



UCB S.A. 60 Allée de la Recherche, B-1070 Brussels (Belgium)

Press release

Brussels, March 23, 2005

UCB Group confirms its previously announced 2004 results
and provides IFRS reconciliation and product update

Financial Highlights

- UCB Group confirms net income after tax increased by 7% to € 363 million (19% at constant exchange rates) under Belgian GAAP.
- Dividend increases by 5%.
- IFRS conversion reduces net income by 9% to € 329 million when compared to Belgian GAAP.
- Net debt has been significantly reduced.

At its meeting on March 22nd 2005, the Board of Directors approved the Belgian GAAP accounts for the 2004 financial year, which will be submitted for approval to the Annual Shareholders' Meeting on June 14th 2005.

Final 2004 Results

The previously announced preliminary numbers released on February 7th are confirmed. The Group's turnover under Belgian GAAP increased by 3% (8% at constant exchange rates) to € 3,068 million, EBITA increased by 4% (17% at constant exchange rates) to € 507 million and income of the period increased by 7% (19% at constant exchange rates) to € 363 million.

UCB Group - Belgian GAAP (in € million)	2004	2003	Variance	
			In real terms	At constant exchange rates
Turnover	3.068	2.966	+3%	+8%
<i>of which Biopharma (incl. 5 months Celltech)</i>	1.681	1.465	+15%	+20%
<i>Surface Specialties (*)</i>	1.387	1.501	-8%	-4%
EBITA	507	487	+4%	+17%
EBIT	484	487		
Net financial cost	-10	-4		
Exceptional Items	18	-4		
Income Before Tax	492	479		
Income Tax Expenses	-129	-139		
Income of the period	363	340	+7%	+19%
Minority Interest	-2	-2		
Net Income after Minority Interest	361	338		
EBIT per share	3,32	3,34		
EPS based on Net Income	2,47	2,32		
Adjusted Net Income (**)	379	340		
EPS based on Adjusted Net Income (**)	2,60	2,33		

(*) Includes only 9 months of Films in 2004

(**) Before minority interests and adjusted for after tax impacts of Celltech goodwill and intangible amortisation.

The Board of statutory auditors has confirmed that the Belgian GAAP accounting information included in this press release requires no material adjustments and is in agreement with the annual accounts approved by the Board of Directors.

Proposed 2004 dividend

UCB S.A. 2004 net income amounted to € 444 million. The Board of Directors recommends distributing a gross dividend of € 126 million, compared to € 120 million in 2003. This represents a pay-out ratio of 34.8% of UCB's Group's net income of € 361 million.

Subject to shareholders' approval at the Annual Meeting, shareholders will receive, on June 17th, 2005, a gross dividend of € 0.86 per share (net dividend of € 0.645 per share) compared with € 0.82 last year (net dividend of € 0.615 per share), an increase of 5%.

Consolidated financial information restated under IFRS (unaudited)

Since UCB will be reporting under IFRS from 2005, restatement under IFRS for 2004 results is provided.

UCB Group (in € million)	BE GAAP 2004	IFRS 2004	Variance %
Net turnover	3,068	3,056	
Royalties and fees		212	
Revenue	3,068	3,268	-
<i>of which Biopharma (incl. 5 months Celltech)</i>	<i>1,681</i>	<i>1,885</i>	
<i>Surface Specialties</i>	<i>1,387</i>	<i>1,383</i>	
EBITA	507	476	-6%
Recurring EBIT	484	464	-4%
EBIT (post exceptionals)	502	462	-8%
Net Financing cost	(10)	(28)	
Income Before Tax	492	434	
Income Tax Expenses	(129)	(105)	
Income of the period	363	329	-9%
Minority Interest	(2)	(2)	
Net Income after Minority Interest	361	327	-9%
Adjusted Net Income (*)	379	356	-6%
EPS based on Adjusted Net Income (*)	2.60	2.48	-5%

(*) Before minority interest and adjusted for after tax impacts of Celltech goodwill, intangible amortisation and Celltech inventory fair value adjustments

As announced previously, the € 51 million pre-tax reversal of R&D expenses capitalised under Belgian GAAP has the most material impact as it is expensed under IFRS.

2004 Proforma of Biopharma part of UCB Group (unaudited)

To take into account the significant strategic transactions undertaken by UCB in 2004 which have transformed the Group into a pure biopharmaceutical leader, UCB has decided to publish a proforma 2004 revenue and EBITA statement reflecting its continuing operations by subtracting the Surface Specialties and Films contribution and by integrating Celltech's annualised figures into UCB Pharma. To be consistent with the future results, this proforma is presented in IFRS.

