2013 half-year financial report

Key highlights

- **Revenue** in the first six months of 2013 decreased by 3% to € 1 657 million. Net sales amounted to € 1 466 million or 4% lower than in the first six months of 2012, due to generic competition to Keppra® and other mature products, mostly offset by strong performance of the core medicines Cimzia®, Vimpat® and Neupro®. Royalty income and fees remained stable. Other revenue increased by 11% driven by milestone payments received upon the launch of Cimzia® and Neupro® in Japan and the upfront payment from R-Pharm for out-licensing *olokizumab*.
- **Recurring EBITDA** reached € 319 million compared to € 361 million as at 30 June 2012, decreasing 12%, reflecting the high research & development expenses as well as the generic erosion of Keppra® and other products.
- **Net profit** decreased from € 137 million in the first half of 2012 to € 87 million in the first half of 2013, reflecting lower net sales and higher income tax expenses.
- **Core earnings per share (EPS)** achieved € 0.90 down from € 1.09 in the first half of 2012.

For the six months ended 30 June[1]	Actual		Variance	
€ million	2013	2012 (revised)[2]	Actual rates	Cst rates
Revenue	**1 657**	**1 706**	**-3%**	**-1%**
Net sales	1 466	1 527	-4%	-2%
Royalty income and fees	85	83	2%	4%
Other revenue	106	95	11%	15%
Gross profit	**1 135**	**1 183**	**-4%**	**-1%**
Marketing and selling expenses	-413	-440	-6%	-3%
Research and development expenses	-424	-405	5%	7%
General and administrative expenses	-107	-94	13%	14%
Other operating income / expenses (-)	3	-3	>-100%	>-100%
Recurring EBIT (REBIT)	**194**	**241**	**-20%**	**-15%**
Non-recurring income / expenses (-)	-19	-14	27%	30%
EBIT (operating profit)	**175**	**227**	**-23%**	**-18%**
Net financial expenses (-)	-69	-76	-9%	-8%
Profit before income taxes	**106**	**151**	**-30%**	**-22%**
Income tax expenses (-) / credit	-22	-16	38%	52%
Profit from continuing operations	**84**	**135**	-38%	-31%
Profit / loss (-) from discontinued operations	3	2	69%	69%
Net profit	**87**	**137**	**-36%**	**-30%**
Attributable to UCB shareholders	92	137	-33%	-30%
Attributable to non-controlling interest	-5	0	n.a.	n.a.
Recurring EBITDA	**319**	**361**	**-12%**	**-8%**
Capital expenditures (including intangible assets)	185	83	>100%	n.a.
Net financial debt[1]	2 096	1 766	19%	n.a.
Cash flow from operating activities	32	221	<100%	n.a.
Weighted average number of shares - non-diluted	**181.9**	**179.1**	2%	n.a.
EPS (€ per weighted average number of shares - non diluted)	**0.51**	**0.77**	**-34%**	**-30%**
Core EPS (€ per weighted average number of shares - non diluted)	**0.90**	**1.09**	**-17%**	**-15%**

1 Except for the net financial debt, where 2012 relates to the situation as published in the audited consolidated financial statements as at 31 December 2012.

2 Revised for R&D tax credits previously recorded as income tax expenses are re-classed to R&D expenses.

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2013 key events

There have been a number of key events that have affected or will affect UCB financially:

Important agreements / initiatives

- February 2013 - **R&D partnership with ConfometRx:** UCB has sealed a research agreement with ConfometRx to enable the discovery of novel medicines addressing unmet medical needs in neuroscience. Under this two-year multi-target agreement, UCB and ConfometRx will leverage structural biology to gain insight into G-protein coupled receptor (GPCR) modulation towards the design of differentiated drugs.
- February 2013 - **UCB licensed worldwide rights to *tozadenant* in Parkinson's disease from Biotie Therapies:** UCB licensed worldwide exclusive rights to Biotie's ***tozadenant*** (SYN115), a selective inhibitor of the adenosine 2a receptor, currently in development for the treatment of Parkinson's disease. As a result, Biotie received an one-time fee payment of US$ 20 million from UCB. In addition Biotie will conduct phase 3 development of *tozadenant* in return for additional payments from UCB relating to defined development, regulatory and commercialization milestones.
- March 2013 - **Fixed rate bond issuance:** UCB successfully completed the placement of its 3.75% fixed rate bonds through a public offering in Belgium. The aggregate nominal amount of the bonds is set at € 250 million.
- March 2013 - **Strategic discovery collaboration with Five Prime Therapeutics:** UCB and Five Prime Therapeutics have entered into a strategic collaboration for the discovery of innovative biologics targets and therapeutics in the areas of fibrosis-related inflammatory diseases and central nervous system (CNS) disorders.
- May 2013 - **UCB to secure long-term partnership with UNITHER Pharmaceuticals for its Rochester manufacturing facility:** UCB has agreed with UNITHER Pharmaceuticals, a leading pharmaceutical manufacturer, that UNITHER will acquire UCB's manufacturing plant in Rochester, NY. The agreement is part of UCB's strategy to optimize its manufacturing network in line with the evolution of its portfolio. The transaction also includes a six-year supply agreement between UCB and UNITHER.
- June 2013 - **UCB collaborates with CRELUX and 4SC Discovery to meet unmet needs in neurology**: Based on their joint idea-to-candidate (i2c) platform, CRELUX and 4SC Discovery will discover and optimize small molecule compounds with the goal to deliver high quality drug candidates to UCB.
- June 2013 - **UCB out-licensed *olokizumab* to R-Pharm**: UCB and R-Pharm, a privately owned pharmaceutical company based in Moscow, Russia, have entered into a world-wide exclusive license grant to R-Pharm to develop and commercialize *olokizumab* in all indications, including rheumatoid arthritis.
- July 2013 - **UCB's Kremers Urban Pharmaceuticals (KU) receives FDA approval** for 18 mg and 27 mg extended release *methylphenidate hydrochloride* product, for which Concerta® is the reference listed drug product. KU has begun launch operations and supplying the U.S.-market. KU also received tentative approval for the 36 mg and 54 mg and will be eligible for final approval after exclusivity expiration in September 2013.

Regulatory update and pipeline progress

Central Nervous System (CNS)

- **Vimpat®** (*lacosamide*) generated positive results in the Phase 3 **U.S. monotherapy** study: top-line results demonstrated that the conversion to lacosamide monotherapy met its primary endpoint (March 2013). UCB is submitting these data as part of its supplemental New Drug Application (sNDA) to the U.S. Food & Drug Administration (FDA), in H2 2013.
  The **European monotherapy** Phase 3 development program for Vimpat® in partial-onset seizures is on track, with first results expected in Q4 2014.
  The **pediatric** Phase 3 program is scheduled to start in 2013. Discussions with regulatory agencies to move Vimpat® into Phase 3 development for primary generalized tonic-clonic seizures (**PGTCS**) are on-going. The Phase 3 clinical trial **in Asia** is on-going as planned, with initial results expected in H1 2015.
  In June 2013, UCB received abbreviated new drug applications (ANDAs), which have recently been filed by generic companies for Vimpat®. UCB has filed suit against the ANDA applicants.
- **Neupro®** (*rotigotine* transdermal system) was launched in Japan for early and advanced **Parkinson's disease** (PD) as well as **restless legs syndrome** (RLS) in February 2013. UCB's CNS partner, Otsuka Pharmaceutical, holds exclusive rights for developing and marketing Neupro® in Japan.
- In May 2013, UCB and Otsuka Pharmaceutical, received regulatory approval in Japan for **E Keppra®** (*levetiracetam*) as adjunctive therapy in the treatment of partial-onset seizures in **pediatric** patients with epilepsy, aged four years and older. In Japan, E Keppra® has been marketed in adjunctive therapy for partial onset seizures in adult patients with epilepsy in combination with other antiepileptic drugs since September 2010.
- The Phase 3 study evaluating ***brivaracetam*** as adjunctive therapy in the treatment of **partial onset-seizures** in adults with epilepsy is on-going. First results are expected in H2 2014.

Immunology

- In February 2013, UCB announced two new regulatory filings with the U.S Food and Drug Administration (FDA) and with the European Medicines Agency (EMA) to extend the marketing authorization for **Cimzia®** (*certolizumab pegol*) for the treatment of adult patients with active **psoriatic arthritis** (PsA) and for adult patients with active **axial spondyloarthritis** (axSpA). These regulatory filings are now under review by both agencies.
  The FDA's Arthritis Advisory Committee met in July to discuss UCB's application for Cimzia® for the proposed indication of treatment of adults with active axial spondyloarthritis (axSpA), including patients with ankylosing spondylitis (AS). The Committee voted seven to six, with one abstention, to recommend approval of Cimzia® for the proposed indication. The FDA is not bound by the Committee's guidance, but the Agency may consider the Committee's recommendations as it completes its review.
  In March 2013, UCB and Astellas, its immunology partner in Japan, launched Cimzia® in the treatment of **rheumatoid arthritis** (RA) in Japan.
  The other clinical development projects for Cimzia® are on-going.
- UCB and its partner, Amgen Inc., decided in February 2013 not to pursue a Phase 3 clinical trial program for ***romosozumab*** (CDP7851 / AMG785) in accelerated **fracture healing**. This decision does not impact the **post-menopausal osteoporosis** (PMO) Phase 3 program, with initial results expected by the end of 2015.
- The Phase 3 program for ***epratuzumab*** will continue to enroll patients with **systemic lupus erythematosus** (SLE) throughout 2013. The slower than anticipated enrollment is due to the heterogeneous nature of SLE and the complex aspects of the diagnostic instruments. First results are now expected in Q1 2015.
- For ***CDP7657***, a CD40 ligand antibody under development in partnership with Biogen Idec, UCB started a phase 1b study in **SLE**. First results are expected in H2 2014.

