

# Highlights of 2007

### Net sales grew by 1%\*, aided by two new product launches

- Net sales of €3.2 billion, with strong performances in our major markets North America (46% of sales) and EU (42% of sales).
- Key drivers of our world-wide sales for 2007 included:
  - our epilepsy treatment Keppra<sup>®</sup>, which reached more than €1 billion,
  - our allergy treatments Zyrtec<sup>®</sup> and Xyzal<sup>®</sup>, which together reached €0.7 billion,
  - our large portfolio of other products, which reached more than €1.5 billion, mainly driven by sales of Tussionex, Atmadisc<sup>™</sup>, Metadate<sup>™</sup> CD/Equasym<sup>™</sup> XL and Nootropil<sup>®</sup>.
- Successful launches of two new products in the USA: Neupro<sup>®</sup> for early Parkinson's disease and Xyzal<sup>®</sup> for allergy.

\*pro forma FY 2006 versus reported FY 2007

### Record number of regulatory approvals and filings

- Three products gained regulatory approval:
  - Neupro<sup>®</sup> for advanced Parkinson's (EU) and for early Parkinson's (USA),
  - Xyzal<sup>®</sup> for allergy (USA),
  - Cimzia<sup>®</sup>, our first biologic for Crohn's disease (Switzerland).
- Four molecules were filed for regulatory review across six indications:
  - Vimpat<sup>™</sup> for epilepsy (EU & USA),
  - Vimpat<sup>™</sup> for diabetic neuropathic pain (EU & USA),
  - Neupro<sup>®</sup> for advanced Parkinson's (USA),
  - Neupro<sup>®</sup> for restless legs syndrome (EU & USA),
  - Keppra<sup>®</sup> XR - extended release formulation for epilepsy (USA),
  - Cimzia<sup>®</sup> for rheumatoid arthritis (USA).
- Moreover, we progressed a wide range of novel molecules through clinical trials. Rikelta<sup>™</sup> entered Phase III trials for adjunctive treatment in partial-onset epilepsy; CDP323 entered Phase II for the treatment of multiple sclerosis; and *anti-sclerostin* successfully completed a first Phase I trial for the treatment of bone loss disorders, among numerous other R&D advances.

## Swift and successful integration of Schwarz Pharma

- The domination and profit transfer agreement between our wholly owned subsidiary UCB SP GmbH and Schwarz Pharma, which is now more than 89% owned by UCB, was registered in July 2007, enabling us to take significant steps to integrate the two companies.
- The integration generated synergies of €166 million by the end of the year.
- Key talent was retained and the best of both companies incorporated in the newly merged entity. This included adopting Schwarz Pharma's proven model of empowered project teams in R&D, with streamlined corporate governance structures, to improve the speed and efficiency of our development processes.



## Solid financial foundations for sustained growth

- Our results exceeded the financial guidance we provided in July 2007.
- Revenue of €3.6 billion in line with 2006 pro forma revenue, up 42% on a reported basis.
- Underlying profitability (recurring EBITDA), before one-time, acquisition-related inventory step-up of €741 million, in line with 2006 pro forma profitability, up 31% on a reported basis.
- Net profit decreased from €391 million in 2006 (pro forma), to €160 million in 2007, reflecting acquisition-related expenses as well as one-time, non-cash inventory step-up and incremental amortisation expenses.
- R&D expenditure of 25% of sales, placing UCB in the top quartile for R&D expenditure within the pharmaceutical industry.

