

## STALLERGENES GREER ANNOUNCES 2016 HALF-YEAR RESULTS

- H1 2016 unaudited Group net sales of €78.0m
- Commercial recovery underway in Europe and International markets with the help of RESTART plan
- Strong US performance confirmed with unaudited pro forma H1 2016 sales up +9.8%
- Financial objectives:
  - FY 2016 net sales of c. €180-200m
  - FY 2016 Group EBIT to be significantly negative
  - FY 2017 sales growth acceleration to continue

**DATE: August 25, 2016**

London (United Kingdom) - Stallergenes Greer plc (the “Company”) (Euronext Paris: STAGR), a biopharmaceutical company specializing in treatments for respiratory allergies, today announced its 2016 first half results. The results were reviewed and agreed by the Company’s Board of Directors on 24 August 2016.

### H1 2016 Financial Highlights

	H1 2016	H1 2015	H1 2015
€m, except margin in %	Unaudited	Pro forma (unaudited)	Reported accounts
Sales	<b>78.0</b>	<b>183.7</b>	12.7
EBIT	<b>(58.5)</b>	<b>43.0</b>	(8.1)
Operating margin	-	<b>23.4%</b>	-
Net profit/(loss)	<b>(39.0)</b>	<b>28.6</b>	(7.7)

Fereydoun Firouz, Chairman and Chief Executive Officer of Stallergenes Greer, commented:

*“The first half of 2016 marked a turning point for Stallergenes Greer as we began to recover from the temporary suspension of production and distribution of our manufacturing plant in Antony, France. As anticipated, we are now able to better assess the financial impact this event had on our H1 2016 results and also issue guidance for FY 2016.*

*Without a doubt, the progress we’ve made this year is a direct result of the commitment of all our employees and the strength of our new global leadership team. Together, we have worked diligently to restore supply to the physicians and patients who rely on the high quality of our therapies in the European and International markets, whilst also growing both new and existing business in the United States. We have streamlined our portfolio offerings, managed costs and tightly controlled our operating expenses – all of which will enable us to continue sales growth acceleration in 2017 and beyond.*

*In our European and International markets, we are supplying 70% of the Company’s 2014 sales references and distributing our sublingual products to 40 countries. We expect our production process*

flow to be fully streamlined by year end and we will continue to work hard to rebuild trust with key stakeholders in this region.

In the US, our business is performing well and subcutaneous immunotherapy sales continue to drive growth. We will move forward as planned, executing against our investment strategy in this region with discipline – particularly given ORALAIR® share gains and the sublingual tablet market dynamic we are now operating within.

I am proud of the progress we have made so far this year, focusing on patient’s needs as well as the fundamentals of our business and executing against our strategy. Our journey to fully regain our global leadership position in allergy immunotherapy will continue, as will our commitment to deliver long-term value for all our shareholders.”

### Stallergenes Greer’s H1 2016 Financial Summary

Total revenues for the first half of 2016 were €78.0 million, a pro forma decrease of 58% compared with the same period of the previous year due in large part to the temporary suspension of production and distribution of our plant in Antony, France and the related recall of products originating from that facility.

#### H1 2016 Geographical Turnover

€m	H1 2016	H1 2015	H1 2015
	Unaudited	Pro forma (unaudited)	Reported accounts
Southern Europe	17.8	99.2	0.6
North & Central Europe	10.7	32.4	0.2
International markets	4.7	11.3	0.3
US	44.8	40.8	11.6
<b>Total</b>	<b>78.0</b>	<b>183.7</b>	<b>12.7</b>

#### European Business

The impact of the events in Antony is particularly strong in this region. Southern Europe H1 2016 sales reached €17.8m compared to unaudited pro forma net sales of €99.2m in H1 2015. North and Central Europe H1 2016 reported sales reached €10.7m vs. unaudited pro forma net sales of €32.4m in the same period of 2015. Missing of the start of the prescribing season (in certain countries) as well as the time needed to restore our patient base also impacted performance in this region during the reported period.

#### International Business

Internationally, H1 2016 reported sales reached €4.7m due to the temporary suspension of production and distribution in Antony. Stallergenes Greer remains fully committed to serving all countries in this region.

#### US Business

In the US, H1 2016 performance was strong with total reported sales of €44.8m, an increase of 9.8% from last year with unaudited pro forma sales of €40.8m in H1 2015. Subcutaneous immunotherapy sales continue to be robust and, while the grass tablet market in the US is growing slower than expected, ORALAIR®’s market share increased due to strategic investments made to strengthen the Group’s commercial operations capabilities.