2013 half-year management report

The financial information included in this management report should be read in conjunction with the condensed consolidated interim financial information and the consolidated financial statements as at 31 December 2012. This condensed consolidated interim financial information has been reviewed, not audited.

Scope change: As a result of the divestiture of the remaining non-pharma activities (i.e. Surface Specialties) in February 2005, UCB reports the results from those activities as a part of profit from discontinued operations.

Recurring and non-recurring: Transactions and decisions of a one-time nature that affect UCB's results are shown separately ("non-recurring" items). Besides EBIT (earnings before interest and taxes or operating profit), a line for "recurring EBIT" (REBIT or recurring operating profit), reflecting the on-going profitability of the company's biopharmaceutical activities, is included. The recurring EBIT is equal to the line "operating profit before impairment, restructuring and other income and expenses" reported in the consolidated income statement.

Adjusted net profit: Transactions and decisions of a one-time nature that are impacting UCB's results for both periods under review are highlighted separately ("non-recurring items" and "one-off items"). For like-for-like comparison purposes, a line with "adjusted net profit", reflecting the on-going after-tax profitability of the biopharmaceutical activities, is included. Adjusted net profit is equal to the line "profit" reported in the consolidated income statement, adjusted for discontinued operations and the after-tax impact of non-recurring items and one-off items.

Core EPS: The adjusted net profit, as defined above, adding back the after tax amortization of intangible assets linked to sales, per non-diluted, weighted average number of shares.

Core products: The "core products" are UCB's newly launched medicines Cimzia®, Vimpat® and Neupro®. UCB's priority is the continued launch and growth of those three products.

1. Net sales by product

€ million	Actual June YTD		Variance %	
	2013	2012	Actual rates	Cst rates
Core products	**537**	**413**	**30%**	**32%**
Cimzia®	272	209	30%	33%
Vimpat®	185	150	23%	25%
Neupro®	80	54	48%	48%
Other products	**929**	**1 114**	**-17%**	**-14%**
Keppra® (including Keppra® XR)	361	445	-19%	-17%
Zyrtec® (including Zyrtec-D® / Cirrus®)	133	150	-12%	-3%
Xyzal®	47	71	-34%	-34%
omeprazole	30	39	-23%	-22%
Nootropil®	29	31	-6%	-5%
Other	329	378	-13%	-12%
Total net sales	**1 466**	**1 527**	**-4%**	**-2%**

Net sales amount to € 1 466 million or 4% lower than in the first six months of 2012, or 2% lower adjusted for divestitures.

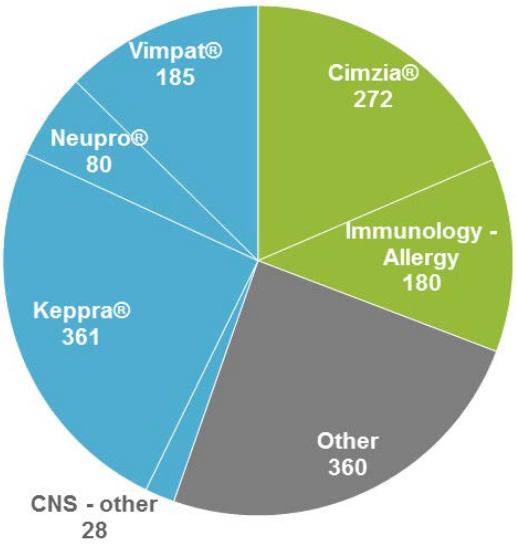
Core products

- **Cimzia®** *(certolizumab pegol)*, for moderately to severely rheumatoid arthritis (RA) and for Crohn's disease (CD) reached net sales of € 272 million, an increase of € 63 million or 30% compared to the first half year of 2012.
- **Vimpat®** (*lacosamide*), for epilepsy, as an add-on therapy for the treatment of partial-onset seizures reached net sales of € 185 million, an increase of 23% compared to the first half year of 2012.
- **Neupro®** (*rotigotine*), for Parkinson's disease (PD) and restless legs syndrome (RLS), showed a net sales increase by 48% to € 80 million driven by the launch in the U.S. (July 2012).

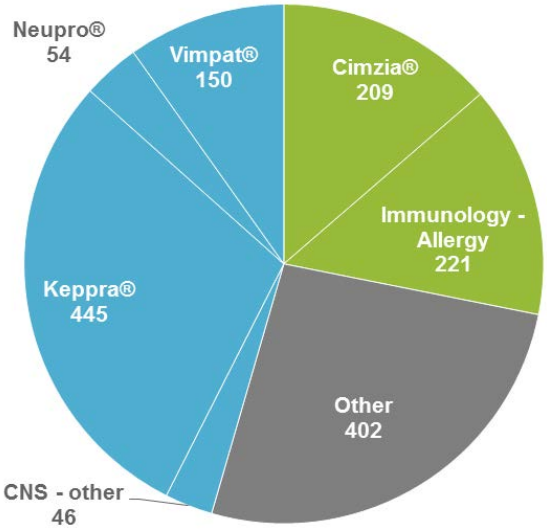
Other products

- **Keppra**® (*levetiracetam*), for epilepsy, reached net sales of € 361 million (of which € 35 million for Keppra® XR) which is 19% lower than last year. The continued post-exclusivity expiry erosion in Europe (-35%) and the stable situation in North America (-3%; -2% at constant rates) was partially compensated by strong growth in the emerging markets (+39%).
- **Zyrtec**® (*cetirizine*, including Zyrtec®-D / Cirrus®), for allergy, decreased net sales 12% to € 133 million, due to generic competition.
- **Xyzal**® (*levocetirizine),* for allergy, reached net sales of € 47 million, a decrease of 34% compared to 2012, mainly due to generic competition.
- ***omeprazole*,** a generic product for hyperacidity disease, reached net sales of € 30 million a decrease of 23% compared to last year.
- **Nootropil**® (*piracetam*), for cognitive disorders, saw a decrease in net sales of 6% from € 31 million to € 29 million.
- **Other products**: net sales for other products decreased 13% to € 329 million. Adjusted for product divestitures the decrease would have been 6%.

Net sales - HY 2013 - € 1 466 million



Net sales - HY 2012 - € 1 527 million



2. Net sales by region

€ million	Actual June YTD		Variance - actual rates		Variance - constant rates	
	2013	2012	€ million	%	€ million	%
Net sales North America	**580**	**538**	**41**	**8%**	**49**	**9%**
Core products						
Cimzia®	174	145	29	20%	32	22%
Vimpat®	139	110	29	26%	31	28%
Neupro®	16	0	16	n.a.	16	n.a.
Other products						
Keppra® (including Keppra® XR)	112	115	-4	-3%	-2	-2%
Metadate™ CD	18	38	-19	-51%	-19	-51%
Tussionex™	17	16	1	4%	1	5%
venlafaxine XR	14	13	1	5%	1	7%
Other	89	101	-11	-11%	-10	-10%

€ million	Actual June YTD		Variance - actual rates		Variance - constant rates	
	2013	2012	€ million	%	€ million	%
Net sales Europe	**567**	**670**	**-104**	**-15%**	**-102**	**-15%**
Core products						
Cimzia®	78	58	19	33%	19	33%
Vimpat®	42	37	5	15%	5	15%
Neupro®	60	53	7	14%	8	14%
Other products						
Keppra®	162	250	-88	-35%	-87	-35%
Zyrtec® (including Cirrus®)	37	34	2	6%	2	6%
Xyzal®	25	31	-6	-20%	-6	-20%
Nootropil®	14	17	-3	-19%	-3	-19%
Atmadisc®	10	33	-22	-68%	-22	-68%
Other	140	157	-18	-11%	-17	-11%
Net sales Japan	**107**	**152**	**-45**	**-30%**	**-25**	**-16%**
Core products						
Cimzia®	8	0	8	n.a.	9	n.a.
Neupro®	2	0	2	n.a.	2	n.a.
Other products						
Zyrtec®	61	93	-32	-35%	-19	-21%
E Keppra®	26	31	-4	-13%	2	5%
Xyzal®	10	29	-19	-65%	-18	-64%
Other	0	0	0	-10%	0	-9%
Net sales Emerging Markets BRICMT	**164**	**122**	**42**	**35%**	**44**	**36%**
Core products						
Cimzia®	3	1	2	>100%	2	>100%
Vimpat®	2	1	1	50%	0	46%
Neupro®	1	1	0	58%	0	53%
Other products						
Keppra®	40	28	11	39%	11	39%
Zyrtec®	25	14	12	87%	12	92%
Xyzal®	10	9	1	6%	1	7%
Other	83	68	15	23%	15	22%
Net sales Rest of World	**53**	**46**	**7**	**15%**	**9**	**20%**
Core products						
Cimzia®	9	5	5	>100%	5	>100%
Vimpat®	2	2	0	14%	0	16%
Neupro®	1	1	0	25%	0	26%
Other products						
Keppra®	22	20	1	6%	1	6%
Zyrtec®	5	6	-1	-9%	-1	-9%
Xyzal®	2	2	0	29%	0	27%
Other	11	11	1	5%	2	23%
Unallocated	**-4**	**-1**				
Total net sales	**1 466**	**1 527**	**-61**	**-4%**	**-29**	**-2%**

North America: U.S. and Canada

Europe: Albania, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Finland, France (including French territories), Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom and Vatican

Emerging markets (BRICMT): Brazil, Russia, India, China, Mexico and Turkey

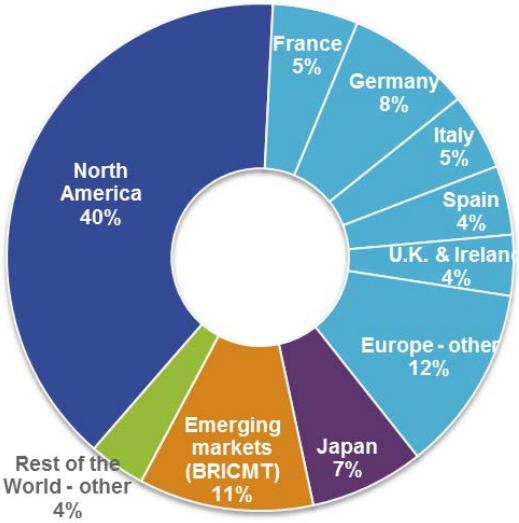
North America net sales reported by UCB reached € 580 million in the first six months of 2013, an increase of 8% from the year before. At constant currency rates, the increase would have been 9%. Cimzia®, for patients suffering from Crohn's disease (CD) and rheumatoid arthritis (RA), reached net sales of € 174 million, compared to € 145 million in the first six months of 2012. The anti-epileptic drug Vimpat®, available as an add-on therapy for the treatment of partial-onset seizures achieved net sales of € 139 million in the first half of 2013, up 26%. Neupro® for the treatment of Parkinson's disease (PD) and restless legs syndrome (RLS) was launched in the U.S. during the second half of 2012. In the first half of 2013, Neupro® reached net sales of € 16 million. The Keppra® franchise declined to € 112 million in the first half year 2013, down by 3% year-over-year. Metadate™ CD net sales were € 18 million a decrease of 51% due to generic competition. The net sales of the other products in this region reached € 89 million, down 11%.

