PRESS RELEASE

Ipsen's first quarter 2016 sales

- **Group sales up 4.7%[1]**

– **Specialty care sales up 9.7%[1], driven by the accelerated growth of Somatuline® in neuroendocrine tumors**

– **Primary care sales down 11.0%[1], impacted by the slowdown in international markets**

- **2016 financial objectives confirmed**

Paris (France), 28 April 2016 - Ipsen (Euronext: IPN; ADR: IPSEY) today reported its sales for the first quarter 2016.

First quarter 2016 unaudited IFRS consolidated sales

(in million euros)	**Q1 2016**	**Q1 2015**	*% Change*	*% Change at constant currency*
Specialty care	288.1	265.7	8.4%	9.7%
of which Somatuline®	121.7	89.3	36.3%	36.3%
of which Decapeptyl®	78.2	82.9	-5,6%	-4.6%
of which Dysport®	63.2	68.6	-7.9%	-4.2%
Primary care*	73.9	84.4	-12.4%	-11.0%
of which Smecta®	29.3	35.9	-18.6%	-16,9%
of which Forlax®	10.0	9.1	10.6%	11.5%
of which Tanakan®	9.8	10.5	-6.9%	-4.1%
Group Sales	**362.0**	**350.1**	**3.4%**	**4.7%**

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

Commenting on the first quarter 2016 performance, **Marc de Garidel, Chairman and Chief Executive Officer of Ipsen** said: *"In the first quarter, the Group continued to benefit from the acceleration of the growth of Somatuline® in neuroendocrine tumors, both in the United States and Europe. However, the environment in emerging markets, especially in China, is still adversely affecting the performance of Decapeptyl® and the primary care."* **Marc de Garidel** added: *"We are fully committed, upon regulatory approval, to preparing the upcoming commercial launches of cabozantinib in advanced renal cell carcinoma in Europe, and Dysport® in pediatric lower limb spasticity in the United States."*

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

First quarter 2016 sales highlights

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

Consolidated Group sales grew 4.7% to €362.0 million.

Sales of Specialty care products reached €288.1 million, up 9.7% year-on-year. Oncology sales grew by 16.3% while neurosciences and endocrinology sales decreased by respectively 3.9% and 1.4%. The relative weight of specialty care continued to increase to reach 79.6% of Group sales, compared to 75.9% the previous year.

Sales of **Somatuline®** reached €121.7 million, up 36.3%, driven by a strong growth in North America following the launch of the new indication of neuroendocrine tumors at the beginning of 2015, and the strong performance in most European countries, notably in Germany, France, Poland, Italy and the UK.

Sales of **Dysport®** reached €63.2 million, down 4.2% year-on-year impacted by unfavorable inventory effects in the aesthetic indication through the Galderma partnership. These effects were partly offset by a very good performance in Russia and to a lesser extent in Germany and the United States with a limited growth in therapeutic sales.

Sales of **Decapeptyl®** reached €78.2 million, down 4.6% year-on-year, mainly impacted by negative inventory effects in the Middle East and Algeria. In China, the product suffered from a high comparison base in the first quarter 2015, and from increased price pressure in some provinces. However, the product registered a good performance in some European countries especially in Russia, the United Kingdom and Belgium.

Primary care sales reached €73.9 million, down 11.0% year-on-year. International sales declined 13.7%, while sales were down 3.6% in France. Over the period, primary care sales represented 20.4% of total Group sales, compared to 24.1% the previous year.

Sales of **Smecta®** reached €29.3 million, down 16.9% year-on-year, affected by inventory effects in China related to the change in business model in a slower market.

Sales of **Forlax®** reached €10.0 million, up 11.5%, driven by supply sales to the Group's partners in charge of marketing the generic versions of the product.

Sales of **Tanakan®** reached €9.8 million, down 4.1% year-on-year, penalized by a market slowdown in France and in Russia.

2016 financial objectives

The Group confirms its financial targets for 2016:

- **Specialty care** sales growth year-on-year **in excess of 10.0%**;
- **Slight primary care sales growth** year-on-year;
- **Core operating margin of around 21%**, including the impact from the investment required to prepare the commercial launch of cabozantinib for the treatment of advanced renal cell carcinoma in Europe.

Sales objectives are set at constant currency.

