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Press Release

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UCB ANNOUNCES PROPOSED ACQUISITION OF SCHWARZ PHARMA FOR CASH AND SHARES, VALUING SCHWARZ PHARMA AT 4.4 BILLION EUROS

BUILDING THE NEXT GENERATION GLOBAL BIOPHARMACEUTICAL LEADER

- **UCB intends to make a friendly cash and share offer for all the issued and to be issued shares in Schwarz Pharma.**
- **Schwarz Pharma's shareholders would receive 50 euros in cash and 0.8735 of one new ordinary share in UCB, valuing each Schwarz Pharma share at 91.1 euros based on the closing price of a UCB share on 22 September 2006.**
- **Schwarz Pharma's Supervisory and Executive Boards unanimously intend to recommend the offer.**
- **The Schwarz family, owning approximately 60 per cent of the issued share capital of Schwarz Pharma, has committed irrevocably to accept the Offer and to hold at least 41.5 per cent of the UCB shares they receive in the Offer until after June 2010.**
- **Schwarz Pharma brings three exciting, approved and late stage new compounds, complementary therapeutic and geographic focus, strong talent and cultural fit.**

- **The combined UCB and Schwarz Pharma would be a leading biopharmaceutical company with:**
 - **revenues in excess of 3.3 billion euros**
 - **world leading R&D - annual expenditure of 770 million euros**
 - **global leadership in neurology**
 - **stronger combined commercial power in the USA and EU**
 - **rich neurology and inflammation pipeline accelerating growth**
 - **strengthened and more diversified product portfolio**
 - **improved long-term earnings prospects and cash flow profile**

- **Significant anticipated synergies of more than 300 million euros per annum to be reached after three years.**

- **It is expected that the transaction would be earnings accretive, post synergies, transaction costs and intangible amortisation related to the acquisition after the second year of ownership.**

Roch Doliveux, CEO of UCB said:

“The proposed combination with Schwarz Pharma is