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## ***Press Release***

### **UCB SELLS SURFACE SPECIALTIES TO CYTEC FOR €1.5 BILLION**

Brussels – October 1<sup>st</sup>, 2004 – UCB, the Biopharmaceutical and Specialty Chemical company, today announced that it has signed an agreement to sell its Surface Specialties business to Cytec Industries Inc. (Cytec) for a total amount of € 1.5 billion of which € 1.3 billion in cash and € 0.2 billion in shares of Cytec (approximately 12 % of the capital). The sale will be submitted for approval to the relevant competition authorities and is expected to be concluded by the end of December 2004.

Through in-house innovation and the acquisition of Solutia's Coating Resins, Additives and Adhesives activities in 2003, Surface Specialties has built a leading position in these areas. Its production facilities are located in 3 continents, it has 4 R&D centers, 10 technical service centers and has commercial operations worldwide. It employs approximately 2,900 people and generated (excluding Films), a turnover of € 1.1 billion in 2003.

The present organization and facilities of Surface Specialties are expected to be maintained as such, including the division's worldwide headquarters in Brussels. Ben Van Assche, the current CEO of Surface Specialties will remain in charge of the division, will be elected as a corporate officer and appointed as a member of Cytec Executive Committee.

Cytec based in West Paterson (New Jersey, USA) is a global technology leader in specialty chemicals and specialty materials with sales in 2003 of \$ 1.5 billion. Its growth strategies are based on developing technologically advanced customer solutions for global markets including aerospace, industrial coatings, plastics, mining and water treatment. Cytec employs approximately 4,500 people and operates manufacturing and research facilities in 10 countries.

The transaction is in line with the recent strategic initiatives that aimed at transforming UCB from a hybrid to a pure biopharmaceutical company:

- Early 2003, integration of all non-pharma activities, including the activities acquired from Solutia in February 2003, into a new sector, Surface Specialties with a turnover of € 1.5 billion;
- May 2004, acquisition of Celltech, the leading UK-based biotechnology company;
- July 2004, sale of the Films Division (closed on September 30<sup>th</sup> for € 320 million).

Georges Jacobs, Chairman of the Executive Committee of UCB said: "This is an historical event for UCB which by divesting all of its non pharmaceutical activities, representing half of its turnover, and acquiring Celltech fulfills its strategy of becoming a leading biopharmaceutical company. The management and employees of Surface Specialties, who have been significant contributors to the development of the UCB Group, will benefit from being part of a global specialty chemicals and materials company fully committed to the further development of its core businesses. I would like to pay tribute to everyone involved in Surface Specialties for their competences, loyalty and dedication and to thank them for the valuable contribution they have made to the

evolution of UCB. We have complete confidence in their future within Cytec and wish them every success.”

David Lilley, Chairman, President and CEO of Cytec said, “The acquisition of UCB’s Surface Specialties business will provide us critical mass and an excellent position to service the coatings markets with a broad range of resins and additives as well as technical resins serving a wide range of other target markets. Their strong technology foundation positions us with a sustainable platform with above average growth rates in order to accelerate both sales and earnings growth. I am very pleased to welcome an outstanding management team and staff and am fully confident in the successful integration of Surface Specialties into Cytec.”

Bear Stearns International Limited acted as financial adviser to UCB on the transaction.

#### About the UCB Group:

UCB ([www.ucb-group.com](http://www.ucb-group.com)) is a global pharmaceutical and specialty chemical leader with headquarters in Brussels, Belgium. UCB is focused on innovative solutions for human healthcare through its UCB Pharma division, as well as technically innovative products for surface application through its Surface Specialties division, and employs 12,000 people around the world. UCB Pharma’s research activities are focused in the fields of neurology, allergy and respiratory disease, inflammation and oncology. UCB Pharma’s main products include *Keppra* (antiepileptic), *Xyzal* and *Zyrtec* (antiallergics), *Nootropil* (cerebral function regulator) and *Tussionex* (antitussive). UCB is listed on Euronext Brussels, and achieved sales of € 3 billion and a net profit of € 340 million in 2003.

Surface Specialties was created early 2003 to regroup all non-pharma activities of UCB, representing a total turnover of € 1.5 billion, i.e. specialty chemicals (€ 604 million), Films (€ 362 million) and activities acquired from Solutia (€ 535 million). Surface Specialties has excelled, through its own research and development, to build world leadership in environmentally-friendly resins for the coating and graphic arts industry.

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