Europe net sales totaled € 567 million in 2013, a decrease of 15% compared to the first half 2012. Cimzia® net sales increased from € 58 million to € 78 million, plus 33%. The anti-epileptic drug Vimpat® contributed € 42 million to net sales, plus 15%. Neupro® for the treatment of Parkinson's disease (PD) and restless legs syndrome (RLS) showed net sales of € 60 million up by 14% compared to the previous year. Keppra® net sales represented € 162 million, a decrease of 35% compared to the same period of last year, due to continued generic competition. The allergy drug Zyrtec® reached net sales of € 37 million (+6%) while Xyzal® decreased by 20% to € 25 million, due to further generic competition and the allergy season. All other products contributed € 164 million to European net sales, a reduction of 21% versus the previous year, mainly related to product divestitures**.**

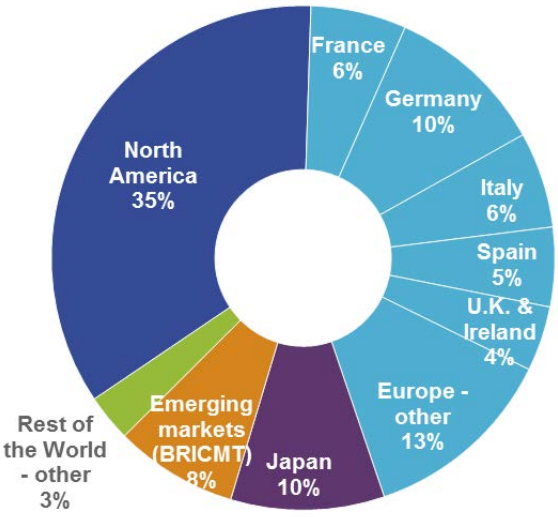
Japan net sales reached € 107 million after € 152 million in the first half of 2012, a decrease of 30%. At constant currency rate this would have been a decrease of 16%. Performance has been affected by the continued generic erosion of Zyrtec® and the allergy season. Excluding Allergy, growth in Japan is 42% at constant rates and related to E Keppra® and the very recent launches of Cimzia® and Neupro®.

Emerging and other Markets combined net sales reached € 217 million after € 168 million in the first half of 2012, an increase of 29%, predominantly driven by Keppra® and the allergy franchise, while Cimzia®, Vimpat® and Neupro® are being launched in many countries in these regions.

Net sales - HY 2013 - € 1 466 million



Net sales - HY 2012 - € 1 527 million



3. Royalty income and fees

€ million	Actual June YTD		Variance %	
	2013	2012	Actual rates	Cst rates
Biotechnology IP	42	41	3%	6%
Toviaz®	14	21	-33%	-33%
Zyrtec® U.S.	10	10	-4%	-2%
Other	19	11	65%	68%
Royalty income and fees	**85**	**83**	**2%**	**4%**

Royalty income and fees for the first half of 2013 amounted to € 85 million, up by € 2 million or 2% compared to the same period last year. Biotechnology intellectual property (IP) royalties stayed stable, while the franchise royalties paid by Pfizer for the overactive bladder treatment Toviaz® (*fesoterodine*) decreased by 33% to € 14 million. Zyrtec® U.S. royalty income on over-the-counter sales remained stable at € 10 million. Other royalty income increased by € 8 million or 65%.

4. Other revenue

€ million	Actual June YTD		Variance %	
	2013	2012	Actual rates	Cst rates
Contract manufacturing sales	45	45	1%	2%
Provas™ and other profit sharing	16	13	21%	21%
Astellas (Cimzia®) / Otsuka (E Keppra®, Neupro®)	28	25	13%	27%
Other	17	12	28%	28%
Other revenue	**106**	**95**	**11%**	**15%**

Other revenue for the first half of 2013 amounted to € 106 million, up 11%. Contract manufacturing sales, which is mostly related to the agreements with GSK announced in 2009, remained stable at € 45 million. The profit-sharing agreement with Novartis on Provas™, Jalra® and Icandra® in Germany represents € 16 million, up by 21%. Milestone payments received upon the launch of Cimzia® and Neupro® in Japan of € 28 million, up 13%. Other includes the upfront out-licensing from R-Pharm for *olokizumab.*

5. Gross profit

€ million	Actual June YTD		Variance %	
	2013	2012	Actual rates	Cst rates
Revenue	**1 657**	**1 706**	**-3%**	**-1%**
Net sales	1 466	1 527	-4%	-2%
Royalty income and fees	85	83	2%	4%
Other revenue	106	95	11%	15%
Cost of sales	**-522**	**-523**	**0%**	**1%**
Cost of sales products and services	-372	-386	-4%	-3%
Royalty expenses	-72	-61	19%	20%
Amortization of intangible assets linked to sales	-78	-75	4%	5%
Gross profit	**1 135**	**1 183**	**-4%**	**-1%**
of which				
Products and services	1 200	1 236	-3%	0%
Net royalty income	13	23	-43%	-39%
Amortization of intangible assets linked to sales	-78	-75	4%	5%

Gross profit of € 1 135 million is 4% lower than in first half 2012 following the decrease in net sales.

Cost of sales has three components, the cost of sales for products and services, royalty expenses, and the amortization of intangible assets linked to sales:

- The **cost of sales for products and services** decreased by € 14 million from € 386 million in 2012 to € 372 million in 2013, due to lower sales and product mix.

- **Royalty expenses** increased from € 61 million in 2012 to € 72 million in 2013, as a result of higher royalties related to the core products Cimzia® and Vimpat®.

€ million	Actual June YTD		Variance %	
	2013	2012	Actual rates	Cst rates
Biotechnology IP	-21	-15	46%	51%
Other	-51	-46	10%	11%
Royalty expenses	**-72**	**-61**	**19%**	**20%**

- **Amortization of intangible assets linked to sales**: UCB has reflected on its balance sheet a significant amount of intangible assets mainly relating to the Celltech and Schwarz Pharma acquisitions (in-process R&D, manufacturing know-how, royalty streams, trade-names, etc.). The amortization expenses of the intangible assets for which products have already been launched amounted to € 78 million in half-year 2013, and is € 3 million higher compared to the same period of 2012.

6. Recurring EBIT and recurring EBITDA

€ million	Actual June YTD		Variance %	
	2013	2012 (revised)	Actual rates	Cst rates
Revenue	**1 657**	**1 706**	**-3%**	**-1%**
Net sales	1 466	1 527	-4%	-2%
Royalty income and fees	85	83	2%	4%
Other revenue	106	95	11%	15%
Gross profit	**1 135**	**1 183**	**-4%**	**-1%**
Marketing and selling expenses	-413	-440	-6%	-3%
Research and development expenses	-424	-405	5%	7%
General and administrative expenses	-107	-94	13%	14%
Other operating income / expenses (-)	3	-3	>-100%	>-100%
Total operating expenses	-941	-942	0%	2%
Recurring EBIT (REBIT)	**194**	**241**	**-20%**	**-15%**
Amortization of intangible assets	94	88	7%	8%
Depreciation charges	31	32	-2%	0%
Recurring EBITDA (REBITDA)	**319**	**361**	**-12%**	**-8%**

Operating expenses, encompassing marketing and selling expenses, research and development expenses, general and administrative expenses and other operating income / expenses, reached € 941 million in first half of 2013 slightly lower compared to the same period of last year, mainly reflecting:

- € 27 million lower marketing and selling expenses reflecting more launch activities last year;
- € 19 million higher research and development expenses reflecting a well advanced, late-stage clinical development pipeline;
- € 13 million higher general and administrative expenses driven by further expansion in emerging markets and IT-investments;
- € 6 million higher other operating income mainly as a result of public funding.

Recurring EBIT is down by 20% to € 194 million due to lower revenue offset by lower operating expenses.

- Amortization of intangible assets went up from € 88 million to € 94 million;
- Depreciation charges remained stable at € 31 million.

Recurring EBITDA is down by 12% to € 319 million or a decrease of € 42 million compared to 2012. This reflects the higher research and development expenses as well as the generic erosion of Keppra® and other products.

