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

HOW TO PARTICIPATE IN THE MEETING?

The Shareholders of Ipsen are convened in an Combined Shareholders' Meeting on Thuesday 31 May 2016 at 3 p.m. (Paris time) at la Maison des Arts et Métiers (Salon La Rochefoucauld), 9 bis, avenue d'Iéna, 75116 Paris – France.

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

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

Shareholders who wish to attend the Shareholders' Meeting, be represented or vote by post, should provide proof of registration of their shares no later than two business days before the date of Shareholders' Meeting at 0.00 a.m., Paris time (*i.e.* Friday 27 May 2016, at 0.00 a.m., Paris time):

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

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

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

Only these shareholders having such a status on 27 May 2016 at 0.00 a.m., Paris time, pursuant to the terms and conditions of the aforementioned Article R.225-85 of the French Commercial Code, may participate in this Shareholders' Meeting.

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

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

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

→ **Please date and sign the form.**

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

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

For holders of bearer shares, you must request a statement of participation to the custodian of your shares. Your custodian will send your voting form together with the statement of participation to the above address.

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

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

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

To be taken into account, forms for postal vote must be effectively received by the Service des Assemblées of Société Générale, no later than three days before the date of the Shareholders' Meeting, *i.e.*, 27 May 2016 and for holders of bearer shares, together with the statement of participation.

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: assemblee.generale@ipsen.com. A copy of the identity document (on both sides) must be attached to the proxy form and for holders of bearer shares, a statement of participation. The holders of bearers shares must necessarily request from their financial intermediary managing their securities account, to send a written confirmation to Société Générale, Service des Assemblées (CS 30812, 44308 Nantes cedex 3, France).

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

Regardless of how you choose to participate (1)

➔ **Please date and sign the form.**

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

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

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

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

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

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

However, if the disposal is carried out before Friday 27 May 2016, at 0.00 a.m., Paris time, the Company shall consequently invalid or amend, as appropriate, the postal vote, the proxy, the admission card or the participation statement. To that end, the authorized intermediary, account holder, notifies the disposal to the Company or to its representative and provide the necessary information. No disposal or other transaction carried out after Friday 27 May 2016 at 0.00 a.m., Paris time, by whatever means, shall be notified by the authorized intermediary or taken into account by the Company, notwithstanding any other agreement to the contrary.

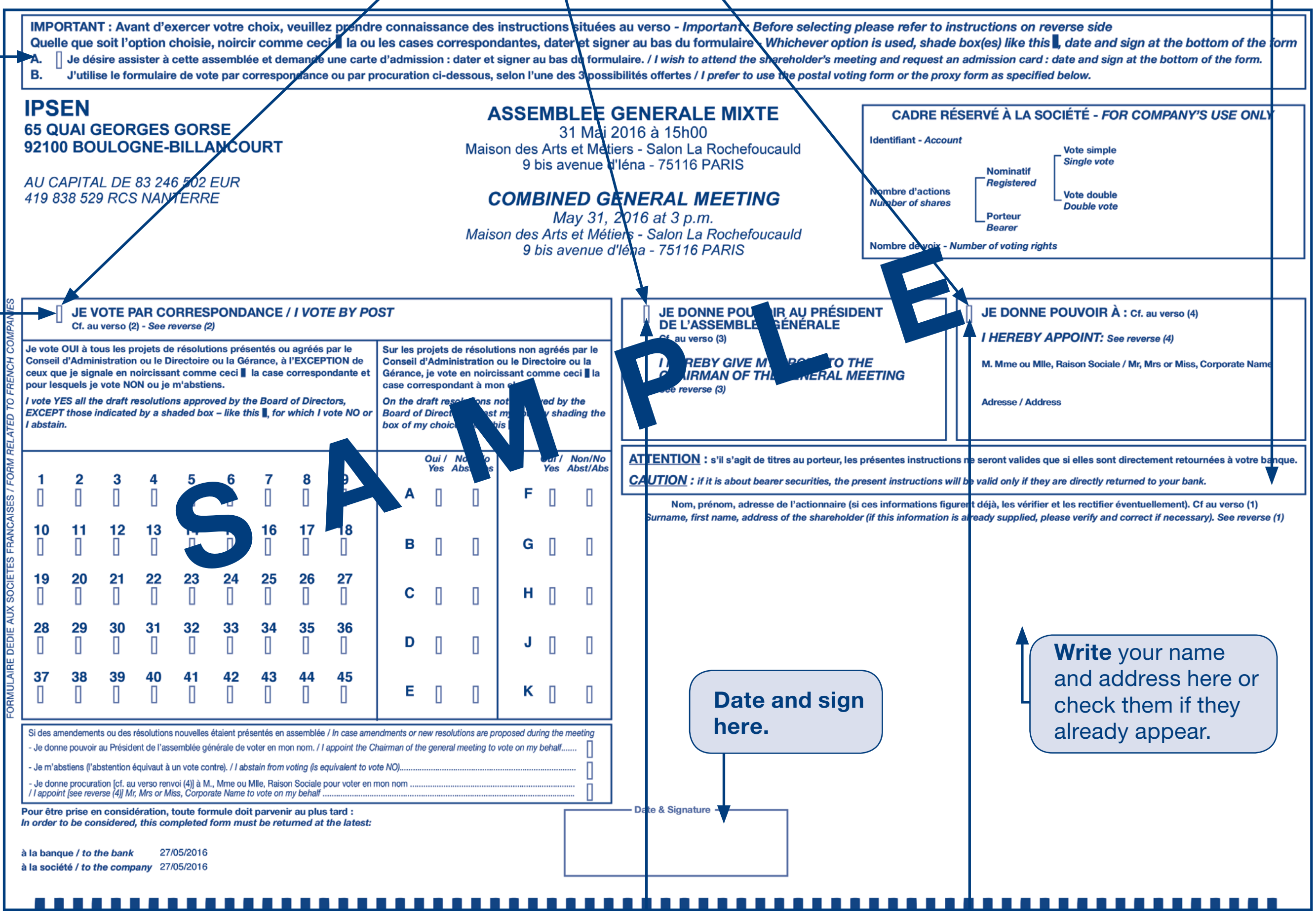
(1) Except in case of notification, at the abovementioned email address, of appointment or revocation of proxy.

How to complete the form?

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

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

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



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

IPSEN
65 QUAI GEORGES GORSE
92100 BOULOGNE-BILLANCOURT

AU CAPITAL DE 83 246 502 EUR
419 838 529 RCS NANTERRE

ASSEMBLEE GENERALE MIXTE
31 Mai 2016 à 15h00
Maison des Arts et Métiers - Salon La Rochefoucauld
9 bis avenue d'Iéna - 75116 PARIS

COMBINED GENERAL MEETING
May 31, 2016 at 3 p.m.
Maison des Arts et Métiers - Salon La Rochefoucauld
9 bis avenue d'Iéna - 75116 PARIS

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

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

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

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

1 ▯	2 ▯	3 ▯	4 ▯	5 ▯	6 ▯	7 ▯	8 ▯	9 ▯
10 ▯	11 ▯	12 ▯	13 ▯	14 ▯	15 ▯	16 ▯	17 ▯	18 ▯
19 ▯	20 ▯	21 ▯	22 ▯	23 ▯	24 ▯	25 ▯	26 ▯	27 ▯
28 ▯	29 ▯	30 ▯	31 ▯	32 ▯	33 ▯	34 ▯	35 ▯	36 ▯
37 ▯	38 ▯	39 ▯	40 ▯	41 ▯	42 ▯	43 ▯	44 ▯	45 ▯

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

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

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

à la banque / *to the bank* 27/05/2016
à la société / *to the company* 27/05/2016

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

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

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

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

Date & Signature

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

SAMPLE

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

Date and sign here.

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

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

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

BOARD OF DIRECTORS, COMMITTEES OF THE BOARD AND EXECUTIVE COMMITTEE

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

The Board of Directors

Mr. Marc de Garidel, Chairman and Chief Executive Officer

Mr. Antoine Flochel, Vice-Chairman

Mrs. Hélène Auriol-Potier (*)

Mrs. Anne Beaufour

Mr. Henri Beaufour

Mr. Hervé Couffin (*)

Mayroy SA, represented by Mr Philippe Bonhomme (1)

Mr. Pierre Martinet (*)

Mr. Christophe Vérot

Mrs. Michèle Ollier (*)

Mrs. Carol Xueref (1)

(*) Independant Director.
(1) Term of office expires at the conclusion of the Combined Shareholders' Meeting to be held on 31 May 2016.

Committees of the Board of Directors

Audit Committee

Mr. Pierre Martinet (Chairman)

Mr. Hervé Couffin

Mr. Christophe Vérot

Strategic Committee

Mr. Marc de Garidel (Chairman)

Mr. Henri Beaufour

Mrs. Anne Beaufour

Mrs. Michèle Ollier

Mr. Antoine Flochel

Mrs. Carol Xueref

Compensation Committe

Mr. Antoine Flochel (Chairman)

Mrs. Hélène Auriol-Potier

Mr. Pierre Martinet

Appointments and Governance Committee

Mrs. Anne Beaufour (Chairperson)

Mr. Hervé Couffin

Mr. Christophe Vérot

Mrs. Michèle Ollier

Ethics Committee

Mrs. Hélène Auriol-Potier (Chairperson)

Mrs. Carol Xueref

Mayroy SA (represented by Mr Philippe Bonhomme)

The Executive Committee

Mr. Marc de Garidel, Chairman and Chief Executive Officer

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

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

Mr. Stéphane Bessette, Executive Vice-President, Human Resources

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

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

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

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

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

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

Information concerning Directors whose renewal is proposed

Mayroy SA (represented by Mr. Philippe Bonhomme)

Director

Member of the Ethics Committee

Registered office: 11 boulevard Royal, L-2449 Luxembourg

Number B48865 RCS Luxembourg

The company Mayroy SA is a société anonyme incorporated under the laws of Luxembourg in 1994. The company Mayroy SA is a shareholder of Ipsen SA.

As at 31 December 2015, Mayroy SA held 47,269,813 shares, *i.e.*, 56,78% of the share capital and 94,539,617 voting rights, *i.e.*, 72.78% of net voting rights.

Carol Xueref

Director

Member of the Strategic Committee and member of the Ethics Committee

Born on 9 December 1955, British nationality

Carol Xueref is the Company Secretary and member of the Executive Committee of Essilor International.

Carol Xueref is a founder member and a past-President of the Cercle Montesquieu (Association of French in-house lawyers (1998-2002)) and chaired its "Ethics of in-house lawyers" working group. She is member of the Association Française des Femmes Juristes and Director of the Franco-British Lawyers Society.

Carol Xueref is the author of numerous articles and a speaker in conferences on international commerce and competition law.

From 1982 to 1986, Carol Xueref was Deputy to the Attachée for Commercial Affairs of the British Embassy in Paris. From 1986 to 1990, she was appointed Head of Division of the International Chamber of Commerce (Paris). In 1990, she became Director for Legal and Tax Affairs of Banque Populaire de la Région Ouest de Paris. From 1993 to 1996, she became Head of a legal department of Crédit Lyonnais and subsequently, Director for Legal Affairs of OIG (Crédit Lyonnais defeasance entity).

From 1996 to 2014, Carol Xueref is Director for Legal Affairs and Group Development and member of the Executive Committee of Essilor International. She is also member of the Autorité de la Concurrence (French Competition Authority) since 2006, and chaired its "Compliance" working group.

Carol Xueref holds a Master's Degree in Law and a Post Graduate Degree in International Commercial Law (DESS) from the University of Paris II (Assas).

As at 31 December 2015, Carol Xueref directly held 500 shares and 700 voting rights of the Company.

Positions and functions currently held:

- Eiffage (listed on Euronext) (France), Director and member of the Compensation and Appointments Committee and member of the Strategic Committee
- Essilor International (listed on Euronext) (France), Director of several non-French subsidiaries of the Group

Positions and functions previously held that expired during the last five years:

- Essilor International, Director of several subsidiaries of the Group (France and abroad)

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED AGENDA AND RESOLUTIONS SUBMITTED TO THE COMBINED SHAREHOLDERS' MEETING OF 31 MAY 2016

The Board of Directors convened the Shareholders of the Company to the Combined Shareholders' Meeting to be held on 31 May 2016, in order to report on the Company's operations during the financial year closed 31 December 2015 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 2015 show a profit of €191,436,860.91.

The consolidated financial statements for the year closed 31 December 2015 show a profit (Group share) of €189,871 thousands of euros.

The **third resolution** aims to decide the appropriation of the year's profit and the setting of the dividend for 2015 financial year.

The Board of Directors proposes to the General Shareholders' Meeting to distribute a gross dividend of €0.85 for each share and subsequently to appropriate 2015 year's profit in the following manner:

Sources

• Profit for the financial year	€191,436,860.91
• Carry-forward item from previous financial year	€131,899,967.92
• Distributable profit	€323,336,828.83

Appropriation

• No funding to the statutory reserve *(the amount being beyond 10% of the share capital)*	–
• Dividends	€70,759,526.70
• Carry-forward item	€252,577,302.13

The ex-dividend date for the total gross dividend of €0.85 due for each share would be 2 June 2016 and its payment date 6 June 2016.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 83,246,502 shares comprising the share capital at 29 February 2016, 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.

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 the French General Tax Code.

Pursuant to Article 243 bis of the French General Tax 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	
2012	€67,280,202.40 (*) or €0.80 per share	–	–
2013	€66,089,327.20 (*) or €0.80 per share	–	–
2014	€70,450,514.30 (*) or €0.85 per share	–	–

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

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

The summary statement describing the agreements comprised in the scope of application of Articles L.225-38 *et seq.* of the French Commercial Code, signed previously the year closed 31 December 2015 but with effects that have persisted during said financial year and entered into since the end of said financial year, was provided to the Statutory Auditors.

It is proposed to the Shareholders' Meeting to note that there was no new regulated agreement or commitment during financial year 2015 (**fourth resolution**).

The purpose of the **fifth resolution** is to submit to the approval of the Shareholders' Meeting, pursuant to the provisions of Article L.225-42-1 of the French Commercial Code, the commitments taken in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer of the Company, in which performance criteria have been precised:

- The performance criteria linked to the severance pay has been modified, to be more restrictive. Henceforth, the maintenance of the Group's recurring operational profit margin over the 3 years preceding the departure, will be at a minimum threshold of 15%, and not 12.5%;
- The defined benefit additional pension scheme is now subject to a performance criteria: maintenance of the Group's recurring operational profit margin over the 3 years preceding the departure, with a minimum threshold of 15%.

These commitments are described below (tenth resolution).

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

Renewal of the term of office of Statutory Auditors (sixth and seventh ordinary resolutions)

The Board of Directors proposes to the Shareholders' Meeting to renew the term of office of Deloitte & Associés as Statutory Auditor, which term of office expires at the conclusion of the present Meeting, for a period of six financial years, *i.e.* until the conclusion of the Shareholders' Meeting to be held in 2022 and called to approve the financial statements for the financial year ending 31 December 2021 (**sixth resolution**).

The Board of Directors proposes to the Shareholders' Meeting to renew the term of office of BEAS as Alternate Statutory Auditor, which term of office expires at the conclusion of the present Meeting, for a period of six financial years, *i.e.* until the conclusion of the Shareholders' Meeting to be held in 2022 and called to approve the financial statements for the financial year ending 31 December 2021 (**seventh resolution**).

