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Press Release

UCB Full-Year 2005 Financial Results

Profit from continuing operations of 270 million euro up 37%, and on a like-for-like basis up 16%

- **Revenue increased by 24% to 2 341 million euro and on a like-for-like basis up 10%**
- **Growth driven by Keppra® with sales up 34% strengthening market leadership in the U.S.A.**
- **Allergy sales up 6% with Zyrtec® continuing to grow in the U.S.A. and Japan, and Xyzal® growing strongly in Europe**
- **Sale of the non-core Surface Specialties business resulted in a capital gain of 475 million euro, as UCB focuses on becoming a global biopharmaceutical leader**
- **Successful completion of phase III trials for Cimzia™ in Crohn's disease; submission (on 28 February 2006) of Biologics Licence Application acknowledged by the FDA**
- **Considerable progress in R&D pipeline with R&D investment reaching 25% of net sales**
- **UCB and Celltech fully integrated and synergies realised above initial 100 million euro target**
- **Proposed gross dividend of 0.88 euro per share (net dividend of 0.66 euro per share) compared to the gross dividend of 0.86 euro per share payable in 2005 (net dividend of 0.645 euro per share)**

Brussels (Belgium), 14 March 2006, 7:00 AM CET – UCB today announced its audited financial results for the 12 months ended 31 December 2005.

Roch Doliveux, CEO of UCB comments: "In 2005, UCB delivered strong financial and operational performance in all its product franchises and geographies. Major R&D progress was achieved, especially the successful completion of the pivotal clinical trials for Cimzia™, the first subcutaneous anti-TNF to show efficacy for the treatment of Crohn's disease. These positive results as well as the successful integration of Celltech clearly reinforce UCB's momentum toward becoming a global biopharmaceutical leader."

"In 2006 net sales will continue to show solid growth, mainly driven by Keppra® which is becoming the new standard treatment of epilepsy and UCB's top selling product. The U.S. allergy strategy is being rolled out and a New Drug Application (NDA) for Xyzal® (levocetirizine) is expected to be submitted to the FDA in mid 2006. In the meantime, we are selecting a partner to market this new anti-histamine in the U.S.A. We are actively preparing and investing for the launch of Cimzia™ for the treatment of Crohn's disease, which we target for the first half of 2007. Furthermore, investment in R&D should remain at 25% of net sales in 2006 to support the clinical development of Cimzia™ in new indications and advance our pipeline. We look to Cimzia™'s excellent clinical performance and unique molecular design to contribute to UCB's continuing success."

Financial highlights

in million EUR	2005	2004 Reported	*Growth Real* [1]	2004 Pro Forma	*Growth Real* [1]	*Growth CER* [2]
Net sales	2 043	1 674	+22%	1 847	*+11%*	*+10%*
Revenue	**2 341**	**1 885**	**+24%**	**2 124**	***+10%***	***+10%***
Gross profit	**1 791**	**1 461**	**+23%**	**1 637**	***+9%***	***+10%***
Recurring EBITDA	529	424	+25%	461	*+15%*	*+16%*
Recurring EBITA	475	381	+25%	405	*+17%*	*+18%*
Recurring EBIT	437	359	+22%	367	*+19%*	*+20%*
EBIT	364	281	+29%	359	*+1%*	*+3%*
Profit from continuing operations	**270**	**197**	**+37%**	**234**	***+16%***	***+16%***
Profit from discontinued operations	485	132	-			
of which trading profit	*10*	*56*	-			
of which capital gain	*475*	*76*	-			
Profit	**755**	**329**	**130%**	**234**		
EPS from continuing operations (EUR/share)	1.88	1.36	+38%	1.62	*+16%*	*+16%*
EPS from total operations (EUR/share)	5.26	2.27	+131%			
Capital expenditure	(86)	(82)				
Net debt	(591)	(1 723)				

1 Real: at real exchange rates

2 CER: at constant exchange rates

The 2005 audited consolidated financial statements are prepared in accordance with IFRS (International Financial Reporting Standards) 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 profit level.

