PRESS RELEASE

Ipsen's fourth quarter and full year 2012 sales

Ipsen delivers robust 2012 sales above objectives

- **Dynamic and sustained specialty care growth of 11.3%[1]**
- **Primary care down 13.2%[1], negatively impacted by performance in France, down 29.7%[1]**
- **Drug sales up 9.3%[1] excluding French Primary Care**

Paris (France), 30 January 2013- Ipsen (Euronext: IPN; ADR: IPSEY) reported today its sales for the fourth quarter and full year 2012.

Fourth quarter and full year 2012 unaudited IFRS consolidated sales

	Fourth Quarter			Twelve Months			
(in million Euros)	***2012***	***2011***	***% Variation***	***2012***	***2011***	***% Variation***	***% Variation at constant currency***
SALES BY REGION							
Major Western European countries	125.2	136.4	(8.2%)	518.5	542.0	(4.3%)	(4.9%)
Other European countries	76.7	68.4	12.2%	306.0	279.6	9.5%	8.5%
North America	18.2	18.4	(0.9%)	72.8	65.7	10.8%	2.3%
Rest of the world	74.7	72.7	2.8%	322.2	272.5	18.2%	14.1%
Group Sales	**294.9**	**295.8**	**(0.3%)**	**1,219.5**	**1,159.8**	**5.1%**	**3.3%**
SALES BY THERAPEUTIC AREA							
Specialty Care	210.3	193.6	8.6%	862.5	759.4	13.6%	11.3%
Primary care	78.0	94.3	(17.3%)	324.6	368.5	(11.9%)	(13.2%)
Total Drug Sales	**288.2**	**287.9**	**0.1%**	**1,187.0**	**1,127.9**	**5.2%**	**3.4%**
Drug-related sales[2]	6.6	7.9	(16.1%)	32.5	31.9	1.9%	0.7%
Group Sales	**294.9**	**295.8**	**(0.3%)**	**1,219.5**	**1,159.8**	**5.1%**	**3.3%**

Commenting on the full year 2012 sales performance, **Marc de Garidel**, **Chairman and Chief Executive Officer of Ipsen** said: *"From the first year on, Ipsen's drug sales performance illustrates the relevance of the Group's strategy of focus, with specialty care up 11.3%[1], growing internationally and at an accelerating pace. In parallel, the Group has been addressing two of its main challenges: the adjustment of French primary care sales organization and the sale of hemophilia-related assets."* **Marc de Garidel** added: *"Our therapeutic areas and geographical footprint form robust foundations for the achievement of our 2020 ambition."*

[1] Annual growth excluding foreign exchange impacts – 2011 sales are restated with 2012 average exchange rate
[2] Active ingredients and raw materials

Fourth quarter and full year 2012 sales highlights

In the fourth quarter 2012, Group drug sales were stable year-on-year, driven by specialty care up 8.6%, fully offset by decline of French primary care sales, down 17.3% year-on-year.

In the fourth quarter 2012, **Consolidated Group sales** reached €294.9 million, down 0.3% year-on-year.

In the fourth quarter 2012, sales generated in the **Major Western European countries** amounted to €125.2 million, down 8.2% year-on-year, mainly penalized by the consequences of a tougher competitive environment in the French primary care landscape and administrative measures in Spain.

In the fourth quarter 2012, sales generated in the **Other European countries** reached €76.7 million, up 12.2% year-on-year, despite an unfavourable comparison basis related to Dysport® sales in Russia in 2011.

In the fourth quarter 2012, sales generated in **North America** reached €18.2 million, slightly down by 0.9% year-on-year or up 7.8% restated from 2011 Apokyn® sales, sold on 30 November 2011.

In the fourth quarter 2012, sales generated in the **Rest of the World** reached €74.7 million, up 2.8% year-on-year, despite an unfavourable comparison basis related to a stocking effect in Algeria in the fourth quarter 2011 and a destocking of Dysport® in the fourth quarter 2012 in Latin America.

In 2012, Group drug sales grew by 5.2% year-on-year or 3.4% year-on-year excluding foreign exchange impacts[1].

Consolidated Group sales reached €1,219.5 million for the full year 2012, up 3.3% year-on-year excluding foreign exchange impacts[1].

Sales generated in the **Major Western European countries** amounted to €518.5 million in 2012, down 4.9% year-on-year excluding foreign exchange impacts[1]. Dynamic volume sales growth of specialty care products were more than offset by the consequences of a tougher competitive environment in the French primary care landscape and administrative measures in Spain. As a result, sales in the Major Western European countries represented 42.5% of total Group sales at the end of 2012, compared to 46.7% a year earlier.

Sales generated in the **Other European countries** reached €306.0 million in 2012, up 8.5% year-on-year excluding foreign exchange impacts[1]. Sales were mainly driven by Russia where the good performance of specialty care products and Tanakan®. Over the period, Poland, the Netherlands, Ukraine and Belgium also contributed to the volume growth. In 2012, sales in this region represented 25.1% of total consolidated Group sales, compared to 24.1% a year earlier.

In 2012, sales generated in **North America** amounted to €72.8 million, up 2.3% excluding foreign exchange impacts[1]. Restated to exclude Apokyn® sales, North American sales were up 11.5% year-on-year, driven by strong supply of Dysport® for aesthetic use to Medicis, by the continuous penetration of Somatuline® in acromegaly and by the growth of Dysport® in the treatment of cervical dystonia. Sales in North America represented 6.0% of total consolidated Group sales, compared to 5.7% a year earlier.

In 2012, sales generated in the **Rest of the World** reached €322.2 million, up 14.1% excluding foreign exchange impacts[1], driven by a strong volume growth in China, Colombia, Vietnam, Australia, Brazil and Mexico. In 2012, sales in the Rest of the World continued to increase, representing 26.4% of total consolidated Group sales, compared to 23.5% a year earlier.