### H1 2016 Turnover per Product Type

€m	H1 2016	H1 2015	H1 2015
	<i>Unaudited</i>	<i>Pro forma (unaudited)</i>	<i>Reported accounts</i>
Sublingual	27.3	121.9	0.1
Subcutaneous	34.2	43.3	9.3
Other	11.1	13.4	1.7
Veterinary	5.4	5.1	1.6
<b>Total</b>	<b>78.0</b>	<b>183.7</b>	<b>12.7</b>

#### Sublingual Products

Stallergenes Greer's sublingual products, including ORALAIR and ACTAIR<sup>®</sup> tablets as well as the liquid solution STALORAL<sup>®</sup>, totalled €27.3m of revenues in H1 2016, a decrease of 77.6% globally compared to the H1 2015 unaudited pro forma results. In the US, where significant investments were made in the Group's commercial footprint, ORALAIR market share increased. In Europe and International markets, the sublingual product category was the most impacted by the events in Antony. ORALAIR once again became available to prescribers and patients in February 2016; STALORAL became available in late March in France and late April in other countries, while the large majority of treatment initiations are in Q1 or Q4.

#### Subcutaneous Products

Subcutaneous product sales, which include ALUSTAL<sup>®</sup>, PHOSTAL<sup>®</sup> and Greer Extracts<sup>®</sup> are reported at €34.2m in H1 2016 while unaudited pro forma net sales totalled €43.3m in H1 2015, a decrease of 21.0% globally. In the US, subcutaneous sales were strong and were not impacted by the suspension of production and distribution at our Antony plant due to the Group's manufacturing capabilities in this region. In Europe and International markets, production and distribution of the majority of subcutaneous products will resume in Q3 2016.

#### Veterinary Products

Veterinary product sales reached €5.4m in H1 2016, an increase of 5.9% compared to the €5.1m in H1 2015 on an unaudited pro forma basis. This category is a growth area for the Group.

#### Other Products

Other products including diagnostics and ancillary products totalled sales of €11.1m in H1 2016, compared to €13.4m in H1 2015 on an unaudited pro forma basis, a decrease of 17.2%.

#### Financial Review

The current operating loss for the first half of the year 2016 totalled €58.5m, compared to a current operating result of €43.0m on an unaudited pro forma basis, for the same period last year. This reflects the significant reduction in net sales. In addition, as manufacturing costs are to a large extent fixed, certain operating costs continued to be incurred during the period. There were also additional costs related to the set-up of the new global organisational structure.

On 30 June 2016, Group net assets were €493.7m (31 December 2015: €540.0 million). This highlights that the Group remains in a strong position financially despite the challenges it has faced.

As of 30 June 2016, the Group had "cash and cash equivalents" of €84.9 million. In addition, the Group has limited external debt with an outstanding debt balance of €15.6 million.

### “RESTART” programme

Following the temporary suspension of production and distribution at the Antony plant – as well as the voluntary product recall, Stallergenes Greer implemented the “RESTART” programme. Designed to regain the Group’s global leadership by focusing on production, logistics and commercial capabilities in European and International regions, H1 2016 achievements include:

- **Commercial:** Stallergenes Greer is now enrolling over 70% of its 2014 new patient levels, 70% of its prescribers have restarted their prescriptions and the Group has enough references released to support around 70% of 2014 sales. In addition, an image survey from end of July show significant improvements in terms of confidence and trust score compared Stallergenes Greer’s main competitors.
- **Medical:** Stallergenes Greer has expanded medical education to allergy specialist physicians through international conferences and national meetings in 17 countries involving over 220 physicians.
- **Technical Operations:** Stallergenes Greer’s sales made now in 40 countries (vs. 61 in 2015) with enough references released to make 70% of 2014 sales. STALORAL top 14 references are available in 21 countries (vs. 57 in 2015), ORALAIR is available in 23 countries (vs. 25 in 2015) and Venoms are available in 8 countries (vs. 17 in 2015). The delivery times are now consistently below two weeks.

### 2016 Business Outlook and Guidance

Considering the gradual positive impact of RESTART and ongoing successes in the US, the Group is anticipating that sales in Europe and International markets will improve during H2 2016 and that sales in the US will maintain the current performance throughout the year.

Stallergenes Greer’s financial objectives for 2016 are as follows:

- Full Year 2016 Group revenue objective of about €180-200 million
- Full Year 2016 Group EBIT to be significantly negative

Stallergenes Greer is confident sales growth acceleration will continue in 2017 and beyond.

### Webcast and Conference Call Information

The company will host an investor and analyst call on 25 August 2016. The event will also be available via live webcast at 6.00 pm CET / 5.00 pm BST / 12.00 pm EDT. The webcast will be available via the link below:

<http://edge.media-server.com/m/p/832htu5x>

Please connect at least 15 minutes prior to the conference to register, download and install any necessary audio software.