About Ipsen

Ipsen is a global specialty-driven biotechnological group with total sales exceeding €1.4 billion in 2015. Ipsen sells more than 20 drugs in more than 115 countries, with a direct commercial presence in more than 30 countries. Ipsen's ambition is to become a leader in specialty healthcare solutions for targeted debilitating diseases. Its fields of expertise cover oncology, neurosciences and endocrinology. 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/Paris-Saclay, France; Slough/Oxford, UK; Cambridge, US). In 2015, R&D expenditure totaled close to €193 million. The Group has more than 4,600 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.

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 2015 Registration Document available on its website (www.ipsen.com).

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Comparison of consolidated sales for the first quarters 2016 and 2015:

Sales by therapeutic area and by product[1]

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 first quarters 2016 and 2015:

	1st quarter			
(in million euros)	2016	2015	% Variation	% Variation at constant currency
Oncology	**204.4**	**176.5**	**15.8 %**	**16.3%**
of which Somatuline®	121.7	89.3	36.3%	36.3%
of which Decapeptyl®	78.2	82.9	-5.6%	-4.6%
of which Hexvix®	4.5	4.3	3.5%	3.6%
Neurosciences	**63.6**	**68.8**	**-7.6%**	**-3.9%**
of which Dysport®	63.2	68.6	-7.9%	-4.2%
Endocrinology	**20.1**	**20.4**	**-1.4%**	**-1.4%**
of which NutropinAq®	15.1	15.8	-4.2%	-3.8%
of which Increlex®	5.0	4.6	8.3%	6.8%
Specialty care	**288.1**	**265.7**	**8.4%**	**9.7%**
Gastroenterology	**51.0**	**59.2**	**-13.9%**	**-12.4%**
of which Smecta®	29.3	35.9	-18.6%	-16.9%
of which Forlax®	10.0	9.1	10.6%	11.5%
Cognitive disorders	**9.8**	**10.5**	**-6.9%**	**-4.1%**
of which Tanakan®	9.8	10.5	-6.9%	-4.1%
Other Primary Care	**6.6**	**8.0**	**-16.9%**	**-16.9%**
Drug-related sales*	**6.5**	**6.7**	**-2.6%**	**-2.7%**
Primary care	**73.9**	**84.4**	**-12.4%**	**-11.0%**
Group sales	**362.0**	**350.1**	**3.4%**	**4.7%**

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

In the first quarter 2016, sales reached €362.0 million, up 4.7%, driven by the 9.7% growth of specialty care sales, while primary care sales declined 11.0%.

In the first quarter 2016, sales of **Specialty care** products reached €288.1 million, up 9.7% year-on-year. Oncology sales grew by 16.3% while neurosciences and endocrinology sales decreased by respectively 3.9% and 1.4%. The relative weight of specialty care continued to increase to reach 79.6% of Group sales, compared to 75.9% the previous year.

In **oncology**, sales reached €204.4 million in the first quarter 2016, up 16.3% year-on-year, continuously driven by the acceleration of Somatuline® growth. **Somatuline®** sales reached €121.7 million, up 36.3%, driven by a strong growth in North America following the launch of the new indication of neuroendocrine tumors at the beginning of 2015 and by a strong performance in most European countries, notably in Germany, France, Poland, Italy and the UK. Sales of **Decapeptyl®** reached €78.2 million, down 4.6% year-on-year, mainly impacted by negative inventory effects in the Middle East and Algeria. In China, the product suffered from a high comparison base in the first quarter 2015, and from increased price pressure

[1] New sales reporting according to the main therapeutic indication of each product

in some provinces. However, the product registered a good performance in some European countries especially in Russia, the United Kingdom and Belgium. Sales of **Hexvix**® reached €4.5 million, up 3.6%, mainly driven by the good performance in Germany, which accounted for 69.5% of total product sales. Over the period, oncology sales represented 56.5% of total Group sales, compared to 50.4% a year earlier

In **neurosciences**, sales of **Dysport**® reached €63.2 million in the first quarter 2016, down 4.2% year-on-year impacted by unfavorable inventory effects in the aesthetic indication through the Galderma partnership. These effects were partly offset by a very good performance in Russia and to a lesser extent in Germany and the United States with a limited growth in therapeutic sales. Over the period, neurosciences sales represented 17.6% of total Group sales, compared to 19.7% the previous year.

In **endocrinology**, sales of **NutropinAq**® reached €15.1 million, down 3.8% year-on-year, impacted by lower volumes especially in Germany and Italy. Sales of **Increlex**® reached €5.0 million, up 6.8% year-on-year, notably driven by France. Over the period, endocrinology sales represented 5.6% of total Group sales, compared to 5.8% the previous year.