This table does not contain exceptional capital gain from Surface Specialties

UCB Biopharma (part of UCB Group) (in € million)	UCB Pharma (12 months) 2004	Celltech (5 months) (Aug-Dec)	Celltech (7 months) (Jan-Jul)	IFRS Proforma 2004
Net turnover	1.530	144	173	1.847
Royalties and fees	139	72	66	277
Revenue	1.669	216	239	2.124
EBITA	382	15	(8)	389

Net debt

At year-end 2004, the IFRS Group net debt was € 1,768 million. On March 1st, 2005, UCB announced the closure of the sale of its Surface Specialty business to Cytec for a total amount of € 1,415 million (€ 1,190 million in cash and € 225 million in Cytec shares). UCB has used the cash proceeds from this transaction to reduce its debt accordingly.

Outlook for 2005

The 2005 results will incorporate a substantial capital gain realized on the divestment of the Surface Specialties business.

Excluding this capital gain, and excluding the after tax capital gain on the disposal of the Films activities (€ 76 million) in 2004, the Group's net income for 2005 is expected to be in line with the 2004 IFRS net income.

This will result from the growth of the biopharma business offsetting the absence of the contribution from the specialty chemical and films businesses. This implies a double digit growth in earnings per share at constant exchange rates on a like for like basis.

Headline news on products

- **CDP870:** UCB announces that CDP870 global brand name will be **Cimzia®**. The current 3-month stability data for the new liquid formulation is meeting all specifications. Bridging clinical trials are to start in June 2005 in rheumatoid arthritis.
- **Keppra:** Keppra continues its strong double digit growth with New Prescription growth of 23% in the US year-to-date February 2005, and similar growth in Europe. Keppra intravenous formulation was filed for regulatory approval in Europe on March 15th 2005 after successful filing in the US last December. Positive results in a landmark study of a major type of idiopathic generalized seizure were obtained, enabling filing for regulatory approval in Q3 2005 and confirming the efficacy of Keppra in a broad spectrum of seizure types.

On the ongoing US patent litigation, UCB is taking pro-active steps to effectively eliminate one of the primary issues that generic drug manufacturers have asserted in their attempts to challenge our US Keppra patents, by filing a disclaimer with the U.S. Patent and Trademark office, in order to coordinate the timing of our US Keppra patents. By filing these papers, UCB's period of exclusivity in the US would be somewhat reduced by about one year to January 2009, including the expected 6 months pediatric exclusivity for which FDA-approved clinical testing is ongoing. This filing will simplify and reduce the issues to be tried. We continue to believe in the strength and validity of our Keppra patents and our ability to defend them.

- **Equasym XL:** (Metadate's brand in Europe) was approved and launched in the UK in February, its first EU market.

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About UCB:

UCB (www.ucb-group.com) is a global biopharmaceutical leader with headquarters in Brussels, Belgium, specialising in the fields of central nervous system disorders, allergy and respiratory diseases, immune and inflammatory disorders and oncology. UCB key products are Keppra® (antiepileptic), Xyzal® and Zyrtec® (antiallergics), Nootropil® (cerebral function regulator), Tussionex® (antitussive) and Metadate® / Equasym XL® (attention-deficit/hyperactivity disorder). UCB employs over 8,500 people operating in over 40 countries. UCB is listed on Euronext Brussels, achieved revenue of € 3,268 million and a net income of € 329 million in 2004, including Surface Specialties.

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Appendices

- Appendix 1: Consolidated income statements for the year ended December 31, 2004 (unaudited)
- Appendix 2: Reconciliation of the income statement from Belgian GAAP to IFRS as at December 31, 2004 (unaudited)
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**Appendix 1: Consolidated income statements for the year ended December 31, 2004
(unaudited)**

<i>Millions of EUR</i>	Belgian GAAP	IFRS	<i>Effects of transition to IFRS</i>
Revenue		3,268	
Net turnover	3,068	3,056	(12)
Royalties and fees		212	-
Cost of sales		(1,509)	
Gross margin		1,759	
Marketing and selling expenses		(625)	
General and administrative expenses		(266)	
Research and development expenses		(395)	
Other revenues / (expenses)		(9)	
Recurring earnings before interest and taxes (*)	484	464	(20)
Non recurring result	18	(2)	(20)
Earnings before interest and taxes (EBIT)	502	462	(40)
Net financing cost	(10)	(28)	(18)
Income before tax	492	434	(58)
Income tax expense	(129)	(105)	24
Profit of the period (**)	363	329	(34)
Minority interests	(2)	(2)	-
Net profit of the period	361	327	(34)
Basic earnings per share	2.47	2.27	
Diluted earnings per share	-	2.27	
Earnings per share before minority interest	2.49	2.29	

