Press release

Ipsen's fourth quarter and full year 2010 sales and other significant developments

- **Drug sales growth in line with objectives : +5.1% at constant currency**
- **Strong and continued specialty care dynamics: +11.0% at constant currency**
- **Potential non-cash and non-recurring net impairment charges ranging from 65 to 85[1] million euros related to uncertainties in some development timelines or sales levels of certain products and partnerships**
- **Ipsen recovers rights and data of taspoglutide : non-cash, non-recurring profit of c.41 million euros after tax to be recognized in 2010 P&L**

Paris (France), 2 February 2011 - Ipsen (Euronext: IPN; ADR: IPSEY) reported today its sales for the fourth quarter and full year 2010.

Fourth quarter and full year 2010 unaudited IFRS consolidated sales

	Fourth Quarter			Twelve Months			
(in million euros)	*2010*	*2009*	*% Variation*	*2010*	*2009*	*% Variation*	*% Variation at constant currency[2]*
SALES BY REGION							
North America	15.5	12.1	*28.0%*	59.5	45.7	*30.2%*	*24.2%*
Major Western European countries	138.8	142.8	*(2.8%)*	550.4	554.7	*(0.8%)*	*(1.1%)*
Other European countries	51.3	58.5	*(12.3%)*	255.1	234.3	*8.9%*	*7.5%*
Rest of the world	52.4	41.9	25.3%	*235.2*	*198.2*	*18.7%*	*13.8%*
Group Sales	**258.0**	**255.3**	***1.1%***	**1,100.2**	**1,032.8**	***6.5%***	***5.0%***
SALES BY DISEASE AREA							
Specialty Care	168.9	157.8	*7.0%*	704.3	622.5	*13.1%*	*11.0%*
Primary care	81.7	92.0	*(11.2%)*	364.0	380.1	*(4.2%)*	*(4.8%)*
Total Drug Sales	**250.6**	**249.8**	***0.3%***	**1,068.3**	**1,002.6**	***6.5%***	***5.1%***
Drug-related Sales	7.5	5.5	*35.8%*	31.9	30.2	*5.6%*	*1.4%*
Group Sales	**258.0**	**255.3**	***1.1%***	**1,100.2**	**1,032.8**	***6.5%***	***5.0%***

Commenting on the full year 2010 sales performance, **Marc de Garidel**, **Chairman and Chief Executive Officer of Ipsen** said: *"After many years in the biotechnology industry, I am very proud to lead Ipsen, now grown into an international specialty care biopharma. Our sales performance in 2010 has been very satisfactory in the challenging global healthcare environment, with an 11.0% organic growth of our Specialty Care franchise, with Somatuline®, Dysport® and Decapeptyl® leading the way."*

1 Non-audited figures

[2] 2010 sales figures are at average exchange rates for the year. To reflect the Group's economic performance, 2009 sales figures have been restated with 2010 average exchange rates.

Marc de Garidel added: *"The heathcare industry now faces new challenges and is currently undergoing important changes worldwide. In this context, I have decided to run a thorough strategic review to further define Ipsen's mid-and-long term vision. I am looking forward to sharing this renewed strategy in the course of the second quarter of 2011."*

Full year 2010 sales highlights

In 2010, Group drug sales grew by 5.1% year-on-year excluding foreign exchange impacts.

Consolidated Group sales reached €1,100.2 million for the full year 2010, up 5.0% year-on-year excluding foreign exchange impacts.

Sales generated in the **Major Western European countries** amounted to €550.4 million in 2010, down 1.1% year-on-year excluding foreign exchange impacts. Sales were driven by the Group's dynamic specialty care franchises in France, Germany and Italy, more than offset by the consequences of a tougher competitive environment in the French primary care landscape. Sales in the Major Western European countries represented 50.0% of total Group sales in 2010, compared with 53.7% a year earlier.

Sales generated in the **Other European countries** reached €255.1 million in 2010, up 7.5% year-on-year excluding foreign exchange impacts, fuelled by sustained growth, notably in Turkey, Nordic countries and Switzerland and a sharp recovery from a low first quarter 2009 in Eastern European countries and Russia. Over the year, sales in this region represented 23.2% of total consolidated Group sales, against 22.7% a year earlier.