Renewal of the term of office of two Directors (eighth and ninth ordinary resolutions)

As the terms of office of Mrs. Carol Xueref and the company MAYROY SA, represented by Mr. Philippe Bonhomme, 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 Mrs. Carol Xueref as a Director, for a four-year term that will expire at the conclusion of the Shareholders' Meeting to be held in 2020, called to approve the financial statements of the previous year (**eighth resolution**);
- Renew the term of office of the company Mayroy SA as a Director, for a four-year term that will expire at the conclusion of the Shareholders' Meeting to be held in 2020, called to approve the financial statements of the previous year (**ninth resolution**).

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

Opinion on compensation elements due or allocated to the Chairman and Chief Executive Officer and the Deputy Chief Executive Officer for 2015 financial year (tenth and eleventh ordinary resolutions)

The Board of Directors proposes to the Shareholders' Meeting, in accordance with paragraph 24.3 of the AFEP-MEDEF Code of corporate governance for listed companies, revised in November 2015, to which the Company refers, to deliver a favourable opinion on compensation elements due or allocated to Mr. Marc de Garidel , Chairman and Chief Executive Officer (**tenth resolution**) and Mrs. Chistel Bories, Deputy Chief Executive Officer until 31 March 2016 (**eleventh resolution**) for 2015 financial year indicated below:

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2015 FINANCIAL YEAR TO MR MARC DE GARIDEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
	Amounts to be voted	Presentation
Fixed compensation	€750,000 *(paid in 2015)*	The Board of Directors, at its meeting held on 2 March 2015, decided to maintain Mr. Marc de Garidel's annual gross fixed compensation at €750 000 for 2015 financial year.
Variable annual compensation	€1,075,000 *(paid in 2016)*	For 2015 financial year, the target variable compensation amounted to €750,000 gross (corresponding to 100% of reached objectives) within a range between 0 and €1,125,000 (from 0 to 150%), based on quantitative and qualitative criteria decided by the Board of Directors. Thus, the proportion of the maximum amount of the variable part (excepting multiannual variable), with regard to the fixed compensation, amounts to 150%. The Board of Directors set the following performance criteria for the determination of the variable compensation: two-thirds of this bonus is based on quantitative criteria of equal weighting based on the achievement of levels regarding consolidated revenues, operating profit, net profit per share and cash flow from operations. The third of this bonus is based on qualitative criteria in terms of, in particular, strategic orientations. For confidentiality reasons, the quality criteria details and level of achievement expected by the quantity criteria, is not made public. The Board of Directors, at its meeting held on 29 February 2016, upon proposal of the Compensation Committee, in view of the realization of the pre-established criteria, set the variable annual compensation of the Chairman and Chief Executive Officer to €1,075,000 for 2015 financial year. This amount has been paid in 2016.
Deferred variable compensation	NA	No deferred variable compensation.

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2015 FINANCIAL YEAR TO MR MARC DE GARIDEL, CHAIRMAN AND CHIEF EXECUTIVE OFFICER		
	Amounts to be voted	Presentation
Multi-yearly variable compensation (Mid Term Bonus – MTB)	€931,318 *(paid in 2015)*	The MTB, that has been attributed in 2013, was subject to the achievement of presence and performance conditions, for the 2013 and 2014 financial years, which are based for two third of the target amount, on quantitative criteria: revenues in constant exchange rate (1/3), adjusted operating EBIT (1/3) and cash flow from operations (1/3); and for the third of the target amount, on qualitative criteria. For confidentiality reasons, the details regarding the qualitative criteria and the level of achievement expected of quantitative criteria are not made public. The Board of Directors, at its meeting held on 1 April 2015, assessed the level of achievement of performance conditions linked to this plan. The total amount of €931,318 has been paid in 2015 to the Chairman and Chief Executive Officer. The MTB, that has been attributed in 2014 (gross target amount of €375,000) and that will be paid in 2016, is subject to the achievement of presence and performance conditions, for the 2014 and 2015 financial years, which are based, for the half of the target amount, on the achievement of an internal criterion based on the recurring adjusted EBIT level of the Group (50%) and, for the other half of the target amount, on an external criterion based on the performance of the stock market price of the Ipsen share regarding the STOXX 600 TMI Health Care index (50%). For confidentiality reasons, the intern and extern criteria details and the level of achievement expected and realized are not made public. The Board of Directors, at its meeting held on 30 March 2016, assessed the level of achievement of performance conditions. The total amount of €1,588,396 will be paid in 2016. The MTB, that has been attributed in 2015 (gross target amount of €375,000) and that will be paid in 2017, is subject to the achievement of presence and performance conditions, for the 2015 and 2016 financial years, which are based, for the half of the target amount, on internal criterion based on the level reached by the current operating income (excluding research tax credit) of the Group and, for the other half of the target amount, on an external criterion based on the performance of the stock market price of the share of the Company regarding the STOXX 600 TMI Health Care index. For confidentiality reasons, the internal and external criteria details and the level of achievement expected and realized are not made public.
Multi-yearly variable compensation (Share appreciation Rights SARs)	–	The Board of Directors, at its meeting held on 30 March 2012, upon recommendation of the Compensation Committee, decided to attribute 166,000 SARs to the Chairman and Chief Executive Officer, under performance conditions based on qualitative and quantitative criteria, depending upon the outcome of Inspiration Biopharmaceuticals Inc record of which detail is not made public for confidentiality reasons. The Board of Directors, upon recommendation of the Compensation Committee decided to make an assessment of SARs by an independent third party and defer this assessment, in agreement with the beneficiary, in order to value a year flows fees of the underlying product (OBI-1) which was launched in late 2014.
Exceptional compensation	–	No exceptional compensation.
Directors' fees	€68,333 *(paid semi-annually in 2015 and 2016)*	Marc de Garidel receives a director's fee of €40,000 for a full year service and an additional fee of €20,000 for a full year service as a member of the Strategic Committee. Marc de Garidel has been appointed Chairman of the Strategic Committee on 30 July 2015. He receives an additional director's fee of €20,000 as Chairman of the Strategic Committee, calculated *prorata temporis* for 2015.
Benefits of any kind valuation	€12,482.15 *(paid in 2015)*	Benefits in kind consist of a company car and of an accommodation made temporarily available.

Stock options, performance shares or any other long term incentive compensation		
	Accounting valuation to be voted	**Presentation**
Allocation of stock-options and/or performance shares	Stock-options: NA	During the 2015 financial year, no options were granted to the Chairman and Chief Executive Officer.
	Performance shares: €391,486.80 *(accounting valuation)*	The Board of Directors, at its meeting held on 1 April 2015, upon recommendation of the Compensation Committee, decided to grant 12,588 performance bonus shares to the Chairman and Chief Executive Officer (representing 0.02% of the share capital), subject to a presence condition and performance conditions. The performance conditions are based for the half of the target amount, on the achievement of an internal criterion based on the recurring adjusted EBIT level of the Group (50%) and, for the other half of the target amount, on an external criterion based on the performance of the stock market price of the Ipsen share regarding the STOXX 600 TMI Health Care index (50%). For confidentiality reasons, the intern and extern criteria details and the level of achievement expected and realized are not made public. If the performance expected is exceeded (*i.e.* 100%), the number of performance bonus shares given will be equal at the number of shares granted and a monetary compensation will be organized. This compensation will be calculated based on the share price adopted by the Board of Directors held on 1 April 2015. *General Meeting held on 31 May 2013 – 20th resolution*

Elements of remuneration submitted to the Shareholder's Meeting vote under the procedure applicable to regulated-related agreements and commitments		
	Amounts to be voted	**Presentation**
Severance payment	–	• a payment due only in the event of a forced departure associated with a change of control or strategy • in an amount equal to 24 month compensation (fixed and variable) in respect of his term of office • payment which is subject to a performance condition (maintenance of the Group's recurring operational profit margin over the three years preceding the departure, with a minimum threshold (12.5% for 2011)),and • which includes the amount due in respect of any non-competition obligation, if applicable. *Board of Directors held on 11 October 2010* *General Meeting held on 27 May 2015 – 5th resolution* It is proposed to the Shareholders' Meeting to approve the commitment taken in favor of Marc de Garidel regarding this severance payment in which the performance condition has been modified to be more restrictive (fifth resolution). Henceforth, the maintenance of the Group's recurring operational profit margin over the 3 years preceding the departure will be at a minimum threshold of 15%, and not 12.5%.
Non-competition payment	–	In case of departure from the Group (for a reason other than a change of control), Mr. Marc de Garidel undertook, for a 24 months duration after his effective departure, not to exercise or participate in the exercise, from an operational point of view (including as a consultant), in the territories of the European Economic Union and/or in Northern America, to an activity of development and/or commercialization of product of the same therapeutic class (source IMS-Health) than the three first products of the Group in terms of revenues. The compensation due by the Company in consideration of this commitment is comprised in the severance payment described above. *Board of Directors held on 11 October 2010* *General Meeting held on 1 June 2012 – 5th resolution*
Additional pension scheme	–	The Chairman and Chief Executive Officer potentially benefits from the additional pension commitment existing within the Company which is a defined benefit plan and also benefits to all Group employees and involves the payment on retirement, subject to a minimum 5 year service, of a pension calculated by reference to the number of years of service within the Group, applied at a rate of 0.6% per year to the part of the total gross compensation (including bonuses) below 8 times the Annual Social Security Ceilling and at a rate of 1% to the part of compensation in excess of 8 times the Annual Social Security Ceiling, applied to the compensation for the last 36-months in office. The annual amount of pension expected by the Chairman and Chief Executive Officer could not exceed 45% of his fixed and variable compensation. For the Chairman and Chief Executive Officer, the estimated amount of the annual pension, at the end of the 2015 financial year, is €88,239. The potential rights are financed by non-individualisable premiums paid to an insurance institution. *Board of Directors held on 11 October 2010* *General Meeting held on 27 May 2011 – 7th resolution* It is proposed to the Shareholders' Meeting to approve the commitment taken in favor of Marc de Garidel regarding this additional pension scheme in which a performance condition has been added (fifth resolution): maintenance of the Group's recurring operational profit margin over the 3 years preceding the departure at a minimum threshold of 15%.

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2015 FINANCIAL YEAR
TO MRS CHRISTEL BORIES, DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 31 MARCH 2016

	Amounts to be voted	Presentation
Fixed compensation	€600,000 *(paid in 2015)*	The Board of Directors, at its meeting held on 2 March 2015, decided to bring the fixed annual compensation of Mrs. Christel Bories, Deputy Chief Executive Officer, from €570,000 to €600,000, (*i.e.* 5.26% increase) to take into account the extension of her operational responsibilities with effect from 1 January 2015. As its meeting held on 15 February 2016, the Board of Directors of the Company decided the departure of Mrs. Christel Bories because of diverging strategic considerations. From 1 January 2016 to 31 March 2016, she continued to receive the gross monthly fixed remuneration that was paid to her in 2015, namely a sum of €150,000 from 1 January to 31 March 2016.
Variable annual compensation	€860,000 *(paid in 2016)*	For 2015 financial year, the target variable compensation amounted to €600,000 gross (corresponding to 100% of reached objectives) within a range between 0 and €900,000 (from 0 to 150%), based on quantitative and qualitative criteria decided by the Board of Directors. Thus, the proportion of the maximum amount of the variable part (excepting multiannual variable), with regard to the fixed compensation, amounts to 150%. The Board of Directors set the following performance criteria for the determination of the variable compensation: two-thirds of this bonus is based on quantitative criteria of equal weighting based on the achievement of levels regarding consolidated revenues, operating profit, net profit per share and cash flow from operations. The third of this bonus is based on qualitative criteria in terms of strategic orientations and Group's transformation. For confidentiality reasons, the qualitative criteria details and level of achievement expected by the quantitative criteria, are not made public. The Board of Directors, at its meeting held on 15 February 2016, upon proposal of the Compensation Committee, in view of the realization of the pre-established criteria, set the variable annual compensation of the Deputy Chief Executive Officer to €860,000 for 2015 financial year. This amount has been paid in 2016. No variable remuneration will be awarded to Mrs. Christel Bories for the 2016 financial year as a result of her departure on 31 March 2016.
Deferred variable compensation	NA	No deferred variable compensation.
Multi-yearly variable compensation (Mid Term Bonus – MTB)	€707,802 *(paid in 2015)*	The MTB, that has been attributed in 2013, was subject to the achievement of presence and performance conditions, for the 2013 and 2014 financial years, which are based for two third of the target amount, on quantitative criteria: revenues in constant exchange rate (1/3), adjusted operating EBIT (1/3) and cash flow from operations (1/3); and for the third of the target amount, on qualitative criteria. For confidentiality reasons, the details regarding the qualitative criteria and the level of achievement expected of quantitative criteria are not made public. The Board of Directors, at its meeting held on 1 April 2015, assessed the level of achievement of performance conditions linked to this plan. The total amount of €707,802 has been paid in 2015 to the Deputy Chief Executive Officer. The MTB, that has been attributed in 2014 (gross target amount of €285,000) and that will be paid in 2016, is subject to the achievement of presence and performance conditions, for the 2014 and 2015 financial years, which are based, for the half of the target amount, on the achievement of an internal criterion based on the recurring adjusted EBIT level of the Group (50%) and, for the other half of the target amount, on an external criterion based on the performance of the stock market price of the Ipsen share regarding the STOXX 600 TMI Health Care index (50%). For confidentiality reasons, the intern and extern criteria details and the level of achievement expected and realized are not made public. The Board of Directors, at its meeting held on 30 March 2016, assessed the level of achievement of performance conditions. The total amount of €1,207,180 will be paid in 2016. The MTB, that has been attributed in 2015 (gross target amount of €300,000) and that will be paid in 2017, is subject to the achievement of presence and performance conditions, for the 2015 and 2016 financial years, which are based, for the half of the target amount, on internal criterion based on the level reached by the current operating income (excluding research tax credit) of the Group and, for the other half of the target amount, on an external criterion based on the performance of the stock market price of the share of the Company regarding the STOXX 600 TMI Health Care index. For confidentiality reasons, the internal and external criteria details and the level of achievement expected and realized are not made public. Within the framework of the departure of Mrs. Christel Bories from the Group on 31 March 2016, the Board of Directors, at its meeting held on 15 February 2016, decided to lift the condition of presence relating to Mrs. Christel Bories for the period running from 1 April 2016 to 1 April 2017. The Board of Directors also decided that Mrs. Christel Bories' acquisition rights to the medium term bonus, within the plan of 1 April 2015, will therefore be calculated based on a target bonus of €150,000, *i.e.* 50% of the amount of the target bonus initially granted (€300,000), corresponding to the time spent by Mrs. Christel Bories at the Company during the reference period set out in the plan, depending on the relevant performance criteria for 2015 only. This bonus is to be paid in 2017.

