PRESS RELEASE

Ipsen: 2015 half-year results

- **Group sales up 7.9%[1] driven by solid 12.0%[1] growth of Specialty care, notably due to Somatuline®**
- **Core Operating Income up 3.5%, in view of the investment in neuroendocrine tumors**
- **Fully diluted core EPS up 7.0%**
- **2015 objectives raised**

Paris (France), 31 July 2015 - The Board of Directors of Ipsen (Euronext: IPN; ADR: IPSEY), chaired by Marc de Garidel, met on 30 July 2015 to approve the financial statements for the first half 2015, published today. The interim financial report, with regard to regulated information, is available on the Group's website, www.ipsen.com, under the Regulated Information tab in the Investor Relations section. The 2015 half year financial statements are subject to a limited review by statutory auditors.

Extract of consolidated results for the first halves 2015 and 2014

(in million euros)	*H1 2015*	*H1 2014*	*% change*
Specialty care sales	548.9	472.5	+12.0%[1]
Primary care sales	165.0	166.1	-3.7%[1]
Group sales	713.9	638.7	+7.9%[1]
Core Operating Income	167.6	162.0	+3.5%
Core operating margin	*23.5%*	*25.4%*	
Consolidated net profit	**90.5**	**104.5**	-13.4%
Core EPS – fully diluted (€)	**1.50**	**1.40**	+7.0%
Net operating cash-flow	36.2	54.7	-33.8%
Closing cash	87.8	129.0*	-31.9%

* As of 30 June 2014, net closing cash included € 80m withdrawn from the syndicated credit facility

Commenting on the first half 2015 performance, **Marc de Garidel, Chairman and Chief Executive Officer of Ipsen**, stated: *"Ipsen posted a strong specialty care performance in the first half 2015. Dysport® continues to benefit from solid performance in aesthetics while Somatuline® posted double digit growth across all geographies, with a remarkable growth in North America. The good Somatuline® momentum following the*

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

launch in neuroendocrine tumors (NET) allows us to raise our specialty care sales and profitability objectives for 2015." **Marc de Garidel** added: *"We are pleased with the recent FDA approval of Dysport® in adult upper limb spasticity, which is a key step in our ambition to become global leaders in the treatment of spasticity".*

Review of the first half 2015 results

Note: unless stated otherwise, all variations in sales are stated excluding foreign exchange impacts and are computed by restating the H1 2014 sales with the H1 2015 exchange rates.

In the first half 2015, **Group sales** reached €713.9 million, up 7.9% year-on-year. **Specialty care** sales reached €548.9 million, up 12.0%, driven by:

- The strong performance of Somatuline® in Europe and North America;
- The solid growth of Dysport®, driven by product supply to Galderma for aesthetic use;

Decapeptyl® sales grew 0.8% over the period, negatively impacted in the second quarter in China by a market slowdown and price pressure in some regions.

In the first half 2015, **primary care** reached €165.0 million, down 3.7% year-on-year. Sales declined 7.7% in France, and 2.3% internationally, affected by the setup of a new commercial model in Algeria (where Ipsen now supplies the active ingredient instead of the finished product) and by Smecta® and Tanakan® sales decrease in China and Russia.

Core Operating Income totaled €167.6 million in the first half of 2015, up 3.5%. Core operating margin reached 23.5%, down 1.9 points compared to the first half 2014, mainly impacted by the dilutive effect resulting from the setup of an oncology sales force and the marketing and medical investments necessary to promote Somatuline® Depot® (lanreotide) 120 mg Injection in the United States in the treatment of gastrointestinal and pancreatic neuroendocrine tumors (GEP NETs).

As of 30 June 2015, the Group recorded a €57 million **impairment loss** to fully impair the intangible asset related to tasquinimod following the decision to stop all clinical trials with the product as publicly announced on 16 April, 2015.

Consolidated net profit was down 13.4% over the period. **Core earnings per share** (see Appendix 4) grew 7.0% year-on-year to reach €1.50 as of 30 June 2015, compared to €1.40 as of 30 June 2014.

Net operating cash-flow generated over the first half 2015 reached €36.2 million, compared to €54.7 million over the first half 2014, driven by an increase of the working capital requirement for operating activities of €106.8 million in the first half 2015, compared to an increase of €73.3 million in the first half 2014.

Closing cash reached €87.8 million over the period, after dividend payment for €70.0 million, external growth for €37.3 million with the acquisitions of OctreoPharm Sciences and Canbex Therapeutics, and share buyback for €3.9 million. As of 30 June 2014, closing cash reached €129.0 million, which included €80 million drawn from the Group's syndicated credit line.

2015 objectives

The Group revises its objectives for 2015:

- Upgrade of the **Specialty care sales growth guidance at or above 14.0%** year-on-year, driven by the strong performance of Somatuline® following the launch in neuroendocrine tumors in the US and Europe;
- Confirmation of the **Primary care sales decline guidance between -3.0% and 0.0%** year-on-year;

As a result, the Group expects sales to grow above 9.5%.

- Upgrade of the **Core Operating margin guidance at or above 22.0% of Group sales**, reflecting the growth of specialty care and the investments required to support the global launch of Somatuline® and that of

Dysport® in the US.

	FY15 guidance (as of 03 March 2015)	FY15 guidance (as of 29 April 2015)	FY15 guidance (as of 31 July 2015)
Specialty care sales growth	8.0% – 10.0%	10.0% – 12.0%	≥ 14.0%
Primary care sales growth	(3.0%) – 0.0%	(3.0%) – 0.0%	(3.0%) – 0.0%
Core Operating margin	19.0% – 20.0%	21.0% – 22.0%	≥ 22.0%

Sales objectives are set at constant currency and drug-related sales (active substances and raw materials) are from now on recorded in the Primary Care sales line.

Update on the share buyback program initiated on 3 June 2015

The board of Directors held on 30 July 2015 decided that the free share plans could be covered not only through issuance of new shares but also through the acquisition of existing shares. As a result, the 500 000 shares, or about 0.60% of the share capital, to be purchased within the share buyback program initiated on 3 June 2015[(1)], which were originally intended for cancellation to compensate dilution, will now be allocated to cover the aforementioned free share plans. The shares purchased within this program by 30 July 2015 will be cancelled.

[(1)] Mandate granted to Natixis, initiated on 3 June 2015 and expiring 31 December 2015 (Press release issued on 3 June 2015)

Meeting, webcast and Conference Call (in English) for the financial community
Ipsen will host an analyst meeting on Friday 31 July 2015 at 2:30 p.m. (Paris time, GMT+1) at its headquarters in Boulogne-Billancourt (France). A web conference (audio and video webcast) and conference call will take place simultaneously. The web conference will be available at www.ipsen.com. Participants in the conference call should dial in approximately 5 to 10 minutes prior to its start. No reservation is required to participate. The conference ID is **954323**. No access code is required. Phone numbers to call in order to connect to the conference are: from France and continental Europe +33 (0)17 0993 209, from UK +44 (0)207 1312 711 and from the United States +1 646 461 1757. A recording will be available shortly after the call. Phone numbers to access the replay of the conference are: from France and continental Europe +33 (0)17 0993 529, from UK +44 (0)207 031 4064 and from the United States +1 954 334 0342 and access code is **954323**. This replay will be available for one week following the meeting.

