

UCB – Financial Results 2011

- Revenue in 2011 increased by 1%¹ to EUR 3 246 million. Growth of the new medicines Cimzia® (+58%), Vimpat® (+65%) and Neupro® (16%) reaching combined net sales of EUR 625 million (+51%). Robust performance of Keppra®
- Underlying profitability (recurring EBITDA) of EUR 683 million reflecting increase in revenue, launch expenses and higher R&D expenses. Net profit increased to EUR 235 million due to lower net financial and income tax expenses. Core earnings per share were EUR 1.89
- Gross dividend of EUR 1.00 per share (+2%) recommended by Board of Directors
- Strong late stage pipeline: Cimzia® and Neupro® filed in Japan; head-to-head study of Cimzia® started; Cimzia® with positive phase 3 topline result in PsA; positive phase 2 headline results for Vimpat®.
- Financial outlook 2012: revenue expected at approximately EUR 3.1 billion; recurring EBITDA at approximately EUR 630-660 million and corresponding core earnings per share are expected in the range of EUR 1.60 -1.70.

Brussels (Belgium), 2 March 2012 – 7:00 AM (CET) - regulated information - UCB announced today its consolidated 2011 financial results. 2011 was marked by execution and delivery of growth of the core medicines Cimzia® (*certolizumab pegol*), Vimpat® (*lacosamide*) and Neupro® (*rotigotine*) – combined net sales of EUR 625 million (+51%). Keppra® (*levetiracetam*) delivered a robust performance with net sales of EUR 966 million (+3%). Growth from the new medicines offset declines within the mature product portfolio due to patent expiries.

"We are pleased with UCB's financial results for 2011 and the fact that Cimzia®, Vimpat® and Neupro® have reached more than 304 000 patients," said Roch Doliveux, Chief Executive Officer of UCB. "The growth of Cimzia®, Vimpat® and Neupro® combined with the robustness of Keppra® more than offset the impact of generic erosion of several mature products and enabled accelerated investments in UCB's future. Our solid 2011 performance, the momentum of our new medicines, new geographies and our promising pipeline provide a platform for future sustainable growth without major patent expiries ahead."

Financial performance in 2011

Revenue 2011 increased by 1% to EUR 3 246 million. Net sales amounted to EUR 2 876 million or 3% higher than in 2010 because of the solid performance of the core medicines Cimzia®, Vimpat® and Neupro® as well as Keppra® in Europe and Japan.

Cimzia® (*certolizumab pegol*) for Crohn's disease (CD) and rheumatoid arthritis (RA) reached net sales of EUR 312 million (+58% or 63% at constant exchange rates). The roll-

¹ Variance at actual rates versus 2010



out of Cimzia[®] continues with now more than 33 000 patients treated with the drug worldwide. Cimzia[®] is available in 26 countries. The anti-epileptic medicine, Vimpat[®] (*lacosamide*) is available in 25 markets reaching net sales of EUR 218 million (+65%; 70% at constant rates) with more than 171 000 patients being treated. Neupro[®] (*rotigotine*), a patch for Parkinson's disease and restless legs syndrome had net sales increasing by 16% to EUR 95 million in the 28 markets where the drug has been launched so far with more than 100 000 patients currently being treated.

The anti-epileptic Keppra[®] (*levetiracetam*) reached net sales of EUR 966 million which is 3% higher than last year. The continued post-exclusivity expiry erosion in North America (-18%; -14% at constant rates) was compensated by market leadership in Europe (+8%) benefiting from later than expected generic competition and by market leadership in 'Rest of World' (+33%) as well as the launch of E Keppra[®] in Japan.

Royalty income & fees amounted to EUR 187 million (-15%) due to lower royalties received for Toviaz[®] (*fesoterodine*), the divestiture of smaller products in 2010 and generic competition. Other revenue in 2011 amounted to EUR 183 million (-14%) mainly reflecting generic competition to Xyzal[®] (*levocetirizine*) sales in the U.S.

Gross profit of EUR 2 233 million is 3% higher than in 2010 following the increase of net sales and lower cost of sales. Total operating expenses reached EUR 1 798 million in 2011, +6% compared to last year, reflecting increased marketing & selling expenses (5%) driven by the launch expenses for the core medicines and new geographies and 11% higher research & development expenses as a result of the advanced late-stage pipeline and the start of development programmes. General & administrative expenses decreased by 1% to EUR 193 million.