## Financial Calendar

- 16 November 2016 - Meet the managers event
- 29 March 2017 - FY 2016 Results
- 30 August 2017 - H1 2017 Results

## ABOUT STALLERGENES GREER PLC

Headquartered in London (UK), Stallergenes Greer plc is a global healthcare company specializing in the diagnosis and treatment of allergies through the development and commercialization of allergy immunotherapy products and services. Stallergenes Greer plc is the parent company of GREER Laboratories, Inc. (whose registered office is in the U.S.) and Stallergenes S.A.S. (whose registered office is in France).

### Trading information:

Name: Stallergenes Greer

ISIN: GB00BZ21RF93 1 - Ticker: STAGR

ICB classification 4577

Market: Euronext Paris regulated market

Additional information is available at <http://www.stallergenesgreer.com>

*This document (including information incorporated by reference in this document), oral statements made and other information published by the Company contain statements that are or may be forward-looking with respect to the financial condition and/or results of operations and businesses of the Company. These statements can be identified by the use of forward-looking terminology such as "believe," "expects," "project," "estimated," "forecast," "should," "plan," "may" or the negative of any of these, or other variations thereof, or comparable terminology indicating expectations or beliefs concerning future events. These forward-looking statements include risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Without being exhaustive, such factors include economic situations and business conditions, including legal and product evaluation issues, fluctuations in currencies and demand, and changes in competitive factors. These and other factors are more fully described in the Company's 2015 annual report published on 29 April 2016 on the Company's website ([www.stallergenesgreer.com](http://www.stallergenesgreer.com)). Actual results may differ from those set forth in the forward-looking statements, due to various factors. Save as required by applicable law, neither the Company nor any other person assumes any obligation to update these forward-looking statements or to notify any person of any such update.*

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*The consolidated income statement and balance sheet as of 30 June 2016 are audited. The pro forma consolidated income statement is unaudited. The condensed consolidated financial information contained in this announcement does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The information has been extracted from the consolidated financial statements for the period ending 30 June 2016 approved by the Directors on 24 August 2016. The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph nor any statement under Section 498 of the Companies Act 2006. The financial statements will be delivered to the Registrar of Companies after the Annual General Meeting. This financial information has been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority. In preparing this financial information management has used the principal accounting policies as set out in the Group's annual financial statements for the year ended 31 December 2015.*

## Condensed consolidated income statement as of 30 June 2016

€ thousands	30 June 2016	30 June 2015*
Net sales	78,018	12,746
Other revenue	93	-
<b>Total revenues</b>	<b>78,111</b>	<b>12,746</b>
Cost of goods sold	(43,378)	(5,114)
<b>Gross margin</b>	<b>34,733</b>	<b>7,632</b>
Distribution costs	(7,625)	(1,158)
Selling and marketing expenses	(31,364)	(2,419)
Administrative expenses	(29,857)	(4,783)
Other general expenses	(2,503)	(62)
<b>Selling, general and administrative expenses</b>	<b>(71,349)</b>	<b>(8,422)</b>
Loss before R&D	(36,616)	(790)
Research and development costs (R&D)	(25,072)	(723)
R&D-related income	4,612	-
<b>Net R&amp;D costs</b>	<b>(20,460)</b>	<b>(723)</b>
Operating loss before transformation costs	(57,076)	(1,513)
Transformation costs	(1,465)	(6,621)
Operating loss	(58,541)	(8,134)
Financial income	44	-
Financial expenses	(284)	(71)
<b>Net financial expense</b>	<b>(240)</b>	<b>(71)</b>
Loss before tax and associates	(58,781)	(8,205)
Income tax	19,844	555
Share of loss from associated companies	(92)	-
<b>Loss for the period</b>	<b>(39,029)</b>	<b>(7,650)</b>

\*The result to 30 June 2015 includes all Stallergenes Greer plc costs and from the 12th May, they also include the results of Stallergenes Greer Inc. and Finares AG.



## Condensed consolidated balance sheet as of 30 June 2016

€ thousands	30 June 2016	31 December 2015
Goodwill	207,479	210,844
Other intangible assets	93,736	101,716
Property, plant and equipment	79,049	78,059
Non-current financial assets	17,827	19,835
Deferred tax assets	23,456	4,447
<b>Non-current assets</b>	<b>421,547</b>	<b>414,901</b>
Inventories	59,193	59,362
Trade receivables	32,311	29,669
Current financial asset	49	2
Other current assets	15,741	14,034
Income tax receivable	12,204	17,608
Cash and cash equivalents	84,942	150,183
<b>Current assets</b>	<b>204,440</b>	<b>270,858</b>
<b>Total assets</b>	<b>625,987</b>	<b>685,759</b>
€ thousands	30 June 2016	31 December 2015
Share capital	19,788	19,788
Share premium	539	539
Merger and contribution premium	342,149	343,904
Revaluation reserve	(829)	(1,158)
Retained earnings	132,044	176,908
<b>Total shareholders' equity</b>	<b>493,691</b>	<b>539,981</b>
Provision for employee retirement obligations and related benefits	6,857	5,333
Non-current provisions	946	758
Deferred tax liabilities	23,842	25,692
<b>Non-current liabilities</b>	<b>31,645</b>	<b>31,783</b>
Trade payables	24,450	27,612
Current provisions	3,902	4,922
Current financial liabilities	15,558	17,669
Income tax payable	716	1,549
Other current liabilities	56,025	62,243
<b>Current liabilities</b>	<b>100,651</b>	<b>113,995</b>
<b>Total equity and liabilities</b>	<b>625,987</b>	<b>685,759</b>

