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Press release

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Net profit increases by 34%

- With an increase of 2% in turnover, UCB ordinary profit has grown by 13% and before tax by 32%. Net profit amounts to € 182M (+34%).
- The very impressive growth in sales achieved by Keppra and Xyzal more than compensates for the slight decrease in Zyrtec sales and contributes to the very good figures for pharmaceuticals which amount to € 207M before tax (+8.4%). These results do not take in any way account of the performance of Celltech, whose consolidation is expected to come into effect as of 1 August 2004.
- The Surface Specialties results, positively influenced by the successful integration of the activities acquired from Solutia, are steadily improving at € 43M before tax.

UCB results for the first half of 2004 are as follows:

UCB Group (*) (in € million)	First half-year period		Variation	
	2003	2004	In real terms	At constant exchange rates
Turnover	1,512.4	1,536.0	+2%	+6%
Pharma	738.7	784.2		
Surface Specialties	773.0	750.4		
- Films	185.5	181.4		
Non sectorial	0.7	1.4		
Operating profit (EBIT)	233.7	257.4		
Net financial costs	-5.3	0.7		
Ordinary profit	228.4	258.1	+13%	+25%
Pharma	192.8	200.9	+ 4%	+16%
Surface Specialties	30.8	50.4	+64%	+79%
- Films	0.4	1.7		
Non sectorial	4.8	6.8		
Extraordinary profit	-31.1	1.9		
Pharma	-2.1	5.7		
Surface Specialties	-21.5	-7.9		
Non sectorial	-7.5	4.1		
Tax	-61.2	-78.0		
Net profit after tax	136.1	182.0	+34%	+48%
Earning per share	0.93	1.25		

(*) Non-audited figures

Turnover for the **Pharma Sector** increased to € 784M for the first half of 2004, representing an improvement of 6% in real terms (11.4% at constant exchange rates), aided by the performance of *Keppra* (+42.3%) and *Xyzal* (+184%), whereas *Zyrtec* and *Nootropil* are doing well against the generic competition.

In neurology, *Keppra* reported sales increased by +42.3% (52.7% at constant exchange rates) to reach € 193M, a growth rate comparable to that in the US (+40.4% at € 126M) and in Europe (+40.6% at € 63M). *Keppra* has established a leadership position in the US for medicines in co-therapy among new generation antiepileptics.

In Allergy/Asthma, the total franchise represents a global turnover of € 362M. *Zyrtec*, despite the OTC medicine competition in the US, remains the best selling antiallergic medicine in the world. *Zyrtec* has strengthened its market leadership in the US increasing its market share to more than 36%.

Xyzal sales have continued to give particular cause for satisfaction. After having tripled in 2003, they tripled once again for the first half of 2004 to € 60M compared with the same period in 2003.

In R&D, development continues for new forms and indications of *Keppra*, for the molecules ucb 34714 and ucb 44212 as well as for the new indications and forms of *Xyzal*. In addition, development of the ucb 35440 molecule has been put on hold, as UCB focuses its efforts on more promising molecules.

Development of CDP 870 (in phase III) is being actively pursued in the indication of Crohn's disease and rheumatoid arthritis; new profiling studies to demonstrate its clinical advantages are currently being prepared.

Including an exceptional profit of € 6M, profit before tax for the Pharma Sector rose by 8.4% to € 207M. At constant rates, the increase in profit exceeds 20%, reflecting the extremely high performance of the Sector.

During the first half of 2004 UCB also made a successful recommended cash offer for Celltech Group plc, the United Kingdom's largest biotechnology company. The success of this major strategic move should allow UCB to take a leading role in the biotechnology sector through one of the most remarkable biologics research capabilities in the world. A global leadership position in biopharmaceuticals is now the goal envisaged by UCB's enlarged Pharma group.

Celltech will be consolidated within UCB with effect from 1 August 2004.

In the first half of 2004, the **Surface Specialties** Sector benefited from the full effects of the integration of the activities acquired from Solutia.

Sales, which have decreased by 2.9% to € 750M, would have shown a significant increase (+15%) at constant exchange rate and comparable scope of consolidation (without Taminco). The growth in volumes for the Sector stood at 7.7%. The US and Asian markets were the most dynamic.

Turnover from films contributed € 181M, a slight decrease compared to last year. The sale of the films activity, announced on 19 July 2004 for an amount of € 320M, is expected to take effect in September 2004 and to contribute to significant extraordinary profit in the 2004 accounts.

The successful integration of the activities acquired from Solutia has led to a 64% increase in ordinary profit to € 50M, thanks to the rapid implementation of all the announced synergies and despite an unfavourable change in the cost of raw materials. Despite a market with little growth, the trends seen in the first half of the year for Surface Specialties are expected to continue in the second, essentially driven by Asian demand.

At **Group** level, ordinary profit for the second half of the year is expected to be in line with those recorded for the first half-year period and to contribute to double digit growth for the year as a whole. Before depreciation of goodwill and intangibles linked to the acquisition, the Celltech's contribution is expected to have no impact on the Group net results.

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The UCB Group:

UCB (www.ucb-group.com), with headquarters in Brussels (Belgium), is a pharmaceutical and specialty chemical company, which operates on a global scale. It is committed to pharmaceuticals, as well as to technically innovative products for surface applications. It employs 12,000 people around the world. UCB, listed on Euronext Brussels, posted sales of €3 billion and net result of €340 million in 2003.

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