2,423.5**

EQUITY AND LIABILITIES		
Share capital	83.6	83.6
Additional paid-in capital and consolidated reserves	1,172.7	998.5
Net profit (loss) for the period	125.9	225.9
Foreign exchange differences	15.9	50.9
Equity attributable to Ipsen S.A. shareholders	**1,398.1**	**1,358.9**
Equity attributable to non-controlling interests	9.9	3.3
Total shareholders' equity	**1,408.1**	**1,362.2**
Retirement benefit obligation	52.4	58.4
Non-current provisions	35.0	21.6
Other non-current financial liabilities	443.0	314.8
Deferred tax liabilities	12.6	14.6
Other non-current liabilities	94.4	90.6
Total non-current liabilities	**637.4**	**500.0**
Current provisions	18.9	27.8
Current financial liabilities	412.4	58.6
Trade payables	264.1	241.5
Current tax liabilities	5.7	4.1
Other current liabilities	190.8	226.4
Bank overdrafts	29.7	3.0
Total current liabilities	**921.6**	**561.3**
TOTAL EQUITY & LIABILITIES	**2,967.0**	**2,423.5**

Appendix 3 – Cash flow statements

Appendix 3.1 – Consolidated statement of cash flow

(in millions of euros)	30 June 2017	30 June 2016
Consolidated net profit (loss)	**125.9**	**133.3**
Share of profit (loss) from entities accounted for using the equity method before impairment losses	(1.0)	(0.2)
Net profit (loss) before share from entities accounted for using the equity method	**124.9**	**133.1**
Non-cash and non-operating items		
- Depreciation, amortization, provisions	53.3	5.1
- Impairment losses included in operating income and net financial income	(0.0)	8.4
- Change in fair value of financial derivatives	(12.1)	10.7
- Net gains or losses on disposals of non-current assets	0.1	0.3
- Foreign exchange differences	15.9	(5.2)
- Change in deferred taxes	8.8	4.6
- Share-based payment expense	4.5	3.2
- Other non-cash items	0.2	(0.0)
Cash flow from operating activities before changes in working capital requirement	***195.5***	***160.1***
- (Increase) / decrease in inventories	(19.5)	(7.0)
- (Increase) / decrease in trade receivables	(34.0)	(22.4)
- Increase / (decrease) in trade payables	18.1	3.1
- Net change in income tax liability	16.4	23.0
- Net change in other operating assets and liabilities	(47.0)	(25.8)
Change in working capital requirement related to operating activities	***(66.0)***	***(29.1)***
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**129.6**	**131.0**
Acquisition of property, plant & equipment	(28.1)	(35.2)
Acquisition of intangible assets	(93.4)	(194.1)
Proceeds from disposal of intangible assets and property, plant & equipment	0.1	0.0
Acquisition of shares in non-consolidated companies	(0.7)	0.0
Payments to post-employment benefit plans	(0.2)	(0.3)
Impact of changes in the consolidation scope	(547.6)	(0.0)
Deposits paid	(0.1)	2.2
Change in working capital related to investment activities	(11.6)	0.5
Other cash flow related to investment activities	(0.2)	(0.0)
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	**(682.0)**	**(226.8)**
Additional long-term borrowings	1.6	318.0
Repayment of long-term borrowings	(2.8)	(3.1)
Net change in short-term borrowings	375.5	-
Capital increase	3.5	0.5
Treasury shares	(3.3)	0.6
Dividends paid by Ipsen S.A.	(70.2)	(70.0)
Dividends paid by subsidiaries to non-controlling interests	(0.4)	(0.4)
Change in working capital related to financing activities	(2.8)	(0.5)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**301.1**	**245.1**
CHANGE IN CASH AND CASH EQUIVALENTS	**(251.3)**	**149.3**
Opening cash and cash equivalents	**422.5**	214.0
Impact of exchange rate fluctuations	(0.4)	(3.9)
Closing cash and cash equivalents	**170.9**	**359.5**

