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Press Release

UCB first half-year 2005 results

- **Reported operating profit (EBIT) up 16%**
- **Net profit up 232% including capital gain of € 470 million on sale of discontinued businesses**
- **On a like for like basis, revenues up 11%, EBIT up 19%, and net profit up 16%**

Brussels (Belgium), July 27, 2005, 1:30 PM CET – UCB today announced its results for the 6 months ended June 30, 2005.

Roch Doliveux, CEO of UCB comments: "In the first half of 2005, UCB produced strong financial and operational performance in all our product franchises and on all R&D fronts. Major R&D progress has been achieved, especially the successful completion of the pivotal clinical trials for Cimzia™ in the treatment of Crohn's disease. These positive results clearly strengthen UCB's momentum towards becoming a global biopharmaceutical leader."

Financial highlights

in million €	1H 2005	1H 2004 reported	Growth real (1)	*1H 2004 proforma*	*Growth real (1)*	*Growth CER (2)*
Revenues	**1 184**	**854**	**+39%**	***1 070***	***+11%***	***+13%***
EBITDA	289	240	+20%	*261*	*+11%*	*+16%*
Recurring EBITA	266	221	+20%	*232*	*+15%*	*+21%*
EBIT	246	212	+16%	*207*	*+19%*	*+26%*
Net profit from continuing operations	**165**	**161**	**+2%**	***142***	***+16%***	***+18%***
Net profit from discontinued operations	479	33	-			
of which capital gain	*470*	-	-			
NET PROFIT	**644**	**194**	**232%**			
EPS from continuing operations (€/share)	1.15	1.11	+4%	*0.99*	*+16%*	*+16%*
EPS from total operations (€/share)	4.48	1.34	232%			

1 real: at real exchange rate

2 CER: at constant exchange rate

The 2005 unaudited consolidated half-year financial statements are prepared in accordance with IFRS recognition and measurement principles. As required by IFRS-5, the earnings contribution of Surface Specialties for both 2004 and 2005 is considered as discontinued operations. As such, the contribution of the discontinued operations is only reflected at the net profit level.

The first half-year of 2005 includes six months of Celltech activities. As the Celltech acquisition was only completed at the end of July 2004, no Celltech contribution has been booked during the first half of 2004.

Proforma 2004 figures have been prepared to ease the comparison on a like for like basis and include the Celltech activities for the first 6-month period in 2004 as well as the financial charges, as if UCB owned these assets as per January 1, 2004 and had divested Surface Specialties and Films as of the same date.

Financial Review

Revenues: strong overall performance

Revenues grew by 39% (+11% proforma) during the first six months of 2005, driven by an increase in net sales of 32% (+11% proforma) and a doubling (+6% proforma) in royalty income, compared to the same period in 2004.

Keppra®

Keppra® continued its strong growth, strengthened its market position in the treatment of epilepsy, and particularly enhanced its leadership in the United States. Keppra® sales grew by 34% to € 258 million, compared with the same period in 2004. Keppra® sales grew in all its geographic regions, as follows:

in million €	**2005**	**2004**		
USA	166	126	+32%	(+38% in USD)
Europe	86	63	+37%	
Rest of the world	6	4	+50%	

Allergy franchise

UCB's allergy franchise grew by 6% to € 383 million during the first six months of 2005, largely driven by the strong growth of Zyrtec® in Japan, where sales increased by 40% to € 93 million. Zyrtec® rebounded in the United States. Xyzal® continued to improve its market penetration and grew by 30% worldwide despite a weak allergy season in Europe. The growth in allergy franchise sales by geographic region was as follows:

in million €	**2005**	**2004**		
USA	121	114	+6%	(+11% in USD)
Europe	141	155	-9%	(Xyzal® growth 25%)
Japan	93	67	+40%	
Rest of the world	28	27	+2%	

Other UCB products

Sales of other UCB products performed solidly, increasing by 73% (+ 6% proforma) to € 399 million. Tussionex®, a cough & cold treatment, performed particularly well to reach US sales of € 50 million.

Geographical net sales

The geographical distribution of the net sales during the first six months of 2005 and 2004 is as follows:

	2005	2004
USA	41%	36%
Europe	40%	43%
Japan	12%	13%
Rest of the world	7%	8%

Royalty income

Royalty income more than doubled to reach € 144 million, mainly driven by the inclusion of the royalty flow linked to the Boss antibody licenses and linked to the other Celltech royalty income flow as well as the good performance of Zyrtec® in the USA.

in million €	2005	2004
Zyrtec®	69	63
Boss	55	0
Other	20	4
TOTAL	144	67

Operating expenses: realized synergies reinvested in focused R&D

Total operating expenses grew by 32% (+3% proforma) during the first six months of 2005, at the same pace as the net sales but at a slower pace than the total revenues.

UCB is well on track to meet its previously announced € 100 million synergy target by the end of 2005, arising from the acquisition of Celltech, earlier than planned. More than 50% has already been realized during the first six months of 2005. A large proportion of these synergies are being reinvested in the Company's R&D programmes.