7. Net profit and core EPS

€ million	Actual YTD June		Variance %	
	2013	2012 (revised)	Actual rates	Cst rates
Recurring EBIT	**194**	**241**	**-20%**	**-15%**
Impairment charges	-8	-1	>100%	>100%
Restructuring expenses	-11	-12	-5%	-4%
Gain on disposals	8	0	>-100%	>-100%
Other non-recurring income / expenses (-)	-8	-1	>100%	>100%
Total non-recurring income / expenses (-)	-19	-14	27%	30%
EBIT (operating profit)	**175**	**227**	**-23%**	**-18%**
Net financial expenses	-69	-76	-9%	-8%
Profit before income taxes	**106**	**151**	**-30%**	**-22%**
Income tax expenses (-) / credit	-22	-16	38%	52%
Profit from continuing operations	**84**	**135**	**-38%**	**-31%**
Profit / loss (-) from discontinued operations	3	2	69%	69%
Net profit after non-controlling interests	**87**	**137**	**-36%**	**-30%**
Net profit attributable to UCB shareholders	**92**	**137**	**-33%**	**-30%**
After-tax non-recurring items and financial one-offs	16	4	>100%	>100%
Profit / loss (-) from discontinued operations	-3	-2	69%	69%
Amortization of intangibles linked to sales	78	75	4%	5%
Taxes on amortization of intangibles	-21	-21	0%	1%
Core net profit attributable to UCB shareholders	**163**	**194**	**-16%**	**-13%**
Weighted average number of shares (million)	182	179	2%	n.a.
Core EPS attributable to UCB shareholders	**0.90**	**1.09**	**-17%**	**-15%**

Total non-recurring income / expenses (-) amounted to € 19 million pre-tax expense, including € 8 million impairment charges mainly related to CMC544 (a development project in oncology out licensed to Pfizer), € 11 million severance costs, € 8 million gain on disposal of tangible assets and € 8 million other expenses mainly related to litigations.

The 30 June 2012 non-recurring expenses included € 1 million impairment charges and € 12 million severance.

Net financial expenses were € 69 million compared to € 76 million in 2012, mainly a decrease of € 8 million due to the one-off loss on debt extinguishment related to the convertible bond in 2012.

The average **tax** rate on recurring activities remains stable at 20% compared to the same period of last year. A provision release due to a favorable clarification from taxation authorities in respect of the availability of a tax exemption on the payment of undistributed reserves has reduced the 2013 expected tax rate while the rate last year benefitted from the reduction of tax rates, further recognition of deferred tax assets and releases in provisions.

Net profit after non-controlling interests for the first half year reached € 87 million, i.e. € 50 million lower than the prior year.

The net profit attributable to UCB shareholders, adjusted for the after-tax impact of non-recurring items, the financial one-offs, the after-tax contribution from discontinued operations and the net amortization linked to sales, amounts to a **core net profit** of € 163 million, 16% lower than in June 2012.

Core EPS, which reflect the after tax effect of non-recurring items, financial one-offs and the amortization of intangibles, decreased from € 1.09 in June 2012 to € 0.90 as per end June 2013, based on 181.9 million weighted average number of shares outstanding (June 2012: 179.1 million).

8. Balance sheet (see condensed consolidated statement of financial position)

Intangible assets decreased by € 25 million from € 1 488 million at 31 December 2012 to € 1 463 million at 30 June 2013. This includes the addition of intangible assets related to milestones incurred under collaboration agreements and through in-licensing deals (€ 57 million), capitalization of software development costs (€ 10 million), the on-going amortization of the intangible assets (€ 94 million) mainly related to the acquisition of Celltech in 2004 and Schwarz Pharma in

2006 and the impact of the stronger US$ and weaker British pound.

A € 7 million increase in **goodwill** to € 4 815 million between 31 December 2012 and 30 June 2013 reflects the impact of the increasing U.S. dollar and decreasing British pound.

Other non-current assets increased by € 78 million, from € 1 239 million to € 1 317 million, mainly driven by the tangible and deferred tax assets.

The increase of **current assets** from € 1 822 million as of 31 December 2012 to € 1 963 million as of 30 June 2013 reflects an increase in the trade receivables, higher inventory and cash.

UCB's **shareholders' equity**, at € 4 497 million, representing 47% of total liabilities and equity, decreased by € 96 million between 31 December 2012 and 30 June 2013. The important changes stem from the net profit after non-controlling interest (€ 87 million) and the dividend payments (€ -193 million).

The increase in **non-current liabilities** from € 2 956 million to € 3 256 million stems from higher borrowings offset by lower provisions.

The decrease in **current liabilities** from € 1 808 million to € 1 805 million is mainly related to an increase of the short term loans offset by lower trade and other payables.

The **net debt** of € 2 096 million, an increase of € 330 million compared to € 1 766 million as per end December 2012, relates to the dividend payment on the 2012 results and the dividend paid related to the perpetual subordinated bond, the further investment in intangible and tangible assets, off-set by the underlying net profitability.

9. Cash flow statement (see cash flow section hereafter)

The evolution of cash flow generated by biopharmaceuticals activities is affected by the following:

- **Cash flow from operating activities** amounted € 32 million in the first half of 2013 compared to € 221 million in the same period of 2012. This stems from the higher trade receivables, inventory and lower trade payables.
- **Cash flow from investing activities** shows an outflow of € 173 million in the first six months of 2013 compared to € 147 million in the corresponding period of 2012 due to higher spending in tangible and intangible assets, offset by the sale of property, plant and equipment.
- **Cash flow from financing activities** has an inflow of € 192 million compared to an outflow of € 28 million in the first half of 2012. This reflects the issuance of the retail bond and the second installment received from the European Investment Bank, offset by the dividend paid to UCB shareholders and the shareholders of the perpetual subordinated bond.

10. Risks

In accordance with Article 13 § 5 of the Belgian Royal Decree of 14 November 2007, UCB states that the fundamental risks confronting the Company are materially unchanged from those described on the pages 73-78 of the 2012 Annual Report. On a regular basis, the Board of Directors and the Chief Operating Decision Makers, being the Executive Committee, evaluate the business risks that confront UCB.

11. Outlook 2013

UCB expects its financial results in 2013 to be driven by the continued growth of Cimzia®, Vimpat®, Neupro® and emerging markets, partially offset by post-exclusivity expiry erosion for Keppra®.

Revenue 2013 is anticipated at approximately € 3.4 billion.

Recurring EBITDA is expected between approximately € 680 and € 710 million.

Core earnings per share are expected in the corresponding range of € 1.90 – 2.05 based on 179.3 million shares outstanding.

Condensed consolidated income statement

For the six months ended 30 June € million	Note	2013 Reviewed	2012 Restated[1]
Continuing operations			
Net sales	6	1 466	1 527
Royalty income and fees		85	83
Other revenue		106	95
Revenue		**1 657**	**1 706**
Cost of sales		-522	-523
Gross profit		**1 135**	**1 183**
Marketing and selling expenses		-413	-440
Research and development expenses		-424	-405
General and administrative expenses		-107	-94
Other operating income / expenses (-)	9	3	-3
Operating profit before impairment, restructuring and other income and expenses		**194**	**241**
Impairment of non-financial assets	10	-8	-1
Restructuring expenses	11	-11	-12
Other income / expenses (-)	12	0	-1
Operating profit		**175**	**227**
Financial income	13	32	37
Financing costs	13	-101	-113
Profit / loss (-) before income taxes		**106**	**151**
Income tax expense (-) / credit	14	-22	-16
Profit / loss (-) from continuing operations		**84**	**135**
Discontinued operations			
Profit / loss (-) from discontinued operations	15	3	2
Profit for the period		**87**	**137**
Attributable to equity holders of UCB S.A.		92	137
Attributable to non-controlling interests		-5	0
Earnings per share attributable to equity holders of UCB S.A.			
Basic earnings per share (€)[2]			
From continuing operations		0.49	0.76
From discontinued operations		0.01	0.01
Total basic earnings per share		**0.51**	**0.77**
Diluted earnings per share (€)[3]			
From continuing operations		0.50	0.70
From discontinued operations		0.01	0.01
Total diluted earnings per share		**0.51**	**0.71**

1 R&D tax credits previously recorded as income tax expenses are restated in the Research and Development expenses

2 The weighted average number of shares in issue during the interim period, for the purposes of the basic earnings per share calculation, is 181 899 163 (2012: 179 079 006).

3 The weighted average number of shares during the interim period, for the purposes of the diluted earnings per share calculation, is 192 997 083 (2012: 197 647 358).

Condensed consolidated statement of comprehensive income

For the six months ended 30 June € million	2013 Reviewed	2012 Restated[1]
Profit for the period	**87**	**137**
Other comprehensive income		
Items to be reclassified to profit or loss in subsequent periods		
Net gain / loss (-) on available for sale financial assets	-2	-3
Exchange differences on translation of foreign operations	-15	5
Effective portion of gains / losses (-) on cash flow hedges	13	-4
Net gain / loss (-) on hedge of net investment in foreign operation	0	0
Income tax relating to the components of other comprehensive income to be reclassified to profit or loss in subsequent periods	0	0
Items not to be reclassified to profit or loss in subsequent periods		
Remeasurement of defined benefit obligation	-24	-18
Income tax relating to the components of other comprehensive income not to be reclassified to profit or loss in subsequent periods	3	4
Other comprehensive income / loss (-) for the period, net of tax	**-25**	**-16**
Total comprehensive income for the period, net of tax	**62**	**121**
Attributable to equity holders of UCB S.A.	**62**	**121**
Attributable to non-controlling interests	5	3
Total comprehensive income for the period, net of tax	67	124

1 Restatement related to IAS 19

Condensed consolidated statement of financial position

€ million	Note	30 June 2013 Reviewed	31 Dec. 2012 Restated[1]
Assets			
Non-current assets			
Intangible assets	16	1 463	1 488
Goodwill	17	4 815	4 808
Property, plant and equipment	18	665	602
Deferred income tax assets		536	505
Financial and other assets (including derivative financial instruments)	19	116	132
Total non-current assets		**7 595**	**7 535**
Current assets			
Inventories	20	647	616
Trade and other receivables		897	835
Income tax receivables		3	13
Financial and other assets (including derivative financial instruments)		47	40
Cash and cash equivalents		368	318
		1 962	1 822
Assets of disposal group classified as held for sale		1	0
Total current assets		**1 963**	**1 822**
Total assets		**9 558**	**9 357**
Equity and liabilities			
Equity			
Capital and reserves attributable to UCB shareholders	21, 22	4 496	4 587
Non-controlling interests		1	6
Total equity		**4 497**	**4 593**
Non-current liabilities			
Borrowings	23	296	193
Bonds	24	1 938	1 697
Other financial liabilities (including derivative financial instruments)		36	39
Deferred income tax liabilities		116	123
Employee benefits		319	290
Provisions	26	371	435
Trade and other liabilities		180	179
Total non-current liabilities		**3 256**	**2 956**
Current liabilities			
Borrowings	23	232	197
Other financial liabilities (including derivative financial instruments)		233	200
Provisions	26	58	51
Trade and other liabilities		1 176	1 295
Income tax payables		106	65
		1 805	1 808
Assets of disposal group classified as held for sale		**0**	0
Total current liabilities		**1 805**	**1 808**
Total liabilities		**5 061**	**4 764**
Total equity and liabilities		**9 558**	**9 357**

