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## SHAREHOLDERS' MEETING NOTICE

Combined Shareholders' Meeting 2013

Friday 31 May 2013 at 3.00 p.m. (Paris time) at la Maison des Arts et Métiers  
(Salon La Rochefoucauld), 9 bis, avenue d'Iéna, 75116 Paris - France





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## HOW TO PARTICIPATE IN THE MEETING?

The Shareholders of Ipsen S.A. are convened in a Combined Shareholders' Meeting (Ordinary and Extraordinary) on Friday 31 May 2013 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 by post 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 their account registration no later than three business days before the date of Shareholders' Meeting at 0.00 a.m., Paris time (*i.e.* Tuesday 28 May 2013, 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 accounting 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 authorised banking or financial intermediary.

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

The statement of participation delivered by the authorised 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 authorised intermediary to Société Générale Securities Services, Département des titres, Service des Assemblées, 32 rue du Champ de Tir, BP 81236, 44312 Nantes cedex 03, 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 28 May 2013 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 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 Securities Services  
Département des titres, Service des Assemblées  
32 rue du Champ de Tir  
BP 81236  
44312 Nantes Cedex 03 – 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 favour 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 Département des titres, Service des Assemblées of Société Générale Securities Services, no later than three days before the date of the Shareholders' Meeting, *i.e.*, 28 May 2013.

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: [AGIpsen2013.mandataires@sgss.socgen.com](mailto:AGIpsen2013.mandataires@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 bearer shares must necessarily request from their financial intermediary managing their securities account, to send a written confirmation to Société Générale Securities Services, Département des titres, Service des Assemblées (BP 81236, 32 rue du Champ de Tir, 44312 Nantes Cedex 03, 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 [AGIpsen2013.mandataires@sgss.socgen.com](mailto:AGIpsen2013.mandataires@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 <sup>(1)</sup>**

**→ 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 appointed by the Company:

Société Générale Securities Services  
Département des titres, Service des Assemblées  
32 rue du Champ de Tir  
BP 81236  
44312 Nantes Cedex 03 – 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 Tuesday 28 May 2013 at 0.00 a.m., Paris time, the Company shall consequently

invalidate or amend, as appropriate, the postal vote, the proxy, the admission card or the participation statement. To that end, the authorised 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 Tuesday 28 May 2013 at 0.00 a.m., Paris time, by whatever means, shall be notified by the authorised 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 PARTICIPATE IN THE MEETING?

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 / Before selecting, please refer to instructions on reverse side.**

**QUELLE QUE SOIT L'OPTION CHOISIE, NOIRCIER 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.

**ASSEMBLEE GENERALE MIXTE**  
31 mai 2013

**IPSEN**  
65 quai George Gorse  
92100 Boulogne-Billancourt FRANCE  
au capital de EUR 84 118 423  
419 838 529 RCS Nanterre

**CADRE RÉSERVÉ À LA SOCIÉTÉ / For Company's use only**  
Identifiant / Account  
Nombre d'actions / Number of shares  
Nominatif Registered  
Porteur / Bearer  
Vote simple Single vote  
Vote double Double vote  
Nombre de voix / Number of voting rights

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

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

**JE DONNE POUVOIR A :** cf. au verso renvoi (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 valables 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)  
 - Surname, first name, address of the shareholder (if this information is already supplied, please verify and correct if necessary)  
 Cf. au verso renvoi (1) - See reverse (1)

								Oui / Yes	Non/No			Oui / Yes	Non/No
								Abst/Abs				Abst/Abs	
1	2	3	4	5	6	7	8	A			F		
10	11	12	13	14	15	16	17	B			G		
19	20	21	22	23	24			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'A.G. 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 a vote NO) :   
 - Je donne procuration (cf. au verso renvoi 4) à M., Mme ou Mlle, Raison Sociale pour voter en mon nom 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  
 sur 1<sup>ère</sup> convocation / on 1st notification sur 2<sup>ème</sup> convocation / on 2nd notification  
 à la BANQUE / to the Bank 28/05/13  
 à la SOCIÉTÉ / to the Company 28/05/13

Date & Signature

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.

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

Date and sign here.



## COMPOSITION OF THE BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND THE EXECUTIVE COMMITTEE

### Board of Directors

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Mr Marc de Garidel, Chairman and Chief Executive Officer	Mayroy SA, represented by Mr Philippe Bonhomme
Mr Antoine Flochel, Vice-Chairman <sup>(1)</sup>	Mr Pierre Martinet <sup>(*)</sup>
Mrs Anne Beaufour	Mr Klaus-Peter Schwabe <sup>(1)</sup>
Mr Henri Beaufour	Mr Christophe Vérot
Mr Hervé Couffin <sup>(*)</sup>	Mrs Carol Xueref <sup>(*)</sup>
Mr Gérard Hauser <sup>(*) (1)</sup>	

(\*) Independant Director

(1) Term of office expires at the conclusion of the Combined Shareholders' Meeting to be held on May 31, 2013.

### Committees of the Board of Directors

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#### Audit Committee

Mr Pierre Martinet (Chairman)

Mr Hervé Couffin

Mr Christophe Vérot

#### Strategic Committee

Mr Henri Beaufour (Chairman)

Mrs Anne Beaufour

Mr Antoine Flochel

Mr Marc de Garidel

Mrs Carol Xueref

#### Compensation Committee

Mr Antoine Flochel (Chairman)

Mr Gérard Hauser

Mr Pierre Martinet

#### Appointments and Governance Committee

Mrs Anne Beaufour (Chairperson)

Mr Hervé Couffin

Mr Christophe Vérot

#### Ethics Committee

Mr Gérard Hauser (Chairman)

Mrs Carol Xueref

Mayroy SA, represented by Mr Philippe Bonhomme

### The Executive Committee

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Mrs Christel Bories, Deputy Chief Executive Officer <sup>(\*)</sup> (Chairperson)

Mr Claude Bertrand, Executive Vice-President, Research and Development, Chief Scientific Officer

Mr Etienne de Blois, Executive Vice-President, Human Ressources

Mr Pierre Boulud, Executive Vice-President, Corporate Strategy

Mr Eric Drapé, Executive Vice-President, Technical Operations

Mr Christophe Jean, Executive Vice-President, Operations

Mrs Nathalie Joannes Executive Vice-President, Corporate Counsel

Mr Susheel Surpal, Executive Vice-President, Finance

(\*) Appointment, on proposal of the Chairman and Chief Executive Officer, by the Board of Directors in its meeting held on 26 February 2013, with effect from 1 March 2013.



## INFORMATION CONCERNING DIRECTORS WHOSE RENEWAL AND APPOINTMENT ARE PROPOSED

### Information concerning Directors whose renewal is proposed

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#### ■ Antoine Flochel

Director and Vice-Chairman of the Board of Directors

Chairman of the Compensation Committee and member of the Strategic Committee

Born on 23 January 1965, French nationality

Antoine Flochel is currently legal manager of Financière CLED (Belgium) and Vice-Chairman of the Company's Board of Directors. He is a managing director and chairman of the board of Mayroy and director of Beech Tree. He worked for Coopers & Lybrand Corporate Finance (now PricewaterhouseCoopers Corporate Finance) from 1995 to 2005 and was a partner in 1998. Antoine Flochel is a graduate of the Paris Institut des Études Politiques (institute of political studies), holds a law degree and a postgraduate degree in economics of the Paris Dauphine University, as well as an MSc in finance from the London School of Economics.

As at 31 December 2012, Antoine Flochel directly owned 3,000 shares and 3,000 voting rights of the Company. Mr Flochel is the legal manager of VicJen Finance SARL which held 2,000 shares and 4,000 voting rights as at the same date.

#### **Positions currently held:**

- Mayroy SA (Luxembourg), Managing Director and Chairman of the Board
- Beech Tree SA (Luxembourg), Director
- Blue Hill Participations SARL (Luxembourg), Legal Manager
- Financière CLED SPRL (Belgium) (ex-VicJen Investissements), Legal Manager
- VicJen Finance SARL (France), Legal Manager
- ADH (France), Director

#### **Positions previously held that expired during the last five years:**

- Baigo Capital GmbH (Germany), Member of the Advisory Board
- Financière Althea IV SAS (France), Advisor
- Beavan Somua Fund (Guernsey), Director
- SCI Financière CLED (France), Legal Manager
- New Challenger SAS (France), Member of the Supervisory Board

#### ■ Gérard Hauser

Director

Chairman of the Ethics Committee and member of the Compensation Committee

Born on 29 October 1941, French nationality

Gérard Hauser has been Chairman and CEO of Nexans from 2000 to 2009. Before becoming a member of the executive committee of Alcatel and taking up the responsibility for its Cables and Components sector in 1996, he held various offices in the Pechiney group. From 1975 to 1996 he was Director of primary metal sales, Chairman and CEO of Pechiney World Trade and then of Pechiney Rhénalu and finally Senior Executive Vice-President of American National Can and member of the executive committee of the group. Gérard Hauser is a graduate of the IEP (institute of political studies) in Paris. He was lecturer at the IEP. Gérard Hauser is also director of Alstom and Technip.

As at 31 December 2012, Gérard Hauser directly held 3,180 shares and 5,861 voting rights of the Company.

#### **Positions currently held:**

- Alstom (listed on Euronext) (France), Director
- Technip (listed on Euronext) (France), Director
- Stromboli (France), Chairman of the Supervisory Board
- Delachaux (France), Director
- Mecaplast (Monaco), Director

#### **Positions previously held that expired during the last five years:**

- Nexans (France), Director
- Faurecia (France), Director
- Aplix (France), Director
- Electro Banque (France), Director

## Information concerning the Director whose appointment is proposed

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### ■ Martha Crawford

Born on 30 September 1967, American and French nationalities

Martha Crawford holds a doctorate degree in Environmental and Chemical Engineering from Harvard and an MBA from the Collège des Ingénieurs. In 1990, she began her career as Advisor to the General Manager of the Republic of the Marshall Islands' Environmental Protection Authority. From 1991 to 1999, she held various positions within the World Bank and the Asian Development Bank related to environmental infrastructure and technology. From 1999 to 2007, she was Principal Administrator, Performance and Environmental Information Division at the Organisation for Economic Cooperation and Development (OECD). From 2007 to 2011, she worked as Group Vice President, Research and Development for the Air Liquide Group.

Since March 2011, Martha Crawford is Senior Executive Vice President for Research, Development and Innovation for Areva. She is a member of the Areva's Executive Operations Committee and a Board member of Areva Med and of the Areva Foundation.

Martha Crawford is "*Chevalier de l'Ordre National du Mérite*".

Martha Crawford holds no shares of the Company.

#### **Positions currently held:**

- French National Research Agency (*Agence Nationale de la Recherche*) (France), Director
- French Alternative Energies and Atomic Energy Commission (*Commissariat à l'Énergie Atomique et aux Énergies Alternatives (CEA)*) (France), Director
- CNRS (France), Director

#### **Positions previously held that expired during the last five years:**

- INERIS, Member of the Scientific Council

# 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 2012
- Approval of the consolidated financial statements for financial year ending 31 December 2012
- 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
- Approval of the regulated-related agreements and commitments relating to remuneration components granted to Mrs Christel Bories
- Approval of a commitment taken in favour of Mrs Christel Bories, Deputy Chief Executive Officer, corresponding to compensation that may be due in connection with the termination of her term of office
- Renewal of the term of office of Mr Antoine Flochel as a Director
- Renewal of the term of office of Mr Gérard Hauser as a Director
- Appointment of Mrs Martha Crawford as a Director for a period of four years in replacement of Mr Klaus-Peter Schwabe
- Authorisation 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 authorisation, purposes, terms and conditions, ceiling

### As an Extraordinary Shareholders' Meeting:

- Authorisation 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 authorisation, 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
- Delegation of authority to be given to the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital (of the Company or of a Group company) and/or carrying a right to the allocation of debt securities 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
- Delegation of authority to be given to the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital (of the Company or of a Group company) and/or carrying a right to the allocation of debt securities, 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

- Delegation of authority to be given to the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital (of the Company or of a Group company) and/or carrying a right to the allocation of debt securities, 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
- Authorisation 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, 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
- Delegation of authority to be given to the Board of Directors to increase the share capital by issuance of shares 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
- Authorisation to be given to the Board of Directors to grant stock options to subscribe to 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 authorisation, ceiling, exercise price, maximum duration of the option
- Authorisation 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 authorisation, ceiling, duration of acquisition, in particular in the case of disability, and vesting periods
- Delegation to be granted to the Board of Directors to issue equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR) without preferential subscription rights in favour of a category of persons, maximum nominal amount of the share capital increase, duration of the delegation, exercise price

- Delegation to be granted to the Board of Directors to issue equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR) without preferential subscription rights in favour of Mr. Marc de Garidel, maximum nominal amount of the share capital increase, duration of the delegation, exercise price
- Delegation to be granted to the Board of Directors to issue equity warrants (*Bons de souscription d'actions*, BSA),

warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR) without preferential subscription rights in favour of Mrs. Christel Bories, maximum nominal amount of the share capital increase, duration of the delegation, exercise price

- 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 2012

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 2012, approves, as they have been presented, the annual financial statements with a profit of €91,729,938.13.

#### Second resolution – Approval of the consolidated financial statements for financial year ending 31 December 2012

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 2012, approves, as they have been presented, said financial statements with a loss (Group share) of 29,491 thousand euros.

#### Third resolution – Appropriation of results and determination of the dividend

The Shareholders' Meeting, upon proposal of the Board of Directors, decides to appropriate the profit for financial year ending 31 December 2012 as follows:

#### Sources

- |   |                |
|---|----------------|
| • Profit for the financial year                   | €91,729,938.13 |
| • Carry-forward item from previous financial year | €65,961,750.97 |

#### Appropriation

- |                      |                |
|----------------------|----------------|
| • Dividends          | €67,280,202.40 |
| • Carry-forward item | €90,411,486.70 |

The Shareholders' Meeting takes note that the gross total dividend allocated for each share is set at €0.80, 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 5 June 2013.

The dividend will be paid on 10 June 2013.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 84,100,253 shares comprising the share capital as of 1 March 2013, 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	
2009	€63,113,537.25 <sup>(*)</sup> or €0.75 per share <sup>(**)</sup>	–	–
2010	€67,375,258.40 <sup>(*)</sup> or €0.80 per share <sup>(**)</sup>	–	–
2011	€67,381,258.40 <sup>(*)</sup> or €0.80 per share <sup>(**)</sup>	–	–

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

(\*\*) Unless the flat rate withholding tax option is chosen, this dividend gives right to the 40% tax credit applicable to individuals having their tax residence in France as set out in Article 158-3-2° of the French General Tax Code.

**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 – Approval of the regulated-related agreements and commitments relating to remuneration components granted to Mrs Christel Bories**

The Shareholders' Meeting, having considered the Statutory Auditors' special report on regulated-related agreements and commitments presented to it, approves the regulated agreements and commitments related to remuneration components decided in favour of Mrs Christel Bories, Deputy Chief Executive Officer, pursuant to Articles L.225-38 *et seq.* of the French Commercial Code.

**Sixth resolution – Approval of a commitment taken in favour of Mrs Christel Bories, Deputy Chief Executive Officer, corresponding to compensation that may be due in connection with the termination of her term of office**

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 Mrs Christel Bories, Deputy Chief Executive Officer, corresponding to compensation that may fall due should her position be terminated.

**Seventh resolution – Renewal of the term of office of Mr Antoine Flochel as a Director**

The Shareholders' Meeting decides to renew the term of office of Mr Antoine Flochel as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2017 called to approve the financial statements for previous financial year.

**Eighth resolution – Renewal of the term of office of Mr Gérard Hauser as a Director**

The Shareholders' Meeting decides to renew the term of office of Mr Gérard Hauser as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2017 called to approve the financial statements for previous financial year

**Ninth resolution – Appointment of Mrs Martha Crawford as a Director for a period of four years in replacement of Mr Klaus-Peter Schwabe**

The General Meeting decides to appoint Mrs Martha Crawford as a director, in replacement of Mr Klaus-Peter Schwabe whose term of office expires at the end of the Shareholders' Meeting, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2017 called to the financial statements for previous financial year.

**Tenth resolution – Authorisation 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 authorisation, purposes, terms and conditions, ceiling**

The Shareholders' Meeting, having considered the Board of Directors' report, authorises 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 increases or reduction that may occur during the period covered by the programme.

This authorisation terminates the authorisation given to the Board of Directors by the Combined Shareholders' Meeting held on 1 June 2012 (ninth 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 authorisation to be granted by the present Shareholders' Meeting in its eleventh extraordinary resolution.

These share purchases may be carried out by all means, including through the acquisition of blocks of securities, and at such times as the Board shall see fit. However, these transactions may not be carried out during a public offering period.

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

The maximum purchase price is set at €40 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 €336,401.000 on the basis of a number of 84,100,253 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

#### **Eleventh resolution – Authorisation 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 authorisation, ceiling**

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

- 1) Authorises 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 as of this Meeting, *i.e.*, 30 May 2015, the duration of the validity of this authorisation,
- 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.

#### **Twelfth 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**

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) Authorises 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 thirteenth resolution submitted to the present Meeting.

5) 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.

6) 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.

#### **Thirteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital (of the Company or of a Group company) and/or carrying a right to the allocation of debt securities 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**

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 Article L.225-129-2:

- 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 negotiable securities giving rights immediately or in the future, at any time or at a set date, to ordinary shares of the Company, by way of repayment, conversion, exchange, exercise of a warrant or in any other manner,
  - and/or negotiable securities giving rights to the allocation of debt securities.

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 authorised 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 twelfth, fourteenth and fifteenth 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 negotiable 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, provided that in the case of an issue of ordinary shares or of negotiable securities whose primary security is a share, the amount of subscriptions would have to be equal to at least three quarters of the amount of the increase decided upon for this restriction to be possible,
- 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 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.