In 2012, sales of **Specialty Care products** amounted to €862.5, up 11.3% excluding foreign exchange impacts[1]. Sales in endocrinology, neurology and uro-oncology grew by 13.5%, 10.8% and 9.6% respectively, excluding foreign exchange impacts[1]. At the end of 2012, the relative weight of Specialty Care products continued to increase to 70.7% of total Group sales, compared to 65.5% a year earlier.

[1] Variations excluding foreign exchange impacts are computed by restating the 2011 figures with the 2012 average exchange rates

In 2012, sales of **Primary Care products** amounted to €324.6 million, down 13.2% excluding foreign exchange impacts[1], negatively impacted by the destocking effect on Smecta® in Russia and the consequences of a tougher competitive environment in France, reinforced by the implementation of the "tiers-payant" regulation in France. Primary Care sales represented 26.6% of total Group sales in 2012 against 31.8% a year earlier. Primary Care sales in France, down 29.7% year-on-year, represented 38.1% of total Group Primary Care sales against 47.7% a year earlier.

About Ipsen

Ipsen is a global specialty-driven pharmaceutical company with total sales exceeding €1.2 billion in 2012. Ipsen's ambition is to become a leader in specialty healthcare solutions for targeted debilitating diseases. Its development strategy is supported by 3 franchises: neurology / Dysport®, endocrinology / Somatuline® and uro-oncology / Decapeptyl®. Moreover, the Group has an active policy of partnerships. Ipsen's R&D is focused on its innovative and differentiated technological platforms, peptides and toxins. In 2011, R&D expenditure totalled more than €250 million, above 21% of Group sales. The Group has total worldwide staff of close to 4,500 employees. 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 www.ipsen.com.

Ipsen Forward Looking Statement

The forward-looking statements, objectives and targets contained herein are based on the Group's management strategy, current views and assumptions. Such statements involve known and unknown risks and uncertainties that may cause actual results, performance or events to differ materially from those anticipated herein. All of the above risks could affect the Group's future ability to achieve its financial targets, which were set assuming reasonable macroeconomic conditions based on the information available today.

Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by the Group. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably the fact that a promising product in early development phase or clinical trial may end up never being launched on the market or reaching its commercial targets, notably for regulatory or competition reasons. The Group must face or might face competition from Generics that might translate into a loss of market share.

Furthermore, the Research and Development process involves several stages each of which involves the substantial risk that the Group may fail to achieve its objectives and be forced to abandon its efforts with regards to a product in which it has invested significant sums. Therefore, the Group cannot be certain that favourable 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 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.

[1] Variations excluding foreign exchange impacts are computed by restating the 2011 figures with the 2012 average exchange rates

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 2011 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.
- The Group depends on third parties to develop and market some of its products which generate 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 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. More specifically and on the basis of available information, according to the auction procedure under the supervision of the US Federal Bankruptcy Court for the common sale of Ipsen's and Inspiration's assets, the Group may impair hemophilia related assets (mainly composed of the convertible bonds and the Milford manufacturing site) for a total amount, as of 31 December 2012, of around €100 million after tax. (Excluding DIP financing, fully covered by the upfront payment in the deal recently announced with Baxter).
- 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 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 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, 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 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 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 realize synergies with its existing businesses. Should the growth prospects or earnings potential of such assets as well as valuation assumptions change materially from initial assumptions, the Group might be under the obligation to adjust the values of these assets in its balance sheet, thereby negatively impacting its results and financial situation.
- The marketing of certain products by the Group has been and could be affected by supply shortages and other disruptions. Such difficulties may be of both a regulatory nature (the need to correct certain technical problems in order to bring production sites into compliance with applicable regulations) and a technical nature (difficulties in obtaining supplies of satisfactory quality or difficulties in manufacturing active ingredients or drugs complying with their technical specifications on a sufficiently reliable and uniform basis). This situation may result in inventory shortages and/or in a significant reduction in the sales of one or more products. More specifically, in their US Hopkinton facility, Lonza, our supplier of IGF-1 (Increlex® drug substance), is facing a regulatory challenge by the Food and Drug Administration that may result in a supply shortage in the US and in Europe.
- In certain countries exposed to significant public deficits, and where it sells its drugs directly to public hospitals, the Group could face discount or lengthened payment terms or difficulties in recovering its receivables in full. In Greece notably, which represented in 2011 approximately 1.6% of 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. Ipsen Pharmaceuticals, Inc. has received an administrative demand from the United States Attorney's Office for the Northern District of Georgia seeking documents relating to its sales and marketing of Dysport® (abobotulinumtoxinA) for therapeutic use. Ipsen's policy is to fully comply with all applicable laws, rules and regulations. Ipsen is cooperating with the U.S. Attorney's Office in responding to the government's administrative demand. Additionally, In February 2012, Allergan has commenced legal proceedings against Ipsen in Italy and in the United Kingdom concerning an alleged patent infringement. The patents claim certain therapeutic uses of botulinum toxin products in the field of urology. Ipsen will vigorously defend its rights in these legal proceedings, which are based on patents that are being challenged by Ipsen in opposition proceedings before the European Patent Office.

Major developments

During the first nine months of 2012, major developments included:

- On January 5, 2012 – Onco*design*, a Drug Discovery company and Oncology pharmacology service provider, and Ipsen announced that the two companies have entered into a research collaboration to discover and develop innovative LRRK2 kinase inhibitors as potential therapeutic agents against Parkinson's disease and for potential additional uses in other therapeutic areas.