1 Restatement related to IAS 19 and the Meizler Biopharma business combination

Condensed consolidated statement of cash flows

For the six months ended 30 June € million	Note	2013 Reviewed	2012 Restated[1]
Profit attributable to UCB shareholders		**92**	**137**
Non-controlling interests		-5	0
Adjustment for profit (-) / loss from discontinued operations		-3	-2
Adjustment for non-cash transactions	27	162	8
Adjustment for items to disclose separately under operating cash flow	27	22	16
Adjustment for items to disclose under investing and financing cash flow	27	52	67
Change in working capital	27	-250	91
Cash flow generated from operations		**70**	**317**
Tax paid during the period		-38	-96
Net cash flow generated from operating activities		**32**	**221**
Acquisition of intangible assets		-67	-30
Acquisition of property, plant and equipment		-118	-53
Acquisition of subsidiaries, net of cash acquired		0	-66
Acquisition of other investments		-1	-1
Sub-total acquisitions		**-186**	**-150**
Proceeds from sale of intangible assets		0	1
Proceeds from sale of property, plant and equipment		12	0
Proceeds from sale of business unit, net of cash disposed		0	0
Proceeds from sale of other investments		1	2
Dividends received		0	0
Sub-total disposals		**13**	**3**
Net cash flow from investing activities		**-173**	**-147**
Proceeds from issuance of share capital		3	0
Proceeds from issuance of bonds		249	0
Repayment of bonds (-)		0	-82
Proceeds from borrowings		461	558
Repayment of borrowings (-)		-325	-260
Payment of finance lease liabilities		-1	-1
Acquisition (-) / issuance of treasury shares		42	-5
Dividend paid to UCB shareholders, net of dividend paid on own shares		-205	-201
Interest received		13	23
Interest paid		-45	-60
Net cash flow from financing activities		**192**	**-28**
Cash from discontinued operations		**-2**	**0**
Net increase / decrease (-) in cash and cash equivalents		**49**	**46**
Net cash and cash equivalents at the beginning of the period		**308**	**253**
Effect of exchange rate fluctuations		-1	0
Net cash and cash equivalents at the end of the period		**356**	**299**
Of which cash and cash equivalents		368	315
Of which bank overdrafts		-12	-16

1 Restatement related to the reclassification of the R&D tax credits

Condensed consolidated statement of changes in equity

€ million	Attributed to equity holders of UCB S.A.											
	Share capital and share premium	Hybrid Capital	Treasury shares	Retained earnings	Other reserves	Cumulative translation adjustments	Available for sale financial assets	Cash flow hedges	Net investment hedge	Total	Non-controlling interests	Total stockholders' equity
Balance at 1 January 2013(restated)	**2 151**	**295**	**-239**	**2 662**	**49**	**-379**	**-3**	**-4**	**55**	**4 587**	**6**	**4 593**
Profit for the period				**92**						**92**	**-5**	**87**
Other comprehensive income / loss (-)					**-21**	**-15**	**-2**	**13**		**-25**		**-25**
Total comprehensive income				**92**	**-21**	**-15**	**-2**	**13**		**67**	**-5**	**62**
Capital increase	**3**									**3**		**3**
Dividends				**-182**						**-182**		**-182**
Share-based payments				**7**						**7**		**7**
Transfer between reserves			**17**	**-17**						**0**		**0**
Treasury shares			**25**							**25**		**25**
Equity component linked to the convertible bond										**0**		**0**
Dividend to shareholders of perpetual subordinated bonds				**-11**						**-11**		**-11**
Business combination										**0**		**0**
Balance at 30 June 2013(reviewed)	**2 154**	**295**	**-197**	**2 551**	**28**	**-394**	**-5**	**9**	**55**	**4 496**	**1**	**4 497**
Balance at 1 January 2012(restated)[1]	**2 151**	**295**	**-262**	**2 615**	**159**	**-303**	**-1**	**-10**	**55**	**4 699**	**2**	**4 701**
Profit for the period				**137**						**137**		**137**
Other comprehensive income / loss (-)					**-14**	**5**	**-3**	**-4**		**-16**	**3**	**-13**
Total comprehensive income	**0**	**0**	**0**	**137**	**-14**	**5**	**-3**	**-4**	**0**	**121**	**3**	**124**
Dividends				**-178**						**-178**		**-178**
Share-based payments				**6**						**6**		**6**
Transfer between reserves			**9**	**-9**						**0**		**0**
Treasury shares			**-13**							**-13**		**-13**
Equity component linked to the convertible bond					**-7**					**-7**		**-7**
Redemption liability for non-controlling interests					**-29**					**-29**		**-29**
Dividend to shareholders of perpetual subordinated bonds				**-11**						**-11**		**-11**
Business combination										**0**	**7**	**7**
Balance at 30 June 2012 (restated)	**2 151**	**295**	**-266**	**2 560**	**109**	**-298**	**-4**	**-14**	**55**	**4 588**	**12**	**4 600**

1 Restatement related to IAS 19 and the Meizler Biopharma business combination

Notes to the condensed consolidated interim financial information

1. General information

UCB S.A. (hereafter “UCB” or the “Company”) and its subsidiaries (together the “Group”) is a global biopharmaceutical company focused on severe diseases in two therapeutic areas namely Central Nervous System disorders and Immunology.

This condensed consolidated interim financial information of the Company as at and for the six months ended 30 June 2013 (hereafter the “interim period”) comprise the Company and its subsidiaries.

UCB is a limited liability company which is listed on the Euronext Brussels Stock Exchange, incorporated and domiciled in Belgium. Its registered office is at 60, Allée de la Recherche, B-1070 Brussels, Belgium.

The Board of Directors approved this condensed consolidated interim financial information for issue on 30 July 2013. This condensed consolidated interim financial information has been reviewed, not audited.

The consolidated financial statements of the Group as at and for the year ended 31 December 2012 are available on the UCB website.

2. Basis of preparation

This condensed consolidated interim financial information has been prepared in accordance with International Accounting Standard (IAS) 34, “Interim Financial Reporting” as adopted by the European Union.

This condensed consolidated interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2012, which have been prepared in accordance with IFRSs.

This condensed consolidated interim financial information is presented in Euro (€) and all values are rounded to the nearest million except where otherwise indicated.

3. Accounting policies

The accounting policies adopted in the preparation of this condensed consolidated interim financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2012.

In the current year, the Group has adopted IFRS 13 as issued in May 2011 and as endorsed by the European Union in December 2012. The Group has applied IFRS 13 prospectively. The new standard defines fair value, establishes in a single IFRS a framework for measuring fair value and sets out extensive disclosure requirements. The adoption of IFRS 13 had no material financial impact on the Group, although more extensive disclosures are provided.

There are no other IFRSs or IFRICs that are effective for the first time for this interim period that would be expected to have a material impact on the Group.

The Group has opted to adopt the government grant model as from 1 January 2013, leading to a reclassification of the R&D tax credits from the income tax expense line to the research and development expenses and a restatement of the 30 June 2012 (€ 14 million) condensed consolidated income statement.

The finalization of the Meizler Biopharma purchase price allocation resulted in a restatement of the 2012 openings balance sheet (see Note 8).

4. Estimates

The preparation of this condensed consolidated interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

In preparing this condensed consolidated interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the annual consolidated financial statements for the year ended 31 December 2012, with the exception of changes in estimates that are required in determining the provision for income taxes.

5. Financial risk management

5.1. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk. This condensed consolidated interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2012. There have been no changes in the Financial Risk Management Committee (FRMC).

5.2. Liquidity risk

Compared to year end, there was no material change in the contractual undiscounted cash out flows for financial liabilities.

5.3. Fair value estimation

All financial instruments carried at fair value are categorized into three categories, defined as follows:

- Level 1 – Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2 – Other valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3 – Valuation techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table presents the Groups financial assets and liabilities measured at fair value at 30 June 2013 and is grouped in accordance with the fair value hierarchy.

All fair value measurements disclosed are recurring fair value measurements.

As a result of IFRS 13 adoption, the Group reflects the credit and the non-performance risks into its valuation techniques but those changes had no material impact on the valuation.

Financial assets measured at fair value

€ million - 30 June 2013	Level 1	Level 2	Level 3	Total
Available-for-sale assets				
Quoted equity securities	20	0	0	20
Quoted debt securities	2	0	0	2
Derivative financial assets				
Forward foreign exchange contracts – cash flow hedges	0	6	0	6
Forward exchange contracts – fair value through the profit and loss	0	12	0	12
Interest rate derivatives – cash flow hedges	0	1	0	1
Interest rate derivatives – fair value through profit and loss	0	4	0	4
Call option for non-controlling interest	0	0	4	4

Financial liabilities measured at fair value

€ million - 30 June 2013	Level 1	Level 2	Level 3	Total
Derivative financial liabilities				
Forward foreign exchange contracts – cash flow hedges	0	3	0	3
Forward exchange contracts – fair value through the profit and loss	0	37	0	37
Interest rate derivatives – cash flow hedges	0	0	0	0
Interest rate derivatives – fair value through profit and loss	0	13	0	13

The following table presents the Groups financial assets and liabilities that are measured at fair value at 31 December 2012 and is grouped in accordance with the fair value hierarchy.