The Board of Auditors issued an unqualified audit opinion on the consolidated financial statements ending 31 December 2005 and confirmed that the accounting information included in this press release is in line with the financial statements.

2005 includes twelve months of Celltech activities. As the Celltech acquisition was only completed in July 2004, a five-month Celltech contribution has been included for 2004.

Pro Forma 2004 figures have been prepared to ease the comparison on a like-for-like basis and include the Celltech activities for the 12-month period in 2004 as well as the financial charges, as if UCB had owned these assets as per 1 January 2004 and had divested Surface Specialties as of the same date.

Given the relatively stable 2005 evolution of the euro against UCB's major trading currencies, the foreign exchange impact on revenue and profits has been limited in 2005. Therefore, the impact of currency fluctuations will not be further detailed in this press release.

Financial Review

Revenue: strong overall performance

Revenue grew by 24% (+10% Pro Forma) during 2005, driven by an increase in net sales of 22% (+11% Pro forma) and a 41% growth (+8% Pro Forma) in royalty income, compared with the same period in 2004.

Keppra®

Keppra®, UCB's anti-epileptic, continued its strong growth, enhanced its market position in the treatment of epilepsy, and particularly its leadership in the U.S.A. Keppra® net sales grew by 34% to 560 million euro, compared with the same period in 2004. Keppra® net sales grew in all its geographic regions, as follows:

in million EUR	2005	2004	Δ
U.S.A.	356	270	32%
Europe	187	137	37%
Rest of the world	16	10	67%
Total Keppra®	**560**	**417**	**34%**

Allergy franchise

UCB's allergy franchise grew by 6% to 688 million euro during 2005. Zyrtec®'s growth was excellent in Japan, where a strong allergy season drove net sales up by 39% to 166 million euro, and solid in the U.S.A. The global 2005 in-market sales of Zyrtec® amounted to 1.5 billion euro of which reported sales by UCB reached 562 million euro. Xyzal® continued to improve its market penetration (market leader in 7 European countries) and grew by 21% worldwide to 126 million euro despite a weak allergy season in Europe. The growth in allergy franchise net sales by geographic region was as follows:

in million EUR	2005	2004	Δ
U.S.A.	244	236	+4%
Europe	223	238	-6%
Japan	166	119	+39%
Rest of the world	55	55	-1%
Total allergy	**688**	**648**	**+6%**

Other UCB products

Net sales of other UCB products grew by 31% (+ 2% Pro Forma) to 795 million euro. A strong early cough and cold season and the benefits of a broader sales force helped Tussionex® to reach net sales of 108 million euro in the U.S.A.

in million EUR	2005 Reported	2004 Pro Forma	Δ
Tussionex®	108	82	+32%
Nootropil®	103	103	0%
Metadate™CD/Equasym™XL	51	46	+10%
Atarax®	49	45	+9%
Delsym®	31	29	+8%
Other	452	476	-5%
Total other products	**795**	**781**	+2%

Net royalty income

Net royalty income increased by 32% (+3% Pro Forma) to reach 243 million euro, mainly driven by Zyrtec®'s good performance in the U.S.A. and the higher third-party sales linked to the Boss antibody licenses.

in million EUR	2005 Reported	2004 Pro Forma
Zyrtec®	135	131
Boss related	116	111
Other	47	35
Royalty income	298	277
Boss related	(47)	(31)
Other	(8)	(9)
Royalty expenses	(55)	(40)
Net royalty income	**243**	**237**

Operating expenses: realised synergies reinvested in focused R&D

Total operating expenses grew by 23% (+7% Pro Forma) during 2005, at a slower pace than revenue.

UCB exceeded its previously announced 100 million euro synergy target, arising from the acquisition of Celltech. The majority of these synergies were reinvested in the business for future growth.

Marketing & selling expenses increased by 19% (8% Pro Forma) to 653 million euro. The Pro Forma 8% increase reflects mainly new product launches (Equasym™ XL, Kentera® and Xyrem®) in the later part of 2005, preparation of the expected launch of Cimzia™, partially offset by realised synergies.