Sales generated in **North America** reached €59.5 million in 2010, up 24.2% year-on-year excluding foreign exchange impacts, reflecting continued dynamic growth. Sales of Somatuline® Depot grew 45.7% year-on-year excluding foreign exchange impacts demonstrating continued comfort by prescribers in both identifying naive and switch patients. After a successful sampling program, sales of Dysport® are now ramping up and represent a growth reservoir for the future. Customer experience feedbacks continue to show a strongly positive appreciation of the clinical experience across all products marketed by the Group. They also continue to underline the quality of services provided by the US commercial platform. Sales in North America represented 5.4% of total consolidated Group sales, against 4.4% a year earlier.

Sales generated in the **Rest of the World** reached €235.2 million in 2010, up 13.8% year-on-year excluding foreign exchange impacts, fuelled by strong volume growth in China, with robust sales of Decapeptyl®, including the recently launched 3-month formulation in the treatment of prostate cancer. China is progressively implementing its Essential Drug List, locally affecting volumes and seasonality of Smecta® sales. Sales in Australia and Latin America remained strong. Sales in the Rest of the World represented 21.4% of total 2010 consolidated Group sales, against 19.2% a year earlier.

Sales of **Specialty Care products** reached €704.3 million in 2010, up 11.0% excluding foreign exchange impacts. This performance was fuelled by strong growth in the Group's oncology and endocrinology franchises with Decapeptyl® up 7.7% and Somatuline® up 18.8% year-on-year excluding foreign exchange impacts. The relative weight of Specialty Care products in total Group sales continued to grow sharply to 64.0% in 2010, from 60.3% a year earlier.

Sales of **Primary Care products** reached €364.0 million in 2010, down 4.8% year-on-year excluding foreign exchange impacts.The negative impacts of the competitive situation in France more than offset international growth. Primary Care sales represented 33.1% of the Group's consolidated sales in 2010, down from 36.8% a year before, and Primary Care sales in France represented 51.1% of total group Primary Care sales in 2010, against 55.8% a year earlier.

Other significant developments

Non-recurring 2010 losses

On the basis of currently available information, notably :

- available sales and clinical programme forecast assumptions for certain of its businesses, notably its short-stature franchise in the United States and,
- recent uncertainties in some of its partnerships development timelines

Indications of impairment lead the Group to run impairment test. These could result in the recording of the depreciation of some of the Group's intangible assets and deferred tax assets for a total non-cash and non-recurring amount between 65 and 85[1] millions euros after tax.

Taspoglutide

Roche has informed the Group on its decision to return taspoglutide to Ipsen. Roche's decision is based on the analysed data stemming from the root cause analysis carried-out on both nausea and hypersensitivity.

According to the agreements signed with Roche in 2003 and 2006, Ipsen is entitled to the full body of data generated by Roche. Ipsen will thouroughly assess the available data to determine potential further partnership opportunities. Given the level of required investment, the Group does not intend to clinically develop taspoglutide on its own.

Roche's decision to return taspoglutide to Ipsen triggers the accelerated recognition in 2010 of the deferred revenues corresponding to the taspoglutide milestones cashed-in but not recognized in Ipsen's profit and loss account by the end of June 2010, amounting to a non-recurring, non-cash profit of c.41 million euros after tax.

Webcast and Conference Call (in English) for financial analysts and journalists

Ipsen will host a web conference (webcast) and conference call on Thursday 3 February 2011 at 2:00 pm (Paris time - GMT+1).

The webcast will be available live at: http://www.ipsen.com/fr/ipsen-en-bourse.

Participants in the conference call may connect for the meeting 5-10 minutes prior to its start. No reservations are required to participate. The telephone number to call in order to connect to the conference call from France is +33 (0)1 70 99 32 08, from UK is +44 (0)207 162 0077 and from the United States +1 334 323 6201 - The conference ID is 886866 .

The telephone number to call in order to access a recording of the conference call from France is +33 (0) 1 70 99 35 29 from UK is +44 (0) 20 7031 4064 and from the United States +1-954-334-0342.

The access code is 886866. The conference call and webcast will be available for one week following the meeting.