Financial assets measured at fair value

€ million - 31 December 2012	Level 1	Level 2	Level 3	Total
Available-for-sale assets				
Quoted equity securities	23	0	0	23
Quoted debt securities	3	0	0	3
Derivative financial assets				
Forward foreign exchange contracts – cash flow hedges	0	6	0	6
Forward exchange contracts – fair value through the profit and loss	0	27	0	27
Interest rate derivatives – cash flow hedges	0	0	0	0
Interest rate derivatives – fair value through profit and loss	0	7	0	7
Call option for non-controlling interest	0	0	7	7

Financial liabilities measured at fair value

€ million - 31 December 2012	Level 1	Level 2	Level 3	Total
Derivative financial liabilities				
Forward foreign exchange contracts – cash flow hedges	0	7	0	7
Forward exchange contracts – fair value through the profit and loss	0	36	0	36
Interest rate derivatives – cash flow hedges	0	1	0	1
Interest rate derivatives – fair value through profit and loss	0	14	0	14

During the interim period, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurements.

Fair value measurements categorized within level 2 of the fair value hierarchy are calculated using either the "Discounted cash flow" or the "Black and Scholes" method (for FX options only) and market data publicly available.

Fair value measurements using significant unobservable inputs (level 3).

€ million	Call option for non-controlling interest
Opening balance	**7**
Effect of changes in fair value recognized in profit and loss	-3
Effect of movements in exchange rates in Other Comprehensive Income	0
Closing balance	**4**

The fair value of the Call Option received as part of the Meizler acquisition discussed in Note 8 is determined using a Monte Carlo Simulation Option Pricing Model. In addition to the market based volatility and Brazilian risk free interest rate, the key assumptions used in this valuation model include unobservable inputs for forecasted revenue and EBITDA amounts.

5.4. Exchange rates

The following important exchange rates were used in preparing this condensed consolidated interim financial information:

Equivalent of € 1	Closing rate		Average rate	
	2013	2012	2013	2012
USD	1.300	1.320	1.313	1.297
JPY	129.170	114.320	125.170	103.279
GBP	0.857	0.813	0.851	0.823
CHF	1.231	1.207	1.230	1.205

The closing rates represent spot rates as at 30 June 2013 and 31 December 2012, while the average rates represent averages over the first six months of the year.

6. Segment reporting

The Group's activities are in one segment, Biopharmaceuticals. There are no other significant classes of business, either singularly or in aggregate. The Chief Operating Decision Makers, being the Executive Committee, review the operating results and operating plans, and make resource allocation decisions on a company-wide basis, therefore UCB operates as one segment. Enterprise-wide disclosures about product sales, geographic areas and revenues from major customers are presented below:

6.1. Product sales information

Net sales consist of the following:

For the six months ended 30 June € million	2013 Reviewed	2012 Reviewed
Cimzia®	272	209
Vimpat®	185	150
Neupro®	80	54
Keppra® (including Keppra® XR)	361	445
Zyrtec® (including Zyrtec-D® / Cirrus®)	133	150
Xyzal®	47	71
omeprazole	30	39
Nootropil®	29	31
Other products	329	378
Total net sales	**1 466**	**1 527**

6.2. Geographic information

The table below shows net sales in each geographic market in which customers are located:

For the six months ended 30 June € million	2013 Reviewed	2012 Reviewed
North America	580	538
Germany	118	155
Japan	107	152
France	80	93
Italy	72	93
Spain	65	77
U.K. and Ireland	57	63
Belgium	16	22
Rest of world	371	334
Total net sales	**1 466**	**1 527**

The table below illustrates the property, plant and equipment in each geographic market in which the assets are located:

For the six months ended 30 June € million	2013 Reviewed	2012 Audited[1]
Belgium	247	233
Switzerland	210	154
U.K. and Ireland	83	91
North America	83	79
Germany	22	22
France	1	2
Spain	2	2
Rest of world	17	19
Total	665	602

1 The reporting date for the comparative period is 31 December 2012.

6.3. Information about major customers

UCB has one customer which individually account for more than 10% of total net sales at the end of June 2013 (2012: one large customer).

In the U.S., sales to three wholesalers accounted for approximately 86% of U.S. sales (2012: 85%).

7. Seasonality of operations

The Group's revenue in the Biopharmaceutical segment is somewhat seasonal. The revenue derived from the allergy franchise fluctuates as a result of the severity of the different pollinic seasons in the various geographic areas where it operates.

However, on a consolidated basis, the different effects show no systematic or easily predictable seasonal pattern.

8. Business combination

On 30 May 2012, UCB acquired 51% of the issued and outstanding shares of Meizler Biopharma ("Meizler"), a privately-owned Brazilian pharmaceutical company, for a cash consideration equal to US$ 80 million (€ 64 million) minus 51% of Meizler's net debt. Under the terms of the deal, the purchase price may be increased by up to US$ 30 million for certain contingent payments but no contingent liabilities have been recognized based on current expectations.

Meizler commercializes a portfolio of in-licensed specialty products on the Brazilian market. UCB will bring parts of its mature and new medicines into Meizler's portfolio for commercialization in Brazil. Based on the UCB's control of the Board of Directors and management, UCB has fully consolidated Meizler.

The purchase agreement grants the selling shareholders a put option and UCB a call option on the remaining shares in Meizler priced based on a multiple of the EBITDA results (respectively, the "Put Option" and the "Call Option"). The Call Option has been included in the determination of goodwill and a liability of € 29 million has been recorded against equity for the present value of the obligation to purchase the minority's shares under the Put Option (the "Redemption Liability").

The purchase price allocation has been finalized and the consideration has been allocated to the net assets based upon their estimated fair values as of 30 May 2012 as set forth below.

Amendment to the Meizler Purchase Agreement:

During July 2013, UCB and the Selling Shareholders signed amendments to the original Sale and Purchase Agreement and Shareholders Agreement to (a) adjust the percentage ownership of Meizler acquired by UCB from 51% to 70%, (b) amend the terms of the Put and Call Options and (c) release US$ 2 million from the escrow account to UCB. Under the revised terms, the Put Option is now exercisable in 2014, 2015, 2016 or 2017 and the Call Option is exercisable in 2017 at an exercise price based on a multiple of the average EBITDA results for the preceding two years rather than one year. The reduction in the non-controlling interest and changes in the Redemption Liability and Call Option will be reflected in the consolidated financial statements in the second half of the year.

€ million	30 May 2012 - Reviewed		
	Original opening balance sheet	Adjustments	Final opening balance sheet
Total acquisition value			
Cash consideration	64	0	64
Less: Fair value of the call option	0	-15	-15
Total acquisition value	64	-15	49
Recognized amounts of identifiable assets acquired and liabilities assumed			
Non-current assets	4	6	10
Current assets	17	0	17
Non-current liabilities	-5	3	-2
Current liabilities	-10	0	-10
Total identifiable net assets	**6**	**9**	**15**
Non-controlling interests and currency translation adjustment	0	7	7
Goodwill	**58**	**-17**	**41**

9. Other operating income and expenses

Other operating income / expenses (-) amounted to € 3 million income in the interim period (2012: € 3 million expenses) mainly as a result of public funding partially offset by amortization related to non-production intangible assets and write-offs on trade and other receivables.

10. Impairment of non-financial assets

At the end of each reporting period, management assesses whether there is any indication that an asset may be impaired. If such an indication exists, management then estimates the recoverable amount of the asset in order to assess whether an impairment loss needs to be recognized. Impairment losses recognized in previous interim periods for certain non-financial assets are not reversed.

In the first half of 2013, management reviewed the non-financial assets (including intangible assets and goodwill) for impairment on the basis of external and internal indicators, and concluded that impairment charges of € 8 million mainly related to intangible assets (CMC544, a development project in oncology out licensed to Pfizer) should be recognized in the interim period (2012: € 1 million mainly related to tangible assets).

11. Restructuring expenses

Restructuring expenses amounting to € 11 million (2012: € 12 million) were attributable to severance costs.

12. Other income and expense

Other income / expenses (-) amounted to € 0 million in 2013 (2012: € 1 million expenses) and is mainly the result of € 8 million legal fees offset by an € 8 million gain on disposal of tangible assets. The expense in 2012 was mainly related to the result of legal fees related to litigations.

13. Financial income and expenses

The financial income and expenses amounted to € 69 million expenses (2012: € 76 million). 2012 was impacted by € 8 million one-off loss on debt extinguishment related to the partial repurchase of convertible bond.

14. Income tax expense (-) / credit

The income tax expense for the six months ended 30 June 2013 is accrued using the tax rate that would be applicable to expected total annual earnings, being an estimated average annual effective income tax rate applied to the pre-tax income at 30 June.

For the six months ended 30 June € million	2013 Reviewed	2012 Restated
Current income taxes	-45	-64
Deferred income taxes	23	48
Total income tax expense	**-22**	**-16**

The Group's consolidated effective tax rate in respect of continuing operations for the six months is 20.7% (2012: 10.6%).

The Group's effective tax rate excluding the tax impact on the one-off impairment of non-financial assets, restructuring expenses and capital gains amounts to 20% (2012: 19%).

15. Discontinued operations

The profit from discontinued operations of € 3 million (2012: € 2 million) arose due to the partial reversal of provisions related to the legacy films and chemicals activities of the Group.

16. Intangible assets

During the period, the Group added approximately € 57 million (2012: € 85 million) of intangible assets related to milestones incurred under collaboration agreements and through in-licensing deals. Additionally, the Group capitalized € 10 million (2012: € 20 million) of software development costs.

In the first half of the year, the Group impaired its intangible assets for € 6 million (2012: € 0 million). The impairment charges are detailed in Note 10 and have been presented in the income statement under the heading “impairment of non-financial assets”.