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

**Fourteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital (of the Company or of a Group company) and/or carrying a right to the allocation of debt securities, 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**

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 Article L.225-136:

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 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 negotiable securities giving rights immediately or in the future, at any time or at a set date, to ordinary shares of the Company, by way of repayment, conversion, exchange, exercise of a warrant or in any other manner,
- and/or securities giving rights to the allocation of debt securities.

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 resolution.

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 every one of the 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, provided that in the case of an issue of ordinary shares or of negotiable securities whose primary security is a share, the amount of subscriptions would have to be equal to at least three quarters of the amount of the increase decided upon for this restriction to be possible,
- distribute at its discretion all or part of the securities that have not been subscribed to.

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.

**Fifteenth resolution – Delegation of authority to be given to the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital (of the Company or of a Group company) and/or carrying a right to the allocation of debt securities, 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**

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 Article L.225-136:

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 securities giving rights immediately or in the future, at any time or at a set date, to ordinary shares of the Company, whether by subscription, conversion, exchange, repayment, presentation of a warrant or in any other manner,
- and/or securities giving rights to the allocation of debt securities.

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 fourteenth resolution and the overall ceiling defined in the thirteenth resolution.

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 every one of the 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, provided that in the case of an issue of ordinary shares or of negotiable securities whose primary security is a share, the amount of subscriptions would have to be equal to at least three quarters of the amount of the increase decided upon for this restriction to be possible,
- distribute at its discretion all or part of the securities that have not been subscribed to.

7) 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.

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

**Sixteenth resolution – Authorisation to increase the amount of issues in the event of excess demand**

For every issue of ordinary shares or negotiable securities decided pursuant to the thirteenth to fifteenth resolutions, the number of securities to be issued may be increased under the conditions set out by Article L 225-135-1 of the French Commercial Code and within the limit of the ceilings determined by the Meeting, whenever the Board of Directors notes excess demand.

**Seventeenth resolution – Delegation to be given to the Board of Directors to increase 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**

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



## AGENDA AND RESOLUTIONS PROPOSED BY THE BOARD OF DIRECTORS

accordance with Article L.225-147 of the French Commercial Code:

- 1) Authorises 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) 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.
- 5) Takes note that the present delegation shall cancel and supersede any previous delegation with the same purpose

**Eighteenth resolution – Delegation of authority to be given to the Board of Directors to increase the share capital by issuance of shares 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 and L.225-138-1 of the French Commercial Code and L.3332-18 *et seq.* of the French Labour Code:

- 1) Authorises 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 negotiable 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 as of 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 authorisation 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.
- 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.

**Nineteenth resolution – Authorisation to be given to the Board of Directors to grant stock options to subscribe to 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 authorisation, ceiling, exercise price, maximum duration of the option**

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

- Authorises 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.
- Sets at twenty-six months as of the day of the present Meeting the duration of the validity of the present authorisation.
- 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 Ipsen 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.
- 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 authorisation counts towards this upper limit.
- Decides that the subscription and/or purchase price of shares paid by the beneficiaries will be determined on the day when the options will be granted by the Board of Directors according to the terms and conditions and within the limits authorised by the legislation in force, without any discount.
- 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.
- Takes note that this authorisation 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.
- 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 authorisation 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.

- Takes note that the present authorisation shall cancel and supersede any previous authorisation with the same purpose.

**Twentieth resolution – Authorisation 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 authorisation, 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, authorises 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 authorisation, will count towards this upper limit.

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 two years, as 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 two years as of the final allocation of aforesaid shares.

Nonetheless, the Shareholders' Meeting authorises the Board of Directors, insofar as the acquisition period for all or part of one or several allocations lasts at least four years, not to impose any vesting period for the relevant shares.

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;
- 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;

- 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,
  - take all useful measures in order to ensure compliance with the vesting obligation demanded from beneficiaries,
  - and, more generally, do everything implementing this authorisation will require in accordance with the legislation in force.

This authorisation 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 as of the day of the present Meeting.

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

**Twenty-first resolution – Delegation to be granted to the Board of Directors to issue equity warrants (Bons de souscription d'actions : BSA), warrants to subscribe to and/or acquire new and/or existing shares (Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes : BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables : BSAAR) without preferential subscription rights in favour of a category of persons, maximum nominal amount of the share capital increase, duration of the delegation, exercise price**

The Shareholders' Meeting, having met the quorum and majority requirements for extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129-2, L.225-138 and L.228-91 of the French Commercial Code:

- 1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in the proportions and at the times it shall see fit, in France as well as abroad, equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR), while cancelling preferential subscription rights in favour of a category of persons hereafter defined.
- 2) Sets at eighteen 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 shares the warrants issued pursuant to the present delegation are likely to give right to shall not be higher than 1% of the share capital on the day of the present Meeting, taking into account that the overall nominal amount of shares to which the warrants issued pursuant to the twenty-second

and twenty-third resolutions submitted to the present Meeting could give right to will count towards this upper limit. 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 equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares, will be added to this upper limit.

- 4) Decides that the subscription and/or acquisition price shares to which the warrants will give right to, after taking into account the issue price of the warrants, will be at least equal to the average closing price of the Ipsen stock during the 20 stock market trading days preceding the day on which the decision to issue warrants is taken.
- 5) Decides to cancel shareholders' preferential subscription rights to equity warrants, warrants to subscribe to and/or acquire new and/or existing shares, redeemable warrants to subscribe to and/or acquire new or existing shares to be issued, in favour of the following category of persons: executives and managers (excluding company officers) of the Company or of French or foreign companies that are affiliated with it as defined by Article L.225-180 of the French Commercial Code.
- 6) Takes note of the fact that the present delegation entails the waiver by shareholders of their preferential subscription rights to the shares of the Company that might be issued when warrants are exercised in favour of holders of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares.
- 7) Decides that if the subscriptions have not absorbed the entirety of an issue of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new and/or existing shares, the Board of Directors will be able to use the following options:
  - restrict the amount of the issue to the amount of subscriptions,
  - distribute at its discretion, within the category of persons above defined, all or part of the equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares that have not been subscribed to.
- 8) Decides that the Board of Directors will have all the powers necessary, under the conditions determined by law and set out above, to issue equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares and in particular:
  - Draw up the precise list of beneficiaries within the category of persons defined above, determine the nature and the number of warrants to be allocated to every one of them, the number of shares each warrant will carry a right to, the issue price of the warrants and the subscription and/or acquisition price of the shares the warrants will carry a right to, under the terms and conditions set out above, the subscription and exercise periods and conditions applicable to the warrants, the manner in which they may

be adjusted, and more generally speaking all the terms and conditions of the issue;

- Draft a complementary report describing the definitive conditions of the transaction;
- Acquire the necessary shares under the share repurchase programme and transfer them to the allocation plan;
- Record the completion of the capital increase that may result from the exercising of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares and accordingly amend the Articles of Association;
- At its own initiative, deduct from the costs of the capital increase the amount of the premiums relating to the capital increase and deduct from this amount the sums necessary to increase the statutory reserve to one-tenth of the new capital after each of these capital increases;
- Delegate itself to the Chairman & Chief Executive Officer the powers necessary to complete the share capital increase, as well as the power to postpone it within the limits and according to the terms and conditions that the Board of Directors may determine beforehand;
- And, more generally speaking, do everything necessary in such a case.

**Twenty-second resolution – Delegation to be granted to the Board of Directors to issue equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR) without preferential subscription rights in favour of Mr. Marc de Garidel, maximum nominal amount of the share capital increase, duration of the delegation, exercise price**

The Shareholders' Meeting, having met the quorum and majority requirements for extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129-2, L.225-138 and L.228-91 of the French Commercial Code:

- 1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in the proportions and at the times it shall see fit, in France as well as abroad, equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR), while cancelling preferential subscription rights in favour of a person named hereafter.
- 2) Sets at eighteen months the duration of the validity of the present delegation, calculated from the day of the Meeting.
- 3) Decides that the overall nominal amount of shares to which the warrants issued pursuant to this delegation may carry a right to, shall not be higher than 1% of the share capital on the day of this Meeting, taking into account that this amount counts towards the upper limit defined in the twenty-first resolution. 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 equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares, will be added to this upper limit.
- 4) Decides that the subscription and/or acquisition price of the shares the warrants will carry a right to, after taking into account of the issue price of the warrants, will be at least equal to the average closing price of the Ipsen stock during the 20 stock market trading days preceding the day on which the decision to issue the warrants is taken.
- 5) Decides to cancel the shareholders' preferential subscription rights to equity warrants, warrants to subscribe to and/or acquire new and/or existing shares, redeemable warrants to subscribe to and/or acquire new or existing shares to be issued, in favour of Mr Marc de Garidel.
- 6) Takes note that this delegation entails the waiver by shareholders of their preferential subscription rights to the shares of the Company that may be issued when warrants are exercised in favour of the holders of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares.
- 7) Decides that if the subscriptions have not absorbed the entirety of an issue of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares, the Board of Directors will be able to restrict the amount of the issue to the amount of subscriptions.
- 8) Decides that the Board of Directors will have all the necessary powers, under the conditions defined by law and set out above, to issue equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares and in particular:
  - Determine the nature and the number of warrants to be allocated, the number of shares every warrant will carry a right to, the issue price of the warrants and the subscription and/or acquisition price of the shares to which the warrants will carry a right to under the terms and conditions set out above, the subscription and exercise conditions and periods of the warrants, the manner in which they may be adjusted, and more generally speaking all the terms and conditions of the issue;
  - Draft a complementary report describing the definitive conditions of the transaction;
  - Acquire the necessary shares under the share buyback programme and transfer them to the allocation plan;
  - Record the completion of the capital increase that may result from the exercising of exercising of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares and accordingly amend the Articles of Association;
  - At its own initiative, deduct from the costs of the capital increase the amount of the premiums relating to the



capital increase and deduct from this amount 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.

**Twenty-third resolution – Delegation to be granted to the Board of Directors to issue equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR) without preferential subscription rights in favour of Mrs. Christel Bories, maximum nominal amount of the share capital increase, duration of the delegation, exercise price**

The Shareholders' Meeting, having met the quorum and majority requirements for extraordinary shareholders' meetings, having considered the Board of Directors' report and the Statutory Auditors' special report and in accordance with the provisions of Articles L.225-129-2, L.225-138 and L.228-91 of the French Commercial Code:

- 1) Delegates to the Board of Directors its authority to issue, on one or several occasions, in the proportions and at the times it shall see fit, in France as well as abroad, equity warrants (*Bons de souscription d'actions*, BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes*, BSAANE) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables*, BSAAR), while cancelling preferential subscription rights in favour of a person named hereafter.
- 2) Sets at eighteen 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 shares to which the warrants issued pursuant to this delegation may carry a right to, shall not be higher than 1% of the share capital on the day of this Meeting, taking into account that this amount counts towards the upper limit defined in the twenty-first resolution. 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 equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares will be added to this upper limit.
- 4) Decides that the subscription and/or acquisition price of the shares the warrants will carry a right to, after taking into account of the issue price of the warrants, will be at least equal to the average closing price of the Ipsen stock during the 20 stock market trading days preceding the day on which the decision to issue the warrants is taken.

5) Decides to cancel the shareholders' preferential subscription rights to equity warrants, warrants to subscribe to and/or acquire new and/or existing shares, redeemable warrants to subscribe to and/or acquire new or existing shares to be issued, in favour of Mrs Christel Bories.

6) Takes note that this delegation entails the waiver by shareholders of their preferential subscription rights to the shares of the Company that may be issued when warrants are exercised in favour of the holders of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares.

7) Decides that if the subscriptions have not absorbed the entirety of an issue of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares, the Board of Directors will be able to restrict the amount of the issue to the amount of subscriptions.

8) Decides that the Board of Directors will have all the necessary powers, under the conditions defined by law and set out above, to issue equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares and notably:

- Determine the nature and the number of warrants to be allocated, the number of shares every warrant will carry a right to, the issue price of the warrants and the subscription and/or acquisition price of the shares to which the warrants will carry a right to under the terms and conditions set out above, the subscription and exercise conditions and periods of the warrants, the manner in which they may be adjusted, and more generally speaking all the terms and conditions of the issue;
- Draft a complementary report describing the definitive conditions of the transaction;
- Acquire the necessary shares under the share buyback programme and transfer them to the allocation plan;
- Record the completion of the capital increase that may result from the exercising of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares and accordingly amend the Articles of Association;
- At its own initiative, deduct from the costs of the capital increase the amount of the premiums relating to the capital increase and take from this amount 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.

**Twenty-fourth 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 31 MAY 2013

The Board of Directors convened the Shareholders of the Company to the Combined Shareholders' Meeting to be held on 31 May 2013, in order to report on the Company's operations during the financial year closed 31 December 2012 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 resolution**) and the consolidated financial statements (**second resolution**).

Ipsen SA's parent company financial statements for the year closed 31 December 2012 show a profit of €91,729,938.13.

The consolidated financial statements for the year closed 31 December 2012 show a loss (Group share) of 29,491 thousands euros.

The Board of Directors proposes to the Shareholders' Meeting to appropriate the year's profit amounting to €91,729,938.13 in the following manner:

- pay out a dividend of a gross amount of €0.80 per share, representing an overall distribution of €67,280,202.40;

- allocate the remaining €24,449,735.73 to the "carry-forward item" which would be consequently increased from €65,961,750.97 to €90,411,486.70.

The ex-dividend date for the total gross dividend of €0.80 due for each share would be 5 June 2013 and its payment date 10 June 2013.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 84,100,253 shares comprising the share capital at 1 March 2013, 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	
2009	€63,113,537.25 (*) or €0.75 per share (**)	–	–
2010	€67,375,258.40 (*) or €0.80 per share (**)	–	–
2011	€67,381,258.40 (*) or €0.80 per share (**)	–	–

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

(\*\*) Unless the flat rate withholding tax option is chosen, this dividend gives right to the 40% tax credit applicable to individuals having their tax residence in France as set out in Article 158-3-2° of the French General Tax Code.

The Board of Directors proposes to the Shareholders' Meeting to approve the corresponding appropriation of income for the financial year ended on 31 December 2012 (**third resolution**).

### ■ Approval of regulated-related agreements and commitments (fourth to sixth 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 2012 or signed previously but with effects that have persisted during said financial year, was provided to the Statutory Auditors. Moreover, information was given to the Statutory Auditors about the regulated-related agreements and commitments entered into in favour

of Mrs Christel Bories, Deputy Chief Executive Officer, as of 1 March 2013 by the Board of Directors at its meeting held on 26 February 2013.

The Shareholders' Meeting is asked to approve, and if applicable, ratify the new agreements and commitments described in the Statutory Auditors' special report.

The purpose of the **fourth resolution** is to submit to the approval and ratification of the Shareholders' Meeting the regulated-related agreements concerning the exceptional remuneration decided in favour of Mr Antoine Flochel, Director and Vice-Chairman of the Board of Directors, relative to the special assignments he has been entrusted with by the Board of Directors and agreements signed with the bank JP Hottinguer

Corporate Finance SA, of which Mr Philippe Bonhomme, the permanent representative of Mayroy SA on the Company's Board of Directors, is an associate manager.

The purpose of the **fifth resolution** is to submit to the approval of the Shareholders' Meeting the regulated-related agreements and commitment concerning remuneration components granted to Mrs. Christel Bories, Deputy Chief Executive Officer as of 1 March 2013.

The purpose of the **sixth 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 Mrs. Christel Bories, Deputy Chief Executive Officer since 1 March 2013, corresponding to compensation that may fall due in case of termination of her term of office.

#### ■ Renewal of the term of office of two directors and appointment of a new director (seventh to ninth ordinary resolutions)

As the terms of office of Messrs Antoine Flochel, Gérard Hauser and Klaus-Peter Schwabe 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 Antoine Flochel as a Director, for a period of four years that will expire at the conclusion of the Shareholders' Meeting to be held in 2017 called to approve the financial statements of the previous year (**seventh resolution**);
- renew the term of office of Mr Gérard Hauser as a Director, for a period of four years that will expire at the conclusion of the Shareholders' Meeting to be held in 2017, called to approve the financial statements of the previous year (**eighth resolution**);
- appoint Mrs Martha Crawford as a Director, in replacement of Mr Klaus-Peter Schwabe whose term of office is about to expire and who did not request its renewal, for a period of four years that will expire at the conclusion of the Shareholders' Meeting held in 2017, called to approve the financial statements of the previous year (**ninth resolution**).

Information about the directors whose renewal or appointment is proposed is presented on pages 6 and 7 of this brochure.

#### ■ Authorisations to be given to the Board of Directors in view of purchases by the Company of its own shares (tenth ordinary resolution) and in view, if applicable, of their cancellation (eleventh extraordinary resolution)

Pursuant to the terms and conditions of the **tenth ordinary resolution**, the Shareholders' Meeting is requested to authorise 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 authorisation to be granted by the present Shareholders' Meeting in its eleventh extraordinary resolution.

The proposal is put to the General Shareholders' Meeting to set the maximum purchase price at €40 per share and by consequence the maximum amount of this transaction at €336,401.000 on the basis of a number of 84,100 253 shares.

Under the terms of the **eleventh extraordinary resolution**, it is proposed to the Shareholders' Meeting to renew in advance and in such a manner as to ensure that its duration coincides with that of the other financial authorisations (excluding the authorisation set out in the tenth resolution), the authorisation 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 155,120 treasury shares at its meeting held on 26 February 2013.

#### ■ 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 authorisations approved by the Combined Shareholders' Meetings held on 27 May 2011 and 1 June 2012 are presented in the *Document de référence* 2012 filed with the *Autorité des marchés financiers* on 26 March 2013 (pages 264 and 265) and available on the Company's website ([www.ipсен.com](http://www.ipсен.com)).

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

The Shareholders' Meeting held on 27 May 2011 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 **twelfth 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

The Board of Directors proposes to the Shareholders' Meeting that the capital increases carried out pursuant to this authorisation 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 thirteenth resolution.