General and administrative expenses increased by 2% to 191 million euro, but decreased by 10% on a Pro Forma basis, due to post-merger synergies.

R&D investment increased by 41% (+ 150 million euro) (+13% Pro Forma; + 60 million euro) to 511 million euro in the 12 months of 2005, mainly reflecting the clinical progress of a much broader R&D pipeline, in particular the phase III studies for Cimzia™. The total R&D spend, including Medical Affairs, reached 25% of net sales in 2005 (24.4% in 2004 - Pro Forma).

Operating profit, a robust performance

Driven by solid growth in gross profit of 23% (+9% Pro forma), recurring EBITA rose by 25% (+17% Pro Forma) to 475 million euro, whereas recurring EBIT grew by 22% (+19% Pro Forma) to 437 million euro after amortisation of intangible assets.

Our 2005 accounts have been impacted by a series of "non-recurring" items as follows:

- ***Other income/expenses***: UCB continued to dispose of non-core activities in 2005, such as the sale of the dairy antibiotic testing business and of the Ashton contract manufacturing site. These divestments generated a one-time profit of 34 million euro before income taxes.

- ***One-time financial income***: In the context of simplifying the legal entity structures inherited from Celltech and the related inter-company financing, non-cash, financial income of 40 million euro was accounted for in 2005.
- ***Restructuring expenses***: Expenses of 39 million euro were incurred as UCB continued to streamline its organisation.
- ***Impairment charges***: UCB recognised a 67 million euro impairment charge in 2005, principally a 60 million euro charge following the decision to terminate the CDP484 programme.

After adjustment for these non-recurring items (excluding one time financial income), the Operating profit (EBIT) rose to 364 million euro, up 29% (+1% Pro Forma).

Profit growth

Profit amounted to 755 million euro, including 2 months of Surface Specialties activities at 10 million euro, and a capital gain of 475 million euro on the sale of the remaining Surface Specialties activities in 2005.

Profit from continuing operations, i.e. biopharmaceutical activities, reached 270 million euro, representing a 37% increase (+16% Pro Forma) versus 2004.

Net debt

Net debt on 31 December 2005 amounted to 591 million euro, down from 1 723 million euro on 31 December 2004, thanks to the proceeds from the sale of the non-core Surface Specialties activities on 28 February 2005. Since year-end 2005, the 120 million euro proceeds from the sale of the Bioproducts manufacturing activities to Lonza have contributed to a further reduction of net debt.

Cash flow

UCB's continuing operations generated a healthy operating cash flow of 290 million euro during 2005 and free cash flow of 196 million euro.

Proposed 2005 dividend

The Board of Directors recommends the distribution of a gross dividend of 0.88 euro per share (net dividend of 0.66 euro per share) compared with 0.86 euro last year (net dividend of 0.645 euro per share), an increase of 2.3%. This dividend represents a 17% pay-out ratio of the 2005 profit (or 47% of the 2005 profit from continuing operations).

Subject to approval at the next Annual Shareholders' Meeting, the dividend will be payable on 16 June 2006.

2006 Financial Outlook

2006 should be a year of continued solid sales growth as well as substantial re-investment in UCB's promising future driven by Cimzia™ and a pipeline of potential new products.

Hence 2006 profit from continuing operations are expected to be in line with 2005 as a result of:

- Continued dynamic Keppra® performance
- New product launches in Europe
- Decrease in net royalty income from Boss patent
- Additional expenses to prepare Cimzia™ launch
- Increase in R&D expenses in line with sales increase
- Tight management of other expenses

The Audited 2005 Financial Statements (balance sheet, income statement and cash flow statement according to IFRS) are attached to this Press Release. The 2005 Financial Report is available from today on the UCB Website (www.ucb-group.com).

Pipeline update

Central Nervous System (CNS)

Keppra® continued expansion of its approved epilepsy indications.