About Ipsen
Ipsen is a global specialty-driven biotechnological group with total sales exceeding €1.2 billion in 2014. Ipsen sells more than 20 drugs in more than 115 countries, with a direct commercial presence in 30 countries. 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, endocrinology and urology-oncology. Ipsen's commitment to oncology is exemplified through its growing portfolio of key therapies improving the care of patients suffering from prostate cancer, bladder cancer and neuro-endocrine tumors. Ipsen also has a significant presence in primary care. 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, located in the heart of the leading biotechnological and life sciences hubs (Les Ulis, France; Slough/Oxford, UK; Cambridge, US). In 2014, R&D expenditure totaled close to €187 million, representing about 15% of Group sales. The Group has more than 4,500 employees worldwide. 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. Use of the words "believes," "anticipates" and "expects" and similar expressions are intended to identify forward-looking

statements, including the Group's expectations regarding future events, including regulatory filings and determinations. Moreover, the targets described in this document were prepared without taking into account external growth assumptions and potential future acquisitions, which may alter these parameters. These objectives are based on data and assumptions regarded as reasonable by the Group. These targets depend on conditions or facts likely to happen in the future, and not exclusively on historical data. Actual results may depart significantly from these targets given the occurrence of certain risks and uncertainties, notably the fact that a promising product in early development phase or clinical trial may end up never being launched on the market or reaching its commercial targets, notably for regulatory or competition reasons. The Group must face or might face competition from generic products that might translate into a loss of market share. Furthermore, the Research and Development process involves several stages each of which involves the substantial risk that the Group may fail to achieve its objectives and be forced to abandon its efforts with regards to a product in which it has invested significant sums. Therefore, the Group cannot be certain that 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. There can be no guarantees a product will receive the necessary regulatory approvals or that the product will prove to be commercially successful. If underlying assumptions prove inaccurate or risks or uncertainties materialize, actual results may differ materially from those set forth in the forward-looking statements. Other risks and uncertainties include but are not limited to, general industry conditions and competition; general economic factors, including interest rate and currency exchange rate fluctuations; the impact of pharmaceutical industry regulation and health care legislation; global trends toward health care cost containment; technological advances, new products and patents attained by competitors; challenges inherent in new product development, including obtaining regulatory approval; the Group's ability to accurately predict future market conditions; manufacturing difficulties or delays; financial instability of international economies and sovereign risk; dependence on the effectiveness of the Group's patents and other protections for innovative products; and the exposure to litigation, including patent litigation, and/or regulatory actions. The Group also depends on third parties to develop and market some of its products which could potentially generate substantial royalties; these partners could behave in such ways which could cause damage to the Group's activities and financial results. The Group cannot be certain that its partners will fulfil their obligations. It might be unable to obtain any benefit from those agreements. A default by any of the Group's partners could generate lower revenues than expected. Such situations could have a negative impact on the Group's business, financial position or performance. The Group expressly disclaims any obligation or undertaking to update or revise any forward looking statements, targets or estimates contained in this press release to reflect any change in events, conditions, assumptions or circumstances on which any such statements are based, unless so required by applicable law. The Group's business is subject to the risk factors outlined in its registration documents filed with the French Autorité des Marchés Financiers.
The risks and uncertainties set out are not exhaustive and the reader is advised to refer to the Group's 2014 Registration Document available on its website (www.ipsen.com).

For further information:

Media
Didier Véron
Senior Vice-President, Public Affairs
and Communication
Tel.: +33 (0)1 58 33 51 16
Fax: +33 (0)1 58 33 50 58
E-mail: didier.veron@ipsen.com

Brigitte Le Guennec
Corporate External Communication Manager
Tel.: +33 (0)1 58 33 51 17
Fax: +33 (0)1 58 33 50 58
E-mail : brigitte.le.guennec@ipsen.com

Financial Community
Stéphane Durant des Aulnois
Vice-President, Investor Relations
Tel.: +33 (0)1 58 33 60 09
Fax: +33 (0)1 58 33 50 63
E-mail: stephane.durant.des.aulnois@ipsen.com

Comparison of consolidated sales for the second quarters and first halves 2015 and 2014:

Sales by therapeutic area and by product

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

The following table shows sales by therapeutic area and by product for the second quarters and first halves 2015 and 2014:

	2nd Quarter				First Half			
(in millions euros)	2015	2014	% Variation	% Variation at constant currency	2015	2014	% Variation	% Variation at constant currency
Urology-oncology	**90,8**	**90,6**	**0,2%**	**-5,3%**	**178,0**	**168,8**	**5,4%**	**1,0%**
of which Hexvix®	4,5	3,9	14,8%	13,8%	8,8	8,3	5,4%	4,6%
of which Decapeptyl®	86,3	86,7	-0,4%	-6,1%	169,2	160,5	5,4%	0,8%
Endocrinology	**120,1**	**88,9**	**35,2%**	**29,1%**	**229,8**	**175,1**	**31,2%**	**26,0%**
of which Somatuline®	98,9	70,8	39,7%	32,9%	188,2	139,3	35,2%	29,1%
of which NutropinAq®	15,9	15,1	5,6%	4,5%	31,7	30,9	2,6%	1,7%
of which Increlex®	5,3	3,0	76,2%	56,8%	9,9	5,0	99,2%	83,1%
Neurology	**72,3**	**67,8**	**6,5%**	**4,2%**	**141,1**	**128,6**	**9,7%**	**7,4%**
of which Dysport®	72,0	67,8	6,1%	3,8%	140,6	128,6	9,3%	7,0%
Specialty care	**283,2**	**247,3**	**14,5%**	**9,7%**	**548,9**	**472,5**	**16,2%**	**12,0%**
Gastroenterology	**54,6**	**58,7**	**-7,0%**	**-13,4%**	**113,8**	**110,6**	**2,9%**	**-3,3%**
of which Smecta®	26,4	30,5	-13,5%	-20,6%	62,3	60,8	2,6%	-5,1%
of which Forlax®	9,7	10,5	-7,3%	-9,5%	18,8	18,8	-0,3%	-2,0%
Cognitive disorders	**13,7**	**14,9**	**-8,2%**	**-7,6%**	**24,2**	**31,2**	**-22,5%**	**-17,4%**
of which Tanakan®	13,7	14,9	-8,2%	-7,6%	24,2	31,2	-22,5%	-17,4%
Cardiovascular	**4,4**	**5,8**	**-24,5%**	**-25,0%**	**9,4**	**11,3**	**-16,6%**	**-16,9%**
Other Primary Care	**2,5**	**2,8**	**-9,3%**	**-8,4%**	**5,5**	**5,7**	**-4,4%**	**-4,4%**
Drug-related Sales*	**5,5**	**3,3**	**65,3%**	**64,5%**	**12,1**	**7,4**	**64,9%**	**64,2%**
Primary care	**80,6**	**85,5**	**-5,7%**	**-10,2%**	**165,0**	**166,1**	**-0,7%**	**-3,7%**
Group Sales	**363,8**	**332,7**	**9,3%**	**4,5%**	**713,9**	**638,7**	**11,8%**	**7,9%**

* From January 2015 onwards, Drug-related sales (active ingredients and raw materials) are recorded within Primary care sales.

In the second quarter 2015, sales of **Specialty care** products reached €283.2 million, up 9.7% year-on-year. In the first half 2015, sales amounted to €548.9 million, up 12.0%. Sales in urology-oncology, endocrinology, and neurology grew by respectively 1.0%, 26.0% and 7.4%. In the first half 2015, the relative weight of specialty care products continued to increase to reach 76.9% of total Group sales, compared to 74.0% the previous year.

In **Urology-oncology**, sales of **Decapeptyl®** reached €86.3 million in the second quarter 2015, down 6.1% year-on-year, affected by a sales decrease in China, in a context of market slowdown and price pressure in some regions. In the first half 2015, sales amounted to €169.2 million, up 0.8%, in a declining European pharmaceutical market affected by a more frequent use of co-payment in Southern Europe and continued price reductions, notably an 11.0% cut as of 1st January 2015 in Greece and a 3.0% cut as of 1st February 2015 in France and more than 20% in Algeria. In the first half 2015, sales of **Hexvix®** amounted to €8.8 million, up 4.6% compared to the previous year, driven by solid performance in France and Germany, where customer demand was strong in the second quarter. Germany represented around 70% of this product's sales. Over the period, sales in Urology-oncology represented 24.9% of total Group sales, compared to 26.4% the previous year.

In **Endocrinology**, sales reached €120.1 million in the second quarter 2015, up 29.1% year-on-year. In the first half 2015, sales amounted to €229.8, up 26.0%, and represented 32.2% of total Group sales, compared to 27.4% the previous year.

Somatuline® – In the second quarter 2015, sales reached €98.9 million, up 32.9% year-on-year. In the first half 2015, sales of Somatuline® amounted to €188.2 million, up 29.1%, with strong growth in Europe and in North America, driven by the launch in neuroendocrine tumors. The product also registered good performance in Europe, notably in Germany, the UK, Spain and France.

NutropinAq® – In the second quarter 2015, sales reached €15.9 million, up 4.5% year-on-year. In the first half 2015, sales of NutropinAq® amounted to €31.7 million, up 1.7%, compared to the previous year.