■ **Delegation of power to issue ordinary shares and/or negotiable securities giving access to the share capital and/or carrying a right to the allocation of debt securities while maintaining shareholders' preferential subscription rights (thirteenth extraordinary resolution)**

The Shareholders' Meeting held on 27 May 2011 approved a delegation allowing the Board of Directors to issue ordinary shares and/or negotiable securities giving access to the share capital 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 **thirteenth extraordinary resolution**, to renew it for a period of 26 months in order to give the possibility to the Board to issue ordinary shares and/or negotiable securities giving rights to the share capital and/or carrying a right to the allocation of debt securities 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 (twelfth 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 (fourteenth and fifteenth 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, provided that in the case of an issue of ordinary shares or of negotiable securities whose

primary security is a share, the amount of subscriptions would have to be equal to at least three quarters of the amount of the increase decided upon for this limitation to be possible,

- 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.

■ **Delegation of power to issue ordinary shares and/or securities giving rights to the share capital and/or carrying a right to the allocation of debt securities 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 (fourteenth extraordinary resolution)**

The Shareholders' Meeting held on 27 May 2011 approved a delegation that allowed the Board of Directors to issue ordinary shares and/or negotiable securities giving rights to the share capital 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 **fourteenth extraordinary resolution**, to renew it for a period of 26 months in order to give the possibility to the Board to issue ordinary shares and/or negotiable securities giving rights to the share capital and/or carrying a right to the allocation of debt securities 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 thirteenth resolution and the upper limit defined in the fifteenth 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 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.

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, provided that in the case of an issue of ordinary shares or of negotiable securities whose primary security is a share, the amount of subscriptions would have to be equal to at least three quarters of the amount of the increase decided upon for this limitation to be possible,
- distribute all or part of the securities that have not been subscribed to at its discretion.

■ **Delegation of power to issue ordinary shares and/or negotiable securities giving rights to the share capital and/or carrying a right to the allocation of debt securities 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 (fifteenth extraordinary resolution)**

The Shareholders' Meeting held on 27 May 2011 delegated the authority allowing the Board of Directors to issue ordinary shares and/or securities giving rights to the share capital 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 **fifteenth extraordinary resolution**, to renew it for a period of 26 months in order to enable the Board to issue ordinary shares and/or securities giving rights to the capital and/or carrying a right to the allocation of debt securities 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. 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 fourteenth resolution and towards the overall ceiling defined in the thirteenth resolution.

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, provided that in the case of an issue of ordinary shares or of negotiable securities whose primary security is a share, the amount of subscriptions would have to be equal to at least three quarters of the amount of the increase decided upon for this limitation to be possible,
- distribute all or part of the securities that have not been subscribed to at its discretion.

■ **Authorisation to increase the amount of issues in the event of excess demand (sixteenth extraordinary resolution)**

For every issue of ordinary shares or negotiable securities decided in application of the thirteenth to fifteenth resolutions, the Board of Directors proposes to the Shareholders' Meeting, pursuant to the **sixteenth 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 (seventeenth extraordinary resolution)**

The Shareholders' Meeting on 27 May 2011 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 **seventeenth 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.

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

The Shareholders' Meeting on 27 May 2011 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 **eighteenth 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) of 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.

#### ■ Authorisation to grant options to subscribe to or to purchase shares to waged staff members and/or certain company officers (nineteenth extraordinary resolution)

The Shareholders' Meeting on 27 May 2011 authorised 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 2012.

Nevertheless, as this authorisation is about to expire, the Board proposes to the Shareholders' Meeting, pursuant to the **nineteenth extraordinary resolution**, to renew it for a period of 26 months. The options that might be granted under this authorisation 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 twentieth resolution.

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 authorised by the legislation in force, without any discount. The duration of the options may not exceed ten years.

#### ■ Authorisation to allocate bonus shares to waged staff members and/or certain company officers (twentieth extraordinary resolutions)

The Shareholders' Meeting on 27 May 2011 authorised 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 authorisation is about to expire, the Board

proposes to the General Shareholders' Meeting, pursuant to the **twentieth extraordinary resolution**, to renew it for a period of 26 months. The bonus shares that might be allocated under this authorisation 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 nineteenth resolution.

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 may not be lower than two years. 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 may not be lower than two years as of the definitive allocation of aforesaid shares. However, the Board of Directors would be authorised, insofar as the acquisition period for all or part of one or several allocations would last at least four years, to refrain from setting a vesting period for the relevant shares.

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

#### ■ Delegations of powers to issue equity warrants (*Bons de souscription d'actions, BSA*), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes, BSAANE*) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables, BSAAR*) without preferential subscription rights (twenty-first to twenty-third extraordinary resolutions)

It is proposed to the Shareholders' Meeting to delegate to the Board of Directors, for a period of 18 months, its powers in order to issue, on one or several occasion(s), equity warrants (*Bons de souscription d'actions, BSA*), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes, BSAANE*) and/or redeemable warrants to subscribe to and/or acquire new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables, BSAAR*), without preferential subscription rights in favour of:

- certain executives and managers of the Company (excluding company officers) or of French or foreign companies that are affiliated with it as defined by of Article L.225-180 of the French Commercial Code (**twenty-first extraordinary resolution**),
- Mr Marc de Garidel, Chairman and Chief Executive Officer (**twenty-second extraordinary resolution**),
- Mrs Christel Bories, Deputy Chief Executive Officer (**twenty-third extraordinary resolution**).

You are asked to approve these delegations in order to enable certain employees or company officers of the Company or of

a Group company to benefit from a possible rise in the share price, provided they accept to take a risk by subscribing for the warrant.

The overall nominal amount of shares the warrants issued may give right to under the delegation set out in the twenty-first resolution shall not exceed 1% of the share capital on the day of this Meeting, taking into account that the overall nominal amount of shares the warrants issued pursuant to the twenty-second and twenty-third resolutions may give right to will count towards this amount. Note that the overall nominal amount of shares the warrants issued in favour of Mr Marc de Garidel may give right to shall not exceed 1% of the share capital on the day of this Meeting (twenty-second resolution) and those issued in favour of Mrs Christel Bories shall not exceed 1% of said share capital (twenty-third resolution).

If applicable, the nominal value of ordinary shares to be issued in order to safeguard, in accordance with the legislation and, when relevant, contractual stipulations setting out other adjustment cases, the rights of holders of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares will be added to this upper limit.

The subscription and/or acquisition price of the shares the warrants will give right to, after taking into account the issue price of warrants, would be at least equal to the average closing price of the Ipsen stock during the 20 stock market trading days preceding the day on which the decision to issue warrants is taken.

Shareholders' preferential subscription rights to equity warrants, warrants to subscribe to and/or acquire new and/or existing shares, redeemable warrants to subscribe to and/or acquire new or existing shares to be issued or shares likely to be issued when warrants are exercised in favour of holders of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares, would be cancelled in favour of the aforementioned categories of persons or persons.

This delegation would entail a waiver by shareholders of their preferential subscription rights to shares of the Company that may be issued when warrants are exercised in favour of holders of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares.

Equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares might be issued on one or several occasions, in such proportions and at such times as the Board shall see fit and would carry the right to subscribe to and/or buy Ipsen shares at a price set by the Board when taking the decision to issue said warrants according to the price-setting terms and conditions defined above.

The characteristics of the equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares that could be issued pursuant to the delegation would be set by the Board when taking the decision to issue said warrants. The Board would then have all the powers required, under the conditions set by law and set out above, to issue equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares.

Should the subscriptions fail to absorb an entire issue of equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares, the Board of Directors could use the following options:

- restrict the amount of the issue to the amount of subscriptions, (for the twenty-first, twenty-second and twenty-third extraordinary resolutions);
- distribute at its discretion, within the categories of persons or the persons defined above, all or part of the equity warrants, warrants to subscribe to and/or acquire new and/or existing shares and/or redeemable warrants to subscribe to and/or acquire new or existing shares that have not been subscribed to, (for the twenty-first extraordinary resolution).

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

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

The Board of Directors

## REPORTS OF THE STATUTORY AUDITORS

The following reports are available in the *Document de référence* for 2012 filed with the *Autorité des marchés financiers* on 26 March 2013 and on the Ipsen website ([www.ipсен.com](http://www.ipсен.com)):

- Report of the Statutory Auditors on annual financial statements (page 217 of the *Document de référence* 2012).
- Report of the Statutory Auditors on consolidated financial statements (page 193 of the *Document de référence* 2012).
- Special report of the Statutory Auditors on regulated agreements and commitments (page 254 of the *Document de référence* 2012).

- Statutory Auditors' report 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 (page 247 of the *Document de référence* 2012).

The shareholders may obtain a copy by returning the request for materials and information presented page 55 of the present Notice.

### Statutory auditors' report on the capital decrease

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This is a free translation of the original French text for information purposes only.

#### Ipsen S.A.

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

#### Statutory auditors' report on the capital decrease (11<sup>th</sup> resolution)

Combined General Meeting of 31 May 2013

To the Shareholders,

In our capacity as Statutory Auditors of your Company and in accordance with the engagement provided for in Article L.225-209 of the French Commercial Code (*Code de Commerce*) on the decrease in share capital by the cancellation of shares purchased, we hereby report to you on our assessment of the reasons for and the terms and conditions of the proposed decrease in share capital.

Your Board of Directors asks that you confer full powers on it, during a period of 24-months, to cancel, up to a maximum of 10% of its share capital by 24-month periods, the shares purchased by the Company pursuant to the authorisation to purchase its own shares as part of the provisions of the aforementioned article.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Our procedures consisted in verifying the fairness of the reasons for and the terms and conditions of the proposed decrease in share capital, and ensuring that it does not interfere with the equal treatment of shareholders.

We have no comments on the reasons for and the terms and conditions of the proposed decrease in share capital.

Paris and La Défense and Neuilly-sur-Seine, 25 April 2013

The Statutory Auditors

French original signed by

KPMG Audit  
Department of KPMG S.A.

Philippe Grandclerc  
Partner

Deloitte & Associés

Fabien Brovedani  
Partner

## Statutory auditors' report on various issues of shares and various negotiable securities (resolutions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23)

This is a free translation of the original French text for information purposes only.

### Ipsen S.A.

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

### Statutory auditors' report on various issues of shares and various negotiable securities (resolutions 13, 14, 15, 16, 17, 18, 19, 20, 21, 22 and 23)

Combined Shareholders' Meeting of 31 May 2013

To the Shareholders,

In our capacity as statutory auditors of your company, we hereby present our report on the transactions you will be asked to approve.

#### 1. Issue of ordinary and shares and/or various negotiable securities with maintenance and /or cancellation of preferential subscription rights (13<sup>th</sup> to 17<sup>th</sup> resolutions)

In accordance with the engagement provided by Articles L.228-92 and L.225-135 *et seq.* of the French Commercial Code, we hereby present you our report on proposed delegations to the Board of Directors regarding various issues of shares and/or negotiable securities, which you will be asked to approve.

Based on its report, your Board of Directors asks that you:

- Delegate it the authority, for a period of 26 months, to decide the following transactions and set the final terms and conditions thereof and, where applicable, cancel preferential subscription rights:
  - issue, on one or more occasions, ordinary shares and/or negotiable securities giving immediate or subsequent rights to the ordinary shares of the Company or, in accordance with Article L.228-93 of the French Commercial Code, any company that owns directly or indirectly more than half of the Company's share capital or any company in which the Company owns directly or indirectly more than half of the share capital and/or negotiable securities giving rights to the allocation of debt securities while maintaining shareholders' preferential subscription rights (thirteenth resolution),
  - issue, on one or more occasions, ordinary shares and/or negotiable securities giving immediate or subsequent rights to the ordinary shares of the Company or, in accordance with Article L.228-93 of the French Commercial Code, any company that owns directly or indirectly more than half of the Company's share capital or any company in which the Company owns directly or indirectly more than half of the share capital and/or negotiable securities giving rights to the allocation of debt securities while cancelling preferential subscription rights by means of a public offering (fourteenth resolution), bearing in mind that these securities may be issued for the purpose of paying for securities transferred to the Company in the context of a public exchange offer satisfying the terms and conditions set by Article L.225-148 of the French Commercial Code;
  - issue, on one or more occasions, ordinary shares and/or negotiable securities giving immediate or subsequent rights to the ordinary shares of the Company or, in accordance with Article L.228-93 of the French Commercial Code, any company that owns directly or indirectly more than half of the share capital and/or negotiable securities giving rights to the allocation of debt securities while cancelling preferential subscription rights by means of an offering under the meaning of paragraph II of Article L.411-2 of the French Monetary and Financial Code (fifteenth resolution).
- Delegate it the authority, where applicable and for a period of 26 months, to decide the terms and conditions governing the issue of ordinary shares or negotiable securities giving rights to ordinary shares, in order to pay for contributions in kind consisting of equity securities or negotiable securities giving rights to the share capital (seventeenth resolution), within the limit of 10% of the share capital, bearing in mind that this ceiling is independent of all the limits defined by the other resolutions of this meeting and listed below.

The overall nominal amount of the capital increases that could be carried out immediately or subsequently pursuant to this delegation shall not exceed:

- With respect to the thirteenth resolution, a ceiling of 20% of the share capital on the date of this Meeting, bearing in mind that this ceiling will include the overall nominal amount of shares issued pursuant to the twelfth, fourteenth and fifteenth resolutions submitted to this Meeting,
- With respect to the fourteenth resolution, a ceiling of 10% of the share capital on the date of this Meeting, bearing in mind that this amount will be added to the limit of the share capital increase determined in the thirteenth resolution,
- With respect to the fifteenth resolution, a ceiling of 10% of the share capital on the date of this Meeting, and within the limit of 20% of the share capital annually, bearing in mind that this amount will be added to the limit set in the thirteenth resolution.

These ceilings take into account the additional number of shares to be created in connection with the implementation of the delegations covered by the thirteenth, fourteenth and fifteenth resolutions, as provided under Article L.225-135-1 of the French Commercial Code, should you adopt the sixteenth resolution.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. It is our responsibility to form an opinion on the fairness of the quantified information drawn from the accounts, the proposed cancellation of preferential subscription rights and certain information concerning these transactions, as provided in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Board of Directors' report relating to these transactions and the terms and conditions under which the issue price of the equity securities to be issued was determined.

Subject to a subsequent review of the terms and conditions of the issues that will be decided, we have no comments to make on the procedures for determining the issue price of the equity securities to be issued, as presented in the Board of Directors' report with respect to fourteenth and fifteenth resolutions.

As this report does not specify the terms and conditions for determining the issue price of the equity securities to be issued in connection with the implementation of the thirteenth and seventeenth resolutions, we do not express an opinion on the choice of methods used to calculate the issue price.

The final issue terms and conditions having not yet been determined, we do not express an opinion on the latter and, consequently, on the cancellation of preferential subscription rights proposed in the fourteenth and fifteenth resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will issue an additional report, if necessary, when your Board of Directors uses these authorisations to issue negotiable securities giving rights to capital and/or the allocation of debt securities and in the event of share issues with cancellation of preferential subscription rights.

## **2. Capital increase reserved for members of a company savings plan (18<sup>th</sup> resolution)**

In accordance with the engagement provided by Articles L.225-135 *et seq.* of the French Commercial Code, we hereby present you our report on the proposal to delegate to the Board of Directors the authority to increase share capital, on one or more occasions, by issuing ordinary shares or negotiable securities giving rights to the Company's share capital, with cancellation of preferential subscription rights, reserved for members of one or several group company savings plan(s), as established by the Company and/or affiliated companies within the meaning of Article L.225-180 of the French Commercial Code, a transaction you will be asked to approve.

The overall nominal amount of the capital increases that could be carried out shall not exceed a maximum amount of 5% of the share capital on the date of this Meeting.

This capital increase is submitted for your approval pursuant to Articles L.225-129-6 of the French Commercial Code and L.3332-18 *et seq.* of the French Labour Code.

Based on its report, your Board of Directors asks that you delegate it the authority, for a period of 26 months, to decide the on one or more capital increases and, where applicable, cancel your preferential subscription rights to the equity securities to be issued. Where necessary, it will set the issue terms and conditions of these transactions.

It is the responsibility of your Board of Directors to prepare a report in accordance with Articles R.225-113 and R.225-114 of the French Commercial Code. It is our responsibility to form an opinion on the fairness of the quantified information drawn from the accounts, the proposed cancellation of preferential subscription rights and certain information concerning the issue, as provided in this report.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement. Such procedures consisted in verifying the contents of the Board of Directors' report relating to this transaction and the terms and conditions under which the issue price of the equity securities to be issued was determined.

Subject to a subsequent review of the terms and conditions of the proposed capital increase, we have no comments to make on the procedures for determining the issue price of the ordinary shares to be issued, as presented in the Board of Directors' report.

The final terms and conditions of the capital increase having not yet been determined, we do not express an opinion on the latter and, consequently, on the cancellation of preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will issue an additional report, if necessary, when your Board of Directors uses this authorisation.

## **3. Authorisation to grant stock options to subscribe to or purchase shares (19<sup>th</sup> resolution)**

In accordance with the engagement provided by Articles L.225-177 and R.225-144 of the French Commercial Code, we hereby present you our report on the authorisation to grant stock options to subscribe to or purchase shares to waged staff members and/or certain company officers of the Company or of affiliated companies as defined by Article L.225-180 of the French Commercial Code, which you will be asked to approve.

The options that may be granted by the Board of Directors shall not carry the right to subscribe to or purchase a number of shares, of which the overall nominal amount shall not be higher than 3% of the share capital as of the day of the initial allocation, bearing in mind that this limit will be combined with the total number of shares that may be granted free of charge by the Board of Directors if the twentieth resolution is adopted.

Based on its report, your Board of Directors asks that you authorize it, for a period of 26 months, to grant stock options to subscribe to or purchase shares.

It is the responsibility of the Board of Directors to prepare a report on the reasons for the granting of options to subscribe to or purchase shares and the proposed terms and conditions for determining the subscription or purchase price. It is our responsibility to comment on the proposed terms and conditions for determining the subscription or purchase price.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement.

These procedures consisted in verifying that the proposed terms and conditions for determining the share subscription or purchase price are disclosed in the Board of Directors' report and that they comply with legal and regulatory requirements.