- On January 24, 2012 – Santhera Pharmaceuticals and Ipsen announced that they had renegotiated their fipamezole licensing agreement. Santhera regains the worldwide rights to the development and commercialization of fipamezole, its first-in-class selective adrenergic alpha-2 receptor antagonist for the management of levodopa-induced Dyskinesia in Parkinson's disease. Under the renegotiated terms, Ipsen returns its rights for territories outside of North America and Japan in exchange for milestone payments and royalties based on future partnering and commercial success of fipamezole. Ipsen retains a call option for worldwide license to the program under certain conditions.

- On January 27, 2012 – Ipsen acknowledged the French government's decision to no longer reimburse Tanakan®, Tramisal® and Ginkogink®. This decision is linked to the French policy to reassess the reimbursement of a certain number of drugs by the French Social Security. Although Tanakan®, Tramisal® and Ginkogink® have been delisted from 1st March 2012 onwards, they can continue to be prescribed and delivered by healthcare professionals to patients in France. The Group plans a decrease of Tanakan® sales of around 35% in France in 2012. This estimate is based on decreases of sales following the delisting of veintonics in 2008.

- On February 24, 2012 – Active Biotech's and Ipsen's castrate resistant prostate cancer project, TASQ, announced the presentation of the up to three years safety data from the TASQ Phase II study in chemotherapy-naïve metastatic castrate resistant prostate cancer (CRPC) at the 27th Annual EAU Congress.

- On April 17, 2012 – Ipsen announced that its partner, Inspiration Biopharmaceuticals, Inc. (Inspiration), has submitted a Biologics License Application to the U.S. Food and Drug Administration (FDA) for the approval of IB1001, an intravenous recombinant factor IX (rFIX) for the treatment and prevention of bleeding in individuals with hemophilia B. Under the terms of this partnership and following the filing, Ipsen decided to pay Inspiration a $35 million milestone payment. In return, Inspiration has issued a convertible note to Ipsen, bringing Ipsen's fully diluted equity ownership position in Inspiration to approximately 43.5%.

- On April 25, 2012 – Ipsen announced the official opening of its new US commercial headquarters in Basking Ridge, New Jersey. This is an important step forward for Ipsen in the United States. This announcement confirms Ipsen's commitment to growth for its uniquely targeted neurology and endocrinology therapeutics in the United States and to provide innovative specialty medicines to US patients in need.

- On May 3, 2012 – Ipsen disclosed that it had sold, under a share purchase agreement, all of its shares in Spirogen Limited (19.31% of Spirogen's equity) on February 24, 2012, and is no longer represented on the board of Spirogen. Ipsen received an upfront cash payment and may receive deferred consideration.

- On May 3, 2012 – Ipsen disclosed that it had terminated its agreement with Novartis for the co-promotion of Exforge® in France effective April 30, 2012. Ipsen will receive a contractual cash exit fee payment of €4 million from Novartis.

- On May 18, 2012 – Active Biotech and Ipsen announced the presentation of overall survival (OS) data from the Phase II study on tasquinimod (TASQ), their prostate cancer drug candidate (CRPC), at the scientific conference "2012 ASCO Annual Meeting" held in Chicago (USA) on 1-5 June 2012.

- On May 21, 2012 – Active Biotech and Ipsen announced that recruitment to the global, pivotal, randomized, double-blind, placebo-controlled phase III study of tasquinimod in patients with metastatic castrate-resistant prostate cancer (CRPC) had reached an inclusion of 600 patients, half of the planned accrual. This triggered a €10 million milestone payment from Ipsen to Active Biotech.

- On June 4, 2012 – Active Biotech and Ipsen presented overall survival (OS) data from the tasquinimod Phase II study in chemotherapy-naïve metastatic castrate resistant prostate cancer (CRPC) at the scientific conference "2012 ASCO Annual Meeting" held in Chicago (USA).

- On June 29, 2012 – Ipsen announced that its partner Teijin received manufacturing and marketing approval from the Japan's Ministry of Health, Labour and Welfare (MHLW) for Somatuline® 60/90/120 mg for s.c. injection (lanreotide acetate). In Japan, Somatuline® is indicated for the treatment of growth hormone and IGF-I (somatomedin-C) hypersecretion and related symptoms in acromegaly and pituitary gigantism (when response to surgical therapies is not satisfactory or surgical therapies are difficult to perform). Somatuline® will be available in a new enhanced presentation with a pre-filled syringe that does not need reconstitution and with a retractable needle that enhances safety for caregivers.

- On July 10, 2012 – Ipsen announced that its partner Inspiration Biopharmaceuticals Inc. (Inspiration) was notified by the Food and Drug Administration (FDA) that the two clinical trials evaluating the safety and efficacy of IB1001 were placed on clinical hold. During the course of routine laboratory evaluations conducted as part of the ongoing phase III clinical trials, Inspiration observed, and reported to the FDA, a trend towards a higher proportion of IB1001 treated individuals developing a positive response to testing of antibodies to Chinese Hamster Ovary (CHO) protein, the product's host cell protein (HCP). A total of 86 people with hemophilia B have received IB1001 in clinical studies and, to date, no adverse events (anaphylaxis or other serious allergic type reaction and nephrotic syndrome) related to the development of antibodies to CHO protein have been reported. Furthermore, no relationship has been demonstrated between the development of antibodies to CHO protein and the development of any antibodies to factor IX. Inspiration continues to follow subjects enrolled in clinical trials of IB1001 to collect safety-related information and will share this information with regulators.

- On July 11, 2012 – Ipsen announced its decision to retain the Dreux (France)-based industrial facility within the scope of its activity. Considering the perspectives of Ipsen's primary care activity internationally and as a result the higher than-expected production volumes at this site since the beginning of this year, the Group has decided to keep its Dreux industrial site.