Increlex® – In the second quarter 2015, sales reached €5.3 million, up sharply compared to the same period in 2014. In the first half 2015, sales of Increlex® amounted to €9.9 million, benefitting from a favorable comparison base with a low first half 2014 following the shortage situation that started mid-June 2013 in the United States and in August 2013 in Europe. Supply gradually resumed in Europe in early 2014 and in the United States in June 2014.

In **Neurology**, **Dysport®** sales reached €72.0 million in the second quarter 2015, up 3.8% year-on-year. Second quarter 2015 growth was affected by a slowdown of pharmaceutical market in Brazil. In the first half 2015, sales amounted to €140.6 million, up 7.0%, driven by product supply to Galderma for aesthetic use and by the solid performance in Russia and Mexico. Neurology sales represented 19.8% of total Group sales in the first half 2015, compared to 20.1% a year earlier.

In the second quarter 2015, sales of **Primary care** products reached €80.6 million, down 10.2% year-on-year, mainly affected by Smecta® sales decrease in China, Russia, Algeria (where Ipsen now supplies the active ingredient instead of the finished product) and Vietnam (where most of the first half sales were anticipated in the first quarter ahead of the import license renewal). In the first half 2015, sales amounted to €165.0 million, down 3.7%, penalized by the 7.7% decline in French sales, affected by the price cut on Smecta® in July 2014 and by the continued erosion of Tanakan® sales. Internationally, sales decreased 2.3%, affected by Smecta® and Tanakan® sales decrease in China and Russia. Primary care sales in France accounted for 25.3% of the Group's total primary care sales, compared to 27.2% the previous year.

In **Gastroenterology**, sales reached €54.6 million in the second quarter 2015, down 13.4% year-on-year. In the first half 2015, sales amounted to €113.8 million euros, down 3.3%.

Smecta® – In the second quarter 2015, sales reached €26.4 million, down 20.6% year-on-year. In the first half 2015, sales amounted to €62.3 million euros, down 5.1%. Sales were negatively impacted by a significant destocking effect in China's distribution channel in the second quarter, in a context of price pressure in some regions. Moreover, sales growth in Vietnam only partially offset the termination of direct sales in Algeria, now replaced by sales of the active principle to a local manufacturer, which are recorded in "Drug-related sales". Sales were also affected in France by a 7.5% price cut implemented in July 2014.

Forlax® – In the second quarter 2015, sales reached €9.7 million, down 9.5% year-on-year, affected by a continued decline in France, where it still suffers from the "Tiers-Payant[1]" regulation. In the first half 2015, sales amounted to €18.8 million euros, down 2.0%, supported by growing sales to our partners marketing the generic versions of the product and from the good performance in Algeria and in Russia.

In the **cognitive disorders area,** sales of **Tanakan®** reached €13.7 million euros in the second quarter 2015, down 7.6% year-on-year. Sales in the first half 2015 amounted to €24.2 million euros, down 17.4%, affected by the performance in Russia due to greater competition and declining local sales, and in France, where the product suffers from heavy competitive pressure.

In the cardiovascular area, sales reached €4.4 million euros in the second quarter 2015, down 25.0% year-on-year. In the first half 2015, sales amounted to €9.4 million euros, down 16.9%, mainly impacted by the decline of **Nisis® / Nisisco®** sales, which faced an additional 40.0% price cut in February 2015.

[1] With the "Tiers-Payant" regulation, the patient now pays upfront for a branded drug and is reimbursed only later on

Sales of **Other primary care** products reached €2.5 million in the second quarter 2015, down 8.4% year-on-year, mainly affected by the 10.8% decline in **Adrovance®** sales over the period. In the first half 2015, sales amounted to €5.5 million, down 4.4%.

In the second quarter 2015, **Drug-related sales (active ingredients and raw materials)**[1] reached €5.5 million, up 64.5% year-on-year. In the first half 2015, sales amounted to €12.1 million euros, up 64.2%. This performance was mainly explained by Smecta®'s active ingredient sales recovery in South Korea and the shift in Algeria's commercial model, where Ipsen now supplies Smecta®'s active ingredient to a local manufacturer and records sales in the "Drug-related sales" line.

Sales by geographical area

Group sales by geographical area in the second quarters and first halves 2015 and 2014 were as follows:

	2nd Quarter				First Half			
(in million euros)	2015	2014	% Variation	% Variation at constant currency	2015	2014	% Variation	% Variation at constant currency
France	52,8	52,3	0,8%	0,8%	106,9	106,7	0,2%	0,2%
Germany	18,7	16,6	12,8%	-0,1%	37,1	30,4	22,2%	8,9%
Italy	15,8	14,6	8,2%	8,2%	32,6	29,2	11,7%	11,7%
United Kingdom	27,0	22,8	18,1%	18,1%	53,5	47,1	13,5%	13,5%
Spain	20,8	21,5	-3,3%	-3,3%	42,0	43,7	-4,1%	-4,1%
Major Western European countries	**135,0**	**127,9**	**5,6%**	**3,8%**	**272,1**	**257,1**	**5,8%**	**4,3%**
Eastern Europe	44,7	46,5	-3,8%	4,7%	84,1	90,7	-7,3%	3,9%
Others Europe	39,2	37,0	5,9%	6,1%	76,6	74,4	3,0%	3,3%
Other European Countries	**83,9**	**83,5**	**0,5%**	**5,4%**	**160,7**	**165,0**	**-2,7%**	**3,6%**
North America	**37,6**	**17,2**	**119,0%**	**76,5%**	**67,5**	**31,5**	**114,0%**	**74,7%**
Asia	57,1	51,9	10,0%	-10,9%	116,8	92,2	26,6%	4,6%
Other countries in the Rest of the world	50,2	52,3	-4,1%	-5,3%	96,9	92,8	4,5%	1,9%
Rest of the World	**107,3**	**104,2**	**2,9%**	**-8,4%**	**213,7**	**185,0**	**15,5%**	**3,3%**
Group Sales	**363,8**	**332,7**	**9,3%**	**4,5%**	**713,9**	**638,7**	**11,8%**	**7,9%**

In the second quarter 2015, sales generated in the **Major Western European countries** reached €135.0 million, up 3.8% year-on-year. In the first half 2015, sales generated in the Major Western European countries amounted to €272.1 million, up 4.3%. Sales in the Major Western European countries represented 38.1% of total Group sales in the first half 2015, compared to 40.3% the previous year.

France – In the second quarter 2015, sales reached €52.8 million, up 0.8% year-on-year. In the first half 2015, sales amounted to €106.9 million, up 0.2%, affected by Smecta® sales decline over the period, penalized by the 7.5% price cut implemented in July 2014. Moreover, sales of Tanakan® continued to erode. Sales of specialty care products, up 6.0% over the period, were driven by the sustained growth of Somatuline® and Dysport®, offsetting the decrease in Decapeptyl® sales following the 3.0% price cut implemented as of 1st February 2015. Consequently, the relative weight of France in the Group's consolidated sales has continued to decrease and now represents 15.0% of sales, compared to 16.7% the previous year.

Germany – In the second quarter 2015, sales reached €27.0 million, up 18.1% year-on-year. In the first half 2015, sales reached €53.5 million, up 13.5%, driven by the strong growth of Somatuline® and

[1] From January 2015 onwards, Drug-related sales (active ingredients and raw materials) are recorded within Primary care sales

NutropinAq®, offsetting the decline in Dysport® sales. Over the period, sales in Germany represented 7.5% of total Group sales, compared to 7.4% a year earlier.

Italy – In the second quarter 2015, sales reached €20.8 million, down 3.3% year-on-year. In the first half 2015, sales reached €42.0 million, down 4.1%. The implementation of austerity measures targeting hospital products still affects the performance of all specialty care products. In the first half 2015, sales in Italy represented 5.9% of consolidated Group sales, compared to 6.9% the previous year.

United Kingdom – In the second quarter 2015, sales reached €18.7 million, flat year-on-year. In the first half 2015, sales amounted to €37.1 million, up 8.9%, supported by the strong growth of Somatuline® and Decapeptyl®. In the first half 2015, sales in the United Kingdom represented 5.2% of total Group sales, compared to 4.8% the previous year.

Spain – In the second quarter 2015, sales reached €15.8 million, up 8.2% year-on-year. In the first half 2015, sales amounted to €32.6 million, up 11.7%, driven by the double-digit growth of Somatuline® and Decapeptyl®. In the first half 2015, Spain accounted for 4.6% of total Group sales, flat year-on-year.