We have no comments to make on the proposed terms and conditions for determining the share subscription or purchase price.

#### **4. Authorisation to allocate free of charge existing shares and/or shares to be issued (20<sup>th</sup> resolution)**

In accordance with the engagement provided by Article L.225-197-1 of the French Commercial Code, we hereby present you our report on the proposed authorisation 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 companies that are directly or indirectly affiliated to it, which you will be asked to approve.

The overall nominal amount of free shares that may be granted by the Board of Directors shall not be higher than 3% of the share capital as of the day of the initial allocation, bearing in mind that this limit will be combined with the proposed limit for the granting of stock options to subscribe to or purchase shares mentioned in the nineteenth resolution.

Based on its report, your Board of Directors asks that you authorize it, for a period of 26 months, to allocate existing shares and/or shares to be issued.

The Board of Directors is responsible for preparing a report on the transaction that it wishes to carry out. Our role is to inform you of our comments, if any, on the information thus given to you on the proposed transaction.

We performed the procedures that we considered necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to this engagement.

These procedures consisted in verifying that the proposed procedures and data presented in the Board of Directors' report comply with the legal provisions.

We have no comments on the information given in the Board of Directors' report in connection with the proposed allocation of shares free of charge.

#### **5. Issue of equity warrants (*Bons de souscription d'actions* : BSA), warrants to subscribe to and/or acquire new and/or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes* : BSAANE) and/or warrants to subscribe to and/or acquire redeemable new or existing shares (*Bons de souscription et/ou d'acquisition d'actions nouvelles ou existantes remboursables* : BSAAR) with cancellation of preferential subscription rights (21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> resolutions)**

In accordance with the engagement provided by Articles L.228-92 and L.225-135 *et seq.* of the French Commercial code, we hereby present you our report on the proposed delegation to the Board of Directors to decide on the issue of equity warrants (BSA), warrants to subscribe to and/or acquire new and/or existing shares (BSAANE) and/or warrants to subscribe to and/or acquire redeemable new or existing shares (BSAAR), with cancellation of preferential subscription rights, which you will be asked to approve.

These issues are reserved for the following beneficiaries:

- certain executives and managers (excluding company officers) of the Company or of French or foreign companies that are affiliated, as defined by Article L.225-180 of the French Commercial Code (twenty-first resolution);
- Mr. Marc de Garidel (twenty-second resolution);
- Mrs. Christel Bories (twenty-third resolution).

The overall nominal amount of shares to which the warrants issued pursuant to this delegation may confer entitlement shall not be higher than 1% of the share capital on the date of this Meeting, bearing in mind that this amount will be combined with the overall nominal amount of shares to which the warrants issued pursuant to the twenty-second and twenty-third resolutions may confer entitlement.

The overall nominal amount of shares to which the warrants issued on behalf of Mr. Marc de Garidel may confer entitlement shall not be higher than 1% of the share capital on the date of this Meeting (twenty-second resolution).

The overall nominal amount of shares to which the warrants issued on behalf of Mrs. Christel Bories may confer entitlement shall not be higher than 1% of the share capital on the date of this Meeting (twenty-third resolution).

Based on its report, your Board of Directors asks that you grant it, for a period of 18 months, the delegation of authority to decide on the issues and cancel your preferential subscription rights to the negotiable securities to be issued. Where necessary, the Board will be responsible for determining the definitive terms and conditions of these transactions.

The Board of Directors is required to prepare a report in accordance with Articles R.225-113 *et seq.* of the French Commercial Code. Our role is to report to you on the fairness of the financial information extracted from the financial statements and on certain other information concerning this issue, set out in this report.

We conducted the procedures we deemed necessary in accordance with the professional guidelines of the French National Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) relating to this engagement. These procedures consisted in verifying the content of the report prepared by the Board of Directors on these transactions and the terms and conditions for determining the price of the equity securities to be issued.

Subject to reviewing at a future date the terms and conditions of any issues, we have no comments to make on the terms and conditions for determining the issue price of the equity securities to be issued contained in the Board of Directors' report.

As the definitive terms and conditions of the issues that would be carried out have not been set, we do not express any opinion on such terms and conditions and, accordingly, on the proposal put to you to cancel your preferential subscription rights.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare an additional report, as required, at such time as the Board of Directors makes use of this authorisation.

Paris and La Défense and Neuilly-sur-Seine, 25 April 2013

The Statutory Auditors

French original signed by

KPMG Audit  
*Department of KPMG S.A.*

Philippe Grandclerc  
*Partner*

Deloitte & Associés

Fabien Brovedani  
*Partner*



## EXECUTIVE SUMMARY: THE IPSEN GROUP IN 2012

Extract from audited consolidated results for 2012 and 2011 (in million euros)

	2012	2011 Proforma <sup>(3)</sup>	% change
Drug sales	1,187.0	1,127.9	+5.2%
Sales	1,219.5	1,159.8	+5.1%
Total revenues	1,277.4	1,210.2	+5.6%
Operating profit	114.8	72.6	+58.2%
Operating margin <sup>(2)</sup>	9.4%	6.3%	–
Recurring adjusted <sup>(1)</sup> operating profit	196.0	197.5	(0.8%)
Recurring adjusted <sup>(1)</sup> operating margin <sup>(2)</sup>	16.1%	17.0%	–
<b>Consolidated profit</b>	<b>(29.0)</b>	<b>0.9</b>	<b>–</b>
Earnings per share – fully diluted (€)	(0.35)	0.01	–
Recurring adjusted <sup>(1)</sup> consolidated profit	145.5	154.4	(5.8%)
<b>Recurring adjusted<sup>(1)</sup> EPS – fully diluted (€)</b>	<b>1.74</b>	<b>1.85</b>	<b>(5.9%)</b>
Weighted average number of shares:			
Outstanding	83,155,604	83,217,638	(0.07%)
Fully diluted	83,460,232	83,465,467	(0.01%)

(1) "Recurring adjusted": Reconciliations between results and recurring adjusted results for 2012 and 2011 are detailed in appendix 4.

(2) In percentage of sales.

(3) In compliance with provisions on "discontinued activities", 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

### Comparison between the Group's 2012 performance and its financial objectives

	Financial objectives <sup>(1)</sup>	2012 actuals
Specialty Care drug sales growth	Around 10.0%	+11.3%
Primary Care drug sales growth	Approximately -15.0%	-13.2%
Recurring adjusted <sup>(2)</sup> operating income	Approximately 15.0% of sales	16.1% of sales

(1) Sales growth excluding foreign exchange impacts. Variations excluding foreign exchange impacts are computed by restating the 2011 figures with the 2012 average exchange rates.

(2) "Recurring adjusted": Reconciliations between results and recurring adjusted results for 2012 and 2011 are detailed in appendix 4.

## Review of full year 2012 results

**Note: Comparisons are made on a proforma basis with all income and expense related to Inspiration recorded in discontinued operations.**

In 2012, Group drug sales grew 3.4% year-on-year excluding foreign exchange impact<sup>(1)</sup>, fuelled notably by the dynamic growth of specialty care sales.

Consolidated Group sales reached €1,219.5 million in 2012, up 3.3% year-on-year excluding foreign exchange impact<sup>(1)</sup>.

Other revenues reached €57.9 million in 2012, up 14.9% year-on-year. In 2012, the Group recorded a revenue of €20.9 million, against €17.8 million the previous year, related to the Group's co-promotion and co-marketing agreements in France as well as promotion of Hexvix® in some countries. Royalties received amounted to €11.9 million in 2012, up

30.9% year-on-year, driven by the increase in royalties paid by the Group's partners.

Total revenues amounted to €1,277.4 million, up 5.6% compared with 2011.

Cost of goods sold amounted to €254.8 million, or 20.9% of sales, against 21.5% in 2011. The cost of goods sold, positively impacted by the favourable mix related to the growth in specialty care sales and the Group's productivity efforts, was partially offset by custom duties in high growth countries.

Research and Development expenses reached €248.6 million in 2012, up 5.9% year-on-year, mainly driven by the major programmes conducted during the period on Dysport®, Somatuline® and tasquinimod. Increase of Research and Development drug-related costs was partially

(1) Sales growth excluding foreign exchange impacts. Variations excluding foreign exchange impacts are computed by restating the 2011 figures with the 2012 average exchange rates.

offset by a favourable comparison basis: costs related to the phase II clinical study of Irosustat (BN-83495) were no longer recorded in 2012 as the program was discontinued on 6 June 2011. Moreover, industrial and pharmaceutical development expenses grew by 14.9% in 2012, mainly resulting from investments in the Group's toxins and peptides technology platforms.

**Selling, general and administrative expenses** amounted to €572.6 million at 31 December 2012, or 46.9% of sales, up 9.3% year-on-year. In line with the strategy announced on 9 June 2011, the Group continued to increase commercial investments in specialty care while selectively allocating business resources to high growth areas mainly China, Russia and Brazil. Furthermore, selling expenses related to primary care in France increased proportionally to declining sales. Synergies from the new organisation of French primary care commercial operations are expected to materialise in 2014.

**Reported operating income** in 2012 reached €114.8 million, up 58.2% year-on-year, notably affected by:

- **Other operating expenses** of €25.8 million, mainly comprising non-recurring costs resulting from the search for potential acquirers for the Dreux industrial site and partners for the primary care commercial activity in France, the settlement of a trade dispute with a partner and an administrative procedure involving the Group.
- **Amortisation of intangible assets (excluding software)**, a charge of €5.8 million, compared to €7.8 million the previous year. This decrease is mainly due to the change in the amortisation plan of IGF-1 following the impairment loss recorded on 31 December 2011 and to the total amortisation of Exforge® (end of co-promotion contract in France with Novartis effective since 30 April 2012). This decrease was partially offset by initiation of the amortisation of Hexvix®.
- **Restructuring costs** of €63.1 million, mainly related to the implementation of the new organisation of French primary care commercial operations and to the transfer to the East coast of the Group's North American commercial subsidiary that occurred between June 2011 and June 2012.
- **Impairment losses** representing a non-recurring revenue of €2.4 million. Following the announcement to retain the Dreux-based industrial facility within its scope of activity, the Group reassessed the value of this asset and recorded an impairment write-back of €12.5 million in its consolidated financial statements as of 30 June 2012. The Group recorded a €10.1 million impairment charge on the brand of Nisis®/Nisisco®, following a step-up in July 2012 in France in the regulation known as "Tiers-Payant", whereby

the patient now pays upfront for a branded drug and is later reimbursed. This has generated an unprecedented increase in generic penetration in France.

Excluding purchase price allocation impacts, non-recurring impairment charges and restructuring costs, the Group's **recurring adjusted<sup>(1)</sup> operating income** amounted to €196.0 million in 2012, or 16.1% of sales, down 0.8% year-on-year.

The **effective tax rate** amounted in 2012 to 20.3% of profit from continuing activities before tax. Excluding non-recurring operating, financing and tax items, the effective tax rate amounted to 23.2% in 2012 compared to 19.3% in 2011.

**Net profit from continuing operations** amounted to €95.8 million as of 31 December 2012, up 29.9% compared to €73.8 million in 2011.

**Consolidated net profit** in 2012 was a loss of €29.0 million (attributable to shareholders of Ipsen S.A.: (€29.5) million) compared with a profit of €0.9 million in 2011 (attributable to shareholders of Ipsen S.A.: €0.4 million). 2012 consolidated net profit was notably affected by:

**Profit from discontinued operations:** a loss of €124.8 million as of 31 December 2012, compared to a loss of €72.9 million in 2011, composed of activities related to Inspiration:

- a non-recurring impairment charge of €100 million after tax on tangible, intangible and financial assets;
- receivables related to the OBI-1 development costs for the second and third quarters 2012;
- rebilling of the costs associated with the implementation of the European platform;
- share of loss in Inspiration's result over the period before classification as "discontinued operations";
- all of the above, partially offset by acceleration of recognition of hemophilia related deferred revenues.

The **Recurring adjusted<sup>(1)</sup> consolidated net profit** amounted to €145.5 million at 31 December 2012, down 5.8% compared with €154.4 million in 2011.

**Net cash generated by operating activities (continuing operations)** amounted to €165.0 million in 2012, slightly down year-on-year. At 31 December 2012, the net cash position stood at €113.3 million, compared with a **net cash position<sup>(2)</sup>** of €144.8 million a year earlier, notably affected by the Group's active partnership policy: Inspiration, Active Biotech for tasquinimod and Photocure for Hexvix®.

(1) "Recurring adjusted": Reconciliations between results and recurring adjusted results for 2012 and 2011 are detailed in appendix 4.

(2) Net cash and cash equivalents: Cash and cash equivalents after deduction of bank overdrafts, short-term bank borrowings, other financial liabilities plus or minus derivative financial instruments.

## Dividend for the 2012 financial year proposed for the approval of Ipsen's Shareholders Meeting

Ipsen's Board of Directors, which met on 26 February 2013, has decided to propose at Ipsen's annual shareholders' meeting to be held on 31 May 2013 the payment of a gross amount of dividend of €0.80 per share, stable year-on-year,

representing a pay-out ratio of approximately 46% of recurring adjusted<sup>(1)</sup> consolidated net profit (attributable to the Group's shareholders), compared to a pay-out ratio of approximately 47% for the 2011 financial year.

## Financial objectives for 2013

Based on information currently available, the Group has set the following drug sales targets for 2013:

- **Specialty Care** drug sales growth year-on-year **between 6.0% and 8.0%**, driven by continued and solid volume growth, in a context of increased pricing pressure and uncertainty as of today on Increlex<sup>®</sup> supply.
- **Primary Care** drug sales decrease year-on-year **between -8.0% and -6.0%**, with French activity to remain under pressure.

- **Recurring adjusted<sup>(1)</sup> operating margin around 16.0%** of sales. The Group expects a continued decrease of French primary care margin in 2013. Synergies from the new organisation of French primary care commercial operations are expected to materialise in 2014.

The above sales objectives are set excluding foreign exchange impacts.

## Major developments in 2012

In 2012, major developments included:

- On 5 January 2012 – Oncodesign, a Drug Discovery company and Oncology pharmacology service provider, and Ipsen announced that the two companies have entered into a research collaboration to discover and develop innovative LRRK2 kinase inhibitors as potential therapeutic agents against Parkinson's disease and for potential additional uses in other therapeutic areas.
- On 24 January 2012 – Santhera Pharmaceuticals and Ipsen announced that they had renegotiated their fipamezole licensing agreement. Santhera regains the worldwide rights to the development and commercialisation of fipamezole, its first-in-class selective adrenergic alpha-2 receptor antagonist for the management of levodopa-induced Dyskinesia in Parkinson's disease. Under the renegotiated terms, Ipsen returns its rights for territories outside of North America and Japan in exchange for milestone payments and royalties based on future partnering and commercial success of fipamezole. Ipsen retains a call option for worldwide license to the program under certain conditions.
- On 27 January 2012 – Ipsen acknowledged the French government's decision to no longer reimburse Tanakan<sup>®</sup>, Tramisal<sup>®</sup> and Ginkogink<sup>®</sup>. This decision is linked to the French policy to reassess the reimbursement of a certain number of drugs by the French Social Security. Although Tanakan<sup>®</sup>, Tramisal<sup>®</sup> and Ginkogink<sup>®</sup> have been delisted from 1 March 2012 onwards, they can continue to be prescribed and delivered by healthcare professionals to patients in France. The Group plans a decrease of Tanakan<sup>®</sup>

sales of around 35%<sup>(2)</sup> in France in 2012. This estimate is based on decreases of sales following the delisting of veintonics in 2008.

- On 24 February 2012 – Active Biotech's and Ipsen's castrate resistant prostate cancer project, TASQ, announced the presentation of the up to three years safety data from the TASQ Phase II study in chemotherapy-naïve metastatic castrate resistant prostate cancer (CRPC) at the 27<sup>th</sup> Annual EAU Congress.
- On 17 April 2012 – Ipsen announced that its partner, Inspiration Biopharmaceuticals, Inc. (Inspiration), has submitted a Biologics License Application to the U.S. Food and Drug Administration (FDA) for the approval of IB1001, an intravenous recombinant factor IX (rFIX) for the treatment and prevention of bleeding in individuals with hemophilia B. Under the terms of this partnership and following the filing, Ipsen decided to pay Inspiration a \$35 million milestone payment. In return, Inspiration has issued a convertible note to Ipsen, bringing Ipsen's fully diluted equity ownership position in Inspiration to approximately 43.5%.
- On 25 April 2012 – Ipsen announced the official opening of its new US commercial headquarters in Basking Ridge, New Jersey. This is an important step forward for Ipsen in the United States. This announcement confirms Ipsen's commitment to growth for its uniquely targeted neurology and endocrinology therapeutics in the United States and to provide innovative specialty medicines to US patients in need.

(1) "Recurring adjusted": Reconciliations between results and recurring adjusted results for 2012 and 2011 are detailed in appendix 4.

(2) Estimated full-year impact.