In the first quarter 2016, **Primary care** sales reached €73.9 million, down 11.0% year-on-year, mainly impacted by lower Smecta® sales. International sales declined 13.7%, while sales were down 3.6% in France. Over the period, primary care sales represented 20.4% of total Group sales, compared to 24.1% the previous year.

In the first quarter 2016, **gastroenterology** sales reached €51.0 million, down 12.4% year-on-year, affected by inventory effects in China on **Smecta**® in a slower market, on **Etiasa**® following the transfer to local production, and on **Fortrans**® in Russia following product shortage at the beginning of the year. Sales of **Forlax**® increased 11.5%, driven by supply sales to the Group's partners in charge of marketing the generic versions of the product.

In the **cognitive disorders** area, sales of **Tanakan**® reached €9.8 million in the first quarter 2016, down 4.1% year-on-year, penalized by a market slowdown in France and in Russia.

Sales of **Other primary care** products reached €6.6 million in the first quarter 2016, down 16.9% year-on-year, mainly affected by the 14.0% decline of **Nisis**®/**Nisisco**®, penalized by an additional 40.0% price cut in February 2015 in France, and by **Adrovance**® sales, down 12.0% sales over the quarter.

In the first quarter 2016, **Drug-related sales (active ingredients and raw materials)** reached €6.5 million, down 2.7% year-on-year. The solid supply sales of Gingko Biloba extracts to Group's partner Schwabe did not compensate the unfavorable inventory effects in Korea and Egypt.

Sales by geographical area

Group sales by geographical area in the first quarters of 2016 and 2015 were as follows:

	1st quarter			
(in million euros)	**2016**	**2015**	% Variation	% Variation at constant currency
France	55.1	54.1	1.9%	1.9%
Germany	29.4	26.5	10.8%	10.8%
Italy	21.6	21.1	1.9%	1.9%
United Kingdom	18.5	18.4	0.4%	3.7%
Spain	16.9	16.8	0.5%	0.5%
Major Western European countries	**141.5**	**137.0**	**3.2%**	**3.7%**
Eastern Europe	39.5	39.4	0.4%	6.4%
Others Europe	40.9	37 .4	9.3%	10.0%
Other European Countries	**80.4**	**76.8**	**4.7%**	**8.1%**
North America	**53.4**	**29.8**	**79.0%**	**74.7%**
Asia	46.0	59.7	-22.9%	-22.1%
Other countries in the Rest of the world	40.7	46.8	-12.9%	-8.4%
Rest of the World	**86.7**	**106.5**	**-18.6%**	**-16.1%**
Group sales	**362.0**	**350.1**	**3.4%**	**4.7%**

In the first quarter 2016, sales generated in the **Major Western European countries** reached €141.5 million, up 3.7% year-on-year. Sales in the Major Western European countries, stable year-on-year, represented 39.1% of total Group sales.

France – In the first quarter 2016, sales reached €55.1 million, up 1.9% year-on-year, driven by the sustained growth of Somatuline® and NutropinAq®. Primary care sales continued to deteriorate, notably due to Tanakan® and Nisis®/Nisisco®, but partly compensated by a good performance of Forlax®. The relative weight of France in the Group's consolidated sales has continued to decrease to represent 15.2% of total Group sales, compared to 15.5% the previous year.

Germany – In the first quarter 2016, sales reached €29.4 million, up 10.8% year-on-year, driven by strong growth of Somatuline® and Dysport®. Over the period, sales in Germany represented 8.1% of total Group sales, compared to 7.6% the previous year.

Italy – In the first quarter 2016, sales reached €21.6 million, up 1.9% year-on-year. The strong growth of Somatuline® was partly offset by sales decline in Dysport® and NutropinAq®. Over the period, sales in Italy represented 6.0% of total Group sales, stable year-on-year.

United Kingdom – In the first quarter 2016, sales reached €18.5 million, up 3.7% year-on-year, driven by Somatuline® and Decapeptyl® growth and a positive impact from the 2016 price adjustment mechanism (PPRS[1]). Over the period, the United Kingdom represented 5.1% of total Group sales, compared to 5.3% the previous year.