In the second quarter 2015, sales generated in the **Other European countries** reached €83.9 million, up 5.4% year-on-year. In the first half 2015, sales amounted to €160.7 million, up 3.6%, supported by solid performance in Czech Republic, Poland and Western Europe (excluding Major Western European countries[1]), mainly driven by the performance of Somatuline® in the Netherlands and in Scandinavia. Nevertheless, sales were negatively impacted by the contraction of activity in Ukraine as a result of the ongoing political crisis. Over the period, sales in this region represented 22.5% of consolidated Group sales, compared to 25.8% the previous year.

In the second quarter 2015, sales generated in **North America** reached €37.6 million, up 76.5% year-on-year. In the first half 2015, sales amounted to €67.5 million, up 74.7%, mainly driven by strong Somatuline® growth of 87.8% associated with the launch in neuroendocrine tumors, and by growing supply sales of Dysport® aesthetics, and by the positive base effect resulting from Increlex® supply interruption in the second half 2013. Sales in North America represented 9.4% of consolidated Group sales, compared to 4.9% a year earlier.

In the second quarter 2015, sales generated in the **Rest of the World** reached €107.3 million, down 8.4% year-on-year, notably affected by the performance of Decapeptyl® and Smecta® in China and Algeria, and by the pharmaceutical market slowdown impacting Dysport® in Brazil. In the first half 2015, sales amounted to €213.7 million, up 3.3%, benefitting from solid performance of Somatuline® and Dysport® in Algeria, in Australia, in Mexico, and from the anticipation of sales in Vietnam ahead of the import license renewal. In the first half 2015, sales in the Rest of the World continued to progress given the favorable exchange rate fluctuation, representing 29.9% of total consolidated Group sales, compared to 29.0% the previous year.

[1] France, Germany, Italy, United-Kingdom, Spain

Comparison of consolidated incomes for the first halves 2015 and 2014

(in millions of euros)	30 June 2015		30 June 2014		Change
		% sales		% sales	
Sales	**713.9**	***100.0%***	**638.7**	***100.0%***	**11.8%**
Other revenues	38.0	*5.3%*	30.1	*4.7%*	26.4%
Revenue	**751.9**	***105.3%***	**668.8**	***104.7%***	**12.4%**
Cost of goods sold	(168.3)	*-23.6%*	(155.8)	*-24.4%*	8.0%
Selling expenses	(259.9)	*-36.4%*	(211.4)	*-33.1%*	23.0%
Research and development expenses	(91.8)	*-12.9%*	(87.6)	*-13.7%*	4.8%
General and administrative expenses	(61.3)	*-8.6%*	(51.3)	*-8.0%*	19.5%
Other core operating income	1.9	*0.3%*	4.0	*0.6%*	-53.7%
Other core operating expenses	(4.8)	*-0.7%*	(4.7)	*-0.7%*	3.2%
Core operating income	**167.6**	***23.5%***	**162.0**	***25.4%***	**3.5%**
Other operating income	1.4	*0.2%*	0.4	*0.1%*	-
Other operating expenses	(8.0)	*-1.1%*	(3.4)	*-0.5%*	134.4%
Restructuring costs	(0.7)	*-0.1%*	(12.3)	*-1.9%*	-
Impairment losses	(57.0)	*-8.0%*	(0.4)	*-0.1%*	-
Operating income	**103.4**	***14.5%***	**146.3**	***22.9%***	**-29.3%**
Investment income	0.6	*0.1%*	0.8	*0.1%*	-21.7%
Financing costs	(2.5)	*-0.4%*	(1.2)	*-0.2%*	104.8%
Net financing costs	**(1.9)**	***-0.3%***	**(0.5)**	***-0.1%***	-
Other financial income and expense	5.1	*0.7%*	(1.7)	*-0.3%*	-
Income taxes	(17.9)	*-2.5%*	(40.7)	*-6.4%*	-
Share of net profit (loss) from entities accounted for using the equity method	1.5	*0.2%*	1.2	-	-
Net profit (loss) from continuing operations	**90.2**	***12.6%***	**104.7**	***16.4%***	**-13.9%**
Net profit (loss) from discontinued operations	0.3	*0.0%*	(0.2)	*0.0%*	-
Consolidated net profit	**90.5**	***12.7%***	**104.5**	***16.4%***	**-13.4%**
- Attributable to shareholders of Ipsen S.A.	90.1		104.0		
- Attributable to non-controlling interests	0.3		0.4		
Basic earnings per share - attributable to Ipsen S.A. shareholders (in € per share)	1.10		1.27		
Core basic earnings per share - attributable to Ipsen S.A. shareholders (in € per share) (*)	1.50		1.40		

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

- **Sales**

In the half-year period ended 30 June 2015, the Group's consolidated sales reached €713.9 million, up 11.8% year-on-year and up 7.9% excluding foreign exchange impact[1].

- **Other revenues**

Other revenues at 30 June 2015 totaled €38.0 million, up 26.4% over the €30.1 million realized the prior year. The increase resulted primarily from royalties received, of which €3.4 million stemmed from the recognition of an upfront payment received by Ipsen as part of its sale to Tonipharm of Ginkor Fort® licensing rights in the Group's territories. The increase was also driven by royalties received from Group partners, notably for Adenuric®. At 30 June 2015, these royalties came to €14.9 million, versus €9.9 million a year earlier.

- **Cost of goods sold**

At 30 June 2015, the cost of goods sold amounted to €168.3 million, representing 23.6% of sales, compared to a cost of goods sold totaling €155.8 million, which represented 24.4% of sales for the period ended 30 June 2014. The improvement in the ratio was fuelled primarily by a more favorable product-mix arising from higher sales volumes in specialty care as well as productivity gains from the Group's production sites.

- **Selling expenses**

Selling expenses totaled €259.9 million, or 36.4% of sales at 30 June 2015. That performance represents a 23.0% rise over 30 June 2014, when selling expenses reached €211.4 million, or 33.1% of sales. The increase resulted primarily from the setup of an oncology sales force and the marketing and medical investments necessary to promote Somatuline® Depot® (lanreotide) 120 mg Injection in the United States in the treatment of gastrointestinal and pancreatic neuroendocrine tumors (GEP NETs). Somatuline® Depot® was approved for this new indication by the US Food and Drug Administration (FDA) on 16 December 2014.

- **Research and development expenses**

At 30 June 2015, research and development expenses totaled €91.8 million, representing 12.9% of sales, compared with €87.6 million a year earlier. The decrease of the Research and Development ratio is notably related to the decision to stop the clinical trials of tasquinimod in prostate cancer, as announced on 16 April 2015, as well as the end of Somatuline® studies in neuroendocrine tumors.

The research tax credit reached €13.6 million, down versus the prior year period mainly as a result of provisions reversed in 2014.

- **General and administrative expenses**

In the first half of 2015, general and administrative expenses totaled €61.3 million, up 19.5% versus the prior-year period. The increase resulted mainly from beefing up support functions in the United States to support fast business growth, as well as the impact of the outperformance on incentive plans.

- **Other Core Operating Income and expenses**

Other Core Operating Income amounted to €1.9 million at 30 June 2015, compared with €4.0 million a year earlier, including revenue from the sublease on Ipsen's headquarter, flat year-on-year, and the neutral impact of cash flow hedges versus a gain at 30 June 2014.

Other core operating expenses reached €4.8 million at 30 June 2015, compared with €4.7 million a year earlier, mainly including amortization expense for intangible assets, excluding software, as well as the cost of subleasing the Group's headquarter.

[1] Sales growth excluding foreign exchange impact was calculated by restating the first-half 2014 consolidated financial statements with currency rates at 30 June 2015

- **Core Operating Income**

Core Operating Income totaled €167.6 million, representing 23.5% of sales in the first half of 2015. That result compares to €162.0 million, or 25.4% of sales in the first half of 2014.

- **Other operating income and expenses**

In the first half of 2015, other non-core operating expenses totaled €8.0 million, versus €3.4 million the prior-year period.

On 16 April 2015, Active Biotech and Ipsen announced the results of the 10TasQ10 clinical study. Preliminary efficacy and safety results did not support a positive benefit-risk balance, prompting a decision by Ipsen and Active Biotech to discontinue all clinical studies in prostate cancer. As a result, Ipsen recognized the full €6.9 million committed expenses related to tasquinimod clinical development studies at 30 June 2015.