(*) *EBITA (EBIT adjusted for Celltech amortisation)*

<i>Recurring earnings before interest and taxes</i>	484	464	(20)
<i>Add back Celltech amortisation</i>	23	12	(11)
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	507	476	(31)

(**) *Adjusted net profit of the period*

<i>- after tax impact of Celltech goodwill amortisation</i>	379	356	(23)
<i>- after tax impact of Celltech intangible amortisation</i>			
<i>- and inventory fair value adjustment</i>			

Appendix 2: Reconciliation of the income statement from Belgian GAAP to IFRS as at December 31, 2004 (unaudited):

Millions of EUR	Belgian GAAP	IFRS adjustments	IFRS
EBIT	502		
- Impact of revenue translation at spot rate		(8)	
- Reversal of R&D expenses capitalised under Belgian GAAP during 2004 and expensed under IFRS as these were not meeting the criteria set by IAS 38		(51)	
- Reversal of goodwill amortisation recorded in Belgian GAAP		29	
- Increase of cost of sales resulting from the fact that Celltech inventories were accounted for in IFRS at fair value at acquisition date while accounted for at cost under Belgian GAAP		(26)	
- Decrease of pension costs mainly as a result of the curtailment realised in connection with the disposal of the Films activities		19	
- Additional amortisation expense on intangibles (mainly resulting from the recognition of Celltech intangibles at fair value at acquisition date in accordance with IFRS 3)		(15)	
- Decrease of depreciation expense on tangible assets as a result of the change of useful lives adopted in IFRS compared to those used under Belgian GAAP		11	
- Additional capital gain on the disposal of the Films division		4	
- Provisions reversed during 2004 under Belgian GAAP while already reversed in the opening balance sheet under IFRS		(3)	
- Net reversal of impairment losses recorded in Belgian GAAP in 2004 while already reflected in the IFRS opening balance sheet		3	
- Other (net)		(3)	
Total	502	(40)	462
Net financing cost	(10)		
- Net financial loss resulting from the application of IAS 39 relating to financial instruments (mainly swap and forward contracts)		(8)	
- Impact of the change of translation method of group companies (monetary/non monetary method not compliant under IFRS)		(7)	
- Other (net)		(3)	
Total	(10)	(18)	(28)
Income tax expense	(129)		
- Tax impact on the above adjustment		24	
- (The decrease of the effective tax rate from 26,3% under Belgian GAAP to 24,1% under IFRS is mainly explained by the fact that the reversal of goodwill depreciation is tax exempted)			
Total	(129)	24	(105)
Profit of the period	363	(34)	329

Appendix 3: Consolidated balance sheet as at December 31, 2004 (unaudited)

<i>Millions of EUR</i>	Belgian GAAP	IFRS	<i>Effects of transition to IFRS</i>
Non-current assets	3,591	3,533	(58)
Intangible assets	595	828	233
Goodwill	2,155	1,691	(464)
Property, plant and equipment	700	802	102
Deferred tax assets	92	151	59
Investments and other non-current assets	49	61	12
Current assets	1,783	1,726	(57)
Inventories	439	441	2
Trade and other receivables	718	717	(1)
Income tax receivable	-	21	21
Investments	-	13	13
Cash and cash equivalents	626	534	(92)
<u>TOTAL ASSETS</u>	5,374	5,259	(115)
Equity	1,965	1,668	(297)
Share capital & share premium	438	438	-
Reserves	1,522	1,225	(297)
Minority interests	5	5	-
Non-current liabilities	617	853	236
Employee benefits	55	152	97
Provisions	178	132	(46)
Interest bearing loans	247	278	31
Deferred tax liabilities	132	289	157
Other payables	5	2	(3)
Current liabilities	2,792	2,738	(54)
Interest bearing loans	2,023	2,024	1
Provisions	-	50	50
Trade and other payables	769	602	(167)
Income tax payables	-	62	62
<u>TOTAL EQUITY AND LIABILITIES</u>	5,374	5,259	(115)

Appendix 4: Condensed Consolidated Cash Flow Statement for the year ended December 31, 2004 (unaudited)

<i>Millions of EUR</i>	<u>IFRS</u>
Cash flow from operating activities (a)	470
Cash flow from investing activities (b)	(2,046)
Cash flow from financing activities (c)	1,696
Net increase in cash and cash equivalents (d) = (a) + (b) + (c)	120
Net effect of currency translation on cash and cash equivalents (e)	(1)
Cash and cash equivalents at the beginning of the period (f)	415
Cash and cash equivalents at the end of the period (g) = (d) + (e) + (f)	534
Net increase in cash and cash equivalents	119