Spain – In the first quarter 2016, sales reached €16.9 million, up 0.5% year-on-year, affected by a 5% price decrease on Somatuline® 120mg implemented in March 2016, offset by a strong volume growth. Over the period, sales in Spain represented 4.7% of total Group sales compared to 4.8% the previous year.

[1] Pharmaceutical Price Regulation Scheme

In the first quarter 2016, sales generated in the **Other European countries** reached €80.4 million, up 8.1% year-on-year, supported by the good performance of Somatuline® across the region and of Dysport® and Decapeptyl® in Russia. Over the period, sales in this region represented 22.2% of total Group sales compared to 21.9% the previous year.

In the first quarter 2016, sales generated in **North America** reached €53.4 million, up 74.7% year-on-year, supported by the acceleration of Somatuline® growth following the launch of the neuroendocrine tumor indication. Over the period, sales in North America represented 14.7% of total Group sales, compared to 8.5% the previous year.

In the first quarter 2016, sales generated in the **Rest of the World** reached €86.7 million, down 16.1% year-on-year. Sales were impacted by unfavorable inventory effects on Smecta® and Etiasa® in China, on Decapeptyl® in the Middle East and Algeria, and on Dysport® in South East Asia and Brazil. Over the period, sales in the Rest of the World represented 24.0% of total Group sales, compared to 30.4% the previous year.

GOVERNMENT MEASURES

The governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which have affected the Group sales and profitability in the first quarter 2016. In addition, certain measures introduced in 2015 have continued to affect the Group's accounts year-on-year.

Measures impacting the first quarter 2016

In the Major Western European countries:

- In France, all Decapeptyl® formulations were impacted by a 3.1% price decrease imposed by Public Health Authorities, in February 2015;
- In Italy, as of August 1st, 2015, Decapeptyl® 3.75mg and 11.25mg were withdrawn from the pay-back procedure, with official prices consequently decreased by 5.0%;
- In the UK, to keep health service spend on branded medicines within the levels agreed under the Scheme, the Department of Health set the level of payment due from members of the Pharmaceutical Price Regulation Scheme (PPRS) at 7.80% for 2016, compared to 10.36% in 2015;
- In Spain, due to the reimbursement of the new neuroendocrine gastro-entero-pancreatic tumors indication, Somatuline® 120mg price decreased by 5.0% in March 2016. The other strengths 60mg and 90mg were not impacted.

In the Other European countries:

- In Poland, Ipsen received positive assessment results from National HTA agency on Hexvix® reimbursement application. The price is under negotiation with the Ministry of Health. Somatuline®, Dysport® and Decapeptyl® prices have been reviewed for the renewal of reimbursement. Somatuline® and Dysport® prices have been secured for the next 3 years. Decapeptyl® 3.75mg and 11.25mg prices decreased by respectively 3.8% and 3.1% as of January 2016;
- In the Netherlands, as of April 1st and October 1st, 2015, prices of Ipsen's specialty care products (excluding Hexvix® and Increlex®) increased following an International Reference Pricing review.

In the Rest of the World:

- In the United States, Somatuline® prices increased on 30 June and 30 September 2015 (Somatuline® 120mg: +1.6% in June, Somatuline® 60mg/90mg: +3.0% and +5.0%, respectively in June and September). In December 2015, all Somatuline® formulation prices increased by +2.1%. Increlex® price increased 14.9% in September 2015;
- In Brazil, prices of Dysport® therapeutics and Somatuline® increased 5.0% in April 2015 due to inflation. Furthermore in Q1 2016, two administrative measures have been implemented: increase from 18% up to 21% of mandatory price reduction for public markets (CAP), and change in the ICMS system (VAT on circulation of goods and services) for private markets with a 6% negative price impact. On the other side, in March 2016, the government authorized a 6% price increase due to inflation;
- In Australia, on December 1st, 2015, the price of NutropinAq® decreased by 16.0% to remain competitive as all the different brands of Somatropin are considered equivalent on a per milligram basis;

Furthermore, governments of many countries in which the Group operates continue to introduce new measures to reduce public health expenses, some of which will affect the Group sales and profitability beyond 2016.

Measures impacting beyond 2016

In the Major Western European countries:

- In France, the new Social Security Finance Bill (PLFSS) outlines expenditure targets of the healthcare sector for 2016. The national target of health insurance expenditures (Ondam) for 2016 has been set at €185.2 billion, up 1.75% (compared to a growth target of 2.1% in 2015). This will require savings effort of €3.4 billion. The target growth of health insurance expenditures related to reimbursed medicines was set at -1% for the second consecutive year.