COMPENSATION ELEMENTS DUE OR ALLOCATED FOR THE 2015 FINANCIAL YEAR TO MRS CHRISTEL BORIES, DEPUTY CHIEF EXECUTIVE OFFICER UNTIL 31 MARCH 2016		
	Amounts to be voted	**Presentation**
Exceptional compensation	NA	No exceptional compensation.
Directors' fees	NA	No directors' fees.
Benefits of any kind valuation	NA	No benefit in kind.
Stock options, performance shares or any other long term incentive compensation		
	Accounting valuation to be voted	**Presentation**
Allocation of stock-options and/or performance shares	Stock-options: NA	During 2015 financial year, no options were granted to the Deputy Chief Executive Officer.
	Performance shares : €313,177 *(accounting valuation)*	The Board of Directors, at its meeting held on 1 April 2015, upon recommendation of the Compensation Committee, decided to grant 10,070 performance bonus shares to the Deputy Chief Executive Officer (representing 0.01% of the share capital), subject to a presence condition and performance conditions. The performance conditions are based for the half of the target amount, on the achievement of an internal criterion based on the recurring adjusted EBIT level of the Group (50%) and, for the other half of the target amount, on an external criterion based on the performance of the stock market price of the Ipsen share regarding the STOXX 600 TMI Health Care index (50%). For confidentiality reasons, the intern and extern criteria details and the level of achievement expected and realized are not made public. If the performance expected is exceeded (*i.e.* 100%), the number of performance bonus shares given will be equal at the number of shares granted and a monetary compensation will be organized. This compensation will be calculated based on the share price adopted by the Board of Directors held on 1 April 2015. *General Meeting held on 31 May 2013 – 20th resolution* Within the framework of the departure of Mrs. Christel Bories from the Group on 31 March 2016, the Board of Directors, at its meeting held on 15 February 2016, decided to lift the condition of presence relating to Mrs. Christel Bories for the period running from 1 April 2016 to 1 April 2017. The Board of Directors also decided that Mrs. Christel Bories' acquisition rights, within the plan of 1 April 2015, shall cover 50% of the number of bonus shares initially granted (50% of 10,070 bonus shares, *i.e.* 5,035 bonus shares), corresponding to the time spent by Mrs. Christel Bories at the Company during the reference period set out in the plan, depending on the relevant performance criteria for 2015 only. The bonus shares acquired on 1 April 2017 by Mrs. Christel Bories will remain unavailable until 1 April 2019.
Elements of remuneration submitted to the Shareholder's General Meeting vote under the procedure applicable to regulated agreements and commitments		
	Amounts to be voted	**Presentation**
Severance payment	–	• a payment due only in the event of a forced departure associated with a change of control or strategy decided by the Board of Directors, • in an amount equal to 24 month compensation (fixed and variable) in respect of her term of office, • payment which is subject to a performance condition (maintenance of the Group's recurring operational profit margin over the three years preceding the departure, with a minimum threshold (12.5% for 2013)), and • which includes the amount due in respect of any non-competition obligation, if applicable. *Board of Directors held on 26 February 2013* *General Meeting held on 31 May 2013 – 6th resolution* As its meeting held on 15 February 2016, the Board of Directors of the Company decided the departure of Mrs. Christel Bories and, upon recommendation of the Compensation Committee, approved the payment of the severance pay to her profit for an amount of €2,920,000, corresponding to 24 months of fixed and variable remuneration, calculated on the basis of the fixed and variable remuneration of Mrs. Christel Bories during the financial year 2015 and including the non-compete compensation which she benefits representing 50% of the granted amount. This amount was subject to the approval of the 2015 financial statements and the assessment of the achievement of the performance criteria by the Board of Directors held on 29 February 2016.

Elements of remuneration submitted to the Shareholder's General Meeting vote under the procedure applicable to regulated agreements and commitments		
	Amounts to be voted	Presentation
Non-competition payment	–	In case of departure from the Group (for a reason other than a change of control), Mrs. Christel Bories undertook, for a 24 months duration after her effective departure, not to exercise or participate in the exercise, from an operational point of view (including as a consultant), in the territories of the European Economic Union and/or in Northern America, to an activity of development and/or commercialization of product of the same therapeutic class (source IMS-Health) than the three first products of the Group in terms of revenues. The compensation due by the Company in consideration of this commitment is comprised in the severance payment described above for 50% of the granted amount. *Board of Directors held on 26 February 2013* *General Meeting held on 31 May 2013 – 6th resolution*
Additional pension scheme	–	The Deputy Chief Executive Officer benefits from the additional pension commitment existing within the Company which is a defined benefit plan and also benefits to all Group employees and involves the payment on retirement, subject to a minimum 5 year service, of a pension calculated by reference to the number of years of service within the Group, applied at a rate of 0.6% per year to the part of the total gross compensation (including bonuses) below 8 times the Annual Social Security Ceiling and at a rate of 1% to the part of compensation in excess of 8 times the annual Social Security Ceiling, applied to the compensation for the last 36-months in office. *Board of Directors held on 26 February 2013* *General Meeting held on 31 May 2013 – 6th resolution* Because of her departure on 31 March 2016, Mrs. Christel Bories will not benefit of this commitment because, in particular, she doesn't have the seniority required to benefit from it (at least 5 years).

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

Pursuant to the terms and conditions of the **twelfth resolution**, the Shareholders' Meeting is requested to renew the authorization, 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 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 regulation,
- Retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions,
- Ensure the hedging of stock option plans and/or bonus share plans (or similar plans) in favour of Group employees and/or company officers as well as all allocations of shares under a Company or Group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to Group employees and/or company officers,
- Ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force,
- Possibly cancel acquired shares, subject to the authorization granted by the Shareholders' Meeting held on 27 May 2015 in its thirteenth extraordinary resolution.

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

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

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

This authorization shall cancel and supersede the previous authorization given to the Board of Directors by the Shareholders' Meeting of 27 May 2015 in its twelfth ordinary resolution.

It is proposed to the Shareholders' Meeting to set the maximum purchase price at €90 per share and by consequence the maximum amount of this transaction at €749,218,500 on the basis of a number of 83,246,502 shares.

Authorization to allocate free of charge existing shares and/or shares to be issued to waged staff members and/or certain company officers (thirteenth extraordinary resolution)

The Board of directors proposed to the Shareholders' Meeting to renew in advance the authorization to the Board of Directors to allocate bonus shares in order to benefit from the new legal regime of the law "Macron". It is thus proposed to the Shareholders' Meeting to authorize the Board of Directors to allocate, on one or several occasions, for a period of 26 months, Company ordinary shares, whether existing or to be issued, in favour off staff members and/or certain company officers.

The total number of bonus shares that might be allocated under this authorization may not exceed 3% of the share capital at the date of their grant by the Board of Directors. This ceiling would be common with the ceiling of granted options and granted bonus preference shares authorized by the Combined Shareholders' Meeting held on 27 May 2015 in its twentieth and twenty-third extraordinary resolutions.

The total number of bonus shares that may be granted to the Company officers may not entitle to subscribe for or purchase more than 20% of the share capital in this envelope, *i.e.* 0.6% of the share capital and the acquisition of this bonus shares will be subject to performance conditions set by the Board of Directors.

The allocation of said shares to beneficiaries would be definitive after an acquisition period that will last a period determined by the Board of Directors, which shall not be lower than two years. The beneficiaries may have to keep these shares during a period defined by the Board of Directors at the end of the acquisition period.

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

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

Update of the Articles of Association (fourteenth extraordinary resolution)

Under the **fourteenth resolution**, it is proposed to the Shareholder's Meeting:

- to bring in line the Articles of Association with the provisions of Article L.225-147 of the French Commercial Code and accordingly remove the last paragraph of paragraph 21.2 of Article 21 of the Articles of Association;
- to remove obsolete statutory provisions due to the admission of shares to trading on regulated market and modify accordingly and as follows Articles 9, 10 and 24 of the Articles of Association:

  - Article 9 is amended as follow:

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

  - Article 10 is amended as follow:

  10.1 *"The shares issued by the Company are freely tradable unless otherwise stipulated by legal or regulatory provisions.*

  Ownership of the shares results from their registration under the name(s) of the holder(s) on securities accounts. The ownership of shares results from their registration under the name(s) of the holder(s) on securities accounts kept by the Company or a custodian of the Company for registered shares, and on the accounts kept by an authorized intermediary for bearer shares."

  Paragraph 3 and 4 remain unchanged.

  10.2 *"The Company may at any time, in accordance with the applicable legal and regulatory provisions and at its own expense, request the relevant central depositary for financial instruments, to provide it with the name, or the corporate name in the case of a legal entity, nationality and address or, as the case may be, the registered office, of holders of securities conferring the right to vote at its General Shareholders' Meetings either immediately or in the future, as well as the number of securities held by each of them and, if relevant, any restrictions attached thereto."*

  10.3 *"In addition to the legal disclosure requirements set out in Article L.233-7 of the French Commercial Code, any person or legal entity, acting either alone or in concert, who holds by any mean a number of shares representing 1% of the share capital or voting rights, or any further multiple thereof, must no later than five business days after the occurrence, advise the Company by fax of the total number and percentage of shares and voting rights held, with written confirmation sent the same day by means of a registered letter, with acknowledgement of receipt requested."*

  The two last paragraphs remain unchanged.

  - The last paragraph of paragraph 24.2 of Article 24 is amended as follow, the rest of the Article remain unchanged:

  "Holders of shares mentioned in the seventh paragraph of Article L.228-1 of the French Commercial Code can be represented by a registered intermediary under the terms and conditions set out by the legislation."

Powers to carry out any filings and formalities required by law (fifteenth resolution)

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

The Board of Directors

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 2015,
- Approval of the consolidated financial statements for financial year ending 31 December 2015,
- Appropriation of results and determination of the dividend,
- Special report of the Statutory Auditors on regulated-related agreements and commitments – Acknowledgement of the absence of new regulated-related agreement or commitment concluded during the last financial year,
- Special report of the Statutory Auditors on regulated-related agreements and commitments and approval of commitments taken in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer,
- Renewal of the term of office of Deloitte & Associés as Statutory Auditor,
- Renewal of the term of office of BEAS as Alternate Statutory Auditor,
- Renewal of the term of office of Mrs. Carol Xueref as a Director,
- Renewal of the term of office of MAYROY as a Director,
- Opinion on compensation elements due or allocated to Mr. Marc de Garidel, Chairman and Chief Executive Officer, for the financial year ended on 31 December 2015,
- Opinion on compensation elements due or allocated to Mrs. Christel Bories, Deputy Chief Executive Officer, for the financial year ended on 31 December 2015,
- Authorization to be given to the Board of Directors to allow the Company to repurchase its own shares pursuant to the provisions of Article L.225-209 of the French Commercial Code, duration of the authorization, purposes, terms and conditions, ceiling.

As an Extraordinary Shareholders' Meeting:

- Authorization to be given to the Board of Directors to allocate free of charge existing shares and/or shares to be issued to waged staff members and/or certain company officers of the Company or of affiliated companies, waiver by shareholders of their preferential subscription rights, duration of the authorization, ceiling, duration of acquisition, in particular in the case of disability, and vesting periods,
- Update of the Articles of Association,
- Powers to carry out any filings and formalities required by law.

Proposed Resolutions

As an Ordinary Shareholders' Meeting:

First resolution – Approval of the annual financial statements for financial year ending 31 December 2015

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 2015, approves, as they have been presented, the annual financial statements with a profit of €191,436,860.91.

Second resolution – Approval of the consolidated financial statements for financial year ending 31 December 2015

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 2015, approves, as they have been presented, said financial statements with a profit (Group share) of 189,871 thousand euros.

Third resolution – Appropriation of results and determination of the dividend

The Shareholders' Meeting, upon proposal of the Board of Directors, and having noted that the profit for financial year ending 31 December 2015 amounted to €191,436,860.91:

- Notes that the profit for the 2015 financial year increased by the €131,899,967.92 beneficiary carry-forward from previous financial year brings the distributable profit to €323,336,828.83;
- Decides to allocate the distributable income as follows:
  - No allocation to the legal reserve, it already amounts to more than one-tenth of the share capital,
  - To the dividend for an amount of €70,759,526.70,
  - To the Carry-forward item for an amount of €252,577,302.13.

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

The ex-dividend date is set on 2 June 2016 and the dividend will be paid on 6 June 2015.

In the event of a change in the number of shares carrying a right to a dividend in comparison with the 83,246,502 shares comprising the share capital as of 29 February 2016, 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	
2012	€67,280,202.40 (*) or €0.80 per share	–	–
2013	€66,089,327.20 (*) or €0.80 per share	–	–
2014	€70,450,514.30 (*) or €0.85 per share	–	–

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

Fourth resolution – Special report of the Statutory Auditors on regulated-related agreements and commitments – Acknowledgement of the absence of new regulated-related agreement or commitment

The Shareholders' Meeting, having considered the Statutory Auditors' special report mentioning the absence of new agreement or commitment concluded during the last financial year covered by Articles L.225-38 and following of the French Commercial Code, acknowledges it.

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

The Shareholders' Meeting, having considered the Statutory Auditors' special report on regulated-related agreements and commitments, approves the conditional commitment taken by the Company in favour of Mr. Marc de Garidel, Chairman and Chief Executive Officer, corresponding to a defined benefit additional pension scheme and to a compensation that may fall due should his position be terminated, of which performance criteria has been precised.

Sixth resolution – Renewal of the term of office of Deloitte & Associés as Statutory Auditor

The Shareholders' Meeting, upon proposal of the Board of directors, decides to renew the term of office of Deloitte & Associés as Statutory Auditor, which term of office expires at the conclusion of the present Meeting, for a period of six financial years, *i.e.* until the conclusion of the Shareholders' Meeting to be held in 2022 and called to approve the financial statements for the financial year ending 31 December 2021.

It accepted these functions.

Seventh resolution – Renewal of the term of office of BEAS as Alternate Statutory Auditor

The Shareholders' Meeting, upon proposal of the Board of directors, decides to renew the term of office of BEAS as Alternate Statutory Auditor, which term of office expires at the conclusion of the present Meeting,for a period of six financial years, *i.e.* until the conclusion of the Shareholders' Meeting to be held in 2022 and called to approve the financial statements for the financial year ending 31 December 2021.

It accepted these functions.

Eighth resolution – Renewal of the term of office of Mrs. Carol Xueref as a Director

The Shareholders' Meeting decides to renew the term of office of Mrs. Carol Xueref as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2020 and called to approve the financial statements for previous financial year.

Ninth resolution – Renewal of the term of office of MAYROY as a director

The Shareholders' Meeting decides to renew the term of office of MAYROY as a Director, for a four-year term, which will expire at the conclusion of the Shareholders' Meeting to be held in 2020 and called to approve the financial statements for previous financial year.

Tenth resolution – Opinion on compensation elements due or allocated to Mr. Marc de Garidel, Chairman and Chief Executive Officer, for the financial year ended on 31 December 2015

The Shareholders' Meeting, consulted in accordance with paragraph 24.3 of the AFEP-MEDEF Code of corporate governance for listed companies, revised in November 2015, to which the Company refers in accordance with Article L.225-37 of the French Commercial Code, delivers a favourable opinion on compensation elements due or allocated to Mr. Marc de Garidel, Chairman and Chief Executive Officer, for the financial year ended on 31 December 2015, as it have been presented in the Board of Directors' report.

Eleventh resolution – Opinion on compensation elements due or allocated to Mrs. Christel Bories, Deputy Chief Executive Officer, for the financial year ended on 31 December 2015

The Shareholders' Meeting, consulted in accordance with paragraph 24.3 of the AFEP-MEDEF Code of corporate governance for listed companies, revised in November 2015, to which the Company refers in accordance with Article L.225-37 of the French Commercial Code, delivers a favourable opinion on compensation elements due or allocated to Mrs. Christel Bories, Deputy Chief Executive Officer, for the financial year ended on 31 December 2015, as it have been presented in the Board of Directors' report.

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

The Shareholders' Meeting, having considered the Board of Directors' report, authorizes the Board, 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 authorization terminates the authorization given to the Board of Directors by the Shareholders' Meeting held on 27 May 2015 (twelfth 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 regulation,
- Retain the purchased shares and subsequently deliver them within the context of an exchange or a payment related to possible external growth transactions,
- Ensure the hedging of stock option plans and/or bonus share plans (or similar plans) in favour of Group employees and/or company officers as well as all allocations of shares under a Company or Group savings plan (or a similar plan), as part of the sharing of the Company's profits and/or all other forms of allocation of shares to Group employees and/or company officers,
- Ensure the coverage of negotiable securities giving rights to the allocation of Company shares in accordance with the regulations in force,
- Possibly cancel acquired shares, subject to the authorization to be granted by the present Shareholders' Meeting in its thirteenth extraordinary resolution.