No material disposals of intangible assets were undertaken during the interim period.

The amortization charge for the period amounted to € 94 million (2012: € 88 million).

17. Goodwill

During the period, the Group finalized the purchase price allocation related to the Meizler acquisition and as a result, the goodwill was restated as of December 2012 (see Note 8). Additionally, the goodwill was affected by the movements in exchange rates for € 7 million.

In the first half of the year, the Group did not recognize any impairment charges on its goodwill.

18. Property, plant and equipment

During the period, the Group spent approximately € 118 million (2012: € 53 million) in acquiring new property, plant and equipment, including investments in the construction of a biological pilot plant in Braine l’Alleud, Belgium and a biological plant in Bulle, Switzerland supporting new product and delivery devices.

The Group also disposed of various property, plant and equipment with a carrying amount of approximately € 3 million (2012: € 1 million).

After the review of the property, plant and equipment for an indication of impairment, € 2 million (2012: € 1 million) of impairment charges was assessed for the period.

The depreciation charge for the period amounted to € 27 million (2012: € 27 million).

During the six months ended 30 June 2013, borrowing costs amounting to € 2 million (2012: € 2 million) were capitalized since the investments on the construction of both the pilot and biological plants in Braine l’Alleud and in Bulle are qualifying assets included in “assets under construction” during the interim period.

19. Financial and other assets

Non-current financial and other assets amounted to € 116 million at 30 June 2013 (December 2012: € 132 million).

The decrease is related to the depreciation of the pre-financing capital expenditure related to the manufacturing by Lonza of the PEGylated antibody fragment-based bulk activities, the impact in the Biotie Therapies investments fair value and the present value of the call option on the remaining shares in Meizler, offset by an increase in the fair value of the WILEX investment.

20. Write-down of inventories

Included in cost of sales for the six months ended 30 June 2013 are € 3 million (2012: € 11 million) allowances recognized to reduce the carrying amount of inventories to their net realizable value.

21. Capital and reserves

21.1. Share capital and share premium

The issued share capital of the Company amounted to € 550 million at 30 June 2013 (2012: € 550 million), represented by 183 427 152 shares (2012: 183 365 052 shares). There is no authorized, unissued share capital.

At 30 June 2013, the share premium reserves amounted to € 1 604 million (2012: € 1 601 million).

21.2. Hybrid capital

On 8 March 2011, UCB S.A. completed the placement of € 300 million perpetual subordinated bonds (the "bonds") that were issued at 99.499% and offer investors a coupon of 7.75% per annum during the first five years. The bonds have no maturity date, however UCB will have a right to redeem the bonds on the 5th anniversary of their issue, on 18 March 2016 and each quarter thereafter. After the First Call Date the interest is floating at 3 months EURIBOR + 988.9 bps. The bonds are listed on the Luxembourg Stock Exchange.

The perpetual subordinated bonds qualify as 'Equity' instruments for the Group under IAS32: Financial Instruments Presentation because:

- The bonds have a perpetual maturity;
- are subordinated;
- UCB may elect to defer interest payments if no Mandatory Payment Events occurred in the previous 12 months on junior securities or repurchases or redemption of parity of junior securities.

Accordingly, interest is not presented as interest expenses in the income statement but accounted for as dividends to the shareholders, within the Statement of Changes in Equity. Any transaction costs are deducted from the Hybrid capital, taking tax effects into account.

Hybrid capital amounted to € 295 million at 30 June 2013 and the € 11 million dividend to shareholders of the perpetual subordinated bonds related to the first half of 2013 are presented in retained earnings.

21.3. Treasury shares

The Group acquired 527 564 shares (2012: 1 426 541 shares) of UCB S.A. for a total amount of € 20 million (2012: € 49 million) and issued 1 575 272 treasury shares (2012: 1 827 592 treasury shares) for a total amount of € 59 million (2012: € 58 million) in the first half of the year.

At 30 June 2013, the Group retained 4 945 659 treasury shares, of which 4.3 million related to share swap deals (December 2012: 5 993 240 shares of which 4.3 million related to share swap deals). The treasury shares have been acquired in order to honor the exercise of stock options and share awards granted to the Board of Directors and certain categories of employees.

In the current year, 460 000 call options on UCB shares have been exercised impacting treasury shares for € -3 million (2012: 1 806 638 call options were purchased for a premium of € 12 million).

21.4. Other reserves

Other reserves amounted to € 28 million (2012: € 49 million) and consists of the following items:

- the IFRS acquisition value surplus that arose during the Schwarz Pharma business combination for € 232 million (2012: € 232 million);
- the equity component linked to the convertible bond for € 41 million (2012: € 41 million) as a result of UCB's decision to revoke the cash settlement option linked to the convertible bond.
- the re-measurement value of the defined benefit obligation for € -205 million (2012: € -184 million);
- the redemption liability related to Meizler Biopharma for € -29 million (2012: € -29 million); and
- the purchase of the remaining 25% non-controlling interest in Schwarz Pharma Zuhai Company Ltd. for € -11 million (2012: € -11 million).

21.5. Cumulative translation adjustments

The cumulative translation adjustments reserve represents the cumulative currency translation differences arising from consolidation of Group companies that use functional currencies other than the Euro (€).

22. Dividends

The Board of Directors' proposal to pay a gross dividend of € 1.02 (2012: € 1.00 per share) to the holders of the 180 597 755 UCB shares, or a total distribution of € 186 million (2012: € 181 million) for the business year 2012 was approved by the UCB shareholders at their annual general meeting on 25 April 2013, and was thus reflected in the first half of 2013.

23. Borrowings

On 30 June 2013, the Group's weighted average interest rate was 4.42% (2012: 4.75%) prior to hedging. The floating interest rate payments are subject to designated cash flow hedges and fixed interest rate payments are subject to designated fair value hedges, thereby fixing the weighted average interest rate for the Group at 3.56% (2012: 3.73%) post hedging.

Further to the outstanding debt capital market instruments and the syndicated revolving credit facility (undrawn per 30 June 2013), UCB has access to certain bilateral credit facilities as well as the Belgian commercial paper market. In this respect, UCB entered into a 7 year floating rate bullet loan agreement with the European Investment Bank (EIB) of which a first installment of € 150 million was received in May 2012, maturing in 2019, and a second installment of € 100 million was received in April 2013, maturing in 2020. This loan was granted to UCB in support of its research and development in the central nervous system.

The evolution of the Group's net indebtedness (non-current and current, including finance lease liabilities) is shown below:

€ million	2013 Reviewed	2012 Audited[1]
Balance at 1 January	**390**	**87**
Bank overdrafts	10	14
Bank loans	363	54
Finance lease	17	19
Loans drawn	**461**	**863**
Repayments	**-324**	**-554**
Bank Loans	-323	-552
Finance lease	-1	-2
Net change in bank overdrafts	**2**	**-4**
Foreign currency impacts	**-1**	**-2**
Net investment hedge	**-**	**-**
As at reporting date	**528**	**390**
Bank overdraft	12	10
Bank loans	500	363
Finance lease	16	17

1 The reporting date for the comparative period is 31 December 2012

24. Bonds

The carrying amounts of the bonds are as follows, including the Retail bond issued in March 2013:

€ million	Coupon rate	Maturity date	2013 Reviewed	2012 Audited[1]
Non-current				
Convertible bond	4.50%	2015	399	393
Retail bond	5.75%	2014	771	780
Institutional Eurobond	5.75%	2016	518	524
Retail bond	3.75%	2020	250	-
Total non-current bonds			**1 938**	**1 697**

1 The reporting date for the comparative period is 31 December 2012

24.1. Convertible bond

The convertible bond recognized in the Statement of financial position is calculated as follows:

€ million	2013 Reviewed	2012 Audited[1]
Balance at 1 January	**393**	**444**
Effective interest expense	15	31
Nominal interest accrued for / not yet due	-4	-4
Nominal interest accrual of previous period, paid in current period	4	4
Interest paid	-10	-20
Amortization charge for the period	1	1
Repurchase of convertible bond	0	-63
As at reporting date	**399**	**393**

1 The reporting date for the comparative period is 31 December 2012

24.2. Retail bond issued in 2009

The carrying amount of the retail bond issued in 2009 for the six months ended 30 June 2013 amounted to € 771 million (31 December 2012: € 780 million).

The Group designates derivative financial instruments under fair value hedges to the retail bond. The decrease in the carrying amount of the retail bond is fully attributable to the change in fair value of the hedged portion of the retail bond, and is almost fully offset by a change in fair value of the corresponding derivative financial instruments.

24.3. Retail bond issued in 2013

On 6 March 2013 UCB issued a retail bond amounting to€ 250 million. The closing date was 11 March 2013 and matures on 27 March 2020, except if redeemed early. The retail bond was issued at 101.875% of the nominal value with a coupon of 3.75%.

The carrying amount of the retail bond for the six months ended 30 June 2013 amounted to € 250 million.

Prior to issuance, the Group designated derivative financial instruments as cash flow hedges to the retail bond, the impact of which is amortized over the life of the bond.

24.4. Institutional Eurobond

The carrying amount of the institutional Eurobond for the six months ended 30 June 2013 amounted to € 518 million (31 December 2012: € 524 million). The Group designates derivative financial instruments under fair value hedges to the institutional Eurobond.

25. Other financial liabilities

The other financial liabilities (excluding derivative financial liabilities for € 53 million) amounted to € 216 million and include a share swap transaction of 4.3 million UCB shares OTC for a total amount of € 192 million (31 December 2012: € 176 million) (see Note 28.2).

26. Provisions

26.1. Environmental provisions

The environmental provisions decreased from € 37 million as per end December 2012 to € 32 million at the end of the current interim period, due to the release of certain environmental provisions related to the divestiture of the Surface Specialties business. This relates to the divested sites on which UCB has retained full responsibility in accordance with the contractual terms agreed upon with Cytec Industries Inc. In the first half of 2013, a part of the provision related to the Surface Specialties business was reversed.