Appendix 3.2 – Consolidated statement of net cash flow

(in millions of euros)	30 June 2017	30 June 2016
Opening cash and cash equivalents	422,5	214.0
Opening current and non-current financial liabilities	(353,9)	(27.1)
Opening net cash / (debt)	**68,6**	**186.9**
CORE OPERATING INCOME	**240,5**	**191.3**
Non-cash items	**(4,5)**	**(5.4)**
(Increase) /decrease in inventories	(19,5)	(7.0)
(Increase) / decrease in trade receivables	(34,0)	(22.4)
Increase / (decrease) in trade payables	18,1	3.1
Change in operating working capital requirement	**(35,4)**	**(26.3)**
Change in income tax liability	16,4	23.0
Change in other operating assets and liabilities (excluding milestones received)	(36,4)	(31.9)
Other changes in working capital requirement	**(20,0)**	**(8.9)**
Acquisition of property, plant & equipment	(28,1)	(35.2)
Acquisition of intangible assets (excluding milestones paid)	(7,0)	(4.7)
Disposal of fixed assets	0,1	-
Change in working capital related to investment activities	(2,1)	5.0
Net capex (excluding milestones paid)	**(37,2)**	**(34.9)**
Dividends received from entities accounted for using the equity method	**0,0**	**1.2**
Operating Cash Flow	**143,4**	**117.0**
Other operating income and expenses and restructuring costs (cash)	(18,3)	(10.2)
Financial income (cash)	(9,1)	2.3
Current income tax (P&L, excluding provisions for tax contingencies)	(32,6)	(34.8)
Other operating cash flow	11,5	(0.6)
Free Cash Flow	**94,9**	**73.6**
Dividends paid (including payout to non-controlling interests)	**(70,6)**	**(70.3)**
Acquisition of shares in non-consolidated companies	(0,7)	0.0
Impact of changes in consolidation scope (a)	(671,1)	-
Milestones paid (b)	(9,5)	(193.9)
Milestones received (c)	8,0	21.3
Other Business Development operations	(86,5)	-
Net investments (business development and milestones)	**(759,8)**	**(172.6)**
Share buybacks	**(4,0)**	**-**
Other (discontinued operations)	**1,6**	**(0.3)**
Shareholders return and external growth operations	**(832,9)**	**(243.3)**
CHANGE IN NET CASH / (DEBT)	**(738,0)**	**(169.7)**
Closing cash and cash equivalents	170,9	359.5
Closing current and non-current financial liabilities	(840,3)	(342.2)
Closing net cash / (debt)	**(669,4)**	**17.3**

(a) Impact of change in consolidation scope reflects the recent acquisitions of Onivyde® assets from Merrimack Pharmaceuticals and the equity stake in Akkadeas Pharma.

(b) Milestones paid correspond to payments subject to the terms and conditions set out in the Group's partnership agreements. The €9 million milestone paid to Exelixis accounted for the majority of the milestones paid at 30 June 2017. The amounts paid were recorded as an increase in intangible assets on the consolidated balance sheet. The transactions were included in the "Acquisition of intangible assets" line item in the consolidated statement of cash flow (see Appendix 3.1).

(c) Milestones received are amounts collected by Ipsen from its partners. The €8 million milestone received at 30 June 2017 were paid by Radius. The amounts were recorded as deferred income in the consolidated balance sheet and then recognized in the income statement as "Other revenues". Milestones received were included in the "Net change in other operating assets and liabilities" line item in the consolidated statement of cash flow (see Appendix 3.1).

Appendix 4 – Bridges from IFRS consolidated net profit to Core consolidated net profit

	IFRS						CORE
(in millions of euros)	30 June 2017	Amortization of intangible assets (excl softwares)	Other operating income or expenses	Restructuring	Impairment losses	Other	30 June 2017
Sales	919.5						919.5
Other revenues	50.2						50.2
Revenue	**969.7**	**-**	**-**	**-**	**-**	**-**	**969.7**
Cost of goods sold	(190.2)						(190.2)
Selling expenses	(349.6)						(349.6)
Research and development expenses	(115.0)						(115.0)
General and administrative expenses	(68.3)						(68.3)
Other operating income	1.9		(1.6)				0.3
Other operating expenses	(64.2)	21.5	36.4				(6.3)
Restructuring costs	(7.9)			7.9			-
Impairment losses	-				-		-
Operating Income	**176.4**	**21.5**	**34.8**	**7.9**	**-**	**-**	**240.5**
Net financing costs	(4.2)	-	-	-	-	-	(4.2)
Other financial income and expense	(7.5)					-	(7.5)
Income taxes	(41.4)	(6.5)	(12.3)	(0.5)	-		(60.7)
Share of net profit (loss) from entities accounted for using the equity method	1.0						1.0
Net profit (loss) from continuing operations	**124.4**	**15.0**	**22.5**	**7.3**	**-**	**-**	**169.2**
Net profit (loss) from discontinued operations	1.6					(1.6)	-
Consolidated net profit	**125.9**	**15.0**	**22.5**	**7.3**	**-**	**(1.6)**	**169.2**
- Attributable to shareholders of Ipsen S.A.	125.9	15.0	22.5	7.3	-	(1.6)	169.2
- Attributable to non-controlling interests	0.0						0.0

Earnings per share fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	1.52	0.18	0.27	0.09	-	(0.02)	2.04

The reconciliation items between Core consolidated net profit and IFRS consolidated net profit are described in the paragraph “From Core financial measures to IFRS reported figures”.