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

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

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

The maximum purchase price is set at €90 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 afore-mentioned 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 €749,218,500.

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

■ As an Extraordinary Shareholders' Meeting

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

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

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

The total number of bonus shares thus allocated shall not exceed 3% of the share capital at the date of the decision to make the initial allocation by the Board of Directors, taking into account that the total number of shares which the options and/or preference shares that could be granted by the Board of Directors, pursuant to 20th and 23rd extraordinary resolutions approved by the Combined Shareholders' Meeting held on 27 May 2015, will count towards this upper limit.

The total number of bonus shares that may be granted to the Company officers may not entitle to subscribe for or purchase more than 20% of the share capital in this envelope *i.e.* 0.6% of the share capital and the final acquisition of this bonus shares will be subject to performance conditions set by the Board of Directors.

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

The beneficiaries may have to keep these shares during a period defined by the Board of Directors at the end of the acquisition period.

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

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

- Set the conditions and, if applicable, the criteria applicable to the allocation of these shares;
- Determine the identity of beneficiaries as well as the number of shares allocated to every one of them;
- If applicable:
  - check whether there are sufficient reserves and transfer to a sequestered reserve at every allocation the sums required to pay up the new shares to be allocated,
  - decide, when the right time comes, the capital increase or increases by capitalisation of reserves, premiums or profits related to the issuance of the new bonus shares,
  - acquire the necessary shares under the share repurchase programme and transfer them to the plan,
  - determine the impacts on the rights of beneficiaries of transactions affecting the share capital or likely to affect the value of the allocated and acquired shares during the

acquisition and vesting periods and, accordingly, change or adjust, if necessary, the number of shares allocated in order to safeguard the rights of beneficiaries;

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

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

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

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

Fourteenth resolution – Update of the Articles of Association

The Shareholder's Meeting, having considered the Board of Directors' report, decides:

- to bring in line the Articles of Association with the provisions of Article L.225-147 of the French Commercial Code and accordingly remove the last paragraph of paragraph 21.2 of Article 21 of the Articles of Association;
- remove obsolete statutory provisions due to the admission of shares to trading on regulated market and modify accordingly and as follows Articles 9, 10 and 24 of the Articles of Association:

  - Article 9 is amended as follow:

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

  - Article 10 is amended as follow:

  10.1 *"The shares issued by the Company are freely tradable unless otherwise stipulated by legal or regulatory provisions. Ownership of the shares results from their registration under the name(s) of the holder(s) on securities accounts. The ownership of shares results from their registration under the name(s) of the holder(s) on securities accounts kept by the Company or a custodian of the Company for registered shares, and on the accounts kept by an authorized intermediary for bearer shares."*

  Paragraph 3 and 4 remain unchanged.

  10.2 *"The Company may at any time, in accordance with the applicable legal and regulatory provisions and at its own expense, request the relevant central depositary for financial instruments, to provide it with the name, or the corporate name in the case of a legal entity, nationality and address or, as the case may be, the registered office, of holders of securities conferring the right to vote at its General Shareholders' Meetings either immediately or in the future, as well as the number of securities held by each of them and, if relevant, any restrictions attached thereto."*

  10.3 *"In addition to the legal disclosure requirements set out in Article L.233-7 of the French Commercial Code, any person or legal entity, acting either alone or in concert, who holds by any mean a number of shares representing 1% of the share capital or voting rights, or any further multiple thereof, must no later than five business days after the occurrence, advise the Company by fax of the total number and percentage of shares and voting rights held, with written confirmation sent the same day by means of a registered letter, with acknowledgement of receipt requested."*

  The two last paragraphs remain unchanged.

  - The last paragraph of paragraph 24.2 of Article 24 is amended as follow, the rest of the Article remain unchanged:

  "Holders of shares mentioned in the seventh paragraph of Article L.228-1 of the French Commercial Code can be represented by a registered intermediary under the terms and conditions set out by the legislation."

Fifteenth 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.

REPORTS OF THE STATUTORY AUDITORS

Report of the Statutory Auditors on the annual financial statements

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

Ipsen S.A.

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

Statutory auditors' report on the annual financial statements

Year ended 31 December 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:
- the audit of the accompanying financial statements of Ipsen S.A.;
- the justification of our assessments;
- the specific verification and information required by law.

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

1. Opinion on the annual financial statements

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

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

2. Justification of our assessments

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

Note 2.1.2.2 to the financial statements describes the method used by the Company to measure the carrying value of its financial assets and investments in subsidiaries and affiliates. Our procedures consisted in assessing the data and assumptions on which these estimates are based, in particular the cash flow forecasts set out by the Company's operational management, reviewing calculations made by the Company, understanding the approval procedures by the management of these estimates. We verified that the disclosure provided in notes 2.1.2.2, 3.1 and 6 to the financial statements is appropriate. We assessed that the estimates made by the Company were reasonable.

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

3. Specific verification

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of article L.225-102-1 of the French Commercial Code *(Code de commerce)* relating to remuneration and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the identity of the shareholders or holders of the voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, on the 29 February 2016

The Statutory Auditors
French original signed by

KPMG Audit
Département de KPMG S.A.
Philippe Grandclerc
Partner

Deloitte & Associés
Jean-Marie Le Guiner
Partner

Report of the Statutory Auditors on the consolidated financial statements

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

Ipsen S.A.

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

Statutory auditors' report on the consolidated financial statements

Year ended 31 December 2015

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended 31 December 2015, on:
- the audit of the accompanying consolidated financial statements of Ipsen S.A.;
- the justification of our assessments;
- the specific verification required by law.

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

1. Opinion on the consolidated financial statements

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

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Justification of our assessments

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

Asset impairment

Goodwill and assets with indefinite useful life are tested for impairment on each reporting date and non-current assets are also tested for impairment when there is an indication that the asset may be impaired, using the methods described in note 3.17 to the consolidated financial statements. We reviewed the method of testing for impairment, together with the cash flow forecasts and assumptions used and verified that the disclosure provided in notes 6.3, 12.3, 13.2, 13.3 and 14.1 to the consolidated financial statements is appropriate.

Provisions

Notes 3.26 and 21 to the consolidated financial statements describe the provisions recorded by your Company. Our procedures consisted in assessing the data and assumptions on which these estimates are based, reviewing by sampling techniques calculations made by the Company, understanding the approval procedures by the Management Board of these estimates. In the context of our assessments, we obtained sufficient audit evidences to conclude that these estimates are reasonable.

Retirement benefit obligation

The methods of measuring post-employment advantages and other long term benefits are set out in note 3.25 to the consolidated financial statements. These liabilities have been measured by independent actuaries. We reviewed the data used, assessed the assumptions made and verified that the information disclosed in note 5.3 to the consolidated financial statements is appropriate.

Deferred tax

Note 3.33 to the consolidated financial statements describes the method of measuring and accounting deferred tax assets. We reviewed the data used, assessed the assumptions made and verified that the information disclosed in note 10.2 to the consolidated financial statements is appropriate.

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

3. Specific verification

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

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

Paris La Défense and Neuilly-sur-Seine, on the 29 February 2016

The Statutory Auditors
French original signed by

KPMG Audit *Département de KPMG S.A.*	Deloitte & Associés
Philippe Grandclerc *Partner*	Jean-Marie Le Guiner *Partner*

Special Report of the Statutory Auditors on regulated agreements and commitments

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

Ipsen S.A.

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

Statutory auditors' special report on regulated agreements and commitments

Year ended 31 December 2015

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

We are required to inform you, on the basis of the information provided to us, the terms and conditions, and the reasons for the interest of the company, of the agreements and commitments of which we were notified or we could find relating to this engagement. It is not our role to determine whether they are beneficial or appropriate or ascertain whether any other agreements or commitments exist. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements and commitments prior to their approval.

We are also required, where appropriate, to inform you about the terms of article R.225-31 of the French Commercial Code *(Code de commerce)* relating to the applicable agreements and commitments in 2011, which were already approved by the General Meeting of Shareholders.

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

AGREEMENTS AND COMMITMENTS UNDER APPROVAL BY THE GENERAL MEETING OF SHAREHOLDERS

Agreements and commitments entered into by the Company in 2015

We inform you that we have been advised of any agreement or any commitment authorized in 2015 by the General Meeting of Shareholders pursuant to Article L. 225-38 of the French Commercial code.

Agreements and commitments entered into by the Company since the end of the 2015 financial year

We have been advised of the following agreements and commitments authorized since the end of the 2015 financial year by your Board of Directors.

Benefit from performance bonus shares and mid-term bonus granted to Mrs. Christel Bories, Deputy Chief Executive Officer, in connection with her departure

Your Board of Directors, at its meeting held on 15 February 2016, noted the departure of Mrs. Christel Bories, Deputy Chief Executive Officer, due to diverging strategic considerations, with effect from 31 March 2016, and determined the elements of remuneration and compensation payable in connection with the termination of her duties. The details regarding elements of compensation are presented below in second part of this report.

In this context, your Board of Directors authorized:

- The benefit of the performance bonus shares and the mid-term bonus granted to Mrs. Christel Bories within the framework of plans decided by your Board of Directors held on 27 March 2014, i.e. 14,221 performance bonus shares and a target mid-term bonus amount of 285,000 euros;

- The benefit of 50% of the number of performance bonus shares and of the target mid-term bonus initially granted to Mrs. Christel Bories within the framework of plans decided by your Board of Directors held on 1 April 2015, i.e. *in fine* 5,035 performance bonus shares and a target mid-term bonus amount of 150,000 euros.

To this end, the Board of Directors lifted the condition of presence for the period running from 1 April 2016 to 1 April, and authorized Mrs. Christel Bories to keep the benefit of 50% of these elements of remuneration, corresponding to the time spent by Mrs. Christel Bories at the Company during the reference period set out in the plan (from 1 April 2015 to 1 April 2017).

AGREEMENTS AND COMMITMENTS ALREADY APPROVED BY THE GENERAL MEETING

Agreements and commitments approved in prior years that were not implemented in 2015

We have been informed of the continuation of the following agreements and commitments, already approved by the General Meeting in prior years, which were not implemented in 2015.

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

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

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

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

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

Agreements and commitments approved in prior years that were implemented since the end of the 2015 financial year

As indicated in the first part of this report, your Board of Directors, at its meeting held on 15 February 2016, noted the departure of Mrs. Christel Bories, Deputy Chief Executive Officer, due to diverging strategic considerations, and, upon proposal of the Compensation Committee, determined the following elements of compensation payable in connection with the termination of her duties:

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

- Your Board of Directors authorized at its 26 February 2013 meeting granting to Mrs Christel Bories:
  - the benefit of membership of the supplementary pension plan in force at Ipsen S.A., giving right to, on retirement and subject to seniority of at least 5 years, the payment of an annuity calculated by reference to seniority within the Group, at a rate of 0.60% per year of seniority on the part of total gross compensation (bonus included) that is lower than eight times the annual social security ceiling and at a rate of 1% per year on total gross compensation (bonus included) for the part of said total gross compensation higher than eight times the annual social security ceiling. Total gross compensation corresponds to the average compensation of the last 36 months of office.
  - a severance payment due under her position as Deputy CEO of the Company, the terms and conditions of which are in accordance with the recommendations set out in the AFEP-MEDEF Corporate Governance Code, in other words:
    - a payment due only in the event of a forced departure related to a change in control or in strategy decided by the Board of Directors,
    - a sum amounting to 24 months' (fixed and variable) compensation due under her position as Deputy CEO of the Company,
    - payment of which is subject to a performance-related condition: the Group's recurring operating margin needs to remain above a minimum threshold (12.5% for 2013) during the three years preceding her departure,
    - including the amount due, if applicable, in respect of any non-compete commitment described below.

In the framework of Mrs. Christel Bories' departure, your Board of Directors, at its meeting held on 15 February 2016, noticed the achievement of the performance condition and approved the payment of the severance payment due in case of the termination of her duties, of a gross amount of 2,920,000 euros, corresponding to 24 months of fixed and variable remuneration for the 2015 financial year.

As Mrs. Christel Bories does not fulfill the seniority required (at least 5 years) by the Company's additional pension scheme she will not benefit from said pension scheme.

Non-compete commitments taken by Mrs Christel Bories, Deputy Chief Executive Officer

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

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

  In the framework of Mrs. Christel Bories' departure, your Board of Directors, at its meeting held on 15 February 2016, noticed that the amount payable for Mrs. Christel Bories' non-compete compensation is included for 50% of this severance pay.

Paris La Défense and Neuilly-sur-Seine, March 18, 2016

The Statutory Auditors

KPMG Audit	Deloitte & Associés
Département de KPMG S.A.	
Philippe Grandclerc	Jean-Marie Le Guiner

Statutory auditors' special report on regulated agreements and commitments referred to in Article L.225-42-1 of the French Commercial Code

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

Ipsen S.A.

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

Shareholders' Meeting held to approve the financial statements for the year ended 31 December 2015

To the shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present to you our report on regulated agreements and commitments referred to in Article L.225-42-1 of the French Commercial Code, which had been previously authorized by your Board of Directors, in its meeting held on 30 March 2016 and that we were informed on 31 March 2016 under the terms of Article L.225-40 of the French Commercial Code.

We are required to inform you, on the basis of the information provided to us, the terms and conditions, and the reasons for the interest of the company, of the agreements and commitments of which we were notified since the issuance of our special report dated 18 March 2016. It is not our role to determine whether they are beneficial or appropriate or ascertain whether any other agreements or commitments exist. It is your responsibility, under the terms of article R.225-31 of the French Commercial Code, to evaluate the benefits arising from these agreements and commitments prior to their approval.

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

Modifications of commitments taken by Mr Marc de Garidel, Chairman of the Board and Chief Executive Officer, in the case of termination of employment

As indicated in the second part of our special report dated 18 March 2016, your Board of Directors authorized, at its meeting held on 11 October 2010, granting to Mr Marc de Garidel:

- a severance payment due in respect of his term of office, which terms are in accordance with the recommendations of the AFEP-MEDEF Corporate Governance Code, in other words:
  - a payment due only in the event of a forced departure related to a change in control or in strategy,
  - in an amount equal to 24 months' compensation in respect of his term of office,

  - payment of which is subject to a performance condition: maintenance of the Group's recurring operational profit margin over the 3 years preceding the departure, with a minimum threshold (12.5% for 2011),
  - including the amount due, if applicable, in respect of any non-compete obligation,
- the benefit of the additional pension scheme with defined contributions existing with the Company giving right to, on retirement and subject to a minimum 5-year seniority, the payment of an annual pension calculated by reference to the seniority within the Group, at a rate of 0.60% per year on the part of the total gross compensation (bonus included) below 8 PASS (the Annual Social Security Ceiling) and at a rate of 1% per year on the total gross compensation (bonus included) for the part of the compensation above 8 PASS. The total gross compensation corresponds to the average compensation of the last 36 months of office.

These commitments have been previously approved by the General Meeting of Shareholders.