At 30 June 2014, other non-core operating expenses stemmed primarily from costs related to the transfer of operations of the Group's US-based Ipsen Bioscience subsidiary from Milford to Cambridge.

- **Restructuring costs**

In the first half of 2015, the Group recognized €0.7 million in restructuring costs, versus €12.3 million in the prior-year period. First-half 2014 restructuring costs included measures to adapt support functions, continued efforts to restructure R&D activities and costs related to transferring the operations of the Group's US-based Ipsen Bioscience Inc. subsidiary from Milford to Cambridge.

- **Impairment losses**

At 30 June 2015, the Group recorded a €57.0 million loss to impair all intangible assets related to the tasquinimod program, following a decision to discontinue clinical studies in prostate cancer.

- **Net financing costs and other financial income and expenses**

At 30 June 2015, the Group had net financial income of €3.2 million, compared with net financial expense of €2.2 million a year earlier. The financial income resulted primarily from a final €4.9 million earnout payment received in 2015 stemming from the sale of PregLem shares in 2010.

- **Income taxes**

At 30 June 2015, the effective tax rate came to 16.8% of pre-tax profit from continuing operations (excluding the share of profit (loss) from associated companies and joint ventures), compared with an effective rate of 28.2% at 30 June 2014.

The Group's effective tax rate benefited from the write-off of tasquinimod-related intangible assets, which were fiscally deductible at 38%.

- **Consolidated net profit**

Consolidated net profit came to €90.5 million (€90.1 million attributable to Ipsen S.A. shareholders), down 13.4% versus the €104.5 million (€104.0 million attributable to Ipsen S.A shareholders) recorded at 30 June 2014.

- **Earnings per share**

At 30 June 2015, basic earnings attributable to the Group amounted to €1.10 per share, down from basic EPS of €1.27 a year earlier.

Core earnings per share (see Appendix 4) for the period came to €1.50 per share, up 7.0% over €1.40 per share at 30 June 2014. The improvement reflected strong business growth driven primarily by the launch of Somatuline® in the treatment of neuroendocrine tumors.

Operating segments: Distribution of Core Operating Income by therapeutic area

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

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

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

Sales, revenue and Core Operating Income are presented by therapeutic area for the 2015 and 2014 half-year periods in the following table.

(in millions of euros)		30 June 2015	30 June 2014	Change	%
Specialty Care					
Sales		548.9	472.5	76.4	*16.2%*
Revenue		565.2	487.4	77.7	*16.0%*
Core Operating Income		239.0	220.3	18.7	*8.5%*
	% of sales	*43.5%*	*46.6%*		
Primary care (*)					
Sales		165.0	166.1	(1.2)	*-0.7%*
Revenue		186.7	181.3	5.4	*3.0%*
Core Operating Income		68.2	67.5	0.7	*1.0%*
	% of sales	*41.3%*	*40.6%*		
Total unallocated					
Core Operating Income		(139.6)	(125.8)	(13.7)	*10.9%*
Group total					
Sales		713.9	638.7	75.2	*11.8%*
Revenue		751.9	668.8	83.1	*12.4%*
Core Operating Income		167.6	162.0	5.6	*3.5%*
	% of sales	*23.5%*	*25.4%*		

(*) including drug related sales

In **specialty care,** first-half 2015 sales amounted to €548.9 million, up 16.2% versus the prior-year period. The share of specialty care products continued to increase, reaching 76.9% of total consolidated sales at 30 June 2015, versus 74.0% a year earlier. Sales of Decapeptyl® grew 5.4%, taking advantage of a favorable exchange effect and held back by a slowdown in Europe's pharmaceutical market. Somatuline® sales increased 35.2%, driven by the launch of the new anti-tumor indication in the treatment of neuroendocrine tumors (NETs) in the United States and Europe. Dysport® sales rose 9.3% on the back of a robust performance in the aesthetics activity. After factoring in the investment to launch Somatuline® in neuroendocrine tumors in the United States, Core Operating Income for specialty care amounted €239.0 million, representing 43.5% of sales in the first half of 2015. That result compares to Core Operating Income in the prior-year period of €220.3 million, representing 46.6% of sales.

In **primary care,** first-half 2015 sales came to €165.0 million, down 0.7% over the prior-year period. In France, sales of primary care products declined 7.7%, as a result of a price cut for Smecta® in July 2014 and continued erosion of Tanakan® sales. International sales increased 1.9% year-over year on the back of a favorable foreign exchange impact, which offset lower sales in China and Russia. First-half 2015 Core Operating Income for primary care totaled €68.2 million, representing 41.3% of sales. That result compares to primary care Core Operating Income in the prior-year period of €67.5 million, representing 40.6% of sales.

Unallocated Core Operating Income came to (€139.6) million, compared with (€125.8) million in the first half of 2014. The expenses consisted mainly of the Group's research and developments costs, which totaled (€90.6) million in 2015, versus (€86.1) million in 2014, and, to a lesser extent, unallocated general and administrative expenses.

Cash flow and financing

The consolidated cash flow statement at 30 June 2015 shows that the Group's operating activities generated net cash flow of €36.2 million, compared with €54.7 million a year earlier.

Analysis of the consolidated cash flow statement

(in millions of euros)	30 June 2015	30 June 2014
Cash flow from operating activities before changes in working capital requirement	143.0	128.0
(Increase) / decrease in working capital requirement for operations	(106.8)	(73.3)
Net cash flow from operating activities	**36.2**	**54.7**
Net investments in financial and tangible and intangible assets	(53.0)	(24.0)
Other cash flow from investments	(4.9)	(8.0)
Net cash provided (used) by investment activities	**(57.8)**	**(32.0)**
Net cash provided (used) by financing activities	**(74.4)**	**(20.5)**
CHANGES IN CASH AND CASH EQUIVALENTS (a)	**(96.1)**	**2.2**
Opening cash and cash equivalents (b)	**180.1**	**125.4**
Impact of exchange rate fluctuations (c)	3.8	1.4

At 30 June 2014, closing cash and cash equivalents included €80.0 million drawn down from the Group's syndicated credit line.

■ Net cash flow from operating activities

In the first half of 2015, cash flow from operating activities before changes in working capital requirement amounted to €143.0 million, up from the €128.0 million generated in the prior-year period.

Working capital requirement for operating activities increased by €106.8 million in the first half of 2015, compared with growth of €73.3 million in the prior-year period. The increase stemmed from the following items:

- In the first half of 2015, inventories decreased by €0.6 million, compared to a decline of €4.9 million in the first half of 2014.
- In the first half of 2015, trade receivables grew by €60.2 million, compared with an increase of €46.8 million in the prior-year period. The growth resulted primarily from higher sales and the seasonal nature of trade receivables collection, notably in Italy, which was partially offset by tighter management of payment delays in Russia, Spain and Portugal.

- Trade payables in the first half of 2015 decreased by €12.4 million, compared to an increase of €0.2 million in the prior year period. The decline comes mainly from the seasonal nature of expenditures, as well as the pace of settlements, in particular the commissions paid annually to distributors.

- In the first half of 2015, the change in other operating assets and liabilities constituted a use of funds amounting to €40.4 million, compared with the €34.3 million use of funds recorded in the prior-year period. As in the first half of 2014, the Group recorded no new deferred income from its partnerships at 30 June 2015.

- In the first half of 2015, the change in net tax liability remained a favorable source of funds totaling €5.6 million, versus a source of funds amounting to €2.6 million in the prior-year period.

Net cash flow used by investment activities

In the first half of 2015, net cash used by investment activities came to €57.8 million in net use of funds, compared with a €32.0 million net use of funds in the prior year period.

Investments in tangible and intangible assets, net of disposals, totaled €21.7 million, versus €24.0 million at 30 June 2014. The cash outflow mainly included:

- €16.4 million in acquisitions of property, plant and equipment, compared with €20.9 million in the first half of 2014. Those acquisitions consisted primarily of capital expenditures needed to maintain the Group's production equipment and R&D activities;

- €5.4 million in investments in intangible assets, versus €3.3 million in the first half of 2014, mainly in the area of information technology, as well as an additional payment as part of the partnership with Lexicon.

The investment outflow in the first half of 2015 also included the purchase of a €6.0 million option to acquire Canbex Therapeutics.

