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Press release

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UCB: research budget for 2005 up significantly after conversion to biopharmaceutics

Research & Development

At its meeting today, the UCB Board approved an R&D budget for 2005 of € 480 million, compared to a budget of € 302 million in 2004, including € 58 million allocated to Surface Specialities. In 2004, the actual R&D expenses of UCB Pharma are estimated at € 260 million and those of Celltech at € 184 million. The main R&D budget in 2005 will be allocated to the following priorities: finalise the development of CDP 870, maximise the potential of *Keppra* and further development of *Keppra* successors and additional key-programs of CDP 323, CDP 791 and CDP 484 will be progressed.

The increase of the R&D budget confirms the commitment of the Group to grow internally.

Positive new advances in the field of the central nervous system were noted. The application for a new intravenous form for *Keppra* will be filed in the US on December 20th and in Europe at the beginning of 2005. *Keppra* will be the first new antiepileptic to have an intravenous form available for emergency treatment. The applications for extension of indications in children will also be submitted in the US and in Europe on December 20th.

In the domain of inflammation and allergies:

CDP 870: the recruitment of patients suffering from Crohn's disease in the two pivotal registration studies has completed two months earlier than expected. The response rates in the open phase of one of these studies are in line with those achieved by the only anti-TNF available on the market for the treatment of Crohn's disease. The "profiling" studies (phase III b) on Rheumatoid Arthritis are starting this month.

Xyzal (levocetirizine): the European registration authorities have just issued a favourable opinion for the approval of *Xyzal* in Persistent Rhinitis. *Xyzal* is the first antiallergic to obtain this indication.

A "once-a-day" formulation for *Efleterizine* has been achieved.

Investments

The investment budget for 2005 has been set at € 116 million, including € 23 million for an extension of the research facilities at Slough (UK). In 2004, the budget was € 165 million including € 81 million for Sector Surface Specialities and € 10 million for non sectorial. The budget takes into account the effort needed to meet, with suitable facilities and equipment, the continually expanding production requirements in terms of quality and volume.

Closing Surface Specialties

The formalities concerning the closing of the sale of Surface Specialties to Cytec are proceeding normally. However it seems unlikely that the FTC (Federal Trade Commission) procedure will allow completion by 31 December 2004 and it is more realistic to anticipate the closing by the end of January 2005.

Trend of 2004 results

The Board examined the prospects for the year end results.

In the Pharma sector, during the second half of the year, the growth of *Keppra* sales in the US and Europe and of *Xyzal* sales in Europe has gone on as expected. *Zyrtec* remains the leader in its class in the US and throughout the world. The antihistaminic market on prescription showed a decrease in the US during the second half of the year. In addition, *Zyrtec* sales in the US have been affected by the weakness of the dollar.

Despite an increased pressure on the ordinary profit during the second half of the year, UCB expects the net result for the year to show growth of more than 10% at constant exchange rates.

The preliminary results for the Group will be presented under Belgian GAAP rules on completion of the Board meeting on 4 February 2005; the final results and their IFRS presentation will be released after the Board meeting on 22 March 2005.

Board of Directors - Executive Committee

With a view to broadening the skills of the Board in the biopharmaceutical field and to becoming more international, at the next General Assembly the Board will propose the appointment of Dr Peter Fellner, former Chairman of Celltech and Mr Gerhard Mayr, former Chairman of Eli Lilly International Pharmaceutical; in addition, Mr Arnoud de Pret will be invited to replace Mr Eric Janssen, who has reached the official retirement age.

The Board confirmed the composition of the new Executive Committee which will begin its functions on 1 January 2005; Mr Roch Doliveux, Chairman, will be joined by Dr Melanie Lee, Executive Vice President R&D, and Messrs Luc Missorten, Executive Vice President Finance, and Jean-Pierre Pradier, Executive Vice President Human Resources. As from January 1st, 2005, the management of Surface Specialties will be completely independent and run by Mr Ben Van Assche as Managing Director of Surface Specialties S.A.

The Board paid a warm tribute to its Chairman, Mr Mark Eyskens, who will, as announced earlier, be replaced as from 1 January 2005 by Mr Georges Jacobs.

About the UCB Group

UCB (www.ucb-group.com) is a global pharmaceutical and specialty chemical leader with headquarters in Brussels, Belgium. Through its Pharma division, the company is focused on innovative solutions for human healthcare. UCB Pharma is a global biopharma player, specialising in the fields of central nervous system disorders, allergy and respiratory disease, immune and inflammatory disorders and oncology. UCB Pharma's key products are Keppra® (antiepileptic), Xyzal® and Zyrtec® (antiallergics), Nootropil® (cerebral function regulator), and Tussionex® (antitussive). UCB Pharma employs over 8,000 people operating in over 100 countries and in 2003 achieved sales of €1.5 billion. UCB is listed on Euronext Brussels and achieved sales of €3 billion and a net profit of €340 million in 2003.

On October 1st, 2004, UCB announced the sale of its Surface Specialties business to enable the Company to focus on its biopharmaceutical activities.

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