At its meeting held on 30 March 2016, your Board of Directors authorized the modifications of the commitments mentioned above in the following manner:

- the performance condition for the benefit of the severance payment due in respect of his term of office has been amended to raise the minimum threshold of the Group's recurring operational profit margin over the 3 years preceding the departure from 12.5% to 15%;
- the benefit of the additional pension scheme with defined contributions is now subject to, as from the 2016 financial year, the same performance condition as that relating to the severance payment, namely: maintenance of the Group's recurring operational profit margin over the 3 years preceding the departure, with a minimum threshold of 15%.

Your Board of Directors considered that (i) the performance condition for the benefit of the severance payment must be modified to be more restrictive and (ii) the addition of a performance condition to the additional pension scheme allows your Company to comply with the regulations on pensions plans, these amendments, which make more binding the benefit of this severance payment and the additional pension scheme, also allow attract and retain executive officers by offering attractive conditions and compensation.

Paris La Défense et Neuilly-sur-Seine, 29 April 2016

The Statutory Auditors

KPMG Audit *Département de KPMG S.A.*	Deloitte & Associés
Philippe Grandclerc	Jean-Marie Le Guiner

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

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

Ipsen S.A.

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

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

Year ended 31 December 2015

To the Shareholders,

In our capacity as statutory auditors of Ipsen S.A. and in accordance with Article L.225-235 of French Commercial Code *(Code de commerce)*, we hereby report to you on the report prepared by the Chairman of your Company in accordance with Article L.225-37 of French Commercial Code *(Code de commerce)* for the year ended 31 December 2015.

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

It is our responsibility:

- to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information, and

- to attest that this report contains the other disclosures required by Article L.225-37 of French Commercial Code *(Code de commerce)*, it being specified that we are not responsible for verifying the fairness of these disclosures.

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

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

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

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

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

Other disclosures

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

Paris la Défense and Neuilly-sur-Seine, 29 February 2016

The Statutory Auditors

KPMG Audit
Département de KPMG S.A.

Philippe Grandclerc
Partner

Deloitte & Associés

Jean-Marie Le Guiner
Partner

EXECUTIVE SUMMARY: THE IPSEN GROUP IN 2015

Extract from audited consolidated results for 2015 and 2014 (in million euros)

(in million euros)	2015	2014	% change
Specialty care sales	1,114.2	947.1	+14.4% (1)
Primary care sales	329.7	327.8	-1.1% (1)
Group sales	**1,443.9**	**1,274.8**	**+10.4% (1)**
Core Operating Income	**322.5**	**260.6**	**+23.8%**
Core operating margin	*22.3 %*	*20.4 %*	*+1.9 pts*
Consolidated net profit	**190.7**	**154.0**	**+23.8%**
Core EPS – fully diluted (€)	**2.78**	**2.22**	**+25.2%**
Net operating cash-flow	223.6	245.8	-9.0%
Closing cash	214.0	180.1	+18.8%

(1) Sales growth excluding foreign exchange impact, calculated by applying the average 2015 rates to the 31 December 2014 sales figures.

Review of the full year 2015 results

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

EIn 2015, **Group sales** reached €1,443.9 million, up 10.4% year-on-year. **Specialty care** sales reached €1,114.2 million, up 14.4%, driven by:

- The strong growth of Somatuline® in North America following the launch of the neuroendocrine tumor indication, as well as a solid performance throughout Europe;
- The good performance of Dysport® in the aesthetic indication, notably through the Galderma partnership ;
- Decapeptyl® sales, up 1.3% over the period, affected by the slowdown in China.

In 2015, **primary care** reached €329.7 million, down 1.1% year-on-year. Sales declined by 7.7% in France, partially offset by international growth of 1.2%.

Core Operating Income totaled €322.5 million in 2015, up 23.8%. Core operating margin reached 22.3%, up 1.9 point compared to 2014, mainly driven by the acceleration of the development in the United States, the good performance in Europe, and appropriate cost control.

As of 31 December 2015, the Group recorded a €57.0 million **impairment loss** to fully impair the intangible asset related to tasquinimod following the decision to stop all clinical trials with the product as announced on 16 April, 2015.

Consolidated net profit was up 23.8% over the period to €190.7 million. **Fully diluted core earnings per share** (see Appendix 4) grew by 25.3% year-on-year to reach €2.78 for 2015, compared to €2.22 in 2014.

Net operating cash-flow generated in 2015 reached €223.6 million, compared to €245.8 million in 2014, due to a €81.2 million increase of the working capital requirement for operating activities in 2015, compared to a decrease of €5.3 million in 2014.

Closing cash reached €214.0 million over the period, compared to €180.1 million in 2014.

Comparison of 2015 performance with financial objectives

	Financial objectives (1)	Actuals 2015
Specialty care sales	≥ +14% (2)	+14.4% (2)
Primary care sales	[-3%; +0%] (2)	-1.1% (2)
Core operating marging	≥ 22.0% of sales	22.3% of sales

(1) 2015 revised financial objectives communicated on 31 July 2015.
(2) Sales growth excluding foreign exchange impact, calculated by applying the average 2015 rates to the 31 December 2014 sales figures.

Dividend for the 2015 financial year proposed for the approval of Ipsen's shareholders

Ipsen S.A. Board of Directors, which met on 29 February 2016, has decided to propose at Ipsen's annual shareholders' meeting to be held on 31 May 2016 the payment of a dividend of €0.85 per share, stable year-on-year.

In-licensing agreement for the rights ex North America and Japan of cabozantinib (Exelixis)

Ipsen today announced a licensing agreement for the rights ex-North America and Japan of cabozantinib, a compound owned by US company Exelixis, which is already marketed under the name COMETRIQ® for the treatment of thyroid cancer. The compound is also developed for other indications, with a regulatory application filed in Europe in January 2016 for the second line treatment of advanced renal cell carcinoma (RCC), and an ongoing phase 3 clinical trial for the second line treatment of Hepatocellular carcinoma (HCC). Upon regulatory approval, the commercial launch for the treatment of RCC is expected early 2017 in Europe.

2016 financial objectives

The Group has set the following financial targets for 2016:

- Specialty care sales growth year-on-year in excess of 10.0%;
- Slight primary care sales growth year-on-year;
- Core operating margin of around 21%, including a negative impact of around 150 basis points resulting from the investment required to prepare the commercial launch of cabozantinib for the treatment of advanced renal cell carcinoma in Europe (in-licensing agreement announced today), and of around 100 basis points from foreign exchange rates.

Sales objectives are set at constant currency.

Update of 2020 outlook

Taking into account the additional growth stemming from the in-licensing of cabozantinib, Ipsen upgrades its sales targets and confirms its core operating margin objective for 2020, with:

- Sales in excess of 2.0 billion euros, driven by cabozantinib sales in 2019 and 2020;
- A core operating margin beyond 26%, despite the investment phase in 2017 and 2018 to launch cabozantinib for the treatment of advanced renal cell carcinoma in Europe. Ipsen will continue to implement cost containment initiatives and project arbitration to minimize impact on overall Group profitability.

Comparison of consolidated sales for the fourth quarters and full years 2015 and 2014

Sales by therapeutic area and by product

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

The following table shows sales by therapeutic area and by product for the fourth quarters and full years 2015 and 2014:

	4th Quarter				12 months			
(in millions of euros)	2015	2014	% variation	% variation at constant currency	2015	2014	% variation	% variation at constant currency
Endocrinology	131.1	92.2	42.1%	37.8%	482.3	359.4	34.2%	29.2%
of which Somatuline®	*110.0*	*73.9*	*48.8%*	*44.4%*	*401.6*	*287.5*	*39.7%*	*34.2%*
of which NutropinAq®	*14.7*	*13.9*	*5.8%*	*5.3%*	*60.3*	*59.0*	*2.1%*	*1.4%*
of which Increlex®	*6.4*	*4.4*	*45.0%*	*28.4%*	*20.4*	*12.9*	*58.6%*	*42.2%*
Urology-oncology	87.4	77.1	13.4%	10.9%	351.2	332.7	5.6%	1.5%
of which Decapeptyl®	*83.2*	*73.2*	*13.6%*	*11.0%*	*334.0*	*316.6*	*5.5%*	*1.3%*
of which Hexvix®	*4.3*	*3.9*	*9.0%*	*8.7%*	*17.2*	*16.0*	*7.3%*	*6.6%*
Neurology	71.2	59.4	19.7%	26.5%	280.7	255.0	10.1%	10.0%
of which Dysport®	*70.7*	*59.2*	*19.5%*	*26.1%*	*279.5*	*254.5*	*9.8%*	*9.7%*
Specialty care	**289.7**	**228.8**	**26.6%**	**25.8%**	**1,114.2**	**947.1**	**17.7%**	**14.4%**
Gastroenterology	59.8	52.6	13.7%	11.2%	227.2	219.3	3.6%	– 0.7%
of which Smecta®	*25.7*	*26.8*	*– 4.1%*	*– 6.2%*	*114.8*	*121.4*	*– 5.5%*	*– 10.2%*
of which Forlax®	*10.9*	*10.1*	*7.6%*	*6.0%*	*39.7*	*38.5*	*3.1%*	*1.4%*
Cognitive disorders	15.1	15.0	0.4%	2.2%	52.0	62.6	– 16.8%	– 11.2%
of which Tanakan®	*15.1*	*15.0*	*0.4%*	*2.2%*	*52.0*	*62.6*	*– 16.8%*	*– 11.2%*
Cardiovascular	2.5	3.6	– 31.6%	– 32.4%	15.8	18.7	–15.5%	– 15.8%
Other Primary Care	2.5	3.0	– 16.2%	– 15.3%	10.3	11.3	– 8.8%	– 8.4%
Drug-related Sales	6.0	4.1	46.6%	46.6%	24.3	15.9	53.2%	52.5%
Primary care*	**85.8**	**78.3**	**9.6%**	**8.4%**	**329.7**	**327.8**	**0.6%**	**– 1.1%**
Group Sales	**375.5**	**307.1**	**22.3%**	**21.3%**	**1,443.9**	**1,274.8**	**13.3%**	**10.4%**

* Drug-related sales (active ingredients and raw materials) are recorded within Primary care sales.

In the fourth quarter, sales have reached €375.5 million, up 21.3% year-on-year, driven by specialty care growth of 25.8% and primary care growth of 8.4%. In 2015, sales amounted to €1,443.9 million, up 10.4% year-on-year.

In the fourth quarter 2015, **Specialty care** sales reached €289.7 million, up 25.8% year-on-year. In 2015, sales amounted to €1,114.2 million, up 14.4%. Sales in endocrinology grew 29.2%, while sales in urology-oncology and neurology grew by respectively 1.5% and 10.0%. The relative weight of specialty care products continued to increase to reach 77.2% of total Group sales, compared to 74.3% the previous year.

In **Endocrinology,** sales reached €131.1 million in the fourth quarter 2015, up 37.8%, driven by the acceleration of ***Somatuline®*** growth and the good performance of ***Increlex®*** year-on-year. In 2015, sales amounted to €482.3 million, up 29.2%. The annual sales of ***Somatuline®*** reached €401.6 million, up 34.2%, driven by strong growth in North America following the launch of the neuroendocrine tumor indication at the beginning of the year. The product also registered excellent performance in Europe, notably in Germany, France, Poland, the UK and Spain. The annual sales of ***Increlex®*** amounted to €20.4 million, up 42.2% year-on-year, benefiting from a favorable base effect related to the supply shortage, which started mid-June 2013 in the United States and in August 2013 in Europe. Supply gradually resumed in Europe in early 2014 and in the United States in June 2014. In 2015, sales of Endocrinology represented 33.4% of total Group sales, compared to 28.2% the previous year.

In **Urology-oncology,** sales of ***Decapeptyl®*** reached €83.2 million in the fourth quarter 2015, up 11.0% year-on-year, driven by the performance in Algeria helped by a favorable base effect and a good market dynamics, the performance in Spain where Ipsen is gaining market shares, notably benefiting from a more favorable share of voice to competitors, as well as favorable inventory effects in the Middle-East. In China, growth recovered in the fourth quarter thanks to a favorable base effect, after 9 months of sales decline affected by the context of market slowdown and pricing pressure in some provinces. In 2015, sales amounted to €334.0 million, up 1.3%, affected by the slowdown in China and a more frequent use of co-payment in some Southern European countries and additional price cuts, notably of 11.0% on 1st January 2015 in Greece, of 3.0% on 1st February 2015 in France, and of more than 20% in Algeria. In 2015, sales of ***Hexvix***® amounted to €17.2 million, up 6.6% compared to the previous year, mostly driven by the performance in France and Germany. Germany represented around 71% of total product sales. Over the period, sales in Urology-oncology represented 24.3% of total Group sales, compared to 26.1% the previous year.

In **Neurology, *Dysport*®** sales reached €70.7 million in the fourth quarter 2015, up 26.1% year-on-year, driven by the good performance of the aesthetic indication through the partnership with Galderma in Brazil, Australia and Mexico. In 2015, sales amounted to €279.5 million, up 9.7% year-on-year, driven by the performance of the aesthetic indication in Russia, Brazil, Mexico and Australia. Over the period, Neurology sales represented 19.4% of total Group sales, compared to 20.0% a year earlier.

In the fourth quarter 2015, sales of ***Primary Care*** reached €85.8 million, up 8.4% year-on-year, driven by the growth of Gastroenterology and Drug-related sales, up respectively 11.2% and 46.6%. In 2015, sales amounted to €329.7 million, down 1.1% year-on-year, affected by a continued decline of 7.7% in France, partially offset by international growth of 1.2%. Primary care sales in France accounted for 24.3% of the Group's total primary care sales, compared to 26.5% the previous year.

In the fourth quarter 2015, sales of **Gastroenterology** products reached €59.8 million, up 11.2% year-on-year, despite a 6.2% decline of Smecta®, driven by the performance of ***Etiasa***® in China (where Ipsen is now the direct product distributor), of ***Fortrans***®, especially in Russia, and of ***Forlax***®, supported by sales to our partners marketing generic versions of the product, as well as by ***Eziclen***®'s progressive launch in additional European countries. In 2015, sales in Gastroenterology amounted to €227.2 million, down 0.7% year-on-year, affected by the decline of ***Smecta***® sales, down 10.2% year-on-year, due to an unfavorable inventory effect in the distribution channel during the second and third quarters in China, in a context of pricing pressure in some regions. Sales were also affected in France by the 7.5% price cut implemented in July 2014 and in Algeria with the termination of direct sales in 2015.

In the **cognitive disorders** area, sales of ***Tanakan***® reached €15.1 million euros in the fourth quarter 2015, up 2.2% year-on-year. Sales in 2015 amounted to €52.0 million euros, down 11.2%, impacted by a market slowdown in France and in Russia.

In the **cardiovascular** area, sales reached €2.5 million euros in the fourth quarter 2015, down 32.4% year-on-year. In 2015, sales amounted to €15.8 million euros, down 15.8%, mainly impacted by the decline in ***Nisis***® ***/ Nisisco***® sales, hit by an additional 40.0% price cut in February 2015 in France.

Sales of **Other primary care** products reached €2.5 million in the fourth quarter 2015, down 15.3% year-on-year, mainly affected by the 12.1% decline in ***Adrovance***® sales over the period. In 2015, sales amounted to €10.3 million, down 8.4%.

In the fourth quarter 2015, **Drug-related sales (active ingredients and raw materials)** reached €6.0 million, up 46.6% year-on-year. In 2015, sales amounted to €24.3 million, up 52.5%. This performance is mainly explained by the new business model in Algeria (where Ipsen now supplies the active ingredient of Smecta® to a local manufacturer and records sales in Drug-related sales), the strong supply sales of Gingko biloba extracts to Schwabe, and the sales recovery of the active ingredient of Smecta® in South Korea.