[1] Non-audited figures

About Ipsen

Ipsen is a global biopharmaceutical group, with sales exceeding 1 billion euros in 2009. The Group has total worldwide staff of more than 4,400 employees, of which nearly 900 contribute to the discovery and development of innovative drugs for patient care. Ipsen's development strategy is based on fast growing specialty care drugs in oncology, endocrinology, neurology and hematology, and on primary care drugs. This strategy is supported by an active policy of partnerships. Ipsen's research & development (R&D) centers and its peptide & protein engineering platform give the Group a strong competitive edge. In 2009, R&D expenditure totaled close to €200 million, representing nearly 20% of Group sales. Ipsen's shares are traded on segment A of Euronext Paris (stock code: IPN, ISIN code: FR0010259150) and eligible to the "Service de Règlement Différé" ("SRD"). The Group is part of the SBF 120 index. Ipsen has implemented a Sponsored Level I American Depositary Receipt (ADR) program, which trade on the over-the-counter market in the United States under the symbol IPSEY. For more information on Ipsen, visit our website at www.ipsen.com.

Forward Looking Statement

The forward-looking statements, objectives and targets contained herein are based on the Group's management strategy, current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by the Group. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Notably, future currency fluctuations may negatively impact the profitability of the Group and its ability to reach its objectives. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties. The Group does not commit nor gives any guarantee that it will meet the targets mentioned above. Furthermore, the Research and Development process involves several stages each of which involve the substantial risk that the Group may fail to achieve its objectives and be forced to abandon its efforts with regards to a product in which it has invested significant sums. Therefore, the Group cannot be certain that favorable results obtained during pre-clinical trials will be confirmed subsequently during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safe and effective nature of the product concerned. The Group also depends on third parties to develop and market some of its products which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to the Group's activities and financial results. The Group expressly disclaims any obligation or undertaking to update or revise any forward looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. The Group's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers.

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APPENDICES

Risk factors

The Group operates in an environment which is undergoing rapid change and exposes its operations to a number of risks, some of which are outside its control. The risks and uncertainties set out below are not exhaustive and the reader is advised to refer to the Group's 2009 Registration Document available on its website (www.ipsen.com).

- The Group is dependent on the setting of prices for medicines and is vulnerable to the possible reduction of prices of certain of its products by public or private payers or to their possible withdrawal from the list of reimbursable products by the relevant regulatory authorities in the countries where it does business. In general terms, 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 private 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. For example, the reimbursement rate of Ginkor Fort® in France was lowered from 35% to 15%. The product was finally withdrawn from the list of reimbursable drugs on 1 January 2008. At the same time, Ipsen sold its Ginkor Fort® marketing licences for France, Monaco and Andorra to the GTF Group with effect from 1 January 2008. Ginkor Fort® generated sales of €9.6 million in France in 2010, while in France in 2007, Ginko Fort® generated €34.1 million. The reimbursement rate for drugs with a low and insufficient therapeutic value *(Service Médical Rendu Faible Insuffisant)*, including Tanakan® was lowered to 15% on 1st April 2010. Additionally, on January 15th 2011, the French Health Authorities announced a set of new rules on drugs with an insufficient therapeutic value *(Service Médical Rendu Insuffisant)* that include Tanakan®: "In the absence of specific notice from the Health Minister, the social security will no longer reimburse this class of 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 which cause damage to the Group's business. The Group cannot be certain that its partners will fulfil their obligations. It might be unable to obtain any benefit from those agreements. A default by any of the Group's partners could generate lower revenues than expected. Such situations could have a negative impact on the Group's business, financial position or performance.
- Actual results may depart significantly from the objectives set by the management 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 a 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 favourable 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, for example, Forlax® or Smecta® (ii), products which, although they are not strictly identical to the Group's products or which have not demonstrated their bioequivalence, may obtain a marketing authorisation 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 to 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 in 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 it to realise synergies with its existing businesses. Should the growth prospects or earnings potential of such assets as well as valuation

assumptions change materially from initial assumptions, the Group might be under the obligation to adjust the values of these assets in its balance sheet, thereby negatively impacting its results and financial situation.

- The marketing of certain products by the Group has been and could be affected by supply shortages and other disruptions. Such difficulties may be of both a regulatory nature (the need to correct certain technical problems in order to bring production sites into compliance with applicable regulations) and a technical nature (difficulties in obtaining supplies of satisfactory quality or difficulties in manufacturing active ingredients or drugs complying wih 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 it sells its drugs directly to public hospitals, the Group could experience discount or lengthened payment terms or difficulties in recovering its receivables in full. In Greece notably, which represented in 2010 approximately 1.5% of its consolidated sales, and where payment terms from public hospitals are particularly long, the Group is closely monitoring the current situation. 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.