- The new paediatric indication for Keppra® has been launched in Europe and in the U.S.A.
- In January 2006, UCB filed a variation application with the European Medicines Agency (EMEA) for the use of Keppra® as monotherapy.
- The U.S. and European submissions of the variation application for the use of Keppra® in the treatment of myoclonic epilepsy seizures occurred in October 2005 and the decision on approval is expected during the second half of 2006.
- In January 2006, UCB received an EMEA positive opinion and a FDA approvable letter for Keppra® intravenous administration for use as adjunctive therapy in the treatment of partial-onset seizures in adult patients with epilepsy. The European and U.S. launches of this first intravenous formulation of a new anti-epileptic drug are targeted for the third quarter of 2006.
- The submission of the variation application for the use of Keppra® in the treatment of primary generalised tonic-clonic seizures is expected by mid 2006.
- In addition to the successfully completed first phase III study in Japan, and as required by the Japanese regulatory agency, a new phase III study has started for which patient recruitment is ongoing. Results are expected during the fourth quarter of 2007.
- Marketing authorisations for Keppra® were also filed in South Korea and China.

Brivaracetam is progressing in its phase II dose-ranging clinical development in epilepsy and neuropathic pain with results expected during the second half of 2006. *Brivaracetam* received a positive opinion from European Authorities for an orphan designation for the treatment of progressive myoclonic epilepsies. An orphan designation for the treatment of symptomatic myoclonus was also received from the FDA. If successful, this program will lead to a regulatory submission during 2008.

Seletracetam successfully completed a multiple dose phase IIa study. The top line results demonstrate that *seletracetam* is more than 100 times more potent than Keppra®. Single doses from 0.5 to 20 mg were tested, all producing suppression of photoparoxysmal responses. A Phase II study to demonstrate efficacy in epileptic seizure control is currently ongoing and results are expected during the second half of 2006.

Inflammation

Cimzia™ demonstrated significant positive phase III results in **Crohn's disease**. The Biologics License Application (BLA) was submitted at the end of February 2006 to the FDA for the approval of Cimzia™ (certolizumab pegol, CDP870) for the treatment of patients with Crohn's disease. FDA has acknowledged the receipt of the BLA. UCB plans to request marketing authorisation from the EMEA in April 2006.

In 2006, UCB will participate in a significant number of relevant congresses, and plans to submit over 50 abstracts/papers on Cimzia™. Competitive staffing is established in the U.S.A. and major EU territories with business units and medical affairs, while preparing field forces.

Cimzia™'s **rheumatoid arthritis** program is evolving according to plan with results expected at the end of 2006.

A 12-week phase II dose-ranging clinical evaluation of **Cimzia**™ in the treatment of **psoriasis** is currently ongoing.

CDP323 is in early development with several possible indications in severe inflammatory diseases under consideration. After a positive phase I evaluation showing good plasma exposure and prolonged inhibition of ligand binding to alpha-4 integrins, a phase II study for the treatment of multiple sclerosis is expected to start during the third quarter of 2006, subject to regulatory authorities' approval.

Oncology

CDP791, a potential anti-angiogenic treatment of various cancer types, alone and in combination with standard chemotherapy, successfully completed phase I in June 2005. A phase II study of CDP791 in combination with standard chemotherapy in non-small cell lung cancer is currently ongoing and results are expected around the end of 2006. The safety assessment of the first part of this study showed that CDP791 was well tolerated with no signs of additive toxicity.

CMC544, an anti CD22 antibody conjugated with calicheamycin, is co-developed with Wyeth. The results of the phase II study in Non-Hodgkin's Lymphoma are expected during the second half of 2006.

Board of Directors

Daniel Janssen, currently Vice-Chairman of the Board of Directors and who has reached the mandatory retirement age, will retire with effect from 13 June 2006. The Board of Directors and the Executive Committee of UCB wish to thank Daniel Janssen sincerely for his 44 years of commitment and contribution to UCB's success.