Sales by geographical area

Group sales by geographical area in the fourth quarters and full years 2015 and 2014 were as follows:

(in millions of euros)	4th Quarter				12 months			
	2015	2014	% variation	% variation at constant currency	2015	2014	% variation	% variation at constant currency
France	53.9	53.4	1.0%	1.0%	212.4	211.4	0.5%	0.5%
Germany	29.8	23.6	26.2%	26.2%	110.3	94.2	17.1%	17.1%
Italy	19.5	17.8	9.5%	9.5%	79.4	78.5	1.1%	1.1%
United Kingdom	19.5	17.8	9.3%	– 0.1%	76.0	65.1	16.8%	5.1%
Spain	17.5	15.6	12.5%	12.5%	65.6	59.9	9.5%	9.5%
Major Western European countries	**140.2**	**128.2**	**9.4%**	**8.0%**	**543.8**	**509.1**	**6.8%**	**5.3%**
Eastern Europe	42.8	43.0	– 0.6%	8.8%	167.2	177.1	– 5.6%	6.8%
Others Europe	38.0	36.8	3.2%	5.2%	154.2	147.0	4.9%	5.2%
Other European Countries	**80.8**	**79.9**	**1.1%**	**7.1%**	**321.4**	**324.1**	**– 0.8%**	**6.0%**
North America	**48.7**	**21.2**	**129.2%**	**100.5%**	**157.9**	**79.2**	**99.5%**	**67.1%**
Asia	56.9	46.0	23.7%	12.0%	228.4	190.5	19.9%	2.1%
Other countries in the Rest of the world	49.0	31.8	53.8%	68.2%	192.4	172.0	11.9%	13.3%
Rest of the World	**105.8**	**77.8**	**36.0%**	**32.5%**	**420.8**	**362.5**	**16.1%**	**6.9%**
Group Sales	**375.5**	**307.1**	**22.3%**	**21.3%**	**1,443.9**	**1,274.8**	**13.3%**	**10.4%**

In the fourth quarter 2015, sales generated in the **Major Western European countries** reached €140.2 million, up 8.0% year-on-year. In 2015, sales amounted to €543.8 million, up 5.3%. Sales in the Major Western European countries represented 37.7% of total Group sales in 2015, compared to 39.9% the previous year.

France – In the fourth quarter 2015, sales reached €53.9 million, up 1.0% year-on-year. In 2015, sales amounted to €212.4 million, up 0.5% year-on-year, driven by the sustained growth of Somatuline® and Dysport®, partially offset by the decline of Decapeptyl® sales following the 3.0% price cut implemented as of 1 February 2015, and the decline of primary care, affected by the price cut on Smecta® and the continued erosion of Tanakan® and the other products in the portfolio. The relative weight of France in the Group's consolidated sales has continued to decrease and now represents 14.7% of sales, compared to 16.6% the previous year.

Germany – In the fourth quarter 2015, sales reached €29.8 million, up 26.2% year-on-year. In 2015, sales reached €110.3 million, up 17.1%, driven by the strong growth of Somatuline® and Hexvix®, offsetting the decline of Dysport® sales affected by increased competitive pressure. Over the period, sales in Germany represented 7.6% of total Group sales, compared to 7.4% a year before.

Italy – In the fourth quarter 2015, sales reached €19.5 million, up 9.5% year-on-year. In 2015, sales reached €79.4 million, up 1.1%, affected by the implementation of austerity measures targeting hospital products. In 2015, sales in Italy represented 5.5% of consolidated Group sales, compared to 6.2% the previous year.

United Kingdom – In the fourth quarter 2015, sales reached €19.5 million, slightly down 0.1% year-on-year. In 2015, sales amounted to €76.0 million, up 5.1%, supported by the strong growth of Somatuline® and Decapeptyl®, despite a PPRS [(3)] increase, which had a 4.5% year-on-year negative impact on prices. Over the period, sales in the United Kingdom represented 5.3% of total Group sales, compared to 5.1% the previous year.

Spain – In the fourth quarter 2015, sales reached €17.5 million, up 12.5% year-on-year. In 2015, sales amounted to €65.6 million, up 9.5%, driven by the double-digit growth of Somatuline® and Decapeptyl®. In 2015, Spain accounted for 4.5% of total Group sales, compared to 4.7% the previous year.

In the fourth quarter 2015, sales generated in the **Other European countries** reached €80.8 million, up 7.1% year-on-year. In 2015, sales amounted to €321.4 million, up 6.0% year-on-year, supported by the good performance of Somatuline® across the region and of Dysport® in Russia. Nevertheless, sales were negatively impacted by the contraction of the Group's activities in Ukraine, as a consequence of the ongoing political crisis. Over the period, sales in this region represented 22.3% of consolidated Group sales, compared to 25.4% the previous year.

(1) *Pharmaceutical Price Regulation Scheme.*

In the fourth quarter 2015, sales generated in **North America** reached €48.7 million, up 100.5% year-on-year, supported by the acceleration of Somatuline® growth. In 2015, sales amounted to €157.9 million, up 67.1% year-on-year, mainly driven by strong Somatuline® growth following the launch of the new indication in the treatment of neuroendocrine tumors, and to a lesser extent by the launch of Dysport® in the treatment of upper limb spasticity in adult patients in September 2015. Sales in North America represented 10.9% of consolidated Group sales, compared to 6.2% a year before.

In the fourth quarter 2015, sales generated in the **Rest of the World** reached €105.8 million, up 32.5% year-on-year, supported by the performance of Dysport® in Brazil, Australia and Mexico, and by the Decapeptyl® rebound in Algeria and in China. In 2015, sales amounted to €420.8 million, up 6.9% year-on-year. Sales in the Rest of the World represented 29.1% of total consolidated Group sales, compared to 28.4% the previous year.

Comparison of consolidated income statement for 2015 and 2014

	31 December 2015		31 December 2014		% change
	(in millions of euros)	% of sales	(in millions of euros)	% of sales	
Sales	**1,443.9**	**100.0%**	**1,274.8**	**100.0%**	**13.3%**
Other revenues	76.3	5.3%	57.6	4.5%	32.5%
Revenue	**1,520.2**	**105.3%**	**1,332.4**	**104.5%**	**14.1%**
Cost of goods sold	(336.8)	– 23.3%	(310.0)	– 24.3%	8.7%
Selling expenses	(541.4)	– 37.5%	(464.1)	– 36.4%	16.7%
Research and development expenses	(192.6)	– 13.3%	(186.9)	– 14.7%	3.0%
General and administrative expenses	(122.9)	– 8.5%	(111.2)	– 8.7%	10.4%
Other core operating income	5.3	0.4%	9.4	0.7%	– 43.9%
Other core operating expenses	(9.4)	– 0.6%	(9.1)	– 0.7%	3.2%
Core Operating Income	**322.5**	**22.3%**	**260.6**	**20.4%**	**23.8%**
Other operating income	2.0	0.1%	0.4	0.0%	472.2%
Other operating expenses	(9.2)	– 0.6%	(9.6)	– 0.8%	– 4.2%
Restructuring costs	(6.7)	– 0.5%	(21.9)	– 1.7%	– 69.6%
Impairment losses	(64.6)	– 4.5%	(8.0)	– 0.6%	707.9%
Operating Income	**244.0**	**16.9%**	**221.4**	**17.4%**	**10.2%**
Investment income	0.7	0.1%	1.7	0.1%	– 56.2%
Financing costs	(3.6)	– 0.3%	(4.7)	– 0.4%	– 22.8%
Net financing costs	**(2.9)**	**– 0.2%**	**(3.0)**	**– 0.2%**	**– 4.3%**
Other financial income and expense	(3.6)	– 0.2%	(12.0)	– 0.9%	– 70.5%
Income taxes	(49.8)	– 3.5%	(53.8)	– 4.2%	– 7.4%
Share of net profit (loss) from entities accounted for using the equity method	2.5	0.2%	1.9	0.1%	28.5%
Net profit (loss) from continuing operations	**190.2**	**13.2%**	**154.5**	**12.1%**	**23.1%**
Net profit (loss) from discontinued operations	0.5	0.0%	(0.5)	0.0%	–
Consolidated net profit	**190.7**	**13.2%**	**154.0**	**12.1%**	**23.8%**
– Attributable to shareholders of Ipsen S.A.	189.9		153.5		
– Attributable to non-controlling interests	0.9		0.5		
Basic earnings per share – attributable to Ipsen S.A. shareholders (in € per share)	*2.31*		*1.87*		
Core basic earnings per share – attributable to Ipsen S.A. shareholders (in € per share) (*)	*2.79*		*2.22*		

(*) The core consolidated net profit is detailled in Appendix 4.

Sales

Consolidated Group sales reached €1,443.9 million in 2015, up 13.3% year-on-year, or 10.4% excluding foreign exchange impact [1].

Other revenues

Other revenues for the financial year 2015 totaled €76.3 million, up 32.5% versus €57.6 million generated in 2014.

The growth stemmed from the following:

- higher royalties received from Group's partners, in particular Menarini for Adenuric® and Galderma for Dysport®, which had good performance in the United States and Europe;
- the recognition of an upfront payment of €3.4 million received by Ipsen as part of the sale of Ginkor Fort® licensing rights to Tonipharm in the Group's territories;
- the new distribution model of Etiasa® in China (reclassification with no impact on operating margin).

Cost of goods sold

In 2015, the cost of goods sold amounted to €336.8 million, representing 23.3% of sales, compared to €310.0 million in 2014, which represented 24.3% of sales.

The improvement in the ratio is primarily due to a favorable product mix (increasing share of specialty care sales), as well as productivity efforts deployed at manufacturing sites. Royalties paid to partners increased in line with Group sales.

Selling expenses

In 2015, selling, general and administrative expenses totaled €541.4 million, representing 37.5% of sales, up 16.7% versus 2014. The increase resulted primarily from the oncology sales force set-up in the United States in the second half of 2014 to prepare for the launch of Somatuline® Depot® (lanreotide) 120 mg Injection in the treatment of gastroenteropancreatic neuroendocrine tumors (GEP NETs). It also arose from the expenditure required to launch Dysport® in the treatment of spasticity in the United States.

Research and development expenses

For the financial year 2015, research and development expenses totaled €192.6 million, representing 13.3% of sales, compared with 14.7% of sales a year earlier.

The decline in research and development costs ratio is notably related to the decision to discontinue the clinical trials of tasquinimod in prostate cancer.

Main R&D projects in 2015 included the lifecycle management of Dysport® in spasticity and Somulatine® in neuroendocrine tumors (GEP NETs), the development of molecules in the diagnosis and treatment of neuroendocrine tumors as part of OctreoPharm Sciences GmbH acquisition, and the development of Dopastatin (endocrinology).

In 2015, the research tax credit amounted to €28.1 million, down versus the prior year as a result of provisions reversed in 2014.

General and administrative expenses

General and administrative expenses increased 10.4% year-on-year in 2015, mainly due to the strengthening of support functions in the United States associated with the rapid growth of the activity, higher IT spending and the impact of the Group's outperformance on bonus pay. Nevertheless, general and administrative expenses ratio remained stable versus the prior year.

Other core operating income and expenses

In 2015, other core operating income and expenses came to €4.1 million expense, versus an income of €0.3 million in the prior year. These items primarily included amortization expense for intangible assets, higher revenue from the sub-lease on the Ipsen's headquarters versus 2014 as a result of the lease renegotiation made in July 2015, and the impact of the cash flow hedging policy.

Core Operating Income

Core operating income in 2015 amounted to €322.5 million, representing 22.3% of sales. The Group continued to improve its profitability in 2015, thanks to accelerated growth in the United States, solid performance in Europe and good cost control.

Other operating income and expenses

In 2015 other non-core operating expenses totaled €7.2 million, compared with expenses of €9.2 million reported a year earlier.

These expenses arose primarily from discontinuing the development of tasquinimod in prostate cancer, a decision announced jointly by Active Biotech and Ipsen on 16 April 2015. As a result, the total expenses of €6.6 million related to tasquinimod clinical development studies for the fiscal year 2015 were recognized by Ipsen in other operating income and expenses.

In 2014, other operating income and expenses arose primarily from costs related to the transfer of the Group's US-based operations (Ipsen Bioscience Inc.) from Milford to Cambridge, and expenses related to the renegotiation of the partnership contract with Galderma.

Restructuring costs

In 2015, restructuring costs totaled €6.7 million resulting mainly from expenses made by the Group to adapt its structure and to pool some R&D resources in the United Kingdom together at the Oxford site.

In 2014, restructuring costs came to €21.9 million. Those expenses resulted mainly from Group efforts to accelerate the rollout of the transformation project, as well as from transferring the operations of the Group's US-based Ipsen Bioscience Inc. subsidiary from Milford to Cambridge.

Impairment losses

In 2015, the Group recorded a €57.0 million loss to impair all intangible assets related to the tasquinimod program, after the decision was made to discontinue clinical studies in prostate cancer. In addition, the Group recognized a €7.6 million impairment loss in 2015, resulting from the write-down in full of an Ipsen BioInnovation Ltd. intangible asset that was partially written down in 2014.

(1) Sales growth excluding foreign exchange impact was calculated by restating the 31 December 2014 consolidated financial statements with currency rates at 31 December 2015.

Net financing costs and other financial income and expenses

In 2015, the Group had net financial expense of €6.4 million, versus net financial expense of €15.1 million in 2014.

- Net financing costs amounted to €2.9 million, versus €3.0 million in 2014.
- In 2015, other financial expenses amounted to €3.6 million, including a final €4.9 million earnout payment stemming from the sale of PregLem shares in 2010. The €8.5 million improvement over 2014 arose mainly from favorable foreign-exchange rate fluctuations.

Income taxes

In 2015, income tax expense of €49.8 million resulted from an effective tax rate of 21.0% on pre-tax profit from continuing operations, (excluding the share of profit (loss) from associated companies and joint ventures), compared with an effective rate of 26.1% in 2014. The lower effective tax rate stemmed from the tax-deductibility of writing off tasquinimod intangible assets and the application of the Steria case court ruling, which effectively exempts all taxes on dividends paid to a French parent company by its subsidiaries within the European Union.

Net profit (loss) from continuing operations

As a result of the items above, profit from continuing operations came to €190.2 million at 31 December 2015, up 23.1% from €154.5 million in 2014.

Net profit (loss) from discontinued operations

In 2015, net profit from discontinued operations totaled €0.5 million, compared to a net loss of €0.5 million in 2014.

The net profit from discontinued operations arose from agreements to sell Inspiration assets in 2013, and corresponds to the rebilling of production costs for OBI-1 clinical samples as well as to royalties received from Baxalta on that product (spin off from Baxter International).

Consolidated net profit

For the year ended 31 December 2015, consolidated net profit increased 23.8% to €190.7 million (€189.9 million attributable to Ipsen S.A. shareholders) compared with consolidated net profit of €154.0 million in 2014 (€153.5 million attributable to Ipsen S.A shareholders).

Earnings per share

In 2015, basic earnings attributable to the Group amounted to €2.31 per share, up from basic EPS of €1.87 in 2014.

Milestone payments collected but not yet recognized in the Group's income statement

At 31 December 2015, milestone payments collected by the Group but not yet recognized in the income statement amounted to €130.7 million, compared with €143.5 million a year earlier.

In 2015, apart from the recognition of deferred income on the income statement, the Group mainly recorded milestone payments totaling €19 million arising from the partnership extension with Galderma in key Asia-Pacific territories and the contracts with Menarini and Acadia.