Major developments

During the fourth quarter 2010, major developments included:

- On October 11, 2010 – Ipsen announced that it had sold its shares in PregLem Holding SA to Gedeon Richter Plc, as had all PregLem's other shareholders. In June 2007, the Group spun off to PregLem, then a newly-formed, privately held Swiss biopharmaceutical company, a sulfatase inhibitor and a somatostatin analogue (PGL1001and PGL2001, respectively), patents and know-how for use in the field of human reproductive medicine. In parallel, Ipsen subscribed to newly issued shares of Preglem, representing a c.15 % minority interest in its share capital. PregLem's lead product, PGL4001 (Esmya™), successfully completed Phase III clinical trials in June 2010 for the treatment of uterine myoma. Ipsen has received initial proceeds of CHF 6 million from the sale of its PregLem shares. Additionally, subject to PGL1001 and PGL2001 being granted marketing approvals, Ipsen will notably receive mid single digit royalties on PregLem's future net sales of these products. On December 14, 2010 Ipsen was informed that it would receive a further payment of CHF 5.5 million as PGL4001 (Esmya™) US marketing rights were successfully licenced out to a partner;
- On October 11, 2010 – Ipsen's board of directors announced the departure of Jean-Luc Bélingard and the appointment of Marc de Garidel as Chairman and Chief Executive Officer. Marc de Garidel took over from Jean-Luc Bélingard on November 22, 2010;
- On October 19, 2010 – Ipsen announced that the European Commission had granted orphan drug status for OBI-1 for the treatment of hemophilia. OBI-1 is designed to treat individuals with hemophilia who have developed inhibitory antibodies (inhibitors) against human Factor VIII (hFVIII). The orphan drug status would trigger a 10-year market exclusivity for OBI-1 in the European Union after its marketing approval. The U.S. Food & Drug Administration (FDA) issued an Orphan Drug Designation for OBI-1 in March 2004;
- On November 19, 2010 – Ipsen announced that its partner Inspiration Biopharmaceuticals, Inc. (Inspiration) had initiated treatment of patients in the first of two phase III pivotal clinical studies of OBI-1, an intravenous recombinant porcine factor VIII (FVIII) product, for the treatment of acquired hemophilia A, a rare, though potentially life-threatening bleeding disorder. Under the terms of their partnership agreement signed in January 2010, Inspiration in-licensed OBI-1 from Ipsen, and is responsible for the clinical development, regulatory process and commercialization of the product. In the context of this first phase III clinical study initiation, Ipsen has subscribed to a US$50 million newly issued convertible note by Inspiration, bringing its fully diluted share ownership position in Inspiration to about 34.0%;
- On December 10, 2010 – the Afssaps announced that it had taken note of the preliminary results of the SAGHE study ("Santé Adulte GH Enfant" or "Adult health GH child") started in october 2007 that showed an increased risk of higher death rate in adults that have been exposed to high doses (above indication) of GH as children. Since then both the FDA and EMEA have said that no direct correlation between the pediatric use of GH and higher adult death rate could be proved;
- On December 15, 2010 – Ipsen announced that the preliminary data from the ongoing phase IIb study in patients with acromegaly for its chimeric compound BIM 23A760 did not meet the expected inhibition of growth hormone(GH) and IGF-1 levels after repeat dosing. Preliminary phase IIb data showed a strong dopaminergic activity but only weak evidence of somatostatinergic activity. No safety concerns have been observed throughout the trial. Consequently, Ipsen decided to discontinue the development of BIM 23A760.

Comparison of consolidated sales for the fourth quarter and full year 2010 and 2009 :

Sales by geographical area

Group sales by geographical area for the fourth quarter and full year 2010 and 2009 were as follows:

	Fourth Quarter			Twelve Months			
(in million euros)	*2010*	*2009*	*% Variation*	*2010*	*2009*	*% Variation*	*% variation at constant currency*
France	76.9	87.6	*(12.2%)*	307.1	323.3	*(5.0%)*	*(5.0%)*
United Kingdom	13.1	10.8	*21.2%*	46.2	42.8	*8.2%*	*4.2%*
Spain	14.9	14.4	*3.9%*	58.9	59.2	*(0.5%)*	*(0.5%)*
Germany	15.6	13.2	*17.7%*	61.1	57.2	*6.9%*	*6.8%*
Italy	18.3	16.8	*8.7%*	77.0	72.2	*6.7%*	*6.7%*
Major Western European countries	**138.8**	**142.8**	**(2.8%)**	**550.4**	**554.7**	**(0.8%)**	**(1.1%)**
Other European Countries	**51.3**	**58.5**	**(12.3%)**	**255.1**	**234.3**	**8.9%**	**7.5%**
North America	**15.5**	**12.1**	**28.0%**	**59.5**	**45.7**	**30.2%**	**24.2%**
Asia	23.1	16.4	*40.3%*	121.5	103.6	*17.3%*	*13.7%*
Other countries in the rest of the world	29.4	25.4	*15.6%*	113.6	94.6	*20.1%*	*13.8%*
Rest of the World	**52.4**	**41.9**	**25.3%**	**235.2**	**198.2**	**18.7%**	**13.8%**
Group Sales	**258.0**	**255.3**	**1.1%**	**1,100.2**	**1,032.8**	**6.5%**	**5.0%**
Of which: Total Drug Sales	**250.6**	**249.8**	***0.3%***	**1,068.3**	**1,002.6**	***6.5%***	***5.1%***
Drug-related Sales[1]	**7.5**	**5.5**	***35.8%***	**31.9**	**30.2**	***5.6%***	***1.4%***

For the fourth quarter 2010, sales generated in the **Major Western European countries** amounted to €138.8 million, down 2.8% year-on-year. For the full year, sales generated in the Major Western European countries amounted to €550.4 million, down 1.1% excluding foreign exchange impacts. Dynamic sales growth of specialty care products in France, Germany and Italy were more than offset by the consequences of a tougher competitive environment in the French primary care landscape. Sales in the Major Western European countries represented 50.0% of total Group sales in 2010, compared with 53.7% a year earlier.

France – For the fourth quarter 2010, sales reached €76.9 million, down 12.2% year-on-year, penalized by the decline of the primary care sales. For the full year, sales reached €307.1 million, down 5.0% year-on-year. Specialty Care drugs performed strongly, notably Somatuline® and Nutropin® as well as Decapeptyl®, following the launch of its 6-month formulation in February 2010. This strong performance was more than offset by declining sales of Forlax®, of Tanakan® following the cut of the reimbursement rate of its entire class to 15% from 35% in April 2010, and of Smecta®, with a low incidence of seasonal pathology. Sales of Nisis® and Nisisco® were also affected by both the price reduction of 11.0% effective as of September 2010 and the switches to co-promoted Exforge®. Consequently, the relative weight of France in the Group's consolidated sales continued to decline, representing 27.9% of total Group sales against 31.3% a year earlier.

Spain – For the fourth quarter 2010, sales reached €14.9 million, up 3.9% year-on-year fuelled notably by the launch of the new Decapeptyl® 6-month formulation in November and despite the implementation of a new 7.5% tax on sales as of June 1st 2010. For the full year, sales reached

[1] Active ingredients and raw materials

€58.9 million, down 0.5% year-on-year despite strong sales of Somatuline®, Increlex® and Nutropin®, more than offset by a decrease in Dysport® sales following the launch of Azzalure® by Ipsen's partner Galderma and by Decapeptyl® sales as the launch of the new 6-month formulation took place towards the end of the year. Sales in Spain represented 5.4% of total group sales, against 5.7% a year earlier.

Italy – For the fourth quarter 2010, sales reached €18.3 million, up 8.7% year-on-year. For the full year 2010, sales reached €77.0 million, up 6.7% year-on-year driven by the good performance of Somatuline® and Dysport®. Italy represented 7.0% of the Group's consolidated sales, stable year-on-year.

Germany – For the fourth quarter 2010, sales reached €15.6 million, up 17.7% year-on-year driven mainly by strong double digit growth of Decapeptyl®, NutropinAq® and drug-related sales[1]. This growth was achieved despite the increase to 16% from 6% of a mandatory rebate affecting the majority of the Group's sales as of August 1st, 2010. For the full year, sales reached €61.1 million, up 6.9% year-on-year, with a strong double digit sales growth of Nutropin®, Decapeptyl® and Somatuline®, partly offset by a decrease in Dysport® sales following the launch of Azzalure® by Ipsen's partner Galderma and by the impact of the mandatory rebate increase detailed above. In 2010, sales in Germany represented 5.6% of total Group sales against 5.5% a year earlier.