26.2. Restructuring provisions

The restructuring provisions decreased from € 31 million as per end December 2012 to € 21 million at the end of the current interim period, including the further payments related to the SHAPE program announced in August 2008, the exit from the primary care sector in the U.S. announced in January 2010 and other severance costs related to 2012 (see Note 11).

26.3. Tax provisions

The tax provisions decreased by € 46 million from € 389 million as per end December 2012 to € 343 million as per 30 June 2013, and is related to a € 40 million release of provisions due to a favorable clarification from taxation authorities in respect of the availability of a tax exemption on the payment of undistributed reserves. Provisions for tax risks are recorded if UCB considers that tax authorities might challenge a tax position taken by the Group or a subsidiary.

26.4. Other provisions

The other provisions increased from € 29 million as per end December 2012 to € 33 million at 30 June 2013, and relate mainly to litigations and product liabilities. Provisions for litigation comprise mainly provisions for litigations where UCB or a subsidiary is or might be a defendant against claims of previous employees. Product liability provisions relate to the risks related to the normal course of business and for which the Group might be liable by selling these kinds of drugs. An assessment is performed with respect to the above-mentioned risks together with the Group legal advisers and experts in the different domains.

27. Note to the consolidated statement of cash flows

The cash flow statement identifies operating, investing and financing activities for the period.

UCB uses the indirect method for the operating cash flows. The net profit and loss is adjusted for:

- the effects of non-cash transactions such as depreciation and amortization, impairment losses, provisions, mark-to-market, etc., and the variance in working capital;
- items of income or expense associated with investing or financing cash flows.

For the six months ended 30 June € million	2013 Reviewed	2012 Restated
Adjustment for non-cash transactions	**162**	**8**
Depreciation and amortization	120	115
Impairment / reversal (-) charges	8	1
Equity settled share based payment expense	-10	-2
Other non-cash transactions in PL	-17	-14
Adjustment IAS39	18	-29
Unrealized exchange gain (-) / losses	42	-70
Change in provisions & employee benefits	3	-8
Change in inventories and bad debt provisions	-2	15
Adjustment for items to disclose separately under operating cash flow	**22**	**16**
Tax charge of the period	22	16
Adjustment for items to disclose under investing and financing cash flow	**52**	**67**
Gain (-) / loss on disposal of fixed assets	-9	2
Dividend income (-) / expenses interest income (-) / expenses	0	0
Interest income (-) / expenses	61	65
Change in working capital		
Inventories movement per consolidated BS	-31	-64
Trade and other receivable and other assets movement per consolidated BS	-77	108
Trade and other payable movement per consolidated BS	-58	135
As it appears in the consolidated balance sheet and corrected by:	**-166**	**179**
Non-cash items[1]	-67	-71
Change in inventories and bad debt provisions disclosed separately under operating cash flow	2	-15
Change in interest receivable / payable disclosed separately under operating cash flow	-37	-20
Change in dividend receivable disclosed under investing cash flow	0	0
Change in dividend payable disclosed under financing cash flow	23	23
Change in payable balance disclosed under cash flow from discontinued operations	0	0
Currency translation adjustments	-5	-5
As it appears in the consolidated cash flow statement	**-250**	**91**

1 Non-cash items are mainly linked to transfers from one heading to another, non-cash movements linked to affiliate's revaluation from FX currencies and other movements linked to entry / exit in consolidation scope or merge of entities.

28. Related party transaction

28.1. Key management compensation

There were no changes with respect to the related parties identified and disclosed in the 2012 Annual Report.

Key management compensation as disclosed below comprises compensation recognized in the income statement for members of the Board of Directors and the Executive Committee, for the six months ended 30 June 2013 where they exercised their mandate.

€ million	2013 Reviewed
Short-term employee benefits	5
Termination benefits	0
Post-employment benefits	1
Share-based payments	2
Total key management compensation	**8**

28.2. Shareholders and shareholders structure

Notifications received pursuant to the law of May 2, 2007 on large shareholdings[1]

	Last update: 25 July 2013			Date of the last relevant notification
	Share capital	**€ 550 281 456**		14 June 2013
	Total number of voting (= denominator)	**183 427 152**		
1	Financière de Tubize S.A. ('Tubize')			
	securities carrying voting rights (shares)	66 370 000	36.18%	1 March 2012
2	UCB S.A./N.V.			
	securities carrying voting rights (shares)	286 740	0.16%	25 July 2013[1]
	assimilated financial instruments (options)[2]	6 146 638	3.35%	9 May 2013[1]
	assimilated financial instruments (other)[2]	2 500 000	1.36%	1 July 2013[1]
	total	8 933 378	4.87%	
3	UCB Fipar S.A.			
	securities carrying voting rights (shares)	335 569	0.18%	25 July 2013[1]
	assimilated financial instruments[2]	1 800 000	0.98%	1 July 2013[1]
	total	2 136 569	1.16%	
4	Schwarz Vermögensverwaltung GmbH Co. KG ('Schwarz')			
	securities carrying voting rights (shares)	2 471 404	1.35%	1 March 2012
5	Capital Research and Management Company (subsidiary of The Capital Group Companies Inc.)			
	securities carrying voting rights (shares)	13 737 874	7.49%	24 July 2013
6	Vanguard Health Care Fund			
	securities carrying voting rights (shares)	9 345 949	5.10%	12 June 2013
	Tubize + UCB S.A./N.V. + UCB Fipar S.A. + Schwarz (Tubize controls UCB S.A./N.V., which controls UCB Fipar S.A. | art. 6, §5, 2° and 9, §3, 2° of the law on the disclosure of large shareholdings) (Tubize and Schwarz have declared to be acting in concert | art. 6, §4 and 9, §3, 3° of the law on the disclosure of large shareholdings)	**79 910 351**	**43.57%**	

1 All information based on the notifications received pursuant to the law of May 2, 2007 on the disclosure of large shareholdings, except for the more recently updated information on the holding of UCB SA/NV and its subsidiaries (which is not required by law).
Pursuant to the last legally required notification (i.e., the notification of 1 March 2012), on 1 March 2012, (i) UCB SA/NV individually held 3.136.150 shares and 4.800.000 assimilated

2 Assimilated financial instruments within the meaning of article 6 of the Royal Decree of February 14, 2008 on the disclosure of large shareholders, which, if exercised, grant an additional voting right.

29. Commitments and contingencies

29.1. Contingent assets and liabilities

No significant events have taken place in the first half of the year, hence there have been no material changes in the contingent assets or liabilities disclosed in the 2012 Annual Report (p. 113).

The Group continues to be actively involved in litigations, claims and investigations. The on-going matters could result in liabilities, civil and criminal penalties, loss of product exclusivity and other costs, fines and expenses associated with findings adverse to UCB's interests.

UCB continues to be a defendant in slightly less than 5000 Reglan® product liability cases. These cases have been largely consolidated in three different jurisdictions, San Francisco, Philadelphia and Atlantic City. Each of the litigations involve claims of injury resulting from alleged failure to warn of the risk associated with the use of the metoclopramide for more than 12 weeks. The vast majority of the claims involve alleged injuries sustained as a result of the use of generic metoclopramide. There are a number of legal issues before the courts awaiting decisions that could impact the timing and outcome of the resolution of these cases. Currently there are no cases scheduled for trial in 2013 but it is possible that a trial could be scheduled for the 2nd quarter, 2014. It is too early to predict with certainty the outcome or potential liability arising from any such trials. The Company believes it has meritorious defenses to these claims.

In May 2012, APOTEX sued UCB and Kremers Urban in the Southern District of Florida for infringement of its USP 6,767,556 by Univasc® and Uniretic®, which contain moexipril as the active pharmaceutical ingredient, and by Kremers Urban's generic moexipril product. The case is scheduled for trial on 29 July 2013. The company believes it has meritorious defenses to APOTEX's claims.

Furthermore the Group entered into various agreements in order to conduct its activities which provide for potential contingent liabilities.

It is not anticipated that any other material liabilities will arise from the contingent liabilities other than those provided for in Note 32 of the annual report 2012.

29.2. Capital commitments

At 30 June 2013, the Group has committed to spend approximately € 121 million principally with respect to capital expenditure on the construction of a biological pilot plant in Braine l'Alleud, Belgium and a biological plant in Bulle, Switzerland.

UCB has entered into long term development agreements with various pharmaceutical, clinical trial operators and private equity companies. Such collaboration agreements include milestone payments which are dependent on successful clinical development or on meeting specified sales targets. At 30 June 2013, the Group had commitments payable within the coming half year of approximately € 10 million with respect to intangible assets.

29.3. Guarantees

Guarantees arising in the normal course of business are not expected to result in any material financial loss.

30. Events after the reporting period

There were no events after the closing of the reporting period.

Statutory auditor’s report on review of the condensed consolidated interim financial information for the period ended 30 June 2013

Introduction

We have reviewed the accompanying condensed consolidated interim financial information of UCB SA and its subsidiaries (the ‘Group’) as of 30 June 2013, which comprises the condensed consolidated statement of financial position as of 30 June 2013 and the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the six-month period then ended, as well as the explanatory notes. The board of directors is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34 as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Sint-Stevens-Woluwe, 30 July 2013

PwC Bedrijfsrevisoren / Reviseurs d'Entreprises

Represented by

Jean Fossion

Bedrijfsrevisor / Réviseur d’entreprises

Responsibility statement

We hereby confirm that, to the best of our knowledge, the condensed consolidated financial information for the six-month period ended 30 June 2013, which has been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation as a whole, and that the interim management report includes a fair review of the important events that have occurred during the first six months of the financial year and of the major transactions with the related parties, and their impact on the condensed consolidated financial information, together with a description of the principal risks and uncertainties for the remaining six months of the financial year.

On behalf of the Board of Directors

Roch DOLIVEUX,

Chairman of Executive Committee & CEO

Detlef THIELGEN,

Executive Vice President & CFO