## Consolidated cash flow statement

€ thousands	30 June 2016	30 June 2015
<b>Cash flow from operating activities</b>		
<b>Operating loss</b>	<b>(58,541)</b>	<b>(8,134)</b>
Amortisation and depreciation charges	12,786	1,778
Change in provisions	(12)	-
Share-based payments	247	-
Capital losses from disposal of assets	401	-
Financial losses excluding interests	40	-
Income tax paid	4,898	-
Change in working capital of operating activities	(9,397)	9,064
Change in deferred income	(338)	-
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(49,916)</b>	<b>2,708</b>
<b>Cash flow from investing activities</b>		
Net financial interest received	3	0
Purchase of non-current assets	(8,712)	(577)
Cash acquired on combinations under common control	-	8,730
Proceeds from sale of non-current assets	591	-
Change in working capital of investment activities	(4,477)	-
<b>Net cash (outflow)/inflow from investing activities</b>	<b>(12,595)</b>	<b>8,153</b>
<b>Free cash flow after investing activities</b>	<b>(62,511)</b>	<b>10,861</b>
<b>Cash flow from financing activities</b>		
Treasury shares purchases	(243)	-
Net financial interest paid	(284)	(71)
Repayment of bank overdrafts	(371)	-
Repayment of borrowings	(1,435)	(626)
Proceeds from borrowings	37	-
<b>Net cash (outflow) from financing activities</b>	<b>(2,296)</b>	<b>(697)</b>
<b>Change in cash and cash equivalents</b>	<b>(64,807)</b>	<b>10,164</b>
+ Cash and cash equivalents - opening balance	150,183	58
-/+ effect of translation adjustment on foreign currency - denominated cash	(434)	38
<b>= Cash and cash equivalents - closing balance</b>	<b>84,942</b>	<b>10,260</b>

## Unaudited pro forma consolidated income statement

€ millions	IFRS 30 June 2016	IFRS 30 June 2015	30 June 2015	Pro Forma 30 June 2015
Net sales	78.0	12.7	171.0	183.7
Other revenue	0.1	-	0.1	0.1
<b>Total revenues</b>	<b>78.1</b>	<b>12.7</b>	<b>171.1</b>	<b>183.8</b>
Cost of goods sold	(43.4)	(5.1)	(41.6)	(46.7)
<b>Gross margin</b>	<b>34.7</b>	<b>7.6</b>	<b>129.5</b>	<b>137.1</b>
Distribution costs	(7.6)	(1.1)	(8.0)	(9.1)
Selling and marketing expenses	(31.4)	(2.4)	(35.6)	(38.0)
Administrative expenses	(29.8)	(4.8)	(21.4)	(26.2)
Other general expenses	(2.5)	(0.1)	(0.7)	(0.8)
<b>Selling, general and administrative expenses</b>	<b>(71.3)</b>	<b>(8.4)</b>	<b>(65.7)</b>	<b>(74.1)</b>
Loss/(profit) before R&D	(36.6)	(0.8)	63.8	63.0
Research and development costs (R&D)	(25.1)	(0.7)	(24.6)	(25.3)
R&D-related income	4.6	-	16.3	16.3
Net R&D costs	(20.5)	(0.7)	(8.3)	(9.0)
<b>Operating loss before transformation costs</b>	<b>(57.1)</b>	<b>(1.5)</b>	<b>55.5</b>	<b>54.0</b>
Transformation costs	(1.4)	(6.6)	(4.4)	(11.0)
<b>Operating loss</b>	<b>(58.5)</b>	<b>(8.1)</b>	<b>51.1</b>	<b>43.0</b>
Financial income	0.0	-	0.9	0.9
Financial expenses	(0.3)	(0.1)	(0.4)	(0.5)
<b>Net financial expense</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>0.5</b>	<b>0.4</b>
<b>Loss before tax and associates</b>	<b>(58.8)</b>	<b>(8.2)</b>	<b>51.6</b>	<b>43.4</b>
Share of loss from associated companies	-	-	(0.1)	(0.1)
Income tax	19.8	0.5	(15.2)	(14.7)
<b>Loss/(profit) for the period</b>	<b>(39.0)</b>	<b>(7.7)</b>	<b>36.3</b>	<b>28.6</b>

All the activities were in respect of continuing operations.