The Board of Directors has decided to appoint Evelyn du Monceau as Vice-Chairman of the Board of Directors to replace Daniel Janssen. It will also submit the nomination of Gaëtan van de Werve as a new Director of UCB S.A. for approval at the Annual Shareholders' Meeting of 13 June 2006.

Financial Calendar

Annual Shareholders' Meeting	13 June 2006
Half-year 2006 Financial Results	27 July 2006
R&D day	Autumn 2006
Full-year 2006 Financial Results	28 February 2007

About UCB

UCB (www.ucb-group.com) is a leading global biopharmaceutical company dedicated to the research, development and commercialisation of innovative pharmaceutical and biotechnology products in the fields of central nervous system disorders, allergy/respiratory diseases, immune and inflammatory disorders and oncology – UCB focuses on securing a leading position in severe disease categories. Employing over 8,500 people in over 40 countries, UCB achieved revenue of 2.3 billion euro in 2005. UCB is listed on the Euronext Brussels Exchange with a market capitalisation of approximately 6.0 billion euro. Worldwide headquarters are located in Brussels, Belgium.

Forward-Looking Statement

This news release contains forward-looking statements. Such forward looking statements involve known and unknown risks, uncertainties and other factors which might cause the actual results, financial condition, performance, or achievements of UCB or industry results, to be materially different from any future results, performance, or achievements expressed or implied by such forward looking statements. The statements in this press release represent UCB's expectations and beliefs as of the date of this press release. UCB anticipates that subsequent events and developments may cause these expectations and beliefs to change. However, while UCB may elect to update these forward-looking statements at some point in the future, it specifically disclaims any obligation to do so. These forward-looking statements should not be relied upon as representing UCB's expectations or beliefs as of any date subsequent to the date of this press release.

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Financial Glossary

EPS from continuing operations	Earnings or profit from continuing operations per share (net of treasury shares owned by UCB)
EPS from total operations	Earnings or profit per share (net of treasury shares owned by UCB)
Free cash flow	Sum of the cash flows from operating and investing activities
Profit	Profit after taxes from the continuing and discontinued activities
Recurring EBITDA	Operating profit before impairment charges, intangible assets amortisation expenses, depreciation, restructuring expenses and other income/expenses
Recurring EBITA (REBITA)	Operating profit before impairment charges, intangible assets amortisation expenses, restructuring expenses and other income/expenses
Recurring EBIT (REBIT)	Operating profit before impairment charges, restructuring expenses and other income/expenses

Please be aware that the total numbers and percentages in this press release may reflect rounding.

Consolidated financial statements

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December million EUR	Note	2005	2004
Continuing operations			
Net sales		2 043	1 674
Royalty income		298	211
Revenue		**2 341**	**1 885**
Cost of sales		(550)	(424)
Gross profit		**1 791**	**1 461**
Marketing & Selling expenses		(653)	(551)
Research & Development expenses		(511)	(361)
General & Administrative expenses		(191)	(186)
Other operating income and expenses	9	1	(4)
Operating profit before impairment, restructuring and other income and expenses		**437**	**359**
Impairment of non-financial assets	10	(67)	-
Restructuring expenses	11	(39)	(78)
Other income and expenses	12	33	-
Operating profit		**364**	**281**
Net financing costs	14	(2)	(1)
Profit before income taxes		**362**	**280**
Income tax expense	15	(92)	(83)
Profit from continuing operations		**270**	**197**
Discontinued operations			
Profit from discontinued operations	6	**485**	**132**
Profit		**755**	**329**
Attributable to:			
Equity holders of UCB S.A.		755	327
Minority interest		-	2
Basic earnings per share (EUR)			
from continuing operations		1.88	1.36
from discontinued operations		3.38	0.91
Total earnings per share	16	**5.26**	**2.27**
Diluted earnings per share (EUR)			
from continuing operations		1.85	1.35
from discontinued operations		3.32	0.90
Total diluted earnings per share	16	**5.17**	**2.25**