United Kingdom – For the fourth quarter 2010, sales reached €13.1 million, up 21.2% year-on-year. For the full year, sales reached €46.2 million, up 8.2% year-on-year or up 4.2% excluding foreign exchange impacts, fuelled by a strong double digit growth of Decapeptyl® and Somatuline® and by a continued growth of the other specialty products, largely offset by lower Dysport® sales after the launch of Azzalure® by Ipsen's partner (Galderma). In 2010, United Kingdom represented 4.2% of total Group sales against 4.1% in 2009.

For the fourth quarter 2010, sales generated in the **Other European countries** reached €51.3 million, down 12.3% year-on-year after distributors in Russia anticipated orders during the third quarter ahead of the implementation of a new law on the packaging of imported drugs. Restated from this non-recurring impact, sales were up 4.9% in the region. For the full year 2010, sales reached €255.1 million, up 8.9% year-on-year or up 7.5% excluding foreign exchange impacts, fuelled by sustained growth, notably in Turkey, Nordic countries and Switzerland and a sharp recovery from a low first quarter 2009 in Eastern European countries and Russia. Over the year, sales in this region represented 23.2% of total consolidated Group sales, against 22.7% a year earlier.

For the fourth quarter 2010, sales generated in **North America** reached €15.5 million, up 28.0% from a year earlier. For the full year 2010, sales reached €59.5 million, up 24.2% year-on-year excluding foreign exchange impacts, reflecting continued dynamic growth. Sales of Somatuline® Depot grew 45.7% year-on-year excluding foreign exchange impacts. In the US, Somatuline® grew 52.8% year-on-year (45.3% excluding foreign exchange impacts) essentially driven by volume growth demonstrating continued comfort by prescribers in both identifying naive and switch patients. After a successful sampling program, sales of Dysport® are now ramping up and represent a growth reservoir for the future. Customer experience feedbacks continue to show a strongly positive appreciation of the clinical experience across all products marketed by the Group. They also continue to underline the quality of services provided by the US commercial plateform. Sales in North America represented 5.4% of total consolidated Group sales, against 4.4% a year earlier.

For the fourth quarter, sales generated in the **Rest of the World** reached €52.4 million, up 25.3% year-on-year. For the full year 2010, sales reached €235.2 million, up 18.7% year-on-year or up 13.8% excluding foreign exchange impacts. This performance was notably driven by strong volume growth in China, with robust sales of Decapeptyl®, including the recently launched 3-month formulation in the treatment of prostate cancer. China is progressively implementing its Essential Drug List, locally affecting volumes and seasonality of Smecta® sales. Sales in Australia and in Latin America remained strong. Sales in the Rest of the World represented 21.4% of total consolidated Group sales, against 19.2% a year earlier.

[1] active ingredients and raw materials

Sales by therapeutic area and by product

The following table shows sales by therapeutic area and by product for the fourth quarter and full year 2010 and 2009:

	4th Quarter			12 Months			
(in million euros)	*2010*	*2009*	*% Variation*	*2010*	*2009*	*% Variation*	*% variation at constant currency*
Oncology	62.1	58.5	*6.1%*	270.2	250.5	*7.8%*	*7.7%*
of which Decapeptyl®(1)	*62.1*	*58.5*	*6.1%*	*270.2*	*250.5*	*7.8%*	*7.7%*
Endocrinology	61.8	53.1	*16.4%*	244.5	202.6	*20.7%*	*18.1%*
of which Somatuline®(1)	*43.0*	*36.5*	*18.0%*	*170.0*	*140.0*	*21.5%*	*18.8%*
of which Nutropin®(1)	*12.2*	*11.3*	*7.8%*	*48.4*	*40.4*	*19.7%*	*18.2%*
of which Increlex®(1)	*6.6*	*5.3*	*24.1%*	*26.1*	*21.0*	*24.4%*	*19.5%*
Neurology	45.0	46.2	*(2.5%)*	189.6	169.5	*11.9%*	*7.5%*
of which Dysport®(1)	*43.7*	*45.1*	*(3.2%)*	*183.7*	*163.8*	*12.1%*	*7.7%*
of which Apokyn®(1)	*1.3*	*1.0*	*27.7%*	*6.0*	*5.6*	*5.8%*	*0.6%*
Specialty Care	**168.9**	**157.8**	***7.0%***	**704.3**	**622.5**	***13.1%***	***11.0%***
Gastroenterology	41.6	43.5	*(4.3%)*	181.8	183.3	*(0.8%)*	*(2.0%)*
of which Smecta®	*24.5*	*24.3*	*0.9%*	*101.3*	*100.5*	*0.8%*	*(1.3%)*
of which Forlax®	*8.8*	*10.4*	*(15.1%)*	*38.9*	*45.6*	*(14.7%)*	*(14.9%)*
Cognitive Disorders	21.1	25.1	*(16.0%)*	96.4	108.0	*(10.7%)*	*(10.7%)*
of which Tanakan®	*21.1*	*25.1*	*(16.0%)*	*96.4*	*108.0*	*(10.7%)*	*(10.7%)*
Cardiovascular	14.8	18.5	*(19.7%)*	70.6	73.1	*(3.5%)*	*(3.5%)*
of which Nisis® & Nisisco®	*13.3*	*15.1*	*(12.1%)*	*55.1*	*55.9*	*(1.5%)*	*(1.5%)*
of which Ginkor®	*1.1*	*1.9*	*(43.5%)*	*12.1*	*12.0*	*0.6%*	*0.6%*
Other Primary Care	4.1	4.9	*(16.9%)*	15.2	15.7	*(3.1%)*	*(3.1%)*
of which Adrovance®	*2.8*	*3.4*	*(18.5%)*	*11.5*	*11.9*	*(3.0%)*	*(3.0%)*
Primary Care	**81.7**	**92.0**	***(11.2%)***	**364.0**	**380.1**	***(4.2%)***	***(4.8%)***
Total Drug Sales	**250.6**	**249.8**	***0.3%***	**1,068.3**	**1,002.6**	***6.5%***	***5.1%***
Drug-related Sales	**7.5**	**5.5**	***35.8%***	**31.9**	**30.2**	***5.6%***	***1.4%***
Group Sales	**258.0**	**255.3**	***1.1%***	**1,100.2**	**1,032.8**	***6.5%***	***5.0%***

(1) Peptide - or protein-based products

For the fourth quarter 2010, sales of **Specialty Care products** reached €168.9 million, up 7.0% year-on-year or up 11.4% excluding third quarter stocking effect in Russia described above. For the full year 2010, sales grew strongly to €704.3 million, up 13.1% year-on-year or up 11.0% excluding foreign exchange impacts. Oncology, endocrinology and neurology grew 7.7%, 18.1% and 7.5% respectively over the period, excluding foreign exchange impacts. The relative weight of Specialty Care products in total Group sales continued to grow sharply to 64.0%, from 60.3% a year earlier.

In oncology, sales of **Decapeptyl®** reached €62.1 million for the fourth quarter 2010, up 6.1% year-on-year. For the full year, sales reached €270.2 million, up 7.7% excluding foreign exchange impacts. Robust sales in China, Germany, Russia and United Kingdom, as well as the launch of the new 6-

month formulation in France and in Spain contributed to this solid performance. For the full year, sales in oncology represented 24.6% of total Group sales, against 24.3% a year earlier.

In endocrinology, sales continued to grow sharply, reaching €61.8 million for the fourth quarter 2010, up 16.4% year-on-year. For the full year 2010, sales reached €244.5 million, up 20.7% year-on-year or up 18.1% excluding foreign exchange impacts. Sales in endocrinology represented 22.2% of total Group sales, against 19.6% a year earlier.

Somatuline® – For the fourth quarter 2010, sales reached €43.0 million, up 18.0% year-on-year. For the full year 2010, sales amounted to €170.0 million, up 21.5% year-on-year, or up 18.8% excluding foreign exchange impacts, fuelled by a strong 52.8% year-on-year growth in the US (45.3% excluding foreign exchange impacts) and by a strong growth in France, Italy and Poland.

NutropinAq® – For the fourth quarter 2010, sales reached €12.2 million, up 7.8% year-on-year. For the full year, sales amounted to €48.4 million, up 19.7% year-on-year, or up 18.2% excluding foreign exchange impacts, driven by strong performance in France and Germany, where Nutropin® benefits from being promoted alongside Increlex®.