- On 3 May 2012 – Ipsen disclosed that it had sold, under a share purchase agreement, all of its shares in Spirogen Limited (19.31% of Spirogen’s equity) on February 24, 2012, and is no longer represented on the board of Spirogen. Ipsen received an upfront cash payment and may receive deferred consideration.
- On 3 May 2012 – Ipsen disclosed that it had terminated its agreement with Novartis for the co-promotion of Exforge® in France effective 30 April 2012. Ipsen will receive a contractual cash exit fee payment of €4 million from Novartis.
- On 18 May 2012 – Active Biotech and Ipsen announced the presentation of overall survival (OS) data from the Phase II study on tasquinimod (TASQ), their prostate cancer drug candidate (CRPC), at the scientific conference “2012 ASCO Annual Meeting” held in Chicago (USA) on 1-5 June 2012.
- On 21 May 2012 – Active Biotech and Ipsen announced that recruitment to the global, pivotal, randomized, double-blind, placebo-controlled phase III study of tasquinimod in patients with metastatic castrate-resistant prostate cancer (CRPC) had reached an inclusion of 600 patients, half of the planned accrual. This triggered a €10 million milestone payment from Ipsen to Active Biotech.
- On 4 June 2012 – Active Biotech and Ipsen presented overall survival (OS) data from the tasquinimod Phase II study in chemotherapy-naïve metastatic castrate resistant prostate cancer (CRPC) at the scientific conference “2012 ASCO Annual Meeting” held in Chicago (USA).
- On 29 June 2012 – Ipsen announced that its partner Teijin received manufacturing and marketing approval from the Japan’s Ministry of Health, Labour and Welfare (MHLW) for Somatuline® 60/90/120 mg for s.c. injection (lanreotide acetate). In Japan, Somatuline® is indicated for the treatment of growth hormone and IGF-I (somatomedin-C) hypersecretion and related symptoms in acromegaly and pituitary gigantism (when response to surgical therapies is not satisfactory or surgical therapies are difficult to perform). Somatuline® will be available in a new enhanced presentation with a pre-filled syringe that does not need reconstitution and with a retractable needle that enhances safety for caregivers.
- On 10 July 2012 – Ipsen announced that its partner Inspiration Biopharmaceuticals Inc. (Inspiration) was notified by the Food and Drug Administration (FDA) that the two clinical trials evaluating the safety and efficacy of IB1001 were placed on clinical hold. During the course of routine laboratory evaluations conducted as part of the ongoing phase III clinical trials, Inspiration observed, and reported to the FDA, a trend towards a higher proportion of IB1001 treated individuals developing a positive response to testing of antibodies to Chinese Hamster Ovary (CHO) protein, the product’s host cell protein (HCP). A total of 86 people with hemophilia B have received IB1001 in clinical studies and, to date, no adverse events (anaphylaxis or other serious allergic type reaction and nephrotic syndrome) related to the development of antibodies to CHO protein have been reported. Furthermore, no relationship has been demonstrated between the development of antibodies to CHO protein and the development of any antibodies to factor IX. Inspiration continues to follow subjects enrolled in clinical trials of IB1001 to collect safety-related information and will share this information with regulators.
- On 11 July 2012 – Ipsen announced its decision to retain the Dreux (France)-based industrial facility within the scope of its activity. Considering the perspectives of Ipsen’s primary care activity internationally and as a result the higher than-expected production volumes at this site since the beginning of this year, the Group has decided to keep its Dreux industrial site.
- On 21 August 2012 – Ipsen announced the renegotiation of its 2010 strategic partnership agreement with Inspiration Biopharmaceuticals, Inc. (Inspiration) for the development and commercialisation of Inspiration’s recombinant product portfolio: OBI-1, a recombinant porcine factor VIII (rpFVIII) being developed for the treatment of patients with acquired hemophilia A and congenital hemophilia A with inhibitors, and IB1001, a recombinant factor IX (rFIX) for the treatment and prevention of bleeding in patients with hemophilia B. The new agreement aims to establish an effective structure whereby Ipsen gains commercial rights in key territories. Inspiration remains responsible for the world-wide development of OBI-1 and IB1001. As part of the renegotiation, Ipsen paid Inspiration \$30.0 million (approximately €24.0 million, based on current exchange rates) upfront. Including this upfront payment, Ipsen is entitled to pay Inspiration milestones for a total amount of up to \$200 million, of which \$27.5 million are regulatory milestones and the remaining are commercial milestones.
- On 10 September 2012 – Ipsen announced that it has avoided an interruption in US supply of Increlex® (IGF-1) for the treatment of Severe Primary IGF-1 Deficiency due to delays in manufacturing site approval. Increlex® is an important drug used to treat patients with Severe Primary IGF-1 Deficiency (Primary IGFD) and is considered to be a drug of medical necessity. As a result, Ipsen has worked closely with the US Food and Drug Administration to maintain product supply.
- On 1 October 2012 – Active Biotech and Ipsen have presented a new set of data on biomarkers from the previously concluded tasquinimod Phase II study in chemotherapy-naïve metastatic castrate resistant prostate cancer (CRPC) at the scientific congress ESMO (European Society for Medical Oncology) held in Vienna from 28 September to 2 October 2012.
- On 3 October 2012 – Ipsen and Active Biotech announced the initiation of a new phase II proof of concept clinical trial, evaluating the activity of tasquinimod in advanced metastatic castrate resistant prostate cancer patients. The study aims at establishing the clinical efficacy of tasquinimod used as maintenance therapy in patients with metastatic castrate-resistant prostate cancer (mCRPC) who have not progressed after a first line docetaxel based chemotherapy.
- On 3 October 2012 – Ipsen announced that Inspiration Biopharmaceuticals Inc. (Inspiration) had not raised third party financing by the contractual deadline of 30 September 2012. Consequently, Ipsen is no longer obligated to pay the additional \$12.5 million in exchange for Inspiration equity. The parties continue to explore various options.

- On 19 October 2012 – Ipsen announced that it will shortly initiate a new phase II, proof-of-concept clinical trial with tasquinimod in a so-called umbrella study evaluating the compound in four different tumour types. The study will evaluate the safety and efficacy of tasquinimod in advanced or metastatic hepato-cellular, ovarian, renal cell and gastric carcinomas in patients who have progressed after standard anti-tumor therapies.
- On 31 October 2012 – Ipsen announced that Inspiration Biopharmaceuticals Inc. (Inspiration) has commenced a voluntary reorganisation case pursuant to Chapter 11's provisions of the United States Bankruptcy Code. Inspiration's Chapter 11 case was filed on 30 October 2012 with the United States Bankruptcy Court in Boston, Massachusetts. With this filing, Inspiration sought to have the Bankruptcy Court's approval on detailed bidding and auction procedures for the sale of its assets to a third party purchaser. Inspiration's assets are notably comprised of commercial rights to OBI-1, a recombinant porcine factor VIII (rpFVIII) for the treatment of hemophilia A with inhibitors and IB1001, a recombinant factor IX (rFIX) for the treatment of hemophilia B. Through its \$200 million of convertible bonds, Ipsen is Inspiration's only senior secured creditor. Ipsen has agreed to include its hemophilia assets in the sale process under certain conditions. Ipsen's assets are comprised of commercial rights to OBI-1 and IB1001 as well as its OBI-1 industrial facility in Milford (Boston, MA).
- On 20 November 2012 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced that Inspiration has received Fast Track designation from the US Food and Drug Administration (FDA) for OBI-1 in acquired hemophilia A. OBI-1, an intravenous recombinant porcine factor VIII (FVIII), is being evaluated for the treatment of individuals with acquired hemophilia A, who have developed inhibitory antibodies (inhibitors) against their innate FVIII. Fast track is a designation that the FDA reserves for a drug intended to treat a serious disease and has a potential to fill an unmet medical need. Fast track designation is designed to facilitate the development and expedite the review of new drugs. Marketing applications for fast track development programs are likely to be considered appropriate for priority review, which implies an abbreviated review time of eight months. Inspiration intends to submit a biologics license application (BLA) to FDA in the first half of 2013.
- On 3 December 2012 – Ipsen and Galderma, a leading global pharmaceutical company focused on dermatology, announced that their collaboration for the promotion and distribution of Dysport®, Ipsen's botulinum toxin type A in aesthetic indications, has been extended. Both companies renewed their collaboration in Brazil and Argentina and extended their partnership to Australia where Galderma has the exclusive promotion and distribution rights for Ipsen's Dysport® in aesthetic indications. Both companies also entered into a co-promotion agreement in South Korea where Galderma and Ipsen will co-promote Dysport® and Restylane®.
- On 10 December 2012 – Active Biotech and Ipsen announced that the Phase III clinical trial for tasquinimod, a novel compound for the treatment of prostate cancer, is successfully enrolled with over 1,200 randomized patients

as planned in the clinical protocol. This achievement triggers a €10 million milestone payment from Ipsen to Active Biotech.

- On 18 December 2012 – Oncodesign, a Drug Discovery company and oncology pharmacology service provider, and the Laboratory for Neurobiology and Gene Therapy (LNGT) at the Department of Neurosciences at the KU Leuven, an expert academic group exploring the roles of LRRK2 and  $\alpha$ -synuclein in Parkinson's disease headed by Professor Veerle Baekelandt, announced that they have entered into a research collaboration. The collaboration builds on Oncodesign's LRRK2 program with advanced Nanocyclix® lead molecules that was partnered with Ipsen in January 2012.

After 31 December 2012, major developments included:

- On 17 January 2013 – Teijin Pharma Limited, the core company of the Teijin Group's healthcare business, and Ipsen announced the launch of Somatuline® 60/90/120 mg for subcutaneous injection in Japan for the treatment of acromegaly and pituitary gigantism (when response to surgical therapies is not satisfactory or surgical therapies are difficult to perform). In Japan, Teijin Pharma holds the rights to develop and market the drug.
- On 24 January 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) today announced they entered into an Asset Purchase Agreement (APA) whereby Baxter International (Baxter) agrees to acquire the worldwide rights to OBI-1, a recombinant porcine factor VIII (rpFVIII) in development for congenital hemophilia A with inhibitors and acquired hemophilia A, and Ipsen's industrial facility in Milford (Boston, MA). The APA was filed on 23 January 2013, with the US Federal Bankruptcy Court in Boston (MA). The sale is a result of joint marketing and sale process pursued by Ipsen and Inspiration shortly after Inspiration filed for protection under Chapter 11 of the U.S. Bankruptcy Code on 30 October 2012. The APA is subject to certain closing conditions, including Bankruptcy Court and regulatory approvals. Ipsen has agreed to extend the DIP to Inspiration for a period of 45 days *i.e.* for an additional amount of up to c. \$5 million.
- On 6 February 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced they entered into an Asset Purchase Agreement (APA) whereby Cangene Corporation (Cangene) agrees to acquire the worldwide rights to IB1001, a recombinant factor IX (rFIX) for the treatment of hemophilia B. Under the terms of the APA, Cangene has agreed to pay \$5.9 million upfront, up to \$50 million in potential additional commercial milestones as well net sales payments equivalent to tiered double digit percentage of IB1001 annual net sales. The APA is subject to certain closing conditions including Bankruptcy Court approval.
- On 7 February 2013 – Ipsen and Braintree Laboratories, Inc., a US-based company specializing in the development, manufacturing and marketing of specialty pharmaceuticals announced today that Eziclen® / Izinova® (BLI-800) successfully completed its European decentralised registration procedure involving sixteen countries. The product will be indicated in adults for bowel cleansing prior to any procedure requiring a clean bowel (e.g. bowel visualisation including bowel endoscopy and radiology or surgical procedure).

- On 20 February 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced the closing of the sale of the proprietary hemophilia B product, IB1001 (recombinant FIX), to Cangene Corporation (Cangene). Ipsen and Inspiration jointly agreed to sell their respective commercialisation rights to IB1001 as part of the transaction. Cangene acquired worldwide rights to IB1001, a recombinant factor IX currently under regulatory review in the United States and Europe.
- On 27 February 2013 – Ipsen's Board of Directors appointed Christel Bories as Deputy Chief Executive Officer. Working

alongside Marc de Garidel, Chairman and Chief Executive Officer, Christel Bories will be responsible for accelerating the execution of the Group's strategy.

- On 21 March 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced the closing of the sale of the rights to OBI-1 (recombinant porcine FVIII) as well as Ipsen's manufacturing facility for OBI-1 in Milford, to Baxter. To date, Ipsen provided Inspiration with a \$18.4 million Debtor-in-Possession (DIP) financing to fund Inspiration's operations and the sale process.

## Administrative measures

In a 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 are affecting the Group sales and profitability in 2012. In addition, certain measures introduced in 2011 have continued to affect the Group's accounts year-on-year.

### ■ Measures impacting 2012

#### In the Major Western European countries:

- In France, the price of Forlax<sup>®</sup> was reduced by 3.5% on 1 October, 2011 and the prices of Nisis<sup>®</sup>/Nisisco<sup>®</sup> by 15.0% on 14 November, 2011. On 1 January, 2012, the price of Decapeptyl<sup>®</sup> was reduced by 3.0% for both 3-month and 6-month formulations while the price of Adrovanse<sup>®</sup> was reduced by 33.0%. On 1 March 2012, Tanakan<sup>®</sup> was delisted in France.

An additional tax on promotional expenses of 0.6% has also been introduced. Moreover, sales of Nisis<sup>®</sup>/Nisisco<sup>®</sup> and Forlax<sup>®</sup> were negatively impacted by a step-up in July in the regulation known as « *tiers-payant* », whereby the patient now pays upfront for a branded drug (when genericized) at the pharmacy and is reimbursed only later on;

- In Spain, as of 1 November, 2011, tax on drug sales was raised from 7.5% (introduced in June 2010) to 15.0% for products that have been on the market for more than 10 years and have no generic or biosimilar on the Spanish market. In addition, Tanakan<sup>®</sup> was dereimbursed on 1 September 2012.

#### In the Other European countries:

- In Belgium, as from 1 April 2012, as soon as a generic or a hybrid is launched on the market, drugs are regrouped per active ingredient regardless of their galenic form and prices are cut by up to 31.0%;
- In Poland, a new Reimbursement Law Reform was enforced on 1 January 2012, introducing a sales tax in case of budget excess and a tax on manufacturers' income to fund clinical trials. Regulated margins have been decreased as well. As a result, prices of Decapeptyl<sup>®</sup> and Somatuline<sup>®</sup> were both reduced by 3.0% on 1 January 2012;

- Greece voted new measures designed to decrease pharmaceutical expenditure. Key measures include higher rebates to wholesalers and retail pharmacies (9.0% instead of 4.0% – retroactive effect as of 1 January 2012), an obligation to prescribe drugs labelled International Non-proprietary Name (INN) through an e-prescription system and introduction of a payback contribution in case of Health public budget overrun;

- In 2011, Portugal introduced an electronic system encouraging prescription of the cheapest product (including generics). New countries have been included in the reference basket for the International Pricing System such as Slovakia, Spain and France. New measures for 2013 have already been published: 6.0% price cut on all drugs and contribution of the pharmaceutical industry to the decrease of healthcare spending through the set up by every Pharma company of a provision fund equal to 2.0% of sales;

- In Hungary, a 10.0% additional tax on sales, on top of the 20.0% tax already in force, was introduced as of 1 August 2012 for all Somatuline<sup>®</sup> formulations;

- In Czech Republic, VAT on drugs was increased from 9.0% to 14.0% in January 2012.

#### In the Rest of the World:

- China is finalizing its international reference pricing system including ten countries including the USA, France, Germany, South Korea and Japan;
- In January 2011, Algeria set reference pricing per therapeutic class, hence a price alignment of Decapeptyl<sup>®</sup> on the cheapest GnRH seems imminent;
- In Korea, under the volume-control regulation in force since November 2011, the price of the 11.25 mg formulation of Diphereline<sup>®</sup> has been cut by 4.5% on 1 September, 2012.

Furthermore, and in the context of 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 them will affect the Group sales and profitability beyond 2012. Health Technology



Assessment (HTA) methods are more broadly used in market access decisions in several part of the world, including some emerging countries and Eastern European countries.

#### ■ Measures which may have impacts beyond 2012

##### In the Major Western European countries:

- The Spanish Health Minister confirmed a 14.0% reduction of healthcare budget in 2012. The new Royal Decree published in April 2011 stated that molecules that have been introduced in Europe for more than ten years will be regrouped per active ingredient and prices will be aligned on the cheapest daily dosage;
- In France, the taxable basis for the promotion tax has been significantly extended to the institutional communication and congresses by a decree published in December 2012, with a retroactive impact since the beginning of the year;
- In Italy, the cap for hospital expenditure has been increased from 2.4% to 3.5%. In addition, Pharma Companies will have to pay 50.0% of any extra expenditure beyond this cap level.

##### In the Other European countries:

- In Greece, a new price bulletin has been published in November 2011 based on the average of the 3 lowest prices within the Eurozone (27 countries), as well as a reimbursement reference price based on lower product price of ATC4 classification and a co-payment change. They should be in force in early 2013;

- In Belgium, IRPP was updated with new rules and a reference basket of 6 countries (France, Germany, the Netherlands, Austria, Ireland and Finland); it should be implemented in April 2013;
- Within the frame of the Healthcare Reform, Russian Health Authorities are considering a possible change in the price-setting methodology for drugs on the Essential Drug List (EDL). Future registered prices for drugs on EDL should be set as the weighted average price of all drugs with the same International Non-proprietary Name (INN).

##### In the Rest of the World:

- In Colombia, a new International Reference pricing system was implemented during the second semester 2012, as well as maximum reimbursement prices on expensive drugs. Somatuline® could face a price cut in the range of 40%-50%;
- Twelve Latin American countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, and Venezuela) agreed to create a regional drug-pricing database in order to harmonize drug prices. Launch and impacts are unknown at this stage;
- In South Korea, price-volume agreements negotiated in 2011 which have led to a 7.0% price decrease of Decapetpyl® and Dysport® will continue to negatively impact prices in 2013 with a further 7.5% decrease.