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

(in millions of euros)	31 December 2015	31 December 2014
Total (*)	**130.7**	**143.5**
The deferred income will be recognized over time as follows:		
In the year n+1	29.8	24.9
In the years n+2 and subsequent	100.9	118.6

(*) Amounts converted at average exchange rates respectively at 31 December 2015 and 31 December 2014.

Operating segments: distribution of Core Operating Income by therapeutic area

Segment information is presented according to the Group's two operating segments, *i.e.* primary care and specialty care.

All costs allocated to these two segments are presented in the key performance indicators. Only research and development costs and corporate overhead costs are not allocated to the two operating segments.

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

Sales, revenue and Core Operating Income are presented by therapeutic area for the 2015 and 2014 financial years in the following table.

(in millions of euros)	31 December 2015	31 December 2014	Change	
				%
Specialty care				
Sales	1,114.2	947.1	167.2	17.7%
Revenue	1,146.1	974.9	171.1	17.6%
Core Operating Income	476.9	400.5	76.4	19.1%
% of sales	*42.8%*	*42.3%*		
Primary care (1)				
Sales	329.7	327.8	1.9	0.6%
Revenue	374.1	357.5	16.6	4.6%
Core Operating Income	126.0	127.2	(1.2)	– 0.9%
% of sales	*38.2%*	*38.8%*		
Total unallocated				
Core Operating Income	(280.4)	(267.2)	(13.3)	5.0%
Group total				
Sales	1,443.9	1,274.8	169.0	13.3%
Revenue	1,520.2	1,332.4	187.8	14.1%
Core Operating Income	322.5	260.6	61.9	23.8%
% of sales	*22.3%*	*20.4%*		

(1) Including drug related sales.

Specialty care sales grew 17.7% to €1,114.2 million in 2015. Endocrinology sales were up 29.2%, urology-oncology sales up 1.5% and neurology sales up 10.0%. The relative weight of specialty care products continued to increase, reaching 77.2% of total consolidated, versus 74.3% a year earlier. In 2015, **specialty care core operating income** totaled €476.9 million, representing 42.8% of sales compared with €400.5 million in 2014, representing 42.3% of sales. The improvement reflects the favorable sales trend reported in the United States and Europe thanks to the launch of the new Somatuline® indication, which was offset by structuring costs for the US subsidiary and expenditure to support growth.

In 2015, **sales of primary care products,** including active ingredients and raw materials, came to €329.7 million, down 1.1% year on year. Sales were negatively impacted by a steady 7.7% decline in France that was partially offset by international market growth of 1.2%. Primary care sales in France accounted for 24.3% of the Group's total primary care sales in 2015, compared with 26.5% in the previous year. In 2015, **core operating income for primary care** amounted €126.0 million, representing 38.2% of sales.

In 2015, **unallocated Core Operating Income** came to (€280.4) million, compared with (€267.2) million in 2014. The expenses consisted mainly of the Group's research and development costs — which totaled €189.4 million in 2015, versus €183.4 million in 2014 — and unallocated general and administrative expenses.

Cash flow and financing

In 2015, the Group generated a cash flow increase of €26.3 million, down €28.1 million from the prior-year increase, bringing closing cash and cash equivalents to €214.0 million.

Analysis of the consolidated cash flow statement

(in millions of euros)	31 December 2015	31 December 2014
Cash flow from operating activities before changes in working capital requirement	304.8	240.5
(Increase) / decrease in working capital requirement for operations	(81.2)	5.3
Net cash flow from operating activities	**223.6**	**245.8**
Net investments in financial and tangible and intangible assets	(74.9)	(84.2)
Other cash flow from investments	(31.3)	(9.5)
Net cash provided (used) by investment activities	**(106.2)**	**(93.7)**
Net cash provided (used) by financing activities	**(91.2)**	**(97.7)**
CHANGES IN CASH AND CASH EQUIVALENTS (a)	**26.3**	**54.4**
Opening cash and cash equivalents (b)	180.1	125.4
Impact of exchange rate fluctuations (c)	7.6	0.4
Closing cash and cash equivalents ((a)+(b)+(c))	**214.0**	**180.1**

■ Net cash flow from operating activities

In 2015, cash flow from operating activities before changes in working capital requirement amounted to €304.8 million, up €64.3 million versus 2014, benefitting from the good Group's business performance throughout the year.

Working capital requirement for operating activities increased by €81.2 million at 31 December 2015, compared to a €5.3 million decrease a year earlier. The 2015 increase resulted notably from the following items:

- Steady inventories during the year, with the implementation of action plans to help meeting rising demand;
- The sharp €63.8 million increase in trade receivables at 31 December 2015, compared with an increase of €8.5 million in 2014, resulting primarily from growing commercial activity, particularly in the United States, China and Brazil;
- The €10.8 million increase in trade payables at 31 December 2015, versus a €19.5 million increase in 2014, given the higher external costs to support business growth;
- The €18.9 million negative impact in the change in other operating assets and liabilities at 31 December 2015, compared to a source of funds totaling €11.6 million in the prior year, which benefitted from €25.0 million in deferred income from the contract renegotiation with Galderma;
- The €9.0 million decrease in net tax liability on earnings at 31 December 2015, versus a €24.9 million decrease in 2014.

■ Net cash flow used by investment activities

In the 2015 financial year, net cash used by investment activities amounted to €106.2 million, compared with a €93.7 million net use of funds in 2014.

- Investments in tangible and intangible assets, net of disposals, totaled €74.9 million, versus €84.2 million at 31 December 2014. The cash outflow mainly included:
  - €50.0 million in acquisitions of property, plant and equipment, compared with €47.4 million in 2014. The higher cash outflow resulted mainly from capital spending to increase production capacity at manufacturing sites, particularly in the United Kingdom and Ireland, as well as to purchase IT assets;
  - €25.2 million in acquisitions of intangible assets, compared with €37.0 million in 2014. These assets included an additional payment as part of the partnership with Lexicon, information technology investments and the following payments:
    - In October 2015, Ipsen and Telesta Therapeutics entered into an exclusive licensing agreement for MCNA in the treatment of bladder cancer in all major territories, except the United States and Canada, in exchange for a €9.0 million payment;
    - At the end of 2015, Ipsen acquired intellectual property control over Galderma's liquid toxin in some key Asia-Pacific territories (APAC), in exchange for a future payment of €4.6 million payment, recorded as a liability at 31 December 2015;

    In 2014, this item included €18.0 million as part of a licensing agreement with Lexicon Pharmaceuticals Inc. to market telotristat etiprate outside of North America and Japan, as well as a €10.0 million payment to gain control of the intellectual property for Galderma's liquid toxin in the United States, Canada, Brazil, and Europe.
- The investment outflow for financing activities in 2015 also included the purchase of a €6.0 million option to acquire Canbex Therapeutics.
- In 2015, cash flow used by other investment activities mainly included €31.4 million in costs related to the acquisition of OctreoPharm Sciences. In 2014, cash flow used by other investment activities included €3.6 million in changes in the scope of consolidation corresponding to the change in consolidation method for Linnea, a Swiss company.

Net cash provided (used) by financing activities

In the 2015 financial year, net cash used in financing activities represented a net use of funds totaling €91.2 million, compared with €97.7 million in net use of funds in 2014. The 2015 outflow resulted primarily from a €70.5 million dividend payment and €22.4 million in own share purchases.

Reconciliation of cash and cash equivalents and net cash and cash equivalents

(in millions of euros)	31 December 2015	31 December 2014
Closing cash and cash equivalents	**214.0**	**180.1**
Other financial liabilities	(20.6)	(12.1)
Non-current liabilities	**(20.6)**	**(12.1)**
Credit lines and bank loans	(4.0)	(4.0)
Financial liabilities (excluding derivative instruments) (**)	(2.5)	(3.2)
Current liabilities	**(6.5)**	**(7.2)**
Debt	**(27.1)**	**(19.3)**
Net cash and cash equivalents (*)	**186.9**	**160.8**

(*) Net cash and cash equivalents: cash and cash equivalents less bank overdrafts, bank loans and other financial liabilities and excluding derivative financial instruments.
(**) Financial liabilities exclude €4.5 million in derivative instruments at 31 December 2015, compared with €0.8 million in derivative instruments at 31 December 2014.

Analysis of Group cash flow

On 17 October 2014, Ipsen S.A. refinanced a syndicated loan it had contracted in 2012. The total amount of the usable part increased from €400 million to €500 million for a duration of 5 years with two one-year extension options.

In 2015, the Group exercised the first extension option. The expiration date for that credit line is now 17 October 2020.

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

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

- Net debt to equity: less than 1
- Net debt to EBITDA: less than 3.5

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

At 31 December 2015, the Group had a positive net cash position. Both covenant ratios were consequently met.

To meet the general financing needs of Ipsen S.A. and its subsidiaries, the parent company established on 2 December 2015 a program to issue commercial paper. The program has a ceiling of €300 million euros. The minimum unit amount of the issue is €150,000 for durations ranging from one day to one year.

A financial presentation of the commercial paper issue program may be consulted at the company's website (www.ipsen.com) and the Banque de France website (www.banque-france.fr).

APPENDIX 1

Consolidated income statement

(in millions of euros)	31 December 2015	31 December 2014
Sales	**1,443.9**	**1,274.8**
Other revenues	76.3	57.6
Revenue	**1,520.2**	**1,332.4**
Cost of goods sold	(336.8)	(310.0)
Selling expenses	(541.4)	(464.1)
Research and development expenses	(192.6)	(186.9)
General and administrative expenses	(122.9)	(111.2)
Other core operating income	5.3	9.4
Other core operating expenses	(9.4)	(9.1)
Core Operating Income	**322.5**	**260.6**
Other operating income	2.0	0.4
Other operating expenses	(9.2)	(9.6)
Restructuring costs	(6.7)	(21.9)
Impairment losses	(64.6)	(8.0)
Operating Income	**244.0**	**221.4**
Investment income	0.7	1.7
Financing costs	(3.6)	(4.7)
Net financing costs	**(2.9)**	**(3.0)**
Other financial income and expense	(3.6)	(12.0)
Income taxes	(49.8)	(53.8)
Share of net profit (loss) from entities accounted for using the equity method	2.5	1.9
Net profit (loss) from continuing operations	**190.2**	**154.5**
Net profit (loss) from discontinued operations	0.5	(0.5)
Consolidated net profit	**190.7**	**154.0**
– Attributable to shareholders of Ipsen S.A.	189.9	153.5
– Attributable to non-controlling interests	0.9	0.5
Basic earnings per share, continuing operations (in euros)	*2.30*	*1.88*
Diluted earnings per share, continuing operations (in euros)	*2.29*	*1.87*
Basic earnings per share, discontinued operations (in euros)	*0.01*	*(0.01)*
Diluted earnings per share, discontinued operations (in euros)	*0.01*	*(0.01)*
Basic earnings per share (in euros)	*2.31*	*1.87*
Diluted earnings per share (in euros)	*2.30*	*1.87*

APPENDIX 2

Consolidated balance sheet before allocation of net profit

(in millions of euros)	31 December 2015	31 December 2014
ASSETS		
Goodwill	353.3	324.4
Other intangible assets	151.5	160.9
Property, plant & equipment	348.7	309.6
Equity investments	25.6	15.0
Investments in companies accounted for using the equity method	15.9	13.7
Non-current financial assets	–	4.2
Deferred tax assets	217.7	204.6
Other non-current assets	15.5	9.3
Total non-current assets	**1,128.1**	**1,041.7**
Inventories	107.4	105.5
Trade receivables	311.0	243.5
Current tax assets	82.9	65.9
Current financial assets	6.8	0.1
Other current assets	75.6	67.8
Cash and cash equivalents	226.1	186.3
Assets of disposal group classified as held for sale	–	2.6
Total current assets	**809.9**	**671.6**
TOTAL ASSETS	**1,938.0**	**1,713.3**
EQUITY AND LIABILITIES		
Share capital	83.2	82.9
Additional paid-in capital and consolidated reserves	892.3	801.7
Net profit (loss) for the period	189.9	153.5
Exchange differences	57.0	27.1
Equity attributable to Ipsen S.A. shareholders	**1,222.5**	**1,065.2**
Equity attributable to non-controlling interests	3.1	2.7
Total shareholders' equity	**1,225.6**	**1,067.9**
Retirement benefit obligation	51.2	59.6
Non-current provisions	31.4	42.1
Other non-current financial liabilities	20.6	12.1
Deferred tax liabilities	23.1	5.6
Other non-current liabilities	124.5	115.8
Total non-current liabilities	**250.8**	**235.2**
Current provisions	29.9	26.0
Current bank loans	4.0	4.0
Current financial liabilities	7.0	4.0
Trade payables	195.1	179.8
Current tax liabilities	12.0	4.1
Other current liabilities	201.5	186.1
Bank overdrafts	12.1	6.1
Total current liabilities	**461.5**	**410.2**
TOTAL EQUITY & LIABILITIES	**1,938.0**	**1,713.3**

APPENDIX 3

Consolidated statement of cash flow

(in millions of euros)	31 December 2015	31 December 2014
Consolidated net profit	**190.7**	**154.0**
Share of profit (loss) from companies accounted for using the equity method before impairment losses	(0.8)	(0.3)
Profit (loss) before share from companies accounted for using the equity method	**189.9**	**153.7**
Non-cash and non-operating items		
– Depreciation, amortization, provisions	43.7	50.2
– Impairment losses included in operating income and net financial income	64.6	8.0
– Change in fair value of financial derivatives	1.9	(2.7)
– Net gains or losses on disposals of non–current assets	0.5	2.6
– Share of government grants released to profit and loss	(0.0)	(0.0)
– Foreign exchange differences	(1.3)	9.8
– Change in deferred taxes	1.4	13.8
– Share–based payment expense	4.0	4.8
– (Gain) or loss on sales of treasury shares	0.3	0.1
– Other non-cash items	(0.1)	(0.0)
Cash flow from operating activities before changes in working capital requirement	***304.8***	***240.5***
– (Increase)/decrease in inventories	(0.2)	7.6
– (Increase)/decrease in trade receivables	(63.8)	(8.5)
– Increase/(decrease) in trade payables	10.8	19.5
– Net change in income tax liability	(9.0)	(24.9)
– Net change in other operating assets and liabilities	(18.9)	11.6
Change in working capital requirement related to operating activities	***(81.2)***	***5.3***
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**223.6**	**245.8**
Acquisition of property, plant & equipment	(50.0)	(47.4)
Acquisition of intangible assets	(25.2)	(37.0)
Proceeds from disposal of intangible assets and property, plant & equipment	0.2	0.3
Acquisition of shares in non-consolidated companies	(0.0)	(0.1)
Payments to post-employment benefit plans	(1.5)	(1.0)
Impact of changes in the consolidation scope	(31.4)	(3.6)
Deposits paid	0.2	0.3
Change in working capital related to operating activities	7.8	(2.6)
Other cash flow related to investment activities	(6.3)	(2.5)
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	**(106.2)**	**(93.7)**
Additional long-term borrowings	1.1	2.2
Repayment of long-term borrowings	(5.6)	(5.2)
Capital increase	5.4	3.1
Treasury shares	(22.4)	(31.7)
Dividends paid by Ipsen S.A.	(70.0)	(65.5)
Dividends paid by subsidiaries to non-controlling interests	(0.5)	(0.2)
Change in working capital related to operating activities	0.8	(0.5)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**(91.2)**	**(97.7)**
CHANGE IN CASH AND CASH EQUIVALENTS	**26.3**	**54.9**
Opening cash and cash equivalents	**180.1**	**125.4**
Impact of exchange rate fluctuations	7.6	0.4
Closing cash and cash equivalents	**214.0**	**180.1**