The acquisition of OctreoPharm Sciences during the first half of 2015 led to an outflow of €31.3 million. In the first half of 2014, cash flow used by other investment activities included €3.6 million reflecting the change in consolidation method for the Swiss company, Linnea.

Net cash provided (used) by financing activities

In the first half of 2015, net cash provided (used) by financing activities amounted to a net use of funds of €74.4 million, compared to a net use of funds of €20.5 million in the prior-year period.

The change in the first half of 2015 resulted mainly from the payment of €70.0 million in dividends, as well as the €3.9 million repurchase of treasury shares.

In the first half of 2014, the dividend payout totaled €65.7 million and €33.4 million in treasure shares were repurchased. The 2014 movement also included the Group's €80.0 million drawdown of the credit line.

Analysis of Group cash flow

The Group must respect the following covenant ratios at the end of each half-year period:

- Net debt to equity: less than 1

- Net debt to EBITDA: less than 3.5 with the ratio assessed on a rolling 12-month basis.

The Group met all its covenant ratios at 30 June 2015.

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

(in millions of euros)	30 June 2015	30 June 2014
Closing cash and cash equivalents	87.8	129.0
Credit lines and bank loans	-	(80.0)
Other financial liabilities	(10.4)	(10.9)
Non-current liabilities	**(10.4)**	**(90.9)**
Credit lines and bank loans	(4.0)	(4.0)
Financial liabilities (excluding derivative instruments) (**)	(2.6)	(3.6)
Current liabilities	**(6.6)**	**(7.6)**
Debt	**(17.0)**	**(98.5)**
Net cash and cash equivalents (*)	**70.8**	**30.4**

(*) Net cash and cash equivalents: Cash and cash equivalents, less bank overdrafts, bank loans and other financial liabilities and excluding derivative financial instruments.

(**) Financial liabilities exclude €0.5 million in derivative instruments at 30 June 2015, compared with no derivative instruments at 30 June 2014.

APPENDIX 1

Consolidated income statement

(in millions of euros)	30 June 2015	30 June 2014
Sales	**713.9**	**638.7**
Other revenues	38.0	30.1
Revenue	**751.9**	**668.8**
Cost of goods sold	(168.3)	(155.8)
Selling expenses	(259.9)	(211.4)
Research and development expenses	(91.8)	(87.6)
General and administrative expenses	(61.3)	(51.3)
Other core operating income	1.9	4.0
Other core operating expenses	(4.8)	(4.7)
Core operating income	**167.6**	**162.0**
Other operating income	1.4	0.4
Other operating expenses	(8.0)	(3.4)
Restructuring costs	(0.7)	(12.3)
Impairment losses	(57.0)	(0.4)
Operating income	**103.4**	**146.3**
Investment income	0.6	0.8
Financing costs	(2.5)	(1.2)
Net financing costs	**(1.9)**	**(0.5)**
Other financial income and expense	5.1	(1.7)
Income taxes	(17.9)	(40.7)
Share of net profit (loss) from entities accounted for using the equity method	1.5	1.2
Net profit (loss) from continuing operations	**90.2**	**104.7**
Net profit (loss) from discontinued operations	0.3	(0.2)
Consolidated net profit	**90.5**	**104.5**
- Attributable to shareholders of Ipsen S.A.	90.1	104.0
- Attributable to non-controlling interests	0.3	0.4

Basic earnings per share, continuing operations (in euro)	1.09	1.27
Diluted earnings per share, continuing operations (in euro)	1.09	1.27
Basic earnings per share, discontinued operations (in euro)	0.00	(0.00)
Diluted earnings per share, discontinued operations (in euro)	0.00	(0.00)
Basic earnings per share (in euro)	1.10	1.27
Diluted earnings per share (in euro)	1.09	1.26

APPENDIX 2

Consolidated balance sheet before allocation of net profit

(in millions of euros)	30 June 2015	31 December 2014
ASSETS		
Goodwill	336.8	324.4
Other intangible assets	105.8	160.9
Property, plant & equipment	336.9	309.6
Equity investments	53.3	15.0
Investments in companies accounted for using the equity method	15.4	13.7
Non-current financial assets	-	4.2
Deferred tax assets	225.6	204.6
Other non-current assets	14.5	9.3
Total non-current assets	**1,088.2**	**1,041.7**
Inventories	107.8	105.5
Trade receivables	318.0	243.5
Current tax assets	63.2	65.9
Current financial assets	6.1	0.1
Other current assets	84.6	67.8
Cash and cash equivalents	92.9	186.3
Assets of disposal group classified as held for sale	-	2.6
Total current assets	**672.6**	**671.6**
TOTAL ASSETS	**1,760.8**	**1,713.3**

1.

EQUITY AND LIABILITIES		
Share capital	83.1	82.9
Additional paid-in capital and consolidated reserves	902.4	801.7
Net profit (loss) for the period	90.1	153.5
Exchange differences	56.3	27.1
Equity attributable to Ipsen S.A. shareholders	**1,132.0**	**1,065.2**
Equity attributable to non-controlling interests	2.6	2.7
Total shareholders' equity	**1,134.6**	**1,067.9**
Retirement benefit obligation	57.1	59.6
Non-current provisions	43.5	42.1
Other non-current financial liabilities	10.4	12.1
Deferred tax liabilities	10.0	5.6
Other non-current liabilities	131.0	115.8
Total non-current liabilities	**251.9**	**235.2**
Current provisions	6.0	26.0
Current bank loans	4.0	4.0
Current financial liabilities	3.1	4.0
Trade payables	172.5	179.8
Current tax liabilities	7.1	4.1
Other current liabilities	176.6	186.1
Bank overdrafts	5.1	6.1
Total current liabilities	**374.3**	**410.2**
TOTAL EQUITY & LIABILITIES	**1,760.8**	**1,713.3**

APPENDIX 3

Consolidated statement of cash flow

(in millions of euros)	30 June 2015	30 June 2014
	Total	Total
Consolidated net profit	**90.5**	**104.5**
Share of profit (loss) from companies accounted for using the equity method before impairment losses	(0.8)	0.4
Profit (loss) before share from companies accounted for using the equity method	**89.6**	**104.9**
Non-cash and non-operating items		
- Depreciation, amortization, provisions	5.8	15.7
- Impairment losses included in operating income and net financial income	57.0	0.4
- Change in fair value of financial derivatives	2.6	(0.2)
- Net gains or losses on disposals of non-current assets	0.0	1.3
- Foreign exchange differences	(4.7)	(3.5)
- Change in deferred taxes	(9.3)	7.1
- Share-based payment expense	1.9	2.3
- (Gain) or loss on sales of treasury shares	0.1	0.0
Cash flow from operating activities before changes in working capital requirement	**143.0**	***128.0***
- (Increase)/decrease in inventories	0.6	4.9
- (Increase)/decrease in trade receivables	(60.2)	(46.8)
- Increase/(decrease) in trade payables	(12.4)	0.2
- Net change in income tax liability	5.6	2.6
- Net change in other operating assets and liabilities	(40.4)	(34.3)
Change in working capital requirement related to operating activities	(106.8)	**(73.3)**
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	**36.2**	**54.7**
Acquisition of property, plant & equipment	(16.4)	(20.9)
Acquisition of intangible assets	(5.4)	(3.3)
Proceeds from disposal of intangible assets and property, plant & equipment	0.0	0.1
Payments to post-employment benefit plans	(0.5)	(0.4)
Acquisition of shares in non-consolidated companies	(31.3)	-
Impact of changes in the consolidation scope	-	(3.6)
Other cash flow related to investment activities	(5.3)	(2.0)
Deposits paid	0.4	0.0
Change in working capital related to operating activities	0.4	(1.9)
NET CASH PROVIDED (USED) BY INVESTMENT ACTIVITIES	**(57.8)**	**(32.0)**
Additional long-term borrowings	1.1	82.2
Repayment of long-term borrowings	(3.7)	(3.4)
Capital increase	2.3	0.6
Treasury shares	(2.0)	(33.4)
Dividends paid by Ipsen S.A.	(70.0)	(65.5)
Dividends paid by subsidiaries to non-controlling interests	(0.5)	(0.2)
Change in working capital related to operating activities	(1.6)	(0.7)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	**(74.4)**	**(20.5)**
CHANGE IN CASH AND CASH EQUIVALENTS	**(96.1)**	**2.2**
Opening cash and cash equivalents	**180.1**	**125.4**
Impact of exchange rate fluctuations	3.8	1.4
Closing cash and cash equivalents	**87.8**	**129.0**