- On August 21, 2012 – Ipsen announced the renegotiation of its 2010 strategic partnership agreement with Inspiration Biopharmaceuticals, Inc. (Inspiration) for the development and commercialization of Inspiration's recombinant product portfolio: OBI-1, a recombinant porcine factor VIII (rpFVIII) being developed for the treatment of patients with acquired hemophilia A and congenital hemophilia A with inhibitors, and IB1001, a recombinant factor IX (rFIX) for the treatment and prevention of bleeding in patients with hemophilia B. The new agreement aims to establish an effective structure whereby Ipsen gains commercial rights in key territories. Inspiration remains responsible for the world-wide development of OBI-1 and IB1001. As part of the renegotiation, Ipsen paid Inspiration $30.0 million (approximately €24.0 million, based on current exchange rates) upfront. Including this upfront payment, Ipsen is entitled to pay Inspiration milestones for a total amount of up to $200m, of which $27.5m are regulatory milestones and the remaining are commercial milestones.

- On September 10, 2012 – Ipsen announced that it has avoided an interruption in US supply of Increlex® (IGF-1) for the treatment of Severe Primary IGF-1 Deficiency due to delays in manufacturing site approval. Increlex® is an important drug used to treat patients with Severe Primary IGF-1 Deficiency (Primary IGFD) and is considered to be a drug of medical necessity. As a result, Ipsen has worked closely with the US Food and Drug Administration to maintain product supply.

- On October 1, 2012 – Active Biotech and Ipsen have presented a new set of data on biomarkers from the previously concluded tasquinimod Phase II study in chemotherapy-naïve metastatic castrate resistant prostate cancer (CRPC) at the scientific congress ESMO (European Society for Medical Oncology) held in Vienna from 28 September to 02 October 2012.

- On October 3, 2012 – Ipsen and Active Biotech announced the initiation of a new phase II proof of concept clinical trial, evaluating the activity of tasquinimod in advanced metastatic castrate resistant prostate cancer patients. The study aims at establishing the clinical efficacy of tasquinimod used as maintenance therapy in patients with metastatic castrate-resistant prostate cancer (mCRPC) who have not progressed after a first line docetaxel based chemotherapy.

- On October 3, 2012 – Ipsen announced that Inspiration Biopharmaceuticals Inc. (Inspiration) had not raised third party financing by the contractual deadline of 30 September 2012. Consequently, Ipsen is no longer obligated to pay the additional $12.5 million in exchange for Inspiration equity. The parties continue to explore various options.

- On October 19, 2012 – Ipsen announced that it will shortly initiate a new phase II, proof-of-concept clinical trial with tasquinimod in a so-called umbrella study evaluating the compound in four different tumour types. The study will evaluate the safety and efficacy of tasquinimod in advanced or metastatic hepato-cellular, ovarian, renal cell and gastric carcinomas in patients who have progressed after standard anti-tumor therapies.

- On October 31 2012 - Ipsen announced that Inspiration Biopharmaceuticals Inc. (Inspiration) has commenced a voluntary reorganization case pursuant to Chapter 11's provisions of the United States Bankruptcy Code. Inspiration's Chapter 11 case was filed on October 30, 2012 with the United States Bankruptcy Court in Boston, Massachusetts. With this filing, Inspiration seeked to have the Bankruptcy Court's approval on detailed bidding and auction procedures for the sale of its assets to a third party purchaser. Inspiration's assets are notably comprised of commercial rights to OBI-1, a recombinant porcine factor VIII (rpFVIII) for the treatment of hemophilia A with inhibitors and IB1001, a recombinant factor IX (rFIX) for the treatment of hemophilia B. Through its $200 million of convertible bonds, Ipsen is Inspiration's only senior secured creditor. Ipsen has agreed to include its hemophilia assets in the sale process under certain conditions. Ipsen's assets are comprised of commercial rights to OBI-1 and IB1001 as well as its OBI-1 industrial facility in Milford (Boston, MA).

- On November 20 2012 - Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) announced that Inspiration has received Fast Track designation from the US Food and Drug Administration (FDA) for OBI-1 in acquired hemophilia A. OBI-1, an intravenous recombinant porcine factor VIII (FVIII), is being evaluated for the treatment of individuals with acquired hemophilia A, who have developed inhibitory antibodies (inhibitors) against their innate FVIII. Fast track is a designation that the FDA reserves for a drug intended to treat a serious disease and has a potential to fill an unmet medical need. Fast track designation is designed to facilitate the development and expedite the review of new drugs. Marketing applications for fast track development programs are likely to be considered appropriate for priority review, which implies an abbreviated review time of eight months. Inspiration intends to submit a biologics license application (BLA) to FDA in the first half of 2013.

- On December 3, 2012 –Ipsen and Galderma, a leading global pharmaceutical company focused on dermatology, announced that their collaboration for the promotion and distribution of Dysport®, Ipsen's botulinum toxin type A in aesthetic indications, has been extended. Both companies renewed their collaboration in Brazil and Argentina and extended their partnership to Australia where Galderma has the exclusive promotion and distribution rights for Ipsen's Dysport® in aesthetic indications. Both companies also entered into a co-promotion agreement in South Korea where Galderma and Ipsen will co-promote Dysport® and Restylane®.

- On December 10, 2012 – Active Biotech and Ipsen announced that the Phase III clinical trial for tasquinimod, a novel compound for the treatment of prostate cancer, is successfully enrolled

with over 1,200 randomized patients as planned in the clinical protocol. This achievement triggers a €10 million milestone payment from Ipsen to Active Biotech.