As a result, underlying profitability -recurring EBITDA- is 7% lower than last year, reaching EUR 683 million reflecting the accelerated spend in research & development. Also recurring EBIT is down 7% to EUR 435 million.

Total non-recurring expenses amounted to EUR 91 million, after total non-recurring expenses of EUR 263 million in 2010. In 2010, this was driven by impairment charges related to products (e.g. *fesoterodine*) and the divestiture of manufacturing facilities. In 2011, the main components were an impairment charge, restructuring expenses and expenses in connection with amendment of the *epratuzumab* license agreement.

Net financial expenses were EUR 115 million (-38%) due to lower interest rates in 2011 and one-off financial expenses in 2010. Non-recurring items lead to income tax expenses of EUR 8 million after a tax credit of EUR 86 million in 2010. The average tax rate on recurring activities is 30% in 2011 compared to 23% in the same period of last year. The difference is mainly due to non-tax deductible items in high tax jurisdictions.

Net profit after non-controlling items reached EUR 235 million after EUR 103 million in 2010. Core earnings per share (EPS), which reflect the after tax effects of non-recurring items, financial one-offs and amortisation of intangibles, reached to EUR 1.89 based on 178.5 million weighted average shares outstanding in December 2011 from EUR 1.99 based on 180.1 million shares in December 2010 – reflecting the impact from accelerated research and development expenses.



Dividend

In-line with UCB's dividend policy, which considers the long-term potential of UCB, the Board of Directors recommends a gross dividend of EUR 1.00 per share (+2%).

R&D update central nervous system (CNS)

In December 2011, UCB's partner in Japan, Otsuka Pharmaceutical filed *rotigotine* for marketing authorisation in Japan with the Japanese authorities for the treatment of Parkinson's disease and restless legs syndrome.

In line with the requirements of the FDA, UCB is developing a room temperature stable patch formulation of Neupro® (*rotigotine*) for the treatment of Parkinson's disease (PD) and restless legs syndrome (RLS). UCB aims to make the patch available to U.S. patients during 2012, subject to regulatory approval.

The Vimpat® open-label pilot Phase 2 study for adjunctive therapy in primary generalised tonic-clonic seizures (PGTCS) showed positive results. The compound will now move into Phase 3 development for PGTCS.

All other clinical development projects in epilepsy are also on track: brivaracetam for adjunctive therapy, Vimpat® for monotherapy as well as paediatric adjunctive therapy and UCB0942.

R&D update immunology

UCB has filed *certolizumab pegol* for marketing authorisation with the Japanese Ministry of Health, Labour and Welfare (MHLW). UCB and Astellas Pharma Inc. have agreed to co-develop and co-promote *certolizumab pegol* in Japan.

UCB launched the first industry sponsored anti-TNF head-to-head study to assess the relative efficacy of Cimzia® and Humira® (*adalimumab*) for certain pre-determined parameters in the treatment of moderate to severe rheumatoid arthritis (RA). The study includes a 12 week response-based therapeutic decision and assesses the impact of an early response and decision on long-term (104 weeks) clinical and patient outcomes. This program is scheduled to report first results in 2016.

UCB intends to submit regulatory applications for Cimzia® in psoriatic arthritis by end of 2012. Top-line results from the RAPID-PsA™ phase 3 study evaluating the efficacy and safety of Cimzia® in patients with adult onset active psoriatic arthritis (PsA) demonstrated a clinically relevant and statistically significant improvement at week 12 in the signs and symptoms of psoriatic arthritis.

The other clinical development projects in immunology, namely Cimzia® in ankylosing spondylitis, *epiratuzumab* in systemic lupus erythematosus (SLE), CDP7851 in post-menopausal osteoporosis and fracture healing, *olokizumab* in RA and CDP7657 in SLE are advancing as planned.

Outlook 2012

UCB expects its financial results in 2012 to be driven by the continued growth of Cimzia®, Vimpat® and Neupro® as well as by post-exclusivity expiry erosion for Keppra®. Revenue 2012 is anticipated at approximately EUR 3.1 billion. Recurring EBITDA is expected at approximately EUR 630-660 million. Core earnings per share are expected in the corresponding range of EUR 1.60-1.70 – based on 177.3 million shares outstanding.