APPENDIX 4

Core consolidated net profit for 2015, versus prior year

(in millions of euros)	31 December 2015	Non-core items	31 December 2015 Core	31 December 2014	Non-core items	31 December 2014 Core
Core Operating Income	**322.5**	**–**	**322.5**	**260.6**	**–**	**260.6**
Other operating income	2.0	(2.0)	–	0.4	(0.4)	–
Other operating expenses	(9.2)	9.2	–	(9.6)	9.6	–
Restructuring costs	(6.7)	6.7	–	(21.9)	21.9	–
Impairment losses	(64.6)	64.6	–	(8.0)	8.0	–
Operating Income	**244.0**	**78.5**	**322.5**	**221.4**	**39.1**	**260.6**
Investment income	0.7	–	0.7	1.7	–	1.7
Financing costs	(3.6)	–	(3.6)	(4.7)	–	(4.7)
Net financing costs	**(2.9)**	**–**	**(2.9)**	**(3.0)**	**–**	**(3.0)**
Other financial income and expense	(3.6)	(4.9)	(8.4)	(12.0)	–	(12.0)
Income taxes	(49.8)	(33.3)	(83.1)	(53.8)	(11.0)	(64.8)
Share of net profit (loss) from entities accounted for using the equity method	2.5	–	2.5	1.9	–	1.9
Net profit (loss) from continuing operations	**190.2**	**40.3**	**230.5**	**154.5**	**28.1**	**182.6**
Net profit (loss) from discontinued operations	0.5	(0.5)	–	(0.5)	0.5	–
Consolidated net profit	**190.7**	**39.8**	**230.5**	**154.0**	**28.6**	**182.6**
– Attributable to shareholders of Ipsen S.A.	189.9	39.8	229.6	153.5	28.6	182.1
– Attributable to non-controlling interests	0.9	–	0.9	0.5	–	0.5
Basic earnings per share – attributable to Ipsen S.A. shareholders (in euros)	*2.31*	–	2.79	*1.87*	–	2.22
Diluted earnings per share – attributable to Ipsen S.A. shareholders (in euros)	*2.30*	–	2.78	*1.87*	–	2.22

Core Operating Income is the key performance indicator for understanding and measuring the performance of the Group's activities. Items not included in Core Operating Income are not tabbed as "exceptional" or "extraordinary" but correspond to unusual, abnormal or infrequent items of disclosure targeted in paragraph 28 of the IASB Framework.

Similarly, Core consolidated net profit corresponds to net profit adjusted for non-core items as defined above and unusual events affecting financial income (expense) items, net of taxes, or the taxes themselves.

Government measures

The governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which have affected the Group sales and profitability in 2015. In addition, certain measures introduced in 2014 have continued to affect the Group's accounts year-on-year.

Measures impacting 2015

In the Major Western European countries:

- In France, all Decapeptyl® formulations were impacted by a 3.1% price decrease imposed by Public Health Authorities, in February 2015;
- In Spain, Dysport® was included in the reference price system as the product has been on the market for more than 10 years;
- In the UK, to keep health service spend on branded medicines within the levels agreed under the Scheme, the Department of Health set the level of payment due from members of the Pharmaceutical Price Regulation Scheme (PPRS) at 10.36% in 2015, compared to 3.74% in 2014.

In the Other European countries:

- In the Netherlands, as of 1 April and 1 October 2015, prices of Ipsen's specialty care products (excluding Hexvix® and Increlex ®) increased following an International Reference Pricing review;
- In Italy, as of 1 August 2015, Decapeptyl® 3.75 mg and 11.25 mg were withdrawn from the pay-back procedure, with official prices consequently decreased by 5.0%.

In the Rest of the World:

- In the United States, Somatuline® prices increased on 30 June and 30 September 2015 (Somatuline® 120 mg: +1.6% in June, Somatuline® 60 mg/90 mg: +3.0% and +5.0%, respectively in June and September). In December 2015, all Somatuline® formulation prices increased by +2.1%. Increlex® price increased 14.9% in September 2015;
- In Brazil, prices of Dysport® therapeutics and Somatuline® increased 5.0% in April 2015 due to inflation;
- In Australia, on 1 December 2015, the price of NutropinAq® decreased by 16.0% to remain competitive as all the different brands of Somatropin are considered equivalent on a per milligram basis;
- In Algeria, in the context of continuous and sharp oil price drop, the authorities are looking at drastically reducing importation cost. This applies to import of Pharmaceuticals, which stands roughly for €3 billion in the state budget. For Ipsen's primary care portfolio, this also coincides with the price reduction usually assorted to the 5-year Free Sales Certificate renewal. On the specialty care segment, this resulted in a price reduction of 5.0% of Somatuline® and of more than 20.0% for Decapeptyl®, as authorities were systematically benchmarking prices versus that prevailing in neighboring countries and other European countries.

Furthermore, governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which will affect the Group sales and profitability beyond 2015.

Measures impacting beyond 2015

In the Major Western European countries:

- In France, the government presented the new Social Security Finance Bill (PLFSS), which sets forth expenditure targets in the healthcare sector for 2015. The target growth of healthcare expenditure has been set at 2.1% year-on-year, down from 2.4% in 2014. This is expected to result in €3.2 billion savings. Moreover, the two Smecta® price cuts have fully impacted countries that reference French prices in their international reference price system (incl. European Union and North Africa) starting January 2015;
- In Belgium, all formulations of Somatuline® will be subject to a mandatory price cut of 17.0% as of 1 July 2016 as the product has been reimbursed for between 12 and 15 years;
- In Spain, Somatuline® 120 mg will be subject to a 5.0% price decrease due to the new reimbursement of GEP-NET indication. This new price is expected to be officially implemented as of March 2016;
- In Poland, Ipsen received positive assessment results from National HTA agency on Hexvix® reimbursement application. The price is under negotiation with the Ministry of Health. Somatuline®, Dysport® and Decapeptyl® prices will be reviewed based on the lowest prices in Europe. New prices are expected to be published in Q1 2016;
- In the UK, the Department of Health announced the level of payment due from members of the Pharmaceutical Price Regulation Scheme (PPRS) in 2016 to keep health service spend on branded medicines within the levels agreed under the Scheme will be 7.80%.

In the Rest of the World:

- In Algeria, part of the 2015 cost containment measures undertaken by the Authorities aims at reducing importation cost. For pharmaceuticals, a new importation quota is currently being implemented to target imported products with at least one generic that is locally manufactured. Moreover, the Economic Committee of the Ministry of Health announced its intention to strengthen transparency and increase visibility in drug pricing mechanism. It is set to implement an international price referencing (IRP) system with a basket of 9 reference countries(1) with FOB ("Free on Board") price to be 10% lower than the lowest price of the benchmarked countries. The new rule is expected to be implemented as from January 2016. Besides, the Economic Committee will implement price revisions every 6 months along with strict control of any price cut in benchmarked countries. Finally, the new National Agency for Medicine will regulate the implementation of the temporary authorization system (ATU) as well as the status of locally produced drugs. It will also establish a price commission composed of several Ministry representatives (Health, Finance, and Trade) and health economics experts;

(1) France, Belgium, Turkey, Greece, Spain, UK, Tunisia, Morocco and the country of origin.

- In China, an ongoing healthcare reform aims at aligning the patient management model with European standards. This results in an acceleration of hospital tenders and the implementation of a more efficient retail pharmacy distribution channel. In particular, this reform aims at removing price caps for most medicines to allow the market to play a bigger role in fixing prices.

The latest update on this reform is more price cut at provincial biddings for public hospitals and further price cut at post-bidding price negotiations in some cities. For drugs sold through retail pharmacy channels, this reform will bring more flexible drug pricing to pharmaceutical companies to raise their incentive for innovation, even though prices will remain subject to governmental and anti-trust supervision.

Besides, 2016 is the year heralding the 13th five-year plan. As such, PRC's Ministry of Health will also release its 13th five-year plan for Healthcare guiding its development for the next 5 years to reach the overall "Health China 2030" objectives.

Major developments

During the year 2015, major developments included:

- On **26 January 2015** – Ipsen announced topline results for two double-blind phase III studies of Dysport® (abobotulinumtoxinA) in Pediatric Lower Limb (PLL) spasticity in children with cerebral palsy and in Adult Lower Limb (ALL) spasticity in patients who had experienced a stroke or traumatic brain injury.
- On **23 February 2015** – Ipsen Canbex Therapeutics Ltd announced that Canbex has granted Ipsen an option giving Ipsen the exclusive right to purchase 100% of Canbex shares upon completion of the Phase IIa study of Canbex's lead candidate for the treatment of spasticity in people with multiple sclerosis (MS), known as VSN16R. Under the financial terms of the agreement, Ipsen has paid an option fee of €6 million to Canbex.
- On **2 March 2015** – Ipsen announced that Dominique Laymand has been appointed Senior Vice President, Chief Ethics and Compliance Officer for the Ipsen group.
- On **1 April 2015** – Ipsen announced the inauguration of its new R&D center, Ipsen Bioscience, in Cambridge (MA, USA).
- On **16 April 2015** – Active Biotech and Ipsen announced top line results of the 10TASQ10 study. Therefore the companies have decided to discontinue all studies in prostate cancer. Full results will be presented at an upcoming scientific conference.
- On **19 May 2015** – Ipsen announced the signature of an agreement to acquire OctreoPharm Sciences, a private German life sciences company focusing on the development of innovative radioactive labeled compounds for molecular imaging diagnostics and therapeutic applications. Under the terms of the agreement, which is subject to closing conditions, OctreoPharm's shareholders are eligible to receive up to a total of approximately €50 million for the purchase of 100% of the company's shares in the form of an upfront payment and downstream payments contingent upon clinical and regulatory milestones.
- On **2 June 2015** – Ipsen confirmed its eligibility for the PEA-PME scheme, in accordance with the French decree n° 2014-283 of 4 March 2014.
- On **3 June 2015** – Ipsen announced it has granted Natixis a mandate to purchase 500 000 shares, or about 0.60% of the share capital. This mandate begins on 3 June 2015 and will end on 31 December 2015. The purchased shares will be cancelled, mainly to compensate for the dilution resulting from the issuance of new shares within the free share plans. These operations are part of the authorizations granted by the General Shareholder's meeting held on 27 May 2015.
- On **2 July 2015** – Ipsen hosted its Investor Day. The Group's management provided a comprehensive review of its 2020 strategy and its 2020 outlook including organic sales ranging between €1.8bn and €2.0bn and Core Operating Margin of above 26%.
- On **16 July 2015** – Ipsen announced that the U.S. Food and Drug Administration (FDA) has approved its supplemental Biologics License Application (sBLA) for Dysport® (abobotulinumtoxinA) for the treatment of upper limb spasticity in adult patients after the submission of the dossier in September 2014.
- On **31 August 2015** – Ipsen announced that The Lancet Neurology has published online at http://www.thelancet.com/neurology the detailed results from the Ipsen sponsored phase III randomized study (NCT01313299) showing the efficacy and safety of Dysport® in post-stroke or traumatic brain injury patients with upper limb spasticity.
- **On 1 October 2015** – Ipsen announced that, in collaboration with the U.S. FDA (Food and Drug Administration), an additional batch of Increlex® will be available for commercial distribution starting in November, 2015.
- On **1 October 2015** – Ipsen announced the appointment of Stéphane Bessette as Executive Vice President, Human Resources of the Ipsen Group.

- On **28 October 2015** – Ipsen and Telesta Therapeutics Inc. announced that they have entered into an exclusive licensing agreement for Ipsen to develop and commercialize MCNA [(1)] for the treatment of high risk non-muscle invasive bladder cancer (NMIBC) in all countries of the world, with the exception of the United States. Under the financial terms of the agreement, Telesta is eligible to receive up to US$137 million in upfront and milestone payments comprising a US$10 million upfront payment and additional payments contingent upon achievement of regulatory and sales milestones.
- On **19 November 2015** – Ipsen et Interprotein annouced that they have signed a research collaboration and an option agreement to develop and commercialize new therapeutic peptides intended for serious medical conditions in endocrinology, such as Cushing's disease.

Appendix

Risk factors

The Group operates in an environment which is undergoing rapid change and exposes its operations to a number of risks, some of which are outside its control. The risks and uncertainties set out below are not exhaustive and the reader is advised to refer to the Group's 2015 Registration Document available on its website (www.ipsen.com).

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

(1) Mycobacterium phlei Cell Wall-Nucleic Acid Complex.

applicable regulations) and a technical nature (difficulties in obtaining supplies of satisfactory quality or difficulties in manufacturing active ingredients or drugs complying with their technical specifications on a sufficiently reliable and uniform basis). This situation may result in inventory shortages and/or in a significant reduction in the sales of one or more products.

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

FINANCIAL RESULTS FOR THE LAST FIVE YEARS

Item (in thousands of euros)	2011	2012	2013	2014	2015
Share capital at year-end					
– Share capital	84,227	84,255	84,243	82,869	83,246
– *Number of shares*	*84,226,573*	*84,255,373*	*84,242,701*	*82,869,083*	*83,245,602*
– *Number of outstanding preferred shares without voting rights*	–	–	–	–	–
– *Maximum number of shares to be created*	–	–	–	–	–
Transactions and results for the year					
– Net sales	19,531	19,692	10,197	16,083	21,099
– *Profits before income tax, employee profit-sharing, amortization, depreciation and provisions*	*49,369*	*70,884*	*57,051*	*113,297*	*164,031*
– Income tax – Gain (losses)	3,296	22,532	4,966	8,646	5,474
– *Employee profit-sharing for the year*	*(318)*	*(78)*	*(38)*	*(4)*	–
– *Earnings after income tax, employee profit-sharing, amortization, depreciation and provisions*	*53,366*	*91,730*	*62,106*	*114,229*	*191,437*
– Dividends paid out(**)	66,518	66,458	66,601	65,520	70,006
Earnings per share					
– Earnings after income tax and employee profit-sharing, but before amortization, depreciation and provisions	1	1	1	1	2
– Earnings after income tax, employee profit-sharing, amortization, depreciation and provisions	1	1	1	1	2
– Dividend per share	0.80	0.80	0.80	0.80	0.85
Personnel					
– Average number of employees during the year(*)	20	18	17	16	17
– Total payroll for the year	13,247	10,070	10,122	16,558	25,148
– Total payroll on-costs for the year (social security, welfare, etc.)	4,492	5,620	4,236	6,245	8,226

(*) Including Management bodies.
(**)Dividends on treasury shares are posted to retained earnings.

* Innover pour mieux soigner.

IPSEN
Innovation for patient care*

REQUEST FOR MATERIALS AND INFORMATION

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

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

COMBINED SHAREHOLDERS' MEETING OF 31 MAY 2016

I, the undersigned,

Mrs. ☐ Mr. ☐

Last Name (or company name): ______________________________

First Name: ______________________________

Address: ______________________________

Zip Code: |_|_|_|_|_| City: ______________________ Country: ______________

Email address: ______________________ @ ______________________

Owner of: ______________ registered shares

And/or ______________ bearer shares held by ______________________

(Please attach a copy of the certificate of registration of the shares in the securities accounts of your custodian)

☐ Hereby request to receive the materials and information set forth by Articles R.225-81 and R.225-83 of the French Commercial Code relating to the Combined Shareholders' Meeting of 31 May 2016.

☐ 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 2016, having already received those provided for by Article R.225-81 of the French Commercial Code together with my notice.

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

☐ By post

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

In: ______________ Date: ______________ 2016

Signature

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

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