



INTERIM FINANCIAL STATEMENTS

SEMESTER 1 - 2009

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The undersigned hereby declare that, to the best of their knowledge, the condensed consolidated financial statements for the six-months period ended 30 June 2009, which have been prepared in accordance with the IAS 34 'Interim Financial Reporting' as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit and loss of the company and the undertakings included in the consolidation as a whole, and that the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated financial statements, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

Ger van Jeveren, CEO
Jan Peeters, CFO
21 August 2009

1. Interim management report

No significant events have occurred during the first six months of 2009. A detailed report over the first six months of 2009 can be found in the press release of 21 August 2009.

2. Consolidated income statement

(x 1,000 euro)	June 2009	June 2008
Operating income	191,089	171,543
Turnover	190,173	170,456
Other operating income	916	1,087
Operating expenses	(175,780)	(156,388)
Trade goods	(100,065)	(90,755)
Services and other goods	(29,012)	(25,957)
Employee benefit expenses	(40,386)	(36,932)
Depreciation and amortization	(5,642)	(3,556)
Other operating expenses	(674)	812
Operating profit	15,309	15,155
Financial income	129	94
Financial expenses	(4,495)	(3,320)
Profit before income tax	10,943	11,929
Income tax expense	(1,548)	(2,031)
Profit after income tax	9,396	9,898
Attributable to:		
Equity holders of the company (net result)	9,362	9,880
Non-controlling interest	34	18
Profit for the period	9,396	9,898
Profit for the period per share (in euro)	0.31	0.32
Diluted profit per share (in euro)	0.31	0.32
Recurring net profit per share (in euro)	0.40	0.36
Diluted recurring net profit per share (in euro)	0.40	0.36

3. Statement of financial position

(x 1,000 euro)	June 2009	December 2008
Non current assets	265,720	254,215
Intangible assets	210,231	201,126
Property, plant and equipment	35,319	34,473
Financial assets	1,061	1,061
Deferred tax assets	18,236	16,598
Other non current assets	873	957
Current assets	172,869	163,518
Inventories	62,212	62,808
Trade receivables	69,531	65,975
Other current assets	19,092	16,232
Cash and cash equivalents	22,034	18,503
Total assets	438,589	417,733
Equity	185,941	185,530
Shareholder's equity (parent)	191,764	191,666
Treasury shares	(7,881)	(8,120)
Non-controlling interests	2,058	1,984
Non current liabilities	154,662	131,248
Provisions	846	811
Pension obligations	2,822	3,044
Deferred tax liabilities	4,234	4,941
Borrowings	144,449	120,876
Financial instruments	2,311	1,576
Current liabilities	97,985	100,955
Borrowings	1,297	2,018
Financial instruments	2,996	2,385
Trade payables	59,399	64,624
Taxes, remuneration and social security	22,372	20,747
Other current payables	11,923	11,182
Total equity and liabilities	438,589	417,733

4. Consolidated statement of changes in equity

(x 1,000 euro)	Share capital & share premium	Other reserves	Treasury shares	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 31 December 2007	317,302	(196,321)		57,244	178,225		178,225
Currency translation adjustments		787			787	113	900
Profit for the period				9,880	9,880	18	9,898
Total recognized income for the period	317,302	(195,534)		67,124	188,892	131	189,023
Purchase of treasury shares			(4,338)		(4,338)		(4,338)
Dividends relating to 2007 result				(1,833)	(1,833)		(1,833)
Share-based payments		90			90		90
Purchase participation non-controlling interests						2,064	2,064
Balance at 30 June 2008	317,302	(195,445)	(4,338)	65,291	182,810	2,195	185,005
Currency translation adjustments		(556)			(556)	(264)	(820)
Profit for the period				4,990	4,990	13	5,003
Total recognized income for the period	317,302	(196,001)	(4,338)	70,281	187,244	1,944	189,188
Purchase of treasury shares			(3,782)		(3,782)		(3,782)
Share-based payments		84			84		84
Purchase participation non-controlling interests						40	40
Balance at 31 December 2008	317,302	(195,917)	(8,120)	70,281	183,546	1,984	185,530
Currency translation adjustments		(267)			(267)	77	(190)
Profit for the period				9,362	9,362	34	9,396
Total recognized income for the period	317,302	(196,183)	(8,120)	79,642	192,641	2,095	194,736
Treasury shares			239		239		239
Dividends relating to 2008 result				(9,073)	(9,073)		(9,073)
Share-based payments		77			77		77
Purchase participation non-controlling interests						(37)	(37)
Balance at 30 June 2009	317,302	(196,107)	(7,881)	70,569	183,883	2,058	185,941