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

After 31 December 2012, major developments included:

- On January 17, 2013 – Teijin Pharma Limited, the core company of the Teijin Group's healthcare business, and Ipsen announced the launch of Somatuline® 60/90/120 mg for subcutaneous injection in Japan for the treatment of acromegaly and pituitary gigantism (when response to surgical therapies is not satisfactory or surgical therapies are difficult to perform). In Japan, Teijin Pharma holds the rights to develop and market the drug.

- On January 24, 2013 – Ipsen and Inspiration Biopharmaceuticals Inc. (Inspiration) today announced they entered into an Asset Purchase Agreement (APA) whereby Baxter International (Baxter) agrees to acquire the worldwide rights to OBI-1, a recombinant porcine factor VIII (rpFVIII) in development for congenital hemophilia A with inhibitors and acquired hemophilia A, and Ipsen's industrial facility in Milford (Boston, MA). The APA was filed on 23 January 2013, with the US Federal Bankruptcy Court in Boston (MA). The sale is a result of joint marketing and sale process pursued by Ipsen and Inspiration shortly after Inspiration filed for protection under Chapter 11 of the U.S. Bankruptcy Code on October 30, 2012.

Administrative measures

In a context of financial and economic crisis, the governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which are affecting the Group sales and profitability in 2012. In addition, certain measures introduced in 2011 have continued to affect the Group's accounts year-on-year.

Measures impacting 2012

In the Major Western European countries:

- In France, the price of Forlax® was reduced by 3.5% on 1 October, 2011 and the prices of Nisis®/Nisisco® by 15.0% on 14 November, 2011. On 1 January, 2012, the price of Decapeptyl® was reduced by 3.0% for both 3-month and 6-month formulations while the price of Adrovance® was reduced by 33.0%. On 1 March 2012, Tanakan® was delisted in France.
  An additional tax on promotional expenses of 0.6% has also been introduced. Moreover, sales of Nisis®/Nisisco® and Forlax® were negatively impacted by a step-up in July in the regulation known as « tiers-payant », whereby the patient now pays upfront for a branded drug (when genericized) at the pharmacy and is reimbursed only later on;

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

In the Other European countries:

- In Belgium, as from 1 April 2012, as soon as a generic or a hybrid is launched on the market, drugs are regrouped per active ingredient regardless of their galenic form and prices are cut by up to 31.0%;

- In Poland, a new Reimbursement Law Reform was enforced on 1 January 2012, introducing a sales tax in case of budget excess and a tax on manufacturers' income to fund clinical trials. Regulated margins have been decreased as well. As a result, prices of Decapeptyl® and Somatuline® were both reduced by 3.0% on 1 January 2012;

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

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

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

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

In the Rest of the World:

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

Furthermore, and in the context of financial and economic crisis, governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of them will affect the Group sales and profitability beyond 2012. Health Technology Assessment (HTA) methods are more broadly used in market access decisions in several part of the world, including some emerging countries and Eastern European countries.

Measures which may have impacts beyond 2012

In the Major Western European countries:

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

In the Other European countries:

- In Greece, a new price bulletin has been published in November 2011 based on the average of the 3 lowest prices within the Eurozone (27 countries), as well as a reimbursement reference price based on lower product price of ATC4 classification and a co-payment change. They should be in force in early 2013;
- In Belgium, IRPP was updated with new rules and a reference basket of 6 countries (France, Germany, the Netherlands, Austria, Ireland and Finland); it should be implemented in April 2013;
- Within the frame of the Healthcare Reform, Russian Health Authorities are considering a possible change in the price-setting methodology for drugs on the Essential Drug List (EDL). Future registered prices for drugs on EDL should be set as the weighted average price of all drugs with the same International Non-proprietary Name (INN);

In the Rest of the World:

- In Colombia, a new International Reference pricing system is expected during the second semester 2012, as well as maximum reimbursement prices on expensive drugs. Somatuline® could face a price cut in the range of 40%-50%;

- Twelve Latin American countries (Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay, and Venezuela) agreed to create a regional drug-pricing database in order to harmonize drug prices. Launch and impacts are unknown at this stage;

- In South Korea, price-volume agreements negotiated in 2011 which have led to a 7.0% price decrease of Decapetpyl® and Dysport® will continue to negatively impact prices in 2013 with a further 7,5% decrease.

Comparison of consolidated sales for the fourth quarters and full year of 2012 and 2011

Sales by geographical area

Group sales by geographical area for the fourth quarter and full year of 2012 and 2011 were as follows:

	4th Quarter			12 Months			
(in million euros)	2012	2011	% Change	2012	2011	% Change	% change at constant currency
France	58.7	72.4	(18.9%)	246.3	292.9	(15.9%)	(15.9%)
United Kingdom	14.7	12.6	16.8%	56.6	46.3	22.2%	14.1%
Spain	14.0	14.4	(3.0%)	56.8	59.2	(4.0%)	(4.0%)
Germany	19.6	18.2	7.2%	77.0	63.7	20.9%	20.9%
Italy	18.3	18.8	(2.4%)	81.7	79.9	2.3%	2.3%
Major Western European countries	**125.2**	**136.4**	**(8.2%)**	**518.5**	**542.0**	**(4.3%)**	**(4.9%)**
Eastern Europe	43.6	38.3	13.8%	169.1	151.2	11.8%	11.4%
Others Europe	33.1	30.0	10.2%	136.9	128.4	6.7%	5.1%
Other European Countries	**76.7**	**68.4**	**12.2%**	**306.0**	**279.6**	**9.5%**	**8.5%**
North America	**18.2**	**18.4**	**(0.9%)**	**72.8**	**65.7**	**10.8%**	**2.3%**
Asia	43.2	37.3	15.7%	167.3	138.3	21.0%	12.7%
Other countries in the rest of the world	31.6	35.4	(10.8%)	154.8	134.2	15.4%	15.8%
Rest of the World	**74.7**	**72.7**	**2.8%**	**322.2**	**272.5**	**18.2%**	**14.1%**
Group Sales	**294.9**	**295.8**	**(0.3%)**	**1,219.5**	**1,159.8**	**5.1%**	**3.3%**
Of which: Total Drug Sales	**288.2**	**287.9**	**0.1%**	**1,187.0**	**1,127.9**	**5.2%**	**3.4%**
Drug-related Sales[1]	**6.6**	**7.9**	**(16.1%)**	**32.5**	**31.9**	**1.9%**	**0.7%**