Increlex® – For the fourth quarter 2010, sales reached €6.6 million, up 24.1% year-on-year. For the full year, sales of Increlex® reached €26.1 million, up 24.4% year-on-year, or up 19.5% excluding foreign exchange impacts, notably driven by US volume growth.

In neurology, sales reached €45.0 million for the fourth quarter 2010, down 2.5% year-on-year penalized by third quarter Russia stocking effect detailed above. For the full year, sales reached €189.6 million, up 11.9% year-on-year or up 7.5% excluding foreign exchange impacts. Sales in neurology represented 17.2% of total Group sales, against 16.4% a year earlier.

Dysport® – For the fourth quarter 2010, sales reached €43.7 million, down 3.2% year-on-year penalized by the stocking effect in Russia during the third quarter, described above. For the full year, sales reached €183.7 million, up 12.1% year-on-year or up 7.7% excluding foreign exchange impacts, fuelled notably by strong growth in Russia, Brazil, Turkey, Mexico, Venezuela, Australia and Italy, with lower growths in the other main Western European countries where the Group's partner Galderma has launched Azzalure®. After a successful sampling program, sales of Dysport® are now ramping up and represent a growth reservoir for the future.

Apokyn® – For the fourth quarter 2010, sales reached €1.3 million in the United States, up 27.7% year-on-year. For the full year 2010, sales reached €6.0 million, up 5.8% year-on-year or up 0.6% excluding foreign exchange impacts.

In the fourth quarter 2010, sales of **Primary Care products** amounted to €81.7 million, down 11.2% year-on-year or down 7.8% excluding the stocking effect in Russia described above. For the full year, sales of Primary Care products reached €364.0 million, down 4.2% year-on-year or down 4.8% excluding foreign exchange impacts, with the negative impacts of the French market situation more than offsetting international growth. Primary Care sales represented 33.1% of the Group's consolidated sales in 2010, down from 36.8% a year before, and Primary Care sales in France represented 51.1% of total group Primary Care sales in 2010, against 55.8% a year earlier.

In gastroenterology, sales reached €41.6 million in the fourth quarter 2010, down 4.3% year-on-year. For the full year, sales reached €181.8 million, down 0.8% year-on-year or down 2.0% at constant currency.

Smecta® – For the fourth quarter 2010, sales reached €24.5 million, up 0.9% year-on-year. For the full year, sales of Smecta® amounted to €101.3 million, down 1.3% year-on-year at constant currency, with a high double digit growth recorded in Russia being more than offset by lower sales in France, with low levels of seasonal pathology. Sales of Smecta® outside France

represented 73.6% of total Smecta® sales during the period compared with 68.6% a year earlier.

Forlax® – For the fourth quarter 2010, sales reached €8.8 million, down 15.1% year-on-year. For the full year, sales reached €38.9 million, down 14.7% due to generic competition in France. In 2010, France represented 59.9% of the overall sales of the product, down from 67.3% a year earlier.

In the cognitive disorders area, sales of **Tanakan®** for the fourth quarter 2010 reached €21.1 million, down 16.0% year-on-year. For the full year 2010, sales of Tanakan® amounted to €96.4 million, down 10.7% year-on-year, with lower sales in France after the decrease in April 2010 of the reimbursement rate of Tanakan®'s entire drug class to 15% from 35%. In 2010, 52% of Tanakan® sales were made in France compared with 55.8% a year earlier.

In the cardiovascular area, sales in the fourth quarter 2010 amounted to €14.8 million, down 19.7% year-on-year mainly due to an 11.0% price cut of Nisis® and Nisisco® as of September 1st 2010 in France and to switches to co-promoted Exforge®. For the full year, sales reached €70.6 million, down 3.5% with sales of Nisis® and Nisisco® down 1.5% year-on-year, amounting to €55.1 million.

Other primary care products sales reached €4.1 million for the fourth quarter 2010, down 16.9%. For the full year 2010, sales reached €15.2 million, down 3.1% year-on-year, with sales of **Adrovance®** contributing to €11.5 million, down 3.0% year-on-year due to a 25.0% price cut enforced in May 2010 in France.

For the fourth quarter 2010, **drug-related sales (active ingredients and raw materials)** reached €7.5 million, up 35.8%. For the full year, sales reached €31.9 million, up 1.4% excluding foreign exchange impacts.