APPENDIX 4

Core consolidated net profit for the first-half of 2015, versus the prior-year period

(in millions of euros)	30 June 2015	Non-core items	30 June 2015 Core	30 June 2014	Non-core items	30 June 2014 Core
Core operating income	**167.6**	**-**	**167.6**	**162.0**	**-**	**162.0**
Other operating income	1.4	(1.4)	-	0.4	(0.4)	-
Other operating expenses	(8.0)	8.0	-	(3.4)	3.4	-
Restructuring costs	(0.7)	0.7	-	(12.3)	12.3	-
Impairment losses	(57.0)	57.0	-	(0.4)	0.4	-
Operating income	**103.4**	**64.2**	**167.6**	**146.3**	**15.7**	**162.0**
Investment income	0.6	-	0.6	0.8	-	0.8
Financing costs	(2.5)	-	(2.5)	(1.2)	-	(1.2)
Net financing costs	**(1.9)**	**-**	**(1.9)**	**(0.5)**	**-**	**(0.5)**
Other financial income and expense	5.1	(4.9)	0.2	(1.7)	-	(1.7)
Income taxes	(17.9)	(25.3)	(43.2)	(40.7)	(4.7)	(45.3)
Share of net profit (loss) from entities accounted for using the equity method	1.5	-	1.5	1.2	-	1.2
Net profit (loss) from continuing operations	**90.2**	**34.0**	**124.2**	**104.7**	**11.0**	**115.7**
Net profit (loss) from discontinued operations	0.3	(0.3)	-	(0.2)	0.2	-
Consolidated net profit	**90.5**	**33.7**	**124.2**	**104.5**	**11.3**	**115.7**
- Attributable to shareholders of Ipsen S.A.	90.1	33.7	123.9	104.0	11.3	115.3
- Attributable to non-controlling interests	0.3	-	0.3	0.4	-	0.4
Diluted earnings per share - attributable to Ipsen S.A. shareholders (in € per share)	1.09		1.50	1.26		1.40

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

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

GOVERNMENT MEASURES

In the current 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 have affected the Group sales and profitability in the first half 2015. In addition, certain measures introduced in 2014 have continued to affect the Group's accounts year-on-year.

Measures impacting the first half 2015

In the Major Western European countries:

- In France, the price of Smecta® was cut by 7.5% as of 1st July 2014, following a first price cut of the same magnitude as of 1st January 2014. Morever, all Decapeptyl®'s formulations were impacted by a 3.1% price decrease in February 2015;

- In Spain, Dysport® was included in the reference price system as the product has been on the market for more than 10 years;

In the Other European countries:

- In the United States, Somatuline® prices increased on June 30th, 2015 (Somatuline® 120mg: +1.6%, Somatuline® 60mg /90mg: + 3.0%);

- In Belgium, requirement for pharmaceutical companies to implement modulated price decreases on their product portfolio was cancelled. Dysport® was subject to a mandatory price cut of 2.4% in January 2015 because the product had been reimbursed for more than 15 years;

- In the Netherlands, as of 1st April 2015, prices of Ipsen's specialty care products (excluding Hexvix®) were increased following an International Reference Pricing review;

- In Poland, Ipsen's affiliate received positive assessment results from National HTA agency on Hexvix® reimbursement application. The price is under negotiation with the Ministry of Health. Somatuline®, Decapeptyl® and Dysport® prices will be reviewed based on the lowest price in Europe. Prices are expected to be published in January 2016;

In the Rest of the World:

- In Brazil, Dysport® therapeutics and Somatuline® prices increased by ~5% in April 2015 due to inflation;

- In Algeria, in the context of continuous and sharp oil price drop, the authorities are looking at drastically reducing importation cost. This applies to import of Pharmaceuticals, which stands roughly for 3Bn€ in the state budget. For Ipsen Primary Care portfolio, this also coincides with the price reduction usually assorted to the 5-year Free Sales Certificat renewal. On the Specialty Care segment, this resulted in a 5% price reduction for Somatuline® and of almost 20% for Decapeptyl®, as authorities were systematically benchmarking prices versus that prevailing in neighboring countries and other European countries;

Furthermore, and in the context of the 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 which will affect the Group sales and profitability beyond 2015.

Measures impacting beyond 2015

In the Major Western European countries:

- In France, the government presented the new Social Security Finance Bill (PLFSS), which sets forth expenditure targets in the healthcare sector for 2015. The target growth of healthcare expenditure has

been set at 2.1% year-on-year, down from 2.4% in 2014. This is expected to result in €3.2 billion savings. Moreover, the two Smecta® price cuts will fully impact countries that reference French prices (incl. European Union, sub-Saharan Africa) starting in 2015;

- In Belgium, Somatuline® will be impacted by a 17% price decrease as the product has been reimbursed for between 12 and 15 years;

In the Rest of the World:

- In Algeria, part of the 2015 cost containment measures undertaken by the Authorities aim at reducing importation cost. For pharmaceuticals, a new importation quota is currently being implemented to target imported products with at least one generic that is locally manufactured;

- In China, the government announced in May that it will remove price caps for most medicines and allow the market to play a bigger role in determining costs.The new reform may not cause a large hike in prices as it will be mainly controlled by bidding price at hospital level. For pharmaceutical treatments sold through retail channels, a more flexible drug pricing mechanism is likely to impact pharmaceutical firms - in particular foreign brands - who could benefit from increased pricing flexibility that could raise their incentive for innovation.

MAJOR DEVELOPMENTS

During the first half 2015, major developments included:

- On 10 January 2014 – Ipsen announced topline results for two double-blind phase III studies of Dysport® (abobotulinumtoxinA) in Pediatric Lower Limb (PLL) spasticity in children with cerebral palsy and in Adult Lower Limb (ALL) spasticity in patients who had experienced a stroke or traumatic brain injury. In the PLL phase III study, conducted in children with hemiparetic or diplegic cerebral palsy, treatment with Dysport® showed a statistically significant response versus placebo in the improvement of muscle tone, as measured by the Modified Ashworth Scale (MAS; primary endpoint), and a statistically significant overall benefit versus placebo, as measured by the Physician Global Assessment (PGA; first secondary endpoint). In the ALL phase III study, conducted in hemiparetic patients who had experienced a stroke or traumatic brain injury, treatment with Dysport® at the dose of 1500U showed a statistically significant response versus placebo in the improvement of muscle tone, as measured by the Modified Ashworth Scale (MAS; primary endpoint). An overall benefit (measured by the Physician Global Assessment (PGA); first secondary endpoint) versus placebo was observed but did not reach statistical significance according to the pre-specified statistical analysis.

- On 23 February 2015 – Ipsen Canbex Therapeutics Ltd (Canbex) announced that Canbex has granted Ipsen an option giving Ipsen the exclusive right to purchase 100% of Canbex shares upon completion of the Phase IIa study of Canbex's lead candidate for the treatment of spasticity in people with multiple sclerosis (MS), known as VSN16R. Canbex is a spin-off of University College London (UCL) that raised a Series A financing of GBP 2.3 million in 2013 from MS Ventures (the corporate venture arm of Merck Serono, Merck KGaA), the Wellcome Trust and UCL Business Plc. Under the financial terms of the agreement, Ipsen has paid an option fee of €6 million to Canbex. If Ipsen elects to exercise its option to acquire Canbex at the end of the proof of concept Phase IIa study, Canbex's shareholders will be eligible to receive a total of up to an additional €90 million , comprising an acquisition payment, and additional milestone payments contingent upon launch subsequent to achievement of clinical and regulatory success. In addition, Canbex shareholders will be eligible to receive royalties on world-wide annual net sales of VSN16R.

- On 2 March 2015 – Ipsen announced that Dominique Laymand has been appointed Senior Vice President, Chief Ethics and Compliance Officer for the Ipsen group, effective as of 16th of March. She will report directly to Marc de Garidel, Chairman and CEO of Ipsen. Dominique Laymand will be a member of the Chairman's Committee.