In the fourth quarter 2012, sales generated in the **Major Western European countries** amounted to €125.2 million, down 8.2% year-on-year. For the full year, sales generated in the major Western European countries amounted to €518.5 million, down 4.9% year-on-year excluding foreign exchange impacts[2]. Dynamic volume sales growth of specialty care products were more than offset by the consequences of a tougher competitive environment in the French primary care landscape and administrative measures in Spain, outlined below. As a result, sales in the Major Western European countries represented 42.5% of total Group sales at the end of 2012, compared to 46.7% a year earlier.

France – In the fourth quarter 2012, sales reached €58.7 million, down 18.9% year-on-year. For the full year, sales totalled €246.3 million, down 15.9% year-on-year, penalized by the accelerating decline of primary care sales. Despite the strong volume growth of specialty care (mainly Somatuline®, NutropinAq® and launch of Hexvix®), sales were negatively impacted by declining sales of Nisis®/Nisisco® following a 15% price reduction and the arrival of several generics in November 2011 and by decreasing sales of Tanakan® after the delisting of the product as of 1st March 2012. Additionally, sales of Nisis®/Nisisco® and Forlax® were negatively impacted by a step-up in July in the regulation known as « Tiers-Payant », whereby the patient now pays upfront for a branded drug and is later reimbursed. This has generated an unprecedented and sudden increase in generic penetration. Consequently, primary care sales in France are down by 29.7% year-on-year. The relative weight of France in the Group's

[1] Active ingredients and raw materials
[2] Variations excluding foreign exchange impacts are computed by restating the full year 2011 with full year 2012 average exchange rates

consolidated sales continued to decrease, representing 20.2% of total Group sales compared to 25.3% a year earlier.

United Kingdom – In the fourth quarter 2012, sales reached €14.7 million, up 16.8% year-on-year. For the full year, sales totalled €56.6 million, up 14.1% excluding foreign exchange impacts[1], fuelled by a very strong double digit growth of Decapeptyl® and a strong growth of Somatuline® and Dysport®. Sales also benefited from a favourable comparison basis related to accruals booked in 2011 in conformance with the Pharmaceutical Price Regulation Scheme (PPRS). Restated to exclude this PPRS effect, sales for the full year 2012 were up 11.0%. Over the period, the United Kingdom represented 4.6% of total Group sales compared to 4.0% in 2011.

Spain – In the fourth quarter 2012, sales reached €14.0 million, down 3.0% year-on-year. For the full year 2012, sales totalled €56.8 million, down 4.0% year-on-year, penalized by the tax on sales increase to 15.0% from 7.5% implemented on 1 November 2011. Additionally, the Spanish pharmaceutical market slowed down significantly during the summer, with a double digit decrease year-on-year. In 2012, sales in Spain represented 4.7% of total Group sales, compared to 5.1% a year earlier.

Germany – In the fourth quarter 2012, sales reached €19.6 million, up 7.2% year-on-year. For the full year 2012, sales amounted to €77.0 million, up 20.9% year-on-year, driven by strong volume growth of Somatuline®, the Hexvix® launch on November 2011 and drug-related sales[2]. For the full year 2012, sales in Germany represented 6.3% of total Group sales compared to 5.5% a year earlier.

Italy – In the fourth quarter 2012, sales reached €18.3 million, down 2.4% year-on-year. For the full year 2012, sales reached €81.7 million, up 2.3% year-on-year, driven by the good performance of Somatuline®, partly offset by the sales of Dysport® affected by competitive pressure and by the decline of Forlax® following a change in the distribution model. Italy represented 6.7% of the Group's consolidated sales at the end of 2012 compared to 6.9% a year earlier.

In the fourth quarter 2012, sales generated in the **Other European countries** reached €76.7 million, up 12.2% year-on-year. For the full year 2012, sales amounted to €306.0 million, up 8.5% excluding foreign exchange impacts[1]. Sales were mainly driven by Russia where the good performance of specialty care products and Tanakan® have more than offset a destocking effect on Smecta® following its re-submission in 2011. Over the period, Poland, the Netherlands, Ukraine and Belgium also contributed to the volume growth. In 2012, sales in this region represented 25.1% of total consolidated Group sales, compared to 24.1% a year earlier.

In the fourth quarter 2012, sales generated in **North America** reached €18.2 million, slightly down by 0.9% year-on-year or up 7.8% restated from 2011 Apokyn® sales. For the full year 2012, sales amounted to €72.8 million, up 2.3% excluding foreign exchange impacts[1]. In November 2011, Ipsen sold its North American development and marketing rights for Apokyn®. As a consequence, Ipsen stopped recording Apokyn® sales in its accounts as of 30 November 2011. Restated to exclude Apokyn® sales, North American sales were up 11.5% year-on-year, driven by strong supply of Dysport® for aesthetic use to Medicis, by the continuous penetration of Somatuline® in acromegaly and by the growth of Dysport® in the treatment of cervical dystonia. Sales in North America represented 6.0% of total consolidated Group sales, compared to 5.7% a year earlier.