Consolidated financial statements

CONSOLIDATED BALANCE SHEET

At 31 December million EUR	Note	2005	2004
ASSETS			
Non-current assets			
Intangible assets	17	721	809
Goodwill	18	1 663	1 676
Property, plant and equipment	19	500	803
Deferred income tax assets	26	176	153
Employee benefits	27	17	12
Financial and other assets	20	337	78
Total non-current assets		**3 414**	**3 531**
Current assets			
Inventories	21	261	410
Trade and other receivables	22	514	711
Income tax receivables		53	21
Financial and other assets	20	51	44
Cash and cash equivalents	23	424	534
Total current assets		**1 303**	**1 720**
Total assets		**4 717**	**5 251**
EQUITY AND LIABILITIES			
Equity			
Capital and reserves attributable to UCB shareholders	24	2 409	1 640
Minority interest		-	5
Total equity	24	**2 409**	**1 645**
Non-current liabilities			
Interest-bearing loans and borrowings	25	1 024	278
Deferred income tax liabilities	26	291	291
Employee benefits	27	112	159
Other liabilities	30	53	6
Provisions	29	121	132
Total non-current liabilities		**1 601**	**866**
Current liabilities			
Interest-bearing loans and borrowings	25	31	2 020
Trade and other liabilities	30	525	605
Income tax payables		99	62
Provisions	29	52	53
Total current liabilities		**707**	**2 740**
Total liabilities		**2 308**	**3 606**
Total equity and liabilities		**4 717**	**5 251**

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December million EUR	2005	2004
Profit from continuing operations	**270**	**197**
Depreciation of property, plant and equipment	54	45
Amortisation of intangible assets	38	29
Impairment of non-financial assets	67	(2)
Loss/(gain) on disposals of property, plant and equipment	-	(1)
Equity settled share-based payment expense	2	-
Profit from disposed operations, other than discontinued operations	(26)	-
Net interest (income)/expense	38	16
Impairment of financial assets	3	-
Net non-cash financing costs	(38)	(12)
Financial instruments – change in fair value	(2)	(3)
Dividend income	(2)	-
Income tax expense	92	83
Cash flow from operating activities before changes in working capital, provisions and employee benefits	**496**	**352**
Decrease/(increase) in inventories	(14)	17
Decrease/(increase) in trade & other receivables and other assets	(20)	14
Increase/(decrease) in trade & other payables	(38)	79
Net movement in provisions and employee benefits	11	35
Net cash generated from operating activities	**435**	**497**
Interest received	33	28
Interest paid	(57)	(43)
Income taxes paid	(121)	(116)
CASH FLOW FROM OPERATING ACTIVITIES	**290**	**366**
Acquisition of intangible assets	(40)	(20)
Acquisition of property, plant and equipment	(86)	(82)
Acquisition of subsidiaries, net of cash acquired	-	(2 197)
Acquisition of other investments	(4)	(1)
Proceeds from sale of property, plant and equipment	8	14
Proceeds from sale of subsidiaries, net of cash disposed	9	-
Proceeds from sale of businesses, net of cash disposed	12	-
Proceeds from sale of other investments	3	1
Proceeds from/(payments of) loans granted	2	(3)
Dividends received	2	-
CASH FLOW FROM INVESTING ACTIVITIES	**(94)**	**(2 288)**
Proceeds from borrowings	900	1 900
Repayment of borrowings	(2 100)	(50)
Payment of finance lease liabilities	(2)	(2)
Purchase of treasury shares	(10)	(43)
Dividend paid to UCB shareholders net of dividend paid on own shares	(123)	(121)
CASH FLOW FROM FINANCING ACTIVITIES	**(1 335)**	**1 684**
CASH FLOW FROM DISCONTINUED OPERATIONS	**1 062**	**398**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(77)**	**160**
Cash and cash equivalents less bank overdrafts at the beginning of the year	467	311
Effect of exchange rate fluctuations	5	(4)
CASH AND CASH EQUIVALENTS LESS BANK OVERDRAFTS AT THE END OF THE YEAR	**395**	**467**