- On 1 April 2015 – Ipsen announced the inauguration of its new R&D center, Ipsen Bioscience, in Cambridge (MA, USA), a recognized hub in the USA for biomedical research & innovation. Ipsen's strategic decision to invest in the Ipsen Bioscience facility in Cambridge is an important element of the company's open innovation strategy and its goal of broadening its partnerships with the American biotechnology, medical and scientific communities.

- On 16 April 2015 – Active Biotech and Ipsen announced top line results of the 10TASQ10 study. While the study showed that tasquinimod reduced the risk of radiographic cancer progression or death compared to placebo (rPFS, HR=0.69, CI 95%: 0.60 – 0.80) in patients with metastatic castration resistant prostate cancer (mCRPC) who have not received chemotherapy, tasquinimod did not extend overall survival (OS, HR=1.09, CI 95%: 0.94 – 1.28). Efficacy results together with preliminary safety data do not support positive benefit risk balance in this population. Therefore the companies have decided to discontinue all studies in prostate cancer. Full results will be presented at an upcoming scientific conference.

- On 19 May 2015 – Ipsen announced the signature of an agreement to acquire OctreoPharm Sciences (referred to as OctreoPharm), a private German life sciences company focusing on the development of innovative radioactive labeled compounds for molecular imaging diagnostics and therapeutic applications. Ipsen plans to maintain the company location and staff to ensure successful transition of know-how and expertise. Ipsen expects to complete its acquisition once closing conditions have been cleared. Under the terms of the agreement, which is subject to closing conditions, OctreoPharm's shareholders are eligible to receive up to a total of approximately €50 million for the purchase of 100% of the company's shares in the form of an upfront payment and downstream payments contingent upon clinical and regulatory milestones.

- on 2 June 2015 – Ipsen confirmed its eligibility for the PEA-PME scheme, in accordance with the French decree n° 2014-283 of 4 March 2014. The Group complies with the thresholds set by the legislator for eligibility to the PEA-PME scheme, namely having less than 5 000 employees and total revenue below €1 500 million or total assets below €2 000 million. As a consequence, investment in company shares can be made through PEA-PME accounts, benefiting from the same tax advantages as the traditional Equity Savings Plan (PEA).

- On 3 June 2015 – Ipsen announced it has granted Natixis a mandate to purchase 500 000 shares, or about 0.60% of the share capital. This mandate begins on 3 June 2015 and will end on 31 December 2015. The purchased shares will be cancelled, mainly to compensate for the dilution resulting from the issuance of new shares within the free share plans. These operations are part of the authorizations granted by the Combined Shareholder's meeting held on 27 May 2015.

- On 2 July 2015 - Ipsen hosted its Investor Day. The Group's management provided a comprehensive review of its 2020 strategy and its 2020 outlook including organic sales ranging between €1.8bn and €2bn and Core Operating Margin of above 26%

- On 16 July 2015 – Ipsen announced that the U.S. Food and Drug Administration (FDA) has approved its supplemental Biologics License Application (sBLA) for Dysport® (abobotulinumtoxinA) for the treatment of upper limb spasticity in adult patients after the submission of the dossier in September 2014. Dysport® is now approved for the treatment of upper limb spasticity in adult patients, to decrease the severity of increased muscle tone in elbow flexors, wrist flexors and finger flexors. Clinical improvement may be expected one week after administration of Dysport®. A majority of patients in clinical studies were retreated between 12 and 16 weeks; some patients had a duration of response as long as 20 weeks. In Europe, regulatory procedures are in progress for strengthening the existing upper limb spasticity label indication of Dysport® to include key medical data such as muscle dose recommendations, treatment intervals, efficacy data and safety updates.

APPENDIX

RISK FACTORS

The Group operates in an environment which is undergoing rapid change and exposes its operations to a number of risks, some of which are outside its control. The risks and uncertainties set out below are not exhaustive and the reader is advised to refer to the Group's 2013 Registration Document available on its website (www.ipsen.com).

- The Group is faced with uncertainty in relation to the prices set for all its products, in so far as medication prices have come under severe pressure over the last few years as a result of various factors, including the tendency for governments and payers to reduce prices or reimbursement rates for certain drugs marketed by the Group in the countries in which it operates, or even to remove those drugs from lists of reimbursable drugs.

- The Group depends on third parties to develop and market some of its products, which generates or may generate substantial royalties for the Group, but these third parties could behave in ways that cause damage to the Group's business. The Group cannot be certain that its partners will fulfill their obligations. It might be unable to obtain any benefit from those agreements. A default by any of the Group's partners could generate lower revenues than expected. Such situations could have a negative impact on the Group's business, financial position or performance.

- Actual results may depart significantly from the objectives given that a new product can appear to be promising at a development stage, or after clinical trials, but never be launched on the market, or be launched on the market but fail to sell, notably for regulatory or competitive reasons.

- The Research and Development process typically lasts between eight and twelve years from the date of discovery to a product being brought to market. This process involves several stages; at each stage, there is a substantial risk that the Group could fail to achieve its objectives and be forced to abandon its efforts in respect of products in which it has invested significant amounts. Thus, in order to develop viable products from a commercial point of view, the Group must demonstrate, by means of pre-clinical and clinical trials, that the molecules in question are effective and are not harmful to humans. The Group cannot be certain that favorable results obtained during pre-clinical trials will subsequently be confirmed during clinical trials, or that the results of clinical trials will be sufficient to demonstrate the safety and efficacy of the product in question such that the required marketing approvals can be obtained.

- The Group must deal with or may have to deal with competition (i) from generic products, particularly in relation to Group products which are not protected by patents, such as Forlax® and 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 in the Group losing market share which could affect its current level of growth in sales or profitability.

- Third parties might claim the benefit of intellectual property rights with respect to the Group's inventions. The Group provides the third parties with which it collaborates (including universities and other public or private entities) with information and data in various forms relating to the research, development, manufacturing and marketing of its products. Despite the precautions taken by the Group with regard to these entities, in particular of a contractual nature, they (or certain of their members or affiliates) could claim ownership of intellectual property rights arising from the trials carried out by their employees or any other intellectual property right relating to the Group's products or molecules in development.

- The Group's strategy includes acquiring companies or assets which may enable or facilitate access to new markets, research projects or geographical regions or enable the Group to realize synergies with its existing businesses. Should the growth prospects or earnings potential of such assets as well as valuation assumptions change materially from initial assumptions, the Group might be under the obligation to adjust the values of these assets in its balance sheet, thereby negatively impacting its results and financial situation.

- The marketing of certain products by the Group has been and could be affected by supply shortages and other disruptions. Such difficulties may be of both a regulatory nature (the need to correct certain technical problems in order to bring production sites into compliance with applicable regulations) and a technical nature (difficulties in obtaining supplies of satisfactory quality or difficulties in manufacturing active ingredients or drugs complying with their technical specifications on a sufficiently reliable and uniform basis). This situation may result in inventory shortages and/or in a significant reduction in the sales of one or more products. More specifically, in their US Hopkinton facility, Lonza, our supplier of IGF-1 (Increlex® drug substance), is experiencing manufacturing issues with Increlex®. Supply interruption occurred in mid-June 2013 in the US and in Q3 2013 in Europe and the rest of the world. On December 18th 2013, Ipsen announced that Lonza had successfully re-manufactured the active ingredient of Increlex® and that the European Medicines Agency (EMA) had been informed that Ipsen was preparing for the resupply of Increlex® in the European Union. Consultations with the National competent authorities have allowed a resupply in Europe early 2014. In the United States, Ipsen has released one batch of Increlex®'s active ingredient on 2 June 2014. Ipsen anticipates that additional lots will be released in the coming months, as the company continues to work closely with the FDA to make additional Increlex® lots available as soon as possible.

- In certain countries exposed to significant public deficits, and where the Group sells its drugs directly to public hospitals, the Group could face discount or lengthened payment terms or difficulties in recovering its receivables in full. The Group closely monitors the evolution of the situation in Southern Europe where hospital payment terms are especially long. More generally, the Group may also be unable to purchase sufficient credit insurance to protect itself adequately against the risk of payment default from certain customers worldwide. Such situations could negatively impact the Group's activities, financial situation and results.

- In the normal course of business, the Group is or may be involved in legal or administrative proceedings. Financial claims are or may be brought against the Group in connection with some of these proceedings.

- The cash pooling arrangements for foreign subsidiaries outside the euro zone expose the Group to financial foreign exchange risk. The variation of these exchange rates may impact significantly the Group's results.