5. Statement of cash flows

(x 1,000 euro)	June 2009	June 2008
Operating activities		
Profit before income taxes	10,943	11,929
Taxes paid	(2,409)	(2,536)
Adjustments for financial items	4,366	3,226
Total adjustments for non-cash items	5,596	2,647
Total changes in working capital	(8,400)	(2,541)
Total cash flow from operating activities	10,096	12,725
Investment activities		
Capital expenditures	(7,235)	(9,126)
Investments in existing shareholdings (subsequent payments) and in new holdings	(9,953)	(30,301)
Total cash flow from investing activities	(17,188)	(39,427)
Financing activities		
Purchase of treasury shares	-	(4,338)
Dividends paid	(9,009)	(1,301)
New borrowings	23,973	25,577
Reimbursement of borrowings	(1,338)	(1,681)
Interest received (paid)	(3,021)	(3,226)
Total cash flow from financing activities	10,605	15,031
Total net cash flow of the period	3,513	(11,670)
Cash and cash equivalents - start of the year	18,503	27,789
Gains or losses on exchange on liquid assets	18	88
Cash and cash equivalents - end of the year	22,034	16,207
Change in cash and cash equivalents	3,513	(11,670)

6. Earnings per share

The weighted average number of ordinary shares outstanding at 30 June 2009 equals 30,208,308 against 30,931,956 at 30 June 2008. This results in a basic earnings per share of € 0.31. The diluted earnings per share also equals € 0.31.

The total number of Arseus shares equals 31,195,121 representing the capital on 30 June 2009, Arseus NV has obtained the ownership of 973.915 of the outstanding shares.

Recurring net profit per share for the period is defined as net result before non-recurring items and revaluation of financial derivatives after taxes.

7. Notes to the interim financial information

1. General information

Arseus NV (the 'Company') and its subsidiaries (together the Group) are suppliers of products and services with high added value to the European healthcare professionals and institutions. The Group has activities in sixteen European countries in 2009. The company is a limited liability company. The Company is incorporated and domiciled in Belgium, having its registered office at Textielstraat 24, 8790 Waregem. The company registration number is BE 0890 535 026.

The shares of the Company are listed on the regulated markets Euronext Brussels and Amsterdam.

This condensed consolidated interim financial information was approved for issue on 19 August 2009 by the Board of Directors.

2. Basis of preparation for condensed consolidated interim financial information

This condensed consolidated interim financial information for the six months ended 30 June 2009 including the comparable figures of 2008 has been prepared in accordance with IAS 34, 'Interim Financial Reporting', like adopted by the European Union. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year 2008, which is available on www.arseus.com.

3. Summary of the most important accounting policies

The accounting policies used to prepare the consolidated interim financial statements for the first half of 2009 are consistent with those applied in the Arseus consolidated financial statements for the year ended 31 December 2008.

The policies have been consistently applied to all the periods presented.

A summary of the most important accounting policies can be found in the 2008 annual report. The annual report can be consulted through the following web link: www.arseus.com.

This condensed consolidated interim financial information has been prepared in accordance with the IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as from 30 June 2009 which have been adopted by the European Union.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009:

- IAS 1 (revised), "Presentation of financial statements";
- IFRS 7 (amendment), "Improving disclosures about financial instruments";
- IFRS 8 "Operating segments".
- IAS 39 (amendment) "Financial instruments: Recognition and measurement".

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009 but are not currently relevant for the Group:

- IAS 23 (amendment), “Borrowing costs”;
- IFRS 2 (amendment), “Share-based payments”;
- IAS 32 (amendment), “Financial instruments: Presentation”;
- IFRIC 13, “Customer loyalty programs”;
- IFRIC 14, “IAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction”;
- IFRIC 16 “Hedges of a net investment in a foreign operation”;

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- IFRS 3 (revised), “Business combinations” and consequential amendments to IAS 27, “Consolidated and separate financial statements”, IAS 28, “Investments in associates” and IAS 31, “interests in joint ventures”, effective prospectively to business combinations for which the acquisition date is on or after 1 January 2010.

4. Non recurring items

Non recurring costs as per 30 June 2009 and 30 June 2008 primarily relate to restructuring costs and integration costs.

8. Segment information

All activities of the Group relate to products and services in professional healthcare, classified in four main operational segments: Fagron, Arseus Dental, Arseus Medical and Corilus. In accordance with IFRS 8, the operational segments are determined on the basis of the components the Executive Committee uses to assess the performance of the operational activities, which is used as a basis for the decisions.