Marketing & selling expenses increased by 14% (-2% proforma) to € 310 million, reflecting the increased sales & marketing efforts for Keppra®, the early preparation activities for Cimzia™, the 6-month integration of Celltech marketed products, offset by synergies.

General and administrative expenses increased by 7% to € 94 million, but decreased by 15% on a proforma basis, following the capture of post-merger synergies.

R&D investments increased by 90% (+ € 117 million) (+18% proforma) in the first half of 2005 versus the same period last year, reflecting the clinical progress of a much broader R&D pipeline after the integration of Celltech, in particular the phase III studies for Cimzia™ for the treatment for Crohn's disease and rheumatoid arthritis. On July 26, 2005, UCB published a separate press release highlighting positive Phase III pivotal study results for Cimzia™ in Crohn's disease.

Operating profit, a robust performance

First half year 2005 recurring EBITA rose by 20% (+15% proforma) to € 266 million, whereas EBIT grew by 16% (+19% proforma) to € 246 million after amortisation of the intangible assets.

Net income growth reflecting strong capital gain

Net income for the first half of 2005 of € 644 million includes 2 months of Surface Specialties activities which generated a net income of € 9 million and a capital gain of € 470 million from the divestment of that business.

Net income from continuing operations, i.e. biopharmaceutical activities, reached € 165 million, representing a 2% increase (+16% proforma) versus the same period in 2004. This relatively modest increase in net income versus the 16% growth in EBIT resulted from the financing charges incurred as a result of debt financing for the acquisition of Celltech. This debt was substantially repaid on March 1, 2005 following the sale of UCB's Surface Specialties business to Cytec Industries.

Net debt

Net debt on June 30, 2005 amounted to € 585 million, compared to € 1 768 million on December 31, 2004.

Operating cash flow

UCB's continuing operations generated a healthy operating cash flow of € 138 million during the first six months of 2005. Capital expenditures during the same period reached € 44 million.

2005 Outlook

The earnings profile of UCB shows a seasonal pattern, mostly due to both its allergy and cough & cold franchise. Historically, UCB has realized more than half of its overall profit contribution during the first semester of the year. This seasonal pattern has been further reinforced in 2005 as a result of a particularly severe pollen season in Japan and the contribution of Zyrtec® in the USA.

UCB's management confirms its financial outlook for the full year 2005, as announced in March 2005. The net income for 2005 is expected to exceed the 2004 IFRS net income, when excluding the after tax capital gains on the sale of the discontinued businesses (€ 470 million - 2005) and the Films activities (€ 76 million - 2004).

As previously announced, the growth of the biopharma business is expected to at least offset the contribution from discontinued businesses at the net profit level.

A separate unaudited half-year financial report (8 pages) is a full part of this press release.

R&D update

Central Nervous System (CNS)

Keppra® confirmed its position as the new standard in epilepsy treatment.

- In June 2005, the FDA approved Keppra® as an add-on therapy in the treatment of partial-onset seizures in children four years of age and older with epilepsy. The FDA approved this new pediatric indication for Keppra® under priority review, a designation for products that address unmet medical needs and represent a significant improvement to therapies already available. Keppra®'s label in the US has been amended to reflect this approval.

- A supplemental drug application was also filed in the US in December 2004 and in Europe in March 2005 for an intravenous formulation as an alternative therapy for those unable to take oral Keppra®.

- The Japanese regulatory agency requires another phase III study in addition to the first, successfully completed phase III study in Japan. Submission to the Japanese regulatory agency is therefore expected in 2007.

News on two future generation CNS development products:

Brivaracetam is progressing well in its phase II dose-ranging clinical developments. Brivaracetam received a positive opinion from European Authorities for an orphan designation for the treatment of progressive myoclonic epilepsies.

Seletracetam completed a multiple dose phase I study in December 2004. A study is currently ongoing in photoparoxysmal epilepsy patients as part of the phase II dose-ranging programme.

Inflammatory and Respiratory

Cimzia™ demonstrated significant positive phase III results in Crohn's disease. (A separate press release was published on July 26, 2005.)

CDP 323 is in early development with several possible indications in severe inflammatory diseases under consideration. A phase I study in healthy volunteers demonstrated good plasma exposure and prolonged inhibition of ligand binding to alpha-4 integrins.

CDP484, a PEGylated fragment of a humanised antibody targeting IL-1b, completed Phase I. The study failed to meet our criteria to proceed with phase II clinical development and further development of the compound is on hold. UCB is currently evaluating other therapeutic options as well as the option of developing the compound with a partner.

Oncology

CDP791, a potential anti-angiogenic treatment of various cancer types, alone or in combination with standard chemotherapy, successfully completed phase I in June 2005. The study results showed that CDP791 was well tolerated at all dose levels tested. A phase II study in non-small cell lung cancer is scheduled to start in the next few weeks.

About UCB

UCB - www.ucb-group.com - is a global biopharmaceutical leader with headquarters in Brussels, Belgium, specializing in the fields of central nervous system disorders, allergy and respiratory diseases, immune and inflammatory disorders, as well as 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 with a market capitalization of approximately € 5.8 billion.

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