In the Rest of the World:

- In Algeria, in the context of continuous and sharp oil price drop, the authorities are looking at drastically reducing importation cost, notably for pharmaceuticals, which stands roughly for €3 billion in the state budget. The Primary care portfolio has suffered from the delisting of Bedelix® and the implementation of the reference price for Smecta® (reimbursement according to the generic price);

- In China, the State Council continues to drive its healthcare reform as the 13th Five Year Plan unfolds to achieve “Health China 2030”. On the drug price control, it convened an executive meeting early April, with the intention to push for the introduction of a two-invoice limit on drug distribution process following procurement tenders. This refers to the number of distributor invoices issued while a drug is en-route between the factory and the hospital during the provincial tendering. The policy is regarded as a step towards eradicating artificially high drug prices and commercial bribery problems due to multi-level distribution arrangements between hospitals and drug manufacturers.

MAJOR DEVELOPMENTS

During the first quarter 2016, major developments included:

- On 6 January 2016 – Ipsen and Galderma announced that they have expanded the geographical scope of their neurotoxin partnership, whereby Galderma has acquired the exclusive rights to develop, promote and distribute Dysport® in the aesthetic indications in the APAC Territory (China, India, South Korea and Indonesia under certain conditions).

- On 26 January 2016 – Ipsen announced that the scientific journal *Pediatrics* published the detailed results of the phase III randomized study (NCT01249417) showing both the efficacy and the safety of Dysport® in the treatment of dynamic equinus foot deformity (also known as pediatric lower limb spasticity), a condition associated with cerebral palsy in children.

- On 16 February 2016 – Ipsen announced that at its meeting on 15 February 2016, the Board of Directors decided to change the Company's form of governance by separating the duties of Chairman of the Board of Directors and Chief Executive Officer. The Company also announced on 16 February 2016 that it had initiated the process to recruit its future Chief Executive Officer. The separation of said duties shall become effective on the date of entry into office of the new Chief Executive Officer. At its meeting on 15 February 2016, the Board of Directors confirmed that Mr. Marc de Garidel shall fulfill the duties of Chairman of the Board of Directors within the framework of the new governance structure and recorded the departure of Mrs. Christel Bories as Deputy Chief Executive Officer.

- On 1st March 2016 – Exelixis, Inc. and Ipsen jointly announced an exclusive licensing agreement for the commercialization and further development of cabozantinib, Exelixis' lead oncology drug. Under the agreement, Ipsen will have exclusive commercialization rights for current and potential future cabozantinib indications outside the United States, Canada and Japan, including COMETRIQ®, which is currently approved in the European Union (EU) for the treatment of adult patients with progressive, unresectable, locally advanced or metastatic medullary thyroid cancer (MTC). The companies have agreed to collaborate on the development of cabozantinib for current and potential future indications. Under the agreement, Exelixis will receive a $200 million upfront payment. Exelixis is eligible to receive regulatory milestones, including a $60 million milestone upon the approval of cabozantinib in Europe for advanced renal cell carcinoma (RCC), and $50 million upon the filing and approval of cabozantinib in Europe for advanced hepatocellular carcinoma (HCC), as well as additional regulatory milestones for potential further indications. The agreement also includes up to $545 million of potential commercial milestones and provides for Exelixis to receive tiered royalties up to 26% on Ipsen's net sales of cabozantinib in its territories.

APPENDIX

RISK FACTORS

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

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

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

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

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

- The Group must deal with or may have to deal with competition (i) from generic products, particularly in relation to Group products which are not protected by patents (ii), products which, although they are not strictly identical to the Group's products or which have not demonstrated their bioequivalence, may obtain a marketing authorization for indications similar to those of the Group's products pursuant to the bibliographic reference regulatory procedure (well established medicinal use) before the patents protecting its products expire. Such a situation could result in the Group losing market share which could affect its current level of growth in sales or profitability.

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

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

- The marketing of certain products by the Group has been and could be affected by supply shortages and other disruptions. Such difficulties may be of both a regulatory nature (the need to correct certain technical problems in order to bring production sites into compliance with applicable regulations) and a technical nature (difficulties in obtaining supplies of satisfactory quality or difficulties in manufacturing active ingredients or drugs complying with their technical specifications on a sufficiently reliable and uniform basis). This situation may result in inventory shortages and/or in a significant reduction in the sales of one or more products.

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

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

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