Arseus is organised on the basis of four main operational segments:

1. Fagron – provides products and services for pharmaceutical compounding to pharmacies and pharmaceutical wholesalers. Fagron provides instruments and equipment for pharmaceutical compounding, as well as raw materials, intermediate products, under the Fagron brand. Fagron also provides third party compounding services to pharmacists and GP's with a pharmacy. Additionally Fagron provides specialty pharmaceutical raw materials to the pharmaceuticals, nutraceuticals, veterinary and cosmetics industries;
2. Arseus Dental – markets specialist products and services to dentists, dental labs and other dental professionals;
3. Arseus Medical – provides medical equipment and consumables in Belgium and the Netherlands, focusing on five distinct consumer profiles: hospitals, nursing homes, ophthalmologists, home care and general/specialist practitioners;
4. Corilus – offers IT concepts and total solutions for a wide range of medical and paramedical professions like pharmacists, dentists, general practitioners, ophthalmologists and veterinarians.

The segment results for the period ending 30 June 2009 are as follows:

(x 1,000 euro)	Fagron	Arseus Dental	Arseus Medical	Corilus	Total
Turnover	73,342	79,586	23,157	14,088	190,173
EBITDA before corporate costs and non recurring costs	13,101	7,174	1,430	3,715	25,421
Corporate costs					(2,662)
Non recurring costs					(1,807)
Depreciation and amortisation					(5,642)
Operating profit					15,309

The segment results for the period ending 30 June 2008 are as follows:

(x 1,000 euro)	Fagron	Arseus Dental	Arseus Medical	Corilus	Total
Turnover	66,605	68,709	22,374	12,769	170,456
EBITDA before corporate costs and non recurring costs	11,709	6,665	1,176	3,151	22,701
Corporate costs					(2,406)
Non recurring costs					(1,584)
Depreciation and amortisation					(3,556)
Operating profit					15,155

9. Business combinations

In the first semester Corilus has strengthened its market position in the connectivity between hardware and software for dentists through the acquisition of a unique software package that manages and controls hardware from a number of different manufacturers.

Arseus Dental has in the first semester strengthened its market position for equipment in the French market through reinforcement of its position in Paris and expansion of its distribution network to Western France.

The total acquisition price equals 9.085 million euros, representing an increase in goodwill of 8.138 million euros. A provisional determination has been made of the fair value of the acquired assets and liabilities of these acquired activities.

For the acquisition of Tamda in 2008 a final allocation of the acquisition price has been determined. The fair value of the acquired assets and liabilities is detailed below.

Fair value of the acquired assets and liabilities of Tamda (x 1,000 euro)	
Intangible assets	7
Property, plant and equipment	5,109
Deferred taxes	91
Inventory	1,481
Trade receivables	835
Other receivables	395
Cash	4,233
Total assets	12,151
Deferred taxes	23
Trades payables	593
Other current debt	3,921
Non-controlling interests	2,067
Net acquired assets	5,549
Goodwill	3,874
Total acquisition amount	9,423

For the acquisition of Julie-Owandy in 2008 a final allocation of the acquisition price has been determined. The fair value of the acquired assets and liabilities is detailed below.

Fair value of the acquired assets and liabilities of Julie-Owandy (x 1,000 euro)	
Intangible assets	5,298
Property, plant and equipment	315
Deferred taxes	66
Inventory	2,495
Trade receivables	3,702
Other receivables	2,140
Cash	1,599
Total assets	15,615
Non current provisions	30
Deferred taxes	1,641
Financial debts	4,097
Trade payables	3,391
Other current debts	7,217
Net acquired assets	(761)
Goodwill	19,876
Total acquisition amount	19,116

10. Significant events after balance date

No significant events occurred after balance date.

11. Contingent liabilities

No significant changes have occurred since 31 December 2008.

12. Effective tax rate

Recognised income tax expense is based on management's best estimate of the weighted average annual income tax rate of 14%, which is expected for the full financial year 2009.

13. Auditors' review report

To the Board of Directors
Arseus NV

FREE TRANSLATION

Statutory auditor's report on review of consolidated condensed financial information for the period ended 30 June 2009

Introduction

We have reviewed the accompanying consolidated balance sheet of Arseus NV and its subsidiaries as of 30 June 2009 and the related consolidated statements of income, changes in equity and cash flows for the 6-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this consolidated condensed financial information in accordance with IAS 34, as adopted by the European Union. Our responsibility is to express a conclusion on this consolidated condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated condensed financial information is not prepared, in all material respects, in accordance with IAS 34, as adopted by the European Union.

Gent, 20 August 2009

PricewaterhouseCoopers Bedrijfsrevisoren bcvba
Represented by

Lieven Adams
Bedrijfsrevisor

Peter Opsomer
Bedrijfsrevisor