In the fourth quarter 2012, sales generated in the **Rest of the World** reached €74.7 million, up 2.8% year-on-year, despite an unfavourable comparison basis related to a stocking effect in Algeria in the fourth quarter 2011 as well as by a destocking of Dysport® in the fourth quarter 2012 in Latin America. For the full year 2012, sales amounted to €322.2 million, up 18.2% year-on-year or up 14.1% excluding foreign exchange impacts[1], driven by a strong volume growth in China, Colombia, Vietnam,

[1] Variations excluding foreign exchange impacts are computed by restating the full year 2011 with full year 2012 average exchange rates
[2] Active ingredients and raw materials

Australia, Brazil and Mexico. In 2012, sales in the Rest of the World continued to increase, representing 26.4% of total consolidated Group sales, compared to 23.5% a year earlier.

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 of 2012 and 2011:

	4th Quarter			12 Months			
(in million euros)	2012	2011	% Change	2012	2011	% Change	% change at constant currency
Uro-oncology	**77.9**	**73.4**	**6.0%**	**318.7**	**285.0**	**11.8%**	**9.6%**
of which Hexvix®	3.3	1.3	160.6%	12.3	1.3	857.7%	857.7%
of which Decapeptyl®	74.5	72.2	3.3%	306.4	283.6	8.0%	5.9%
Endocrinology	**77.7**	**63.4**	**22.4%**	**307.6**	**264.4**	**16.3%**	**13.5%**
of which Somatuline®	57.3	45.4	26.1%	225.7	188.4	19.8%	17.1%
of which NutropinAq®	13.9	12.3	13.3%	53.6	50.9	5.4%	4.5%
of which Increlex®	6.5	5.8	12.9%	28.3	25.2	12.2%	5.1%
Neurology	**54.7**	**56.7**	**(3.4%)**	**236.2**	**210.1**	**12.4%**	**10.8%**
of which Dysport®	54.7	55.2	(0.8%)	236.1	204.6	15.4%	13.9%
of which Apokyn®	0.0	1.5	(100.0%)	0.1	5.5	(97.9%)	(98.0%)
Specialty Care	**210.3**	**193.6**	**8.6%**	**862.5**	**759.4**	**13.6%**	**11.3%**
Gastroenterology	**52.7**	**50.8**	**3.9%**	**199.9**	**193.7**	**3.2%**	**0.8%**
of which Smecta®	30.0	25.8	16.3%	113.5	102.3	10.9%	6.6%
of which Forlax®	9.3	10.8	(13.6%)	38.7	41.4	(6.5%)	(7.4%)
Cognitive Disorders	**17.2**	**25.8**	**(33.2%)**	**79.0**	**96.4**	**(18.0%)**	**(18.5%)**
of which Tanakan®	17.2	25.8	(33.2%)	79.0	96.4	(18.0%)	(18.5%)
Cardiovascular	**4.2**	**12.5**	**(66.3%)**	**32.4**	**62.1**	**(47.8%)**	**(47.8%)**
of which Nisis® & Nisisco®	1.5	9.6	(84.2%)	18.2	45.9	(60.4%)	(60.4%)
of which Ginkor®	2.3	2.4	(2.9%)	11.9	12.7	(6.9%)	(6.9%)
Other Primary Care	**3.8**	**5.2**	**(27.7%)**	**13.2**	**16.3**	**(19.1%)**	**(19.1%)**
of which Adrovance®	2.9	3.9	(26.7%)	11.5	12.8	(10.3%)	(10.3%)
Primary Care	**78.0**	**94.3**	**(17.3%)**	**324.6**	**368.5**	**(11.9%)**	**(13.2%)**
Total Drug Sales	**288.2**	**287.9**	**0.1%**	**1,187.0**	**1,127.9**	**5.2%**	**3.4%**
Drug-related Sales[1]	**6.6**	**7.9**	**(16.1%)**	**32.5**	**31.9**	**1.9%**	**0.7%**
Group Sales	**294.9**	**295.8**	**(0.3%)**	**1,219.5**	**1,159.8**	**5.1%**	**3.3%**

In the fourth quarter 2012, sales of **Specialty Care products** reached €210.3 million, up 8.6% year-on-year. For the full year 2012, sales amounted to €862.5, up 13.6% year-on-year or up 11.3% excluding foreign exchange impacts[2]. Sales in endocrinology, neurology and uro-oncology grew by 13.5%, 10.8% and 9.6% respectively, excluding foreign exchange impacts[2]. At the end of 2012, the relative weight of Specialty Care products continued to increase to 70.7% of total Group sales, compared to 65.5% a year earlier.

In **uro-oncology,** sales of **Decapeptyl®** reached €74.5 million for the fourth quarter 2012, up 3.3% year-on-year. In 2012, sales amounted to €306.4 million, up 5.9% excluding foreign exchange impacts[2], mainly driven by a good performance in China, United Kingdom, Poland and Russia. Besides, on September 27th, 2011, Ipsen in-licensed Hexvix®, the first approved & marketed drug for improved detection of bladder cancer. For the full year 2012, sales of Hexvix® amounted to €12.3

[1] Active ingredients and raw materials
[2] Variations excluding foreign exchange impacts are computed by restating the full year 2011 with the full year 2012 average exchange rates

million, mostly generated in Germany. Sales in uro-oncology represented 26.1% of total Group sales compared to 24.6% a year earlier.

In **endocrinology** sales continued to grow, reaching €77.7 million for the fourth quarter 2012, up 22.4% year-on-year. For the full year, sales amounted to €307.6 million, up 13.5% excluding foreign exchange impacts[1], representing 25.2% of total Group sales, compared to 22.8% a year earlier.