2011 – Financial highlights

A full financial report on the consolidated results is available on the UCB website:

<http://www.ucb.com/investors/financials/Financials-2011>

€ million	2011	2010	Actual rates	Cst rates
Revenue	3 246	3 218	1 %	2 %
Net sales	2 876	2 786	3 %	5 %
Royalty income and fees	187	220	-15 %	-15 %
Other revenue	183	212	-14 %	-13 %
Gross profit	2 233	2 165	3 %	5 %
Marketing and selling expenses	-837	-797	5 %	6 %
Research and development expenses	-780	-705	11 %	12 %
General and administrative expenses	-193	-194	-1 %	0 %
Other operating income/expenses (-)	12	-2	n.a.	n.a.
Recurring EBIT (REBIT)	435	467	-7 %	-5 %
Non recurring income/expenses (-)	-91	-263	-65 %	-65 %
EBIT (operating profit)	344	204	68 %	72 %
Net financial expenses	-115	-185	-38 %	-37 %
Profit before income taxes	229	19	n.a.	n.a.
Income tax expenses(-)/credit	-8	86	n.a.	n.a.
Profit from continuing operations	221	105	>100 %	>100 %
Profit from discontinuing operations	14	-1	n.a.	n.a.
Non-Controlling interest	0	-1	n.a.	n.a.
Net profit of the Group	235	103	>100 %	>100 %
Recurring EBITDA	683	731	-7 %	-5 %
Adjusted net profit *	225	239	-6 %	-6 %
Core net profit	337	359	-6 %	-3 %
Total liabilities and shareholder equity	9 178	8 969	2 %	n.s.
Total equity	4 823	4 592	5 %	n.s.
Net financial debt	1 548	1 525	1 %	n.s.
Capital expenditures (including intangible assets)	137	78	76 %	n.s.
Cash flow generated by operating activities	292	643	n.s.	n.s.
Cash flow used in investing activities	-131	-62	>100 %	n.s.
Cash flow used in financing activities	-387	-578	-33 %	n.s.
Weighted average number of shares - non-diluted	178.5	180.1	-1 %	n.s.
Basic EPS (€ per weighted average shares – non diluted)	1.32	0.57	>100 %	>100 %
Core EPS (€ per weighted average shares – non diluted)	1.89	1.99	-5 %	-3 %

"The statutory auditor has issued an unqualified review report dated 1 March 2012 on the company's consolidated accounts as of and for the year ended 31 December 2011, and has confirmed that the accounting data reported in the press release is consistent, in all material respects, with the accounts from which it has been derived."

* Adjusted for after-tax impact of non-recurring, one-off items and after-tax contribution from discontinued operations.

For further information

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2 March 2012 at 14.00 (CET) – Analysts' and investors' meeting in London/ Webcast

Link to the webcast or dial-in details on <http://www.ucb.com/investors/financials/Financials-2011>

Conference call details:

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**About UCB**

UCB, Brussels, Belgium (www.ucb.com) is a global biopharmaceutical company focused on the discovery and development of innovative medicines and solutions to transform the lives of people living with severe diseases of the immune system or of the central nervous system. With more than 8,000 people in about 40 countries, the company generated revenue of EUR 3.2 billion in 2011. UCB is listed on Euronext Brussels (symbol: UCB).

UCB Forward-Looking Statement

This press release contains forward-looking statements based on current plans, estimates and beliefs of management. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including estimates of revenues, operating margins, capital expenditures, cash, other financial information, expected legal, political, regulatory or clinical results and other such estimates and results. By their nature, such forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions which could cause actual results to differ materially from those that may be implied by such forward-looking statements contained in this press release. Important factors that could result in such differences include: changes in general economic, business and competitive conditions, the inability to obtain necessary regulatory approvals or to obtain them on acceptable terms, costs associated with research and development, changes in the prospects for products in the pipeline or under development by UCB, effects of future judicial decisions or governmental investigations, product liability claims, challenges to patent protection for products or product candidates, changes in laws or regulations, exchange rate fluctuations, changes or uncertainties in tax laws or the administration of such laws and hiring and retention of its employees. UCB is providing this information as of the date of this press release and expressly disclaims any duty to update any information contained in this press release, either to confirm the actual results or to report a change in its expectations.

There is no guarantee that new product candidates in the pipeline will progress to product approval or that new indications for existing products will be developed and approved. Products or potential products which are the subject of partnerships, joint ventures or licensing collaborations may be subject to differences between the partners. Also, UCB or others could discover safety, side effects or manufacturing problems with its products after they are marketed.

Moreover, sales may be impacted by international and domestic trends toward managed care and health care cost containment and the reimbursement policies imposed by third-party payers as well as legislation affecting biopharmaceutical pricing and reimbursement.