## Comparison of consolidated income statement for 2012 and 2011

	31 December 2012		31 December 2011 Proforma <sup>(2)</sup>		% change
	(in millions of euros)	% of sales	(in millions of euros)	% of sales	
<b>Sales</b>	<b>1,219.5</b>	<b>100.0%</b>	<b>1,159.8</b>	<b>100.0%</b>	<b>5.1%</b>
Other revenues	57.9	4.7%	50.4	4.3%	14.9%
<b>Revenues</b>	<b>1,277.4</b>	<b>104.7%</b>	<b>1,210.2</b>	<b>104.3%</b>	<b>5.6%</b>
Cost of goods sold	(254.8)	- 20.9%	(249.2)	- 21.5%	2.2%
Research and development expenses	(248.6)	- 20.4%	(234.6)	- 20.2%	5.9%
Selling expenses	(473.5)	- 38.8%	(424.4)	- 36.6%	11.6%
General and administrative expenses	(99.1)	- 8.1%	(99.7)	- 8.6%	- 0.6%
Other operating income	5.6	0.5%	17.5	1.5%	-68.0%
Other operating expenses	(25.8)	- 2.1%	(17.6)	- 1.5%	46.4%
Depreciation of intangible assets	(5.8)	- 0.5%	(7.8)	- 0.7%	- 26.5%
Restructuring costs	(63.1)	- 5.2%	(36.5)	- 3.2%	72.8%
Impairment gain/(losses)	2.4	0.2%	(85.2)	- 7.3%	- 102.8%
<b>Operating income</b>	<b>114.8</b>	<b>9.4%</b>	<b>72.6</b>	<b>6.3%</b>	<b>58.2%</b>
<b>Recurring Adjusted operating income <sup>(1)</sup></b>	<b>196.0</b>	<b>16.1%</b>	<b>197.5</b>	<b>17.0%</b>	<b>- 0.8%</b>
- Investment income	1.0	0.1%	1.6	0.1%	- 37.8%
- Costs of financing	(2.3)	- 0.2%	(1.8)	- 0.2%	31.9%
<b>Net financing cost</b>	<b>(1.3)</b>	<b>- 0.1%</b>	<b>(0.2)</b>	<b>- 0.0%</b>	<b>-</b>
Other financial income and expense	6.8	0.6%	(0.5)	- 0.0%	-
Income taxes	(24.4)	- 2.0%	1.9	0.2%	-
Share of profit/loss from associated companies	-	-	-	-	-
<b>Net profit/loss from continuing operations</b>	<b>95.8</b>	<b>7.9%</b>	<b>73.8</b>	<b>6.4%</b>	<b>29.9%</b>
Net profit/loss from discontinued operations	(124.8)	- 10.2%	(72.9)	- 6.3%	71.3%
<b>Consolidated net profit</b>	<b>(29.0)</b>	<b>- 2.4%</b>	<b>0.9</b>	<b>0.1%</b>	<b>-</b>
- Attributable to shareholders of Ipsen S.A.	(29.5)		0.4		
- Minority interests	0.5		0.5		

(1) See appendix 4.

(2) In compliance with provisions on "discontinued activities", 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

### ■ Sales

Consolidated Group sales reached € 1,219.5 million as of 31 December 2012, up 5.1% year-on-year or up 3.3% excluding foreign exchange impact <sup>(1)</sup>.

### ■ Other revenues

Other revenues amounted to € 57.9 million in 2012, up 14.9% compared to € 50.4 million in 2011.

(1) Variations excluding foreign exchange impacts are computed by restating the 2011 figures with the 2012 average exchange rates.



Other revenues breakdown is as follows:

(in millions of euros)	31 December 2012	31 December 2011 Proforma <sup>(2)</sup>	Change	
			in value	in %
<b>Breakdown by type of revenue</b>				
– Royalties received	11.9	9.1	2.8	30.9%
– Milestone payments – licensing agreements <sup>(1)</sup>	25.1	23.5	1.6	6.7%
– Other (co-promotion revenues, re-billings)	20.9	17.8	3.1	17.6%
<b>Total</b>	<b>57.9</b>	<b>50.4</b>	<b>7.5</b>	<b>14.9%</b>

(1) Milestone payments relating to licensing agreements primarily represent recognition of payments received over the life of partnership agreements.  
 (2) In compliance with provisions on “discontinued activities”, 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

- **Royalties received** amounted to €11.9 million in 2012, up €2.8 million year-on-year, driven by the increase in royalties paid by the Group’s partners.
- **Milestone payments relating to licensing agreements<sup>(1)</sup>** amounted to €25.1 million, mainly generated by the partnerships with Medicis, Menarini and Galderma.
- **Other revenues** amounted to €20.9 million in 2012 compared with €17.8 million a year earlier, driven by the revenues relating to the Group’s co-promotion and co-marketing agreements in France as well as promotion of Hexvix® in some countries.

#### ■ Cost of goods sold

In 2012, cost of goods sold amounted to €254.8 million, representing 20.9% of sales, compared with €249.2 million, or 21.5% of sales, for the same period in 2011.

The cost of goods sold, positively impacted by the favourable mix related to the growth in specialty care sales and the Group’s productivity efforts, was partially offset by custom duties in high growth countries.

#### ■ Research and development expenses

At 31 December 2012, research and development expenses represented €248.6 million or 20.4% of sales, compared with 20.2% the previous year.

The table below provides a comparison of research and development expenses during the full years 2012 and 2011, according to the new segmentation of research and development expenses as defined by the new strategy announced on 9 June 2011:

(in millions of euros)	31 December 2012	31 December 2011 Proforma <sup>(4)</sup>	Change	
			in value	in %
<b>Breakdown by expenses type</b>				
– Drug-related research and development <sup>(1)</sup>	(199.4)	(192.0)	(7.3)	3.8%
– Industrial and pharmaceutical development <sup>(2)</sup>	(40.8)	(35.5)	(5.3)	14.9%
– Strategic development <sup>(3)</sup>	(8.4)	(7.1)	(1.3)	18.6%
<b>Total</b>	<b>(248.6)</b>	<b>(234.6)</b>	<b>(13.9)</b>	<b>5.9%</b>

(1) Drug-related research & development is aimed at identifying new agents, determining their biological characteristics and developing small-scale manufacturing processes. The expenses relating to patents are also included in this type of expense.  
 (2) Industrial development includes chemical, biotechnical and development-process research costs to industrialise small-scale production of agents developed by the research laboratories. Pharmaceutical development is the process through which active agents become drugs approved by regulatory authorities and is also used to improve existing drugs and to search new therapeutic indications for them. Pharmaceutical development is associated to industrial development after bringing together both activities in the framework of the new strategy announced on 9 June 2011, in order to build a Department “Chemistry, Manufacturing, Controls & Engineering”.  
 (3) Strategic development includes costs for research into new product licenses and establishing partnership agreements.  
 (4) In compliance with provisions on “discontinued activities”, 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

- **Research and development drug-related costs** increased by 3.8% compared to the prior year. The main research and development projects conducted in 2012 focused on Dysport®, Somatuline® and tasquinimod. This increase was partially offset by a favourable comparison basis: costs related to the phase II clinical study of Irosustat

(BN-83495) were no longer recorded in 2012 as the program was discontinued on 6 June 2011.

- **Industrial development expenses** have increased in 2011 by 14.9% year-on-year in 2012, mainly resulting from investments in the Group’s toxins and peptides technology platforms.

## ■ Selling, general and administrative expenses

Selling, general and administrative expenses amounted to €572.6 million in 2012, representing 46.9% of sales, up 9.3% versus 2011.

The table below provides a comparison of selling, general and administrative expenses in 2012 and 2011:

(in millions of euros)	31 December 2012	31 December 2011 Proforma <sup>(1)</sup>	Change	
			in value	in %
<b>Breakdown by expense type</b>				
<i>Royalties paid</i>	(51.7)	(46.6)	(5.1)	11.0%
<i>Other sales and marketing expenses</i>	(421.7)	(377.8)	(43.9)	11.6%
<b>Selling expenses</b>	<b>(473.5)</b>	<b>(424.4)</b>	<b>(49.1)</b>	<b>11.6%</b>
<b>General and administrative expenses</b>	<b>(99.1)</b>	<b>(99.7)</b>	<b>0.6</b>	<b>- 0.6%</b>
<b>Total</b>	<b>(572.6)</b>	<b>(524.1)</b>	<b>(48.5)</b>	<b>9.3%</b>

(1) In compliance with provisions on “discontinued activities”, 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

- **Selling expenses** amounted to €473.5 million in 2012, or 38.8% of sales, compared to €424.4 million, or 36.6% of sales, in 2011.

– Royalties paid to third parties on sales of products marketed by the Group amounted to €51.7 million in 2012, up 11.0% year-on-year. This increase was driven by improved in-market sales of in-licensed products ;

– Other selling expenses amounted to €421.7 million, or 34.6% of sales, up 11.6% compared to €377.8 million, or 32.6% of sales, in 2011. In line with the strategy announced on 9 June 2011, the Group continued to increase commercial investments in specialty care while selectively allocating business resources to high growth areas mainly China, Russia and Brazil. Furthermore selling expenses related to primary care in France increased proportionally to declining sales. Synergies from the new organisation of French primary care commercial operations are expected to materialise in 2014.

- **General and administrative expenses** slightly decreased by 0.6% in 2012.

## ■ Other operating income and expenses

Other operating income amounted to €5.6 million in 2012, compared with €17.5 million the previous year, mainly composed of revenues from the sublease of Ipsen’s headquarters building. In 2011, the other operating income was composed of a non-recurring income of €17.2 million following the enforceable court judgment relating to the trade dispute between the Group and Mylan.

Other operating expenses amounted to €25.8 million, compared with €17.6 million for the same period in 2011. The other operating expenses were mainly composed of non-recurring costs resulting from the search for potential acquirers for the Dreux industrial site, for potential partners for the primary care activity in France, the settlement of a trade dispute with a partner and an administrative procedure involving the Group.

## ■ Amortisation of intangible assets (excluding software)

In 2012, amortisation charges of intangible assets reached €5.8 million, compared to €7.8 million the previous year. This decrease is mainly due to the change in the amortisation plan of IGF-1 following the impairment loss recorded on 31 December 2011 and to the amortisation completion of Exforge® (end of co-promotion contract in France with Novartis effective since 30 April 2012). This decrease was partially offset by the initiation of Hexvix® amortisation.

## ■ Restructuring costs

At 31 December 2012, the Group recorded non-recurring restructuring costs of €63.1 million, mainly related to the implementation of the new organisation of French primary care commercial operations and to the transfer to the East coast of the Group’s North American commercial subsidiary that occurred between June 2011 and June 2012.

## ■ Impairment losses

At 31 December 2012, the Group recorded a non-recurring revenue of €2.4million. Following the announcement to retain the Dreux-based industrial facility within its scope of activity, the Group reassessed the value of this asset and recorded an impairment write-back of €12.5 million in its consolidated financial statements as of 30 June 2012. The Group recorded a €10.1 million impairment charge on the brand of Nisis®/ Nisisco®, following a step-up in July 2012 in France in the regulation known as “Tiers-Payant”, whereby the patient now pays upfront for a branded drug and is later reimbursed. This has generated an unprecedented and sudden increase in generic penetration in France.

## ■ Operating income

Based on above items, the operating income reported in 2012 amounted to €114.8 million or 9.4% of sales, up 58.2% compared to 2011, where it represented 6.3% of Group’s sales.



The Group's recurring adjusted<sup>(1)</sup> operating income in 2012 amounted to €196 million or 16.1% of consolidated sales, down 0.8% year-on-year.

**■ Operating segments: Operating income by geographical region**

Internal reporting provided to the Executive Committee corresponds to the Group's managerial organisation based on the geographical regions within which the Group operates. Accordingly, operating segments as defined by IFRS8, equal to long-term groupings of countries.

The operating segments existing as of 31 December 2012 are as follows:

- “Main Western European countries”, which combines France, Italy, Spain, United Kingdom and Germany;
- “Other European countries”, which combines Other in Western European countries and Eastern European countries;
- “North America”, which includes essentially the United States;
- “Rest of the world”, which includes the countries not included in the three preceding segments.

The table below provides an analysis of sales, revenues and operating income by operating segment for the 2012 and 2011 periods:

(in millions of euros)	31 December 2012		31 December 2011 Proforma <sup>(*)</sup>		Change	
		% of sales		% of sales	in value	in %
<b>Major Western European countries</b>						
Sales of goods	518.5	100.0%	542.0	100.0%	(23.5)	- 4.3%
Revenue	549.9	106.0%	567.5	104.7%	(17.6)	- 3.1%
Operating income	138.3	26.7%	155.9	28.8%	(17.6)	- 11.3%
<b>Other European countries</b>						
Sales of goods	306.0	100.0%	279.6	100.0%	26.5	9.5%
Revenue	312.2	102.0%	284.8	101.8%	27.4	9.6%
Operating income	135.7	44.4%	118.4	42.3%	17.4	14.7%
<b>North America</b>						
Sales of goods	72.8	100.0%	65.7	100.0%	7.1	10.8%
Revenue	90.5	124.4%	82.8	126.0%	7.7	9.3%
Operating income	(10.5)	- 14.5%	(35.7)	- 54.4%	25.2	- 70.6%
<b>Rest of the World</b>						
Sales of goods	322.2	100.0%	272.5	100.0%	49.7	18.2%
Revenue	323.5	100.4%	273.2	100.3%	50.3	18.4%
Operating income	123.2	38.2%	106.4	39.1%	16.7	15.7%
<b>Total Allocated</b>						
Sales of goods	1,219.5	100.0%	1,159.8	100.0%	59.7	5.1%
Revenue	1,276.1	104.6%	1,208.3	104.2%	67.8	5.6%
Operating income	386.7	31.7%	345.0	29.7%	41.7	12.1%
<b>Total non-allocated</b>						
Revenue	1.3	-	1.9	-	(0.6)	- 30.6%
Operating income	(271.9)	-	(272.4)	-	0.5	- 0.2%
<b>Total Group</b>						
Sales of goods	1,219.5	100.0%	1,159.8	100.0%	59.7	5.1%
Revenue	1,277.4	104.7%	1,210.2	104.3%	67.2	5.6%
Operating income	114.8	9.4%	72.6	6.3%	42.2	58.2%

(\*) In compliance with provisions on “discontinued activities”, 2011 figures have been restated to provide comparative information between 2011 and 2012.

(1) See appendix 4.

Sales generated in the **Major Western European countries** amounted to €518.5 million in 2012, down 4.9% year-on-year excluding foreign exchange impacts<sup>(1)</sup>. Dynamic volume sales growth of specialty care products were more than offset by the consequences of a tougher competitive environment in the French primary care landscape and administrative measures in Spain. As a result, sales in the Major Western European countries represented 42.5% of total Group sales at the end of 2012, compared to 46.7% a year earlier. The Group recorded a €10.1 million impairment charge on the brand of Nisis<sup>®</sup>/Nisisco<sup>®</sup>, following a step-up in July 2012 in France in the regulation known as “*Tiers-Payant*”, which has generated an unprecedented and sudden increase in generic penetration. The Group also recorded non-recurring restructuring cost related to the implementation of the new organisation of French primary care commercial operations. Operating income in 2012 amounted to €138.3 million, down 11.3% year-on-year, representing 26.7% of sales, compared to 28.8% for the same period in 2011. Excluding non-recurring impacts, operating income in 2012 reached €204.1 million, compared to €223.9 million in 2011.

Sales generated in the **Other European countries** reached €306.0 million in 2012, up 8.5% year-on-year excluding foreign exchange impacts<sup>(1)</sup>. Sales were mainly driven by Russia with the good performance of specialty care products and Tanakan<sup>®</sup>. Over the period, Poland, the Netherlands, Ukraine and Belgium also contributed to the volume growth. In 2012, sales in this region represented 25.1% of total consolidated Group sales, compared to 24.1% a year earlier. Operating income in 2012 amounted to €135.7 million compared to €118.4 million in 2011, representing 44.4% of sales for 2012, compared with 42.3% over the same period in 2011.

In 2012, sales generated in **North America** amounted to €72.8 million, up 2.3% excluding foreign exchange impacts<sup>(1)</sup>. Restated to exclude Apokyn<sup>®</sup> sales, North American sales were up 11.5% year-on-year, driven by strong supply of Dysport<sup>®</sup> for aesthetic use to Medicis, by the continuous penetration of Somatuline<sup>®</sup> in acromegaly and by the growth of Dysport<sup>®</sup> in the treatment of cervical dystonia. Sales in North America represented 6.0% of total consolidated Group sales, compared to 5.7% a year earlier. Operating income in 2012 amounted to (€10.5) million, up €25.2 million compared to 2011. This increase is mainly due to non-recurring costs booked in 2011, of which €10.9 million related to the transfer to the East coast of the Group's North American commercial subsidiary and €24.4 million impairment charge on IGF-1.

In 2012, in the **Rest of the World**, where the Group markets most of its products through distributors or commercial agents, sales reached €322.2 million, up 14.1% excluding foreign exchange impacts<sup>(1)</sup>, driven by a strong volume growth in China, Colombia, Vietnam, Australia, Brazil and Mexico. In 2012, sales in the Rest of the World continued to increase, representing 26.4% of total consolidated Group sales, compared to 23.5% a year earlier. Operating income in 2012 amounted to €123.2 million, or 38.2% of sales, up 15.7% compared to €106.4 million, or 39.1% of sales, in 2011.

**Non allocated operating income** amounted to (€271.9) million in 2012 versus (€272.4) million in 2011. It mainly

included the Group's central research and developments costs for (€203.9) million in 2012 and (€194.2) million in 2011 and, to a lesser extent, unallocated general and administrative expenses.

#### ■ Costs of net financial debt and other financial income and expenses

In 2012, the Group's financial result amounted to (€5.5) million compared with (€0.7) million the prior year.

**The cost of net financial debt** amounted to €1.3 million in 2012, compared to €0.2 million in 2011, mainly including the non-utilisation fees on the new credit line subscribed on 31 January 2012, partially offset by cash investment income.

**The other financial income and expenses** amounted to €6.8 million in 2012 versus €(0.5) million in 2011. As of 31 December 2011, the Group had recorded a €36.4 million loss, mainly comprising a €42.0 million non-recurring impairment loss on the four convertible bonds issued by Inspiration and subscribed by the Group, partially offset by a €6.1 million positive foreign exchange impact mainly related to the revaluation of these four convertible bonds. In the 2011 proforma accounts, those impacts are recorded in the discontinued operations line following Ipsen announcement on 30 October 2012 to sell all its hemophilia-related assets and to exit this therapeutic area. Restated to exclude the above elements, the year-on-year increase mainly resulted from positive foreign exchange rates, a profit derived from the sale of its Spirogen shares, and a non-recurring profit derived from additional payments received upon the divestment by the Group in 2010 of its shares in PregLem Holding SA.

#### ■ Income taxes

On 31 December 2012, the effective tax rate (ETR) was 20.3% of profit before tax from continuing activities, compared to an ETR of (2.6)% on 31 December 2011.