	IFRS						CORE
(in millions of euros)	30 June 2016	Amortization of intangible assets (excl softwares)	Other operating income or expenses	Restructuring	Impairment losses	Other	30 June 2016
Sales	763,8						763,8
Other revenues	42,8						42,8
Revenue	**806,6**	**-**	**-**	**-**	**-**	**-**	**806,6**
Cost of goods sold	(172,2)						(172,2)
Selling expenses	(283,2)						(283,2)
Research and development expenses	(95,0)						(95,0)
General and administrative expenses	(59,0)						(59,0)
Other operating income	1,1		(0,9)				0,2
Other operating expenses	(15,1)	2,2	6,8				(6,1)
Restructuring costs	(0,4)			0,4			-
Impairment losses	(8,4)				8,4		-
Operating Income	**174,6**	**2,2**	**5,8**	**0,4**	**8,4**	**-**	**191,3**
Net financing costs	(1,1)	-	-	-	-	-	(1,1)
Other financial income and expense	(1,8)						(1,8)
Income taxes	(39,4)	(0,8)	(1,9)	(0,4)	(1,7)		(44,1)
Share of net profit (loss) from entities accounted for using the equity method	1,3						1,3
Net profit (loss) from continuing operations	**133,6**	**1,5**	**4,0**	**(0,1)**	**6,7**	**-**	**145,7**
Net profit (loss) from discontinued operations	(0,3)					0,3	-
Consolidated net profit	**133,3**	**1,5**	**4,0**	**(0,1)**	**6,7**	**0,3**	**145,7**
- Attributable to shareholders of Ipsen S.A.	133,0	1,5	4,0	(0,1)	6,7	0,3	145,3
- Attributable to non-controlling interests	0,3						0,3

Earnings per share fully diluted - attributable to Ipsen S.A. shareholders (in € per share)	1,61	0,02	0,05	(0,00)	0,08	0,00	1,76

MAJOR DEVELOPMENTS

During the first semester 2017, major developments included:

- 9 January 2017 – Ipsen announced that it had entered into a definitive agreement to acquire the global oncology assets from Merrimack Pharmaceuticals, including its key marketed product Onivyde® (irinotecan liposome injection) for the treatment of patients with metastatic adenocarcinoma of the pancreas after disease progression following gemcitabine-based therapy, in combination with fluorouracil and leucovorin.

- 20 January 2017 – Ipsen announced the appointment of Harout Semerjian as President, Head of Specialty Care International Region & Global Franchises1, effective February 2, 2017. He reports to David Meek, CEO of Ipsen, and will be a member of the Executive Leadership Team.

- 31 January 2017 – Ipsen announced that it had signed an agreement to take an equity stake in Akkadeas Pharma with the option to take control of the company in the future. Akkadeas Pharma is a privately-held consumer health care company in Italy with a diversified gastrointestinal-focused portfolio including probiotics, medical devices and food supplements. As part of the transaction, Akkadeas Pharma becomes Ipsen's Italian distributor for Smecta® (Diosmectal®).

- 13 February 2017 – Ipsen announced that it had entered into a definitive agreement to acquire from Sanofi five consumer healthcare products in certain European territories. The most significant product is Prontalgine®, an analgesic for the treatment of moderate to severe pain, which has grown at double digit rates over the last four years and is available only in France.

- 27 February 2017 – Ipsen's partner Exelixis announced clinical collaboration with Bristol Myers Squibb for late-stage combination trial in first-line renal cell carcinoma.

- 2 March 2017 – Ipsen announced the appointment of Benoit Hennion as Executive Vice President and President, Primary Care, effective 13 March 2017. Mr. Hennion reports directly to David Meek, CEO of Ipsen, and joins the Executive Leadership Team. Jean Fabre, who has led the Primary Care business since 2011 stepped down from the position in March 2017 to pursue a new career opportunity at another company.

- 13 March 2017 – Ipsen announced that the Medicines and Healthcare Products Regulatory Agency (MHRA) in the UK, in coordination with fourteen other European regulatory agencies, had approved a new indication for Decapeptyl® as adjuvant treatment in combination with tamoxifen or an aromatase inhibitor, of endocrine-responsive early-stage breast cancer in women at high-risk of recurrence who are confirmed as pre-menopausal after completion of chemotherapy.

- 3 April 2017 – Ipsen announced that it had completed its acquisition of global oncology assets from Merrimack Pharmaceuticals, in Cambridge, MA., focusing on Onivyde® (irinotecan liposome injection) for the treatment of patients with metastatic adenocarcinoma of the pancreas after disease progression following gemcitabine-based therapy, in combination with fluorouracil and leucovorin.

- 14 April 2017 – Ipsen announced the appointment of Dr. Alexandre Lebeaut as Executive Vice-President, R&D, and Chief Scientific Officer.

- 8 May 2017 – Ipsen announced that it had completed its previously announced acquisition of a portfolio of five consumer healthcare products from Sanofi.

- 11 May 2017 – Ipsen hosted an Investor Day at which the management team provided a comprehensive update on its current business, corporate strategy and outlook. In Specialty Care, Ipsen is focused on three key therapeutic areas, Oncology, Neurosciences and Rare diseases, where Ipsen can establish a leadership position and leverage its expertise from drug development to commercialization. To build a sustainable pipeline of innovative assets, Ipsen will transform the R&D

model and continue to invest in business development. In Consumer Healthcare, to establish a sustainable and growing business, Ipsen will complete the OTx model transformation and leverage the three main market-leading brands through consumer innovations, capture the underlying market growth in emerging markets and strengthen the European business. Ipsen provided improved 2020 financial targets of Sales greater than €2.5 billion and Core Operating Income margin greater than 30%.

- 8 June 2017 – Ipsen announced that it had appointed Natixis to purchase 160,000 Ipsen SA shares, or about 0.2% of the share capital, for a period of at least 2 months. The shares purchased under this agreement will be mainly allocated to cover its free performance share allocation plan.

- 15 June 2017 – Ipsen announced that its partner Exelixis initiated Phase 1b trial of cabozantinib in combination with atezolizumab in patients with locally advanced or metastatic solid tumors.

- 16 June 2017 – Ipsen announced that the U.S. Food and Drug Administration (FDA) has expanded the approved use of Dysport® (abobotulinumtoxinA) for injection for the treatment of spasticity in adults, based on its supplemental Biologics License Application (sBLA) in lower limb spasticity.

- 19 June 2017 – Ipsen and its partner Exelixis announced that the analysis of the review by a blinded independent radiology review committee (IRC) had confirmed the primary efficacy endpoint results of investigator-assessed progression-free survival (PFS) from the CABOSUN randomized Phase 2 trial of cabozantinib as compared with sunitinib in patients with previously untreated advanced renal cell carcinoma (RCC) with intermediate- or poor-risk disease per the International Metastatic Renal Cell Carcinoma Database Consortium (IMDC).

- 30 June 2017 – Ipsen announced that its US affiliate had entered into an exclusive, three-year agreement with Saol Therapeutics Inc. to promote Dysport® (abobotulinumtoxinA) for injection for approved therapeutic indications in adult spasticity and pediatric lower limb spasticity in the United States.

- 3 July 2017 – Ipsen and Teijin Pharma Limited, the core company of the Teijin Group's healthcare business announced that Teijin Pharma had received approval from the Japanese Ministry of Health, Labour and Welfare for Ipsen's subcutaneous drug Somatuline® (lanreotide) for the treatment of gastroenteropancreatic neuroendocrine tumors (GEP NET).

- 10 July 2017 – Ipsen announced that its partners Exelixis and Bristol-Myers Squibb initiated Phase 3 trial of Opdivo® in combination with CABOMETYX™ or Opdivo® and Yervoy® in combination with CABOMETYX™, versus Sunitinib in previously untreated advanced or metastatic renal cell carcinoma.

- 21 July 2017 – Ipsen announced that the Committee for Medicinal Products for Human Use (CHMP), the scientific committee of the European Medicines Agency (EMA), has adopted a positive opinion recommending the approval of Xermelo® (telotristat ethyl) 250 mg three times a day (tid) for the treatment of carcinoid syndrome diarrhea in combination with somatostatin analogue (SSA) therapy in adults inadequately controlled by SSA therapy.

APPENDIX

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 2016 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 (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.

- 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.