Somatuline® – In the fourth quarter 2012, sales reached €57.3 million, up 26.1%. For the full year 2012, Somatuline® sales reached €225.7 million, up 17.1% year-on-year excluding foreign exchange impacts[1], fuelled by strong growth in North America (16.8% excluding foreign exchange impacts[1]) as well as continuous growth in France, Germany, Poland, Italy, Belgium, the Netherlands and Colombia.

NutropinAq® – In the fourth quarter 2012, sales reached €13.9 million, up 13.3% year-on-year. For the full year 2012, sales of NutropinAq® reached €53.6 million, up 4.5% excluding foreign exchange impacts[1], driven notably by a good performance in Major Western European countries.

Increlex® – In the fourth quarter 2012, sales reached €6.5 million, up 12.9% year-on-year. Sales of Increlex® for the full year 2012 amounted to €28.3 million, up 5.1% excluding foreign exchange impacts[1], benefiting from the recognition of the paediatric use of Increlex® by the Centre for Medicare and Medicaid Services (CMS) in the US, allowing for a reduced rebate (17% rebate instead of 23%).

In neurology, sales reached €54.7 million in the fourth quarter 2012, down 3.4% year-on-year. For the full year 2012, sales amounted to €236.2 million, up 10.8% excluding foreign exchange impacts[1]. Restated to exclude Apokyn® sales, divested on November 30th, 2011, sales were up 13.8% excluding foreign exchange impacts[1]. Sales in neurology represented 19.4% of total Group sales compared to 18.1% a year earlier.

Dysport® – In the fourth quarter 2012, sales reached €54.7 million, slightly down by 0.8% year-on-year. Dysport® sales were mainly penalized by an unfavourable comparison basis in the fourth quarter 2011 in Russia. In 2012, sales reached €236.1 million, up 13.9% year-on-year excluding foreign exchange impacts[1], fuelled by strong sales growth in Brazil, Australia where the Group signed an agreement in April 2012 with Galderma and in Russia. Restated to exclude this stocking effect, sales were up 13.0% excluding foreign exchange impacts[1]. Sales were also driven by supply sales to the Group's aesthetics' partners Medicis and Galderma.

Apokyn® – In November 2011, Ipsen sold its North American development and marketing rights for Apokyn® to Britannia Pharmaceuticals. As a result, Ipsen stopped recording Apokyn® sales in its accounts as of 30 November 2011.

In the fourth quarter 2012, sales of **Primary Care products** amounted to €78.0 million, down 17.3% year-on-year, negatively impacted by the destocking effect on Smecta® in Russia and the consequences of a tougher competitive environment in France, reinforced by the implementation of the "tiers-payant" regulation, both mentioned above. For the full year 2012, sales amounted to €324.6 million, down 11.9% year-on-year or down 13.2% excluding foreign exchange impacts[1]. Primary Care sales represented 26.6% of total Group sales in 2012 against 31.8% a year earlier. Primary Care sales in France represented 38.1% of total Group Primary Care sales against 47.7% a year earlier.

In gastroenterology, sales reached €52.7 million in the fourth quarter 2012, up 3.9% year-on-year. For the full year 2012, sales amounted to €199.9 million, up 0.8% year-on-year excluding foreign exchange impacts[1].

[1] Variations excluding foreign exchange impacts are computed by restating the full year 2011 with the full year 2012 average exchange rates

Smecta® – In the fourth quarter 2012, sales reached €30.0 million, up 16.3% year-on-year. Sales of Smecta® for the full year reached €113.5 million, up 6.6% year-on-year excluding foreign exchange impacts[1], fuelled notably by a good performance in China. Sales of Smecta® represented 9.3% of total Group sales during the period compared with 8.8% a year earlier.

Forlax® – In the fourth quarter 2012, sales reached €9.3 million, down 13.6% year-on-year. For 2012, sales amounted to €38.7 million, down 7.4% year-on-year excluding foreign exchange impacts[1], mainly due to a step-up in July in the regulation known as « Tiers-Payant » in France (as mentioned above). Sales were also negatively impacted by an unfavourable comparison basis in Algeria described above and by a change in distribution model in Italy and in Belgium. In 2012, France represented 57.1% of the total sales of the product, up from 55.5% a year earlier.

In the cognitive disorders area, sales of **Tanakan®** in the fourth quarter 2012 reached €17.2 million, down 33.2% year-on-year. In the full year 2012 sales reached €79.0 million, down 18.5% excluding foreign exchange impacts[1], penalized by the delisting of the product in France as of 1 March 2012, in Romania in May 2012 and in Spain in September, despite solid sales in Russia. In 2012, 32.9% of Tanakan® sales were made in France compared with 48.9% a year earlier.

In the cardiovascular area, sales in the fourth quarter 2012 amounted to €4.2 million, down 66.3% year-on-year. In the full year 2012, sales amounted to €32.4 million, down 47.8% year-on-year excluding foreign exchange impacts[1], mainly impacted by the 15% price decrease of Nisis®/Nisisco®, the arrival of several generics in November 2011 and the implementation of the "tiers-payant" regulation described above.

Other primary care products sales reached €3.8 million in the fourth quarter 2012, down 27.7%. Sales for the full year 2012 amounted to €13.2 million, down 19.1% year-on-year. Sales of **Adrovance®** were down 10.3% year-on-year excluding foreign exchange impacts[1], penalized by a 33.0% price cut enforced in January 2012 in France, contributed to €11.5 million.

In the fourth quarter 2012, **drug-related sales (active ingredients and raw materials)** reached €6.6 million, down 16.1% year-on-year. For the full year 2012, sales amounted to €32.5 million, slightly up 0.7% excluding foreign exchange impacts[1].

[1] Variations excluding foreign exchange impacts are computed by restating the full year 2011 with the full year 2012 average exchange rates