The items reducing the Group's effective tax rate were applied to an increased profit before tax. As a consequence, the research tax credit, while stable in volume between 2011 and 2012, had a diluted positive impact, down 13 points. Also, the effect of reduced corporate tax rates in comparison with standard French corporate tax rate was diluted by 8 points between 2011 and 2012.

Excluding non-recurring operating, financing and tax items, the effective tax rate amounted to 23.2% in 2012 compared to 19.3% in 2011.

#### ■ Share of profit/loss from associated companies

At 31 December 2011 and 2012, share of profit / loss from associated companies was nil. The Group's 22.0% stake in Inspiration's net loss was recorded in the discontinued operations line as mentioned below.

#### ■ Net profit from continuing operations

As a result of the items above, the profit from continuing operations in 2012 amounted to €95.8 million, up 29.9% compared to €73.8 million in 2011. It represented 7.9% Group's sales in 2012 and 6.4% in 2011.

(1) Variations excluding foreign exchange impacts are computed by restating the 2011 figures with the 2012 average exchange rates.



**Recurring adjusted<sup>(1)</sup> profit from continuing operations** amounted to €145.5 million in 2012, compared to €154.4 million in 2011, down 5.8% year-on-year.

#### ■ Profit / Loss from discontinued operations

Profit from discontinued operations amounted to (€124.8 million) as of 31 December 2012, versus (€72.9) millions at the end of 2011. It comprised the activities related to Inspiration. On 30 October 2012, Ipsen and Inspiration decided to sell all their hemophilia-related assets and Ipsen announced its exit from this therapeutic area.

#### Reminder of the evolution of Inspiration's situation

On 10 July 2012, Ipsen's partner in hemophilia, Inspiration, was notified by the Food and Drug Administration (FDA) that both clinical trials evaluating the safety and efficacy of IB1001, an investigational intravenous recombinant factor IX (rFIX) therapy for the treatment and prevention of bleeding episodes in people with hemophilia B, were placed on clinical hold.

In this context, on 21 August 2012, Ipsen announced the renegotiation of its 2010 strategic partnership agreement with Inspiration for the development and commercialisation of IB1001 and OBI-1, a recombinant porcine factor VIII (rpFVIII) being developed for the treatment of patients with acquired hemophilia A and congenital hemophilia A with inhibitors. The new agreement aimed to establish a structure whereby Ipsen gained commercial rights in its key territories while Inspiration remained responsible for the world-wide development of OBI-1 and IB1001. As part of the renegotiation, Ipsen paid Inspiration \$30.0 million upfront and, in certain countries<sup>(2)</sup>, has:

- recovered OBI-1 commercial rights,
- gained IB1001 commercial rights.

Ipsen had agreed to pay Inspiration an additional financing if Inspiration raised third party financing by the end of the third quarter 2012.

As Inspiration did not manage to raise external financing and was cash constrained, it commenced, on 30 October 2012, a voluntary reorganisation case pursuant to Chapter 11's provisions of the United States Bankruptcy Code with the objective of leading a joint marketing and sales process. Inspiration's assets include commercial rights on OBI-1 and IB1001 on several countries. With this filing, Inspiration sought to have the Bankruptcy Court's approval on detailed bidding and auction procedures for the sale of its assets to a third party purchaser. Inspiration's assets are notably comprised of commercial rights to OBI-1 and IB1001 in certain countries<sup>(3)</sup>.

Ipsen agreed to include its hemophilia assets in the sale process. Ipsen's assets are comprised of commercial rights to OBI-1 and IB1001 as well as its OBI-1 industrial facility in Milford (Boston, MA). Inspiration and Ipsen jointly mandated an investment bank for the transaction.

Under the Chapter 11 procedure, Ipsen agreed to provide Inspiration with so-called: "Debtor-in-Possession financing"

(DIP) for an amount of up to \$18.3 million assuming certain conditions were met. The DIP financing allows a company with debt to undertake, under acceptance by its creditors, some restructuring actions according to a plan which has been defined and approved by the Court. It was anticipated that the DIP financing was sufficient to enable Inspiration and Ipsen to successfully sell their assets.

As Ipsen announced it put all its hemophilia-related assets up for sale, it officially showed its intention to exit the specialised therapeutic area of hemophilia. As a consequence, in compliance with IFRS5, the Group classified all its hemophilia-related income and expense in "Profit from discontinued operations". Furthermore, in compliance with IFRS5 "Non-current Assets Held for Sale and Discontinued Operations", all assets and liabilities related to hemophilia (excluding DIP financing) have been classified as of 31 December 2012 in "non-current asset as held for sale" in the Group's consolidated financial statements.

Hemophilia was one of the four focus and investment therapeutic areas for Ipsen. Furthermore, flows from this activity are clearly identified and the business is included in an exclusive and organised sales plan. In this regard, this activity meets the "discontinued operations" requirements; hence the associated result for the period is recorded on a separate line on the consolidated Income statement. This line is composed of the loss from "discontinued operations" and the loss after tax resulting from valuation at fair value less the estimated costs necessary to make the sale.

On 24 January 2013, Ipsen and Inspiration announced that they entered into an Asset Purchase Agreement (APA) for the sale of OBI-1 to Baxter International. Under the terms of the APA, Baxter has agreed to pay \$50 million upfront, and potential additional development and commercial milestones.

This APA is subject to Fair Trade Commission (FTC) approval.

On 6 February 2013, Ipsen and Inspiration announced they entered into an Asset Purchase Agreement (APA) whereby Cangene Corporation (Cangene) agrees to acquire the worldwide rights to IB1001. Under the terms of the APA, Cangene has agreed to pay \$5.9 million upfront and potential additional commercial milestones.

The Group reassessed the value of its hemophilia assets, now recorded in "non-current asset held for sale", and valued at the lower of carrying amount and fair value less the estimated costs necessary to make the sale. The milestones payments being contingent on regulatory approvals and products sales, the Group estimated that they were not certain income and, hence, did not include them in the fair value calculation of hemophilia assets held for sale as of 31 December 2012.

On the basis of available information at closing date, the share of upfront payment to be received by Ipsen should mainly cover the total amount of DIP financing provided to Inspiration. As a consequence, the Group, as of 31 December 2012, impaired all hemophilia related assets and liabilities, classified as "non-current asset as held for sale" on the balance sheet.

(1) See appendix 4.

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

(3) Mainly the Americas and Japan.

Hence, profit from discontinued operations mainly comprised non-recurring provisions of €100m after tax on tangible, intangible and financial assets, receivables related to the OBI-1 development costs for the second and third quarters of 2012, the rebilling of the costs associated with the implementation of the European platform, partially offset by acceleration of recognition of deferred revenues related to hemophilia. It also comprised the share of loss in Inspiration's result for the period before it was classified as "discontinued operations".

### ■ Consolidated net profit

As a result of the items above, consolidated net profit in 2012 was a loss of €29 (attributable to shareholders of Ipsen S.A.: (€29.5) million) compared with a profit of €0.9 million (attributable to shareholders of Ipsen S.A.: €0.4 million) in 2011.

**The Recurring adjusted consolidated net profit <sup>(1)</sup>** amounted to €145.5 million at 31 December 2012, down 5.8% compared with €154.4 million in 2011.

### ■ Earnings per share

The Group's earnings per share at 31 December 2012 amounted to €(0.35), compared with €0.01 a year earlier.

**The recurring adjusted <sup>(1)</sup> diluted earnings per share** attributable to the Group at 31 December 2012 amounted to €1.74, down by 5.9% year-on-year.

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

At 31 December 2012, the total of milestone payments received in cash by the Group and not yet recognised as other revenues on the income statement amounted to €152.4 million, compared with €199.0 million the previous year.

The Group recorded no new deferred revenue for its partnerships. All deferred income related to Inspiration (€28.0 million) was written back in 2012 following Inspiration decision to seek protection under Chapter 11 of the United States Bankruptcy Code on 30 October 2012.

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

(in millions of euros)	31 December 2012	31 December 2011 Proforma <sup>(*)</sup>
<b>Total <sup>(1)</sup></b>	<b>152.4</b>	<b>199.0</b>
<b>Deferred revenues will be recognised over time as follows:</b>		
In the year n+1	22.4	26.0
In the years n+2 and beyond	130.0	173.0

(\*) Amounts converted at average exchange rate at 31 December 2012 and 31 December 2011 respectively.

(\*\*) In compliance with provisions on "discontinued activities", 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

(1) See appendix 4.

## Cash flow and capital

The consolidated cash flow statement shows that the Group's operating activities in December 2012 generated a net cash flow of €165.0 million, slightly down compared with €168.8 million generated over the same period in 2011.

### ■ Analysis of the cash flow statement

(in millions of euros)	31 December 2012	31 December 2011 Proforma <sup>(*)</sup>
– Cash generated from operating activities before changes in working capital requirements	175.3	189.5
– (Increases) / Decreases in working capital requirements for operations	(10.3)	(20.7)
<b>• Net cash flow from operating activities</b>	<b>165.0</b>	<b>168.8</b>
– Net investments in tangible and intangible assets	(76.5)	(95.2)
– Impact of changes in consolidation scope	(0.2)	–
– Other cash flow from investments	11.9	(0.5)
<b>• Net cash flow from investing activities</b>	<b>(64.8)</b>	<b>(95.7)</b>
<b>• Net cash flow from financing activities</b>	<b>(73.2)</b>	<b>(65.2)</b>
<b>• Net cash flow from discontinued operations<sup>(**)</sup></b>	<b>(56.2)</b>	<b>(40.8)</b>
<b>Changes in cash and cash equivalents</b>	<b>(29.2)</b>	<b>(32.9)</b>
<b>Opening cash and cash equivalents</b>	<b>144.8</b>	<b>177.9</b>
Forex impact	(2.3)	(0.2)
<b>Closing cash and cash equivalents</b>	<b>113.3</b>	<b>144.8</b>

(\*) In compliance with provisions on “discontinued activities”, 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

(\*\*) See “Net cash flow from discontinued operations”.

### ■ Net cash flow from operating activities

Cash flow from operating activities in 2012 amounted to €175.3 million, down compared with €189.5 million generated in 2011.

Working capital requirements for operating activities increased by €10.3 million in 2012, against an increase of €20.7 million in 2011. This change in 2012 was related to the following:

- Inventories increased by €7.1 million in 2012 as a result of reconstitution of stocks in high growth territories such as Russia and Brazil.
- Accounts receivables decreased by €10.1 million in 2012, compared with an increase of €16.7 million in 2011, mainly due to decrease of public receivables in Southern Europe, mainly Italy, Spain and Portugal.
- Trade payables increased by €15.0 million in 2012, compared with an increase of €9.4 million in 2011.
- The change in other assets and liabilities comprised a use of fund of €10.9 million in 2012, against a use of fund of €13.1 million in 2011. In 2012, the Group recorded no deferred revenues from partnerships, against €10.6 million in 2011. The Group recorded €24.5 million of deferred revenues from partnerships on its income statement, against of €25.8 million in 2011.
- The change in net tax liability in 2012 represented a use of funds of €17.4 million related to the payment of an

excess amount of tax to authorities with an expected reimbursement in 2013.

### ■ Net cash flow from investing activities

In 2012, the net cash flow from investing activities represented a net use of funds of €64.8 million, compared to a net use of €95.7 million in 2011. It included:

- Investments in tangible and intangible assets net of disposals, amounting to €76.5 million, compared with €95.2 million the previous year. This cash flow mainly included:
  - Acquisition of property, plant and equipment totalling €49.0 million, compared with €44.3 million in 2011. These investments mainly comprised items required for the maintenance of the Group's industrial facilities and in capacity investments in the Wrexham and Signes factories;
  - Investments in intangible assets for €27.7 million, compared with €58.0 million in 2011, mainly related to the partnership with Active Biotech for the rights of tasquinimod (€20 million) and Photocure pour Hexvix® (€1.5 million);
- A net cash flow of €13.9 million composed of the disposal of shares, mainly from additional payments received upon the divestment by the Group in 2010 of its shares in PregLem Holding SA;

- A use of funds of €7.5 million related to investing activities, mainly related to a €6.1 million payment of plan asset;
- A decrease of €5.3 million in working capital requirements related to investment activity, mainly related to a liability recorded in 2012 and payable to Active Biotech following the announcement of the completion of the recruitment of the clinical trial of phase III with tasquinimod;

### ■ Net cash flow from financing activities

In 2012, the net cash flow used in financing activities amounted to €66.0 million, compared with a net use of €65.2 million over

the same period in 2011. In 2012, the Group paid €67.5 million in dividends to its shareholders, up 1.5% compared with €66.5 million paid a year earlier.

Under the Chapter 11 procedure, the Group provided Inspiration with “Debtor-in-possession” (DIP) financing amounting to €7.5 million as of 31 December 2012. The purpose of this financing is to enable the sale of Inspiration and Ipsen assets.

### ■ Net cash flow from discontinued operations

As of 31 December 2012, the net cash flow from discontinued activities related to Inspiration amounted to (€56.2) million, against (€40.8) million in 2011.

(in millions of euros)	31 December 2012	31 December 2011
– Cash flow before changes in working capital requirement	(3.5)	17.6
– Change in working capital related to discontinued activities	(17.3)	(10.9)
• <b>Net cash flow provided by discontinued activities</b>	<b>(20.8)</b>	<b>6.7</b>
– Investment in intangible assets	(5.8)	–
– Convertible bond subscriptions	(26.7)	(45.3)
– Other cash flow related to investment activities	(2.9)	(2.2)
• <b>Net cash flow used in investing activities</b>	<b>(35.4)</b>	<b>(47.5)</b>
• <b>Net cash flow used in financing activities</b>	<b>–</b>	<b>–</b>
<b>Change in cash and cash equivalents</b>	<b>(56.2)</b>	<b>(40.8)</b>

This change in cash and cash equivalents from discontinued operations included:

- A net cash flow from discontinued activities of (€20.8) million against €6.7 million in 2011, mainly composed of the regained OBI-1 commercial rights (\$22.5 million) according to the renegotiation of the partnership with Inspiration on 21 August 2012.
- A use of fund of €35.4 million composed of the subscription by the Group to a €26.7 million convertible bond issued by Inspiration and to the acquisition of the IB1001 intangible asset for €6.1 million. In 2011, the Group had subscribed to two convertible bond issued by Inspiration for €45.3 million. Also, in 2012, the Group recorded €2.9 million interest to be received on those obligations, against €2.2 million the previous year.



## Appendix 1

### Consolidated income statement

(in millions of euros)	31 December 2012	31 December 2011 <sup>(1)</sup>
Sales of goods	1,219.5	1,159.8
Other revenues	57.9	50.4
<b>Revenue</b>	<b>1,277.4</b>	<b>1,210.2</b>
Cost of goods sold	(254.8)	(249.2)
Research and development expenses	(248.6)	(234.6)
Selling expenses	(473.5)	(424.4)
General and administrative expenses	(99.1)	(99.7)
Other operating income	5.6	17.5
Other operating expenses	(25.8)	(17.6)
Amortisation of intangible assets	(5.8)	(7.8)
Restructuring costs	(63.1)	(36.5)
Impairment losses	2.4	(85.2)
<b>Operating income</b>	<b>114.8</b>	<b>72.6</b>
Investment income	1.0	1.6
Financing costs	(2.3)	(1.8)
<b>Net financing costs</b>	<b>(1.3)</b>	<b>(0.2)</b>
Other financial income and expense	6.8	(0.5)
Income taxes	(24.4)	1.9
Share of profit / loss from associated companies	–	–
<b>Net profit from continuing operations</b>	<b>95.8</b>	<b>73.8</b>
Net profit from discontinued operations	(124.8)	(72.9)
<b>Consolidated net profit</b>	<b>(29.0)</b>	<b>0.9</b>
– attributable to shareholders of Ipsen	(29.5)	0.4
– attributable to minority interests	0.5	0.5
Basic earnings per share, continuing operations (in euros)	1.15	0.88
Diluted earnings per share for continuing operations (in euros)	1.14	0.88
Basic earnings per share from discontinued operations (in euros)	(1.50)	(0.88)
Diluted earnings per share from discontinued operations (in euros)	(1.50)	(0.87)
Basic earnings per share (in euros)	(0.35)	0.01
Diluted earnings per share (in euros)	(0.35)	0.01

(1) In compliance with provisions on “discontinued activities”, 2011 figures have been restated to provide comparative information between 2011 and 2012 (see appendix 5).

## Appendix 2

## Condensed consolidated balance sheets

(in millions of euros)	31 December 2012	31 December 2011
<b>ASSETS</b>		
Goodwill	298.2	299.5
Other intangible assets	129.2	135.6
Property, plant & equipment	281.8	271.7
Equity investments	12.0	12.3
Investments in associated companies	–	–
Non-current financial assets	6.7	2.9
Other non-current assets	18.7	94.0
Deferred tax assets	208.2	184.6
<b>Total non-current assets</b>	<b>954.7</b>	<b>1 000.6</b>
Inventories	127.9	117.8
Trade receivables	256.3	259.4
Current tax assets	54.4	39.1
Other current assets	53.6	71.4
Current financial assets	0.5	–
Cash and cash equivalents	113.6	145.0
Assets from discontinued operations	–	–
<b>Total current assets</b>	<b>606.3</b>	<b>632.8</b>
<b>TOTAL ASSETS</b>	<b>1,561.1</b>	<b>1,633.4</b>
<b>EQUITY AND LIABILITIES</b>		
Share capital	84.3	84.2
Additional paid-in capital and consolidated reserves	867.8	929.6
Net profit for the period	(29.5)	0.4
Exchange differences	1.6	(1.4)
<b>Equity – attributable to shareholders of Ipsen</b>	<b>924.2</b>	<b>1,012.8</b>
Attributable to minority interests	2.0	2.6
<b>Total shareholders' equity</b>	<b>926.2</b>	<b>1,015.4</b>
Retirement benefit obligation	19.9	19.5
Provisions	25.6	25.7
Short term debt	–	–
Other financial liabilities	15.9	16.6
Deferred tax liabilities	2.8	2.6
Other non-current liabilities	133.8	183.3
<b>Total non-current liabilities</b>	<b>197.9</b>	<b>247.6</b>
Provisions	66.2	24.5
Short term debt	4.0	4.0
Other financial liabilities	4.5	5.0
Accounts payable	159.8	149.8
Current tax liabilities	3.3	5.6
Other current liabilities	198.3	181.3
Bank overdrafts	0.4	0.2
Liabilities from discontinued operations	0.5	–
<b>Total current liabilities</b>	<b>437.0</b>	<b>370.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,561.1</b>	<b>1,633.4</b>



### Appendix 3

#### Condensed consolidated cash flow statements

(in millions of euros)	31 December 2012			31 December 2011		
	Continued activity	Discontinued activity	Total	Continued activity	Discontinued activity	Total
<b>Consolidated net profit</b>	<b>95.8</b>	<b>(124.8)</b>	<b>(29.0)</b>	<b>73.8</b>	<b>(72.9)</b>	<b>0.9</b>
Net profit/loss from discontinued operations	–	21.7	21.7	–	20.2	20.2
Share of profit/loss from associated companies	–	–	–	–	34.3	34.3
<b>Net profit/loss from continuing operations before share of profit/loss from associated companies</b>	<b>95.8</b>	<b>(103.2)</b>	<b>(7.4)</b>	<b>73.8</b>	<b>(18.4)</b>	<b>55.4</b>
<b>Non-cash and non-operating items</b>						
– Amortisation, provisions and impairment losses	72.6	0.0	72.6	71.0	1.0	72.0
– Impairment losses	(2.4)	125.4	123.1	85.2	42.0	127.2
– Change in fair value of derivative financial instruments	(2.5)	–	(2.5)	2.2	–	2.2
– Net gains or losses on disposals of non-current assets	1.9	–	1.9	4.6	–	4.6
– Share of government grants released to profit and loss	(0.1)	–	(0.1)	(0.1)	–	(0.1)
– Exchange differences	(1.4)	6.1	4.6	(2.3)	(6.1)	(8.4)
– Change in deferred taxes	6.9	(31.8)	(24.9)	(49.0)	(1.0)	(50.0)
– Share-based payment expense	4.6	–	4.6	4.1	–	4.1
– Gain/loss on sales of treasury shares	0.1	–	0.1	(0.1)	–	(0.1)
– Other non-cash items	(0.2)	–	(0.2)	0.2	–	0.2
<b>Cash flow from operating activities before changes in working capital requirement</b>	<b>175.3</b>	<b>(3.5)</b>	<b>171.8</b>	<b>189.5</b>	<b>17.6</b>	<b>207.1</b>
– (Increase)/decrease in inventories	(7.1)	–	(7.1)	(5.1)	–	(5.1)
– (Increase)/decrease in trade receivables	10.1	–	10.1	(16.7)	–	(16.7)
– Increase/(decrease) in trade payables	15.0	–	15.0	9.4	–	9.4
– Change in income tax liability	(17.4)	–	(17.4)	4.7	–	4.7
– Net change in other operating assets and liabilities	(10.9)	(17.3)	(28.2)	(13.1)	(10.9)	(24.0)
<b>Change in working capital related to operating activities</b>	<b>(10.3)</b>	<b>(17.3)</b>	<b>(27.6)</b>	<b>(20.7)</b>	<b>(10.9)</b>	<b>(31.6)</b>
<b>NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES</b>	<b>165.0</b>	<b>(20.8)</b>	<b>144.2</b>	<b>168.8</b>	<b>6.7</b>	<b>175.4</b>
Investment in property, plant & equipment	(49.0)	0.0	(49.0)	(44.3)	–	(44.3)
Investment in intangible assets	(27.7)	(6.1)	(33.8)	(58.0)	–	(58.0)
Proceeds from disposal of intangible assets and property, plant & equipment	0.3	0.3	0.6	7.0	–	7.0
Acquisition of shares in non-consolidated companies	(0.4)	–	(0.4)	(5.7)	–	(5.7)
Convertible bond subscriptions	(0.2)	(26.7)	(26.9)	–	(45.3)	(45.3)
Proceeds of financial assets	13.9	–	13.9	–	–	–
Payments to post-employment benefit plans	(6.1)	–	(6.1)	(2.0)	–	(2.0)
Other cash flow related to investment activities	(0.5)	(2.9)	(3.4)	(0.7)	(2.2)	(2.9)
Deposits	(0.4)	–	(0.4)	(0.1)	–	(0.1)
Change in working capital related to investing activities	5.3	–	5.3	8.0	–	8.0
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(64.8)</b>	<b>(35.4)</b>	<b>(100.2)</b>	<b>(95.7)</b>	<b>(47.5)</b>	<b>(143.2)</b>

(in millions of euros)	31 December 2012			31 December 2011		
	Continued activity	Discontinued activity	Total	Continued activity	Discontinued activity	Total
Repayment of long-term borrowings	(0.3)	–	(0.3)	(0.3)	0.0	(0.3)
Capital increase by Ipsen	–	–	–	0.1	–	0.1
Treasury shares	0.2	–	0.2	1.0	–	1.0
Dividends paid by Ipsen	(66.5)	–	(66.5)	(66.5)	–	(66.5)
Dividends paid by subsidiaries to minority interests	(1.0)	–	(1.0)	–	–	–
Deposits	0.0	0.0	0.0	0.0	0.0	0.0
“DIP” financing	(7.2)	–	(7.2)	0.0	–	0.0
Change in working capital related to financing activities	1.6	–	1.6	0.6	–	0.6
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(73.2)</b>	<b>–</b>	<b>(73.2)</b>	<b>(65.2)</b>	<b>–</b>	<b>(65.2)</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>27.0</b>	<b>(56.2)</b>	<b>(29.2)</b>	<b>7.9</b>	<b>(40.8)</b>	<b>(32.9)</b>
<b>Opening cash and cash equivalents</b>	<b>144.8</b>	<b>–</b>	<b>144.8</b>	<b>177.9</b>	<b>–</b>	<b>177.9</b>
Impact of exchange rate fluctuations	(2.3)	–	(2.3)	(0.2)	–	(0.2)
<b>Closing cash and cash equivalents</b>	<b>169.5</b>	<b>(56.2)</b>	<b>113.3</b>	<b>185.6</b>	<b>(40.8)</b>	<b>144.8</b>



**Appendix 4**

Reconciliation between the income statement at 31 December 2012 and the recurring adjusted income statement at 31 December 2012

	31 December 2012 restated		Assets from discontinued operations <sup>(1)</sup>	Other non-recurring items <sup>(2)</sup>	31 December 2012	
	(in millions of euros)	% sales			(in millions of euros)	% sales
<b>Revenue</b>	<b>1,277.4</b>	<b>104.7%</b>	–	–	<b>1,277.4</b>	<b>104.7%</b>
Cost of goods sold	(254.8)	– 20.9%	–	–	(254.8)	– 20.9%
Research and development expenses	(248.6)	– 20.4%	–	–	(248.6)	– 20.4%
Selling expenses	(473.5)	– 38.8%	–	–	(473.5)	– 38.8%
General and administrative expenses	(99.1)	– 8.1%	–	–	(99.1)	– 8.1%
Other operating income	5.6	0.5%	–	–	5.6	0.5%
Other operating expenses	(7.8)	– 0.6%	–	(18.0)	(25.8)	– 2.1%
Amortisation of intangible assets	(3.3)	– 0.3%	–	(2.5)	(5.8)	– 0.5%
Restructuring costs	–	–	–	(63.1)	(63.1)	– 5.2%
Impairment losses	–	–	–	2.4	2.4	0.2%
<b>Operating income</b>	<b>196.0</b>	<b>16.1%</b>	–	<b>(81.2)</b>	<b>114.8</b>	<b>9.4%</b>
<b>Financial income/(expense)</b>	<b>(6.5)</b>	<b>– 0.5%</b>	–	<b>11.9</b>	<b>5.5</b>	<b>0.4%</b>
Income taxes	(44.0)	– 3.6%	–	19.6	(24.4)	– 2.0%
Share of profit/loss from associated companies	–	–	–	–	–	–
<b>Net profit from continuing operations</b>	<b>145.5</b>	<b>11.9%</b>	–	<b>(49.7)</b>	<b>95.8</b>	<b>7.9%</b>
Profit from discontinued operations	–	–	(124.8)	–	(124.8)	– 10.2%
<b>Consolidated net profit</b>	<b>145.5</b>	<b>11.9%</b>	<b>(124.8)</b>	<b>(49.7)</b>	<b>(29.0)</b>	<b>– 2.4%</b>
– attributable to shareholders of Ipsen S.A.	145.0	–	(124.8)	(49.7)	(29.5)	–
– attributable to minority interests	0.5	–	–	–	0.5	–
<i>Diluted earnings per share (in euros)</i>	<i>1.74</i>	–	–	–	<i>(0.35)</i>	–

(1) Income statement impact linked to Inspiration Biopharmaceuticals Inc..

(2) Other non-recurring items include:

- non-recurring fees incurred during the preparation and early implementation of the strategy announced on 9 June 2011,
- non-recurring expenses linked with restructuring corresponding to the transfer of the Group's North American commercial subsidiary to the East Coast,
- the settlement of a trade dispute with a partner,
- an administrative proceeding towards the Group,
- and proceed on disposal of PregLem shares,
- non-recurring tax elements.

**Reconciliation between the income statement at 31 December 2011 and the recurring adjusted income statement at 31 December 2011**

	31 December 2011 Proforma Recurring Adjusted		Assets from discontinued operations <sup>(1)</sup>	Impairment <sup>(2)</sup>	Other non- recurring items <sup>(3)</sup>	31 December 2011 Proforma	
	(in millions of euros)	% sales				(in millions of euros)	% sales
<b>Revenue</b>	<b>1,210.2</b>	<b>104.3%</b>	–	–	–	<b>1,210.2</b>	<b>104.3%</b>
Cost of goods sold	(249.2)	– 21.5%	–	–	–	(249.2)	– 21.5%
Research and development expenses	(234.6)	– 20.2%	–	–	–	(234.6)	– 20.2%
Selling expenses	(424.4)	– 36.6%	–	–	–	(424.4)	– 36.6%
General and administrative expenses	(99.7)	– 8.6%	–	–	–	(99.7)	– 8.6%
Other operating income	0.4	–	–	–	17.2	17.5	1.5%
Other operating expenses	(0.4)	–	–	–	(17.3)	(17.6)	– 1.5%
Amortisation of intangible assets	(4.7)	– 0.4%	–	–	(3.1)	(7.8)	– 0.7%
Restructuring costs	–	–	–	–	(36.5)	(36.5)	– 3.2%
Impairment losses	–	–	–	(85.2)	–	(85.2)	– 7.3%
<b>Operating income</b>	<b>197.5</b>	<b>17.0%</b>	–	<b>(85.2)</b>	<b>(39.7)</b>	<b>72.6</b>	<b>6.3%</b>
<b>Financial income/(expense)</b>	<b>(0.7)</b>	<b>– 0.1%</b>	–	–	–	<b>(0.7)</b>	<b>– 0.1%</b>
Income taxes	(43.1)	– 3.7%	–	32.3	12.7	1.9	0.2%
Share of profit/loss from associated companies	–	–	–	–	–	–	–
<b>Net profit from continuing operations</b>	<b>153.7</b>	<b>13.3%</b>	–	<b>(52.9)</b>	<b>(27.0)</b>	<b>73.8</b>	<b>6.4%</b>
Profit from discontinued operations	0.7	– 1.0%	(73.5)	–	–	(72.9)	– 6.3%
<b>Consolidated net profit</b>	<b>154.4</b>	<b>12.2%</b>	<b>(73.5)</b>	<b>(52.9)</b>	<b>(27.0)</b>	<b>0.9</b>	<b>0.1%</b>
– attributable to shareholders of Ipsen S.A.	153.9	–	(73.5)	(52.9)	(27.0)	0.4	–
– attributable to minority interests	0.5	–	–	–	–	0.5	–
<i>Diluted earnings per share (in euros)</i>	<i>1.86</i>	–	–	–	–	<i>0.01</i>	–

(1) The 2011 presentation is compliant with IFRS5: 2011 has been restated to provide a comparative information between 2011 and 2012 (see appendix 5).

(2) Impairment booked over the period 2012 (details in note “Impairment”).

(3) Other non-recurring items include:

- non-recurring fees incurred during the preparation and early implementation of the strategy announced on 9 June 2011,
- impact related to allocation of purchase price acquisition on North America transactions,
- non-recurring expenses linked with restructuring corresponding to the transfer of the Group’s North American commercial subsidiary to the East Coast,
- the settlement of a trade dispute following the enforceable court judgment relating to the trade dispute between the Group and Mylan,
- costs related to the changes within the Group’s Executive Committee.



## Appendix 5

### Reconciliation between the income statement at 31 December 2011 and the income statement proforma at 31 December 2011

	31 December 2011 Proforma		Restatements according to IFRS 5	31 December 2011 as published	
	(in millions of euros)	% sales		(in millions of euros)	% sales
<b>Revenue</b>	<b>1,210.2</b>	<b>104.3%</b>	(24.7)	<b>1,234.9</b>	<b>106.5%</b>
Cost of goods sold	(249.2)	- 21.5%	-	(249.2)	- 21.5%
Research and development expenses	(234.6)	- 20.2%	19.0	(253.6)	- 21.9%
Selling expenses	(424.4)	- 36.6%	0.7	(425.2)	- 36.7%
General and administrative expenses	(99.7)	- 8.6%	1.8	(101.5)	- 8.7%
Other operating income	17.5	1.5%	-	17.5	1.5%
Other operating expenses	(17.6)	- 1.5%	-	(17.6)	- 1.5%
Amortisation of intangible assets	(7.8)	- 0.7%	-	(7.8)	- 0.7%
Restructuring costs	(36.5)	- 3.2%	-	(36.5)	- 3.2%
Impairment losses	(85.2)	- 7.3%	-	(85.2)	- 7.3%
<b>Operating income</b>	<b>72.6</b>	<b>6.3%</b>	<b>(3.2)</b>	<b>75.8</b>	<b>6.5%</b>
<b>Financial income/(expense)</b>	<b>(0.7)</b>	<b>- 0.1%</b>	<b>33.7</b>	<b>(34.4)</b>	<b>- 3.0%</b>
Income taxes	1.9	0.2%	(11.5)	13.3	1.2%
Share of profit/loss from associated companies	-	-	54.5	(54.5)	- 4.7%
<b>Net profit from continuing operations</b>	<b>73.8</b>	<b>6.4%</b>	<b>73.5</b>	<b>0.2</b>	<b>0.0%</b>
Profit from discontinued operations	(72.9)	- 6.3%	(73.5)	0.7	0.1%
<b>Consolidated net profit</b>	<b>0.9</b>	<b>0.1%</b>	<b>-</b>	<b>0.9</b>	<b>0.1%</b>
- attributable to shareholders of Ipsen S.A.	0.4	-	-	0.4	-
- attributable to minority interests	0.5	-	-	0.5	-
<i>Diluted earnings per share (in euros)</i>	<i>0.01</i>	-	-	<i>0.01</i>	-

## FINANCIAL RESULTS OF THE COMPANY FOR THE LAST FIVE YEARS

NATURE OF INFORMATION (in thousands of euros)	2008	2009	2010	2011	2012
<b>Share capital at the year-end</b>					
– Share capital	84,060	84,128	84,196	84,227	84,255
– Number of shares	84,059,683	84,127,760	84,196,213	84,226,573	84,255,373
– Number of existing preference shares (without voting rights)	–	–	–	–	–
– Maximum number of shares to be created	–	–	–	–	–
<b>Operations and results of the year</b>					
– Net revenues	12,544	14,073	16,970	19,531	19,692
– Earnings before tax, employees profit sharing, depreciation, amortisation and provisions	(9,125)	121,048	163,556	49,369	70,884
– Income tax expenses – Profit (credit)	4,523	4,045	5,893	3,296	22,532
– Employees profit sharing due for the year	(336)	(366)	(178)	(318)	(78)
– Earnings after tax, employees profit sharing and depreciation, amortisation and provisions	(3,774)	124,611	82,015	53,366	91,730
– Earnings distributed (*)	55,027	58,033	62,273	66,518	66,458
<b>Earnings per share</b>					
– Earnings after tax and employees profit sharing but before depreciation, amortisation and provisions	–	1	2	1	1
– Earnings after tax, employees profit sharing, depreciation, amortisation and provisions	–	1	1	1	1
– Dividend per share	0.66	0.70	0.75	0.80	0.80
<b>Personnel</b>					
– Average number of staff employed during the year (**)	22	22	21	20	18
– Payroll	8,876	10,355	13,141	13,247	10,070
– Amounts paid in connection with employees benefits (social security contributions, social works, etc.)	4,125	3,770	4,612	4,492	5,620

(\*) Dividends on treasury shares are allocated to the carry-forward account.

(\*\*) Including members of the Executive Committee.





\* Innover pour mieux soigner.

## REQUEST FOR MATERIALS AND INFORMATION

Pursuant to Article 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 31 May 2013

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 Article R.225-83 of the French Commercial Code relating to the Combined Shareholders' Meeting of 31 May 2013, 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](http://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: \_\_\_\_\_ 2013

Signature

This request is to be sent to Société Générale Securities Services Département des titres, Service des Assemblées, 32 rue du Champ de Tir, B.P. 81236, 44312 Nantes Cedex 03, France or to the custodian of your shares.

Information: In accordance with the provisions of Article R.225-88 paragraph 3 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 opt in favour 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.





This Notice in English is a translation of the French "*Avis de convocation*" and is provided for information purposes.

This translation is qualified in its entirety by reference to the "*Avis de convocation*".

IPSEN  
Société anonyme with a share capital of €84,118,423  
Registered office: 65 quai Georges Gorse – 92100 Boulogne-Billancourt – France  
419 838 529 R.C.S. Nanterre

\* Innover pour mieux soigner.



[www.ipsen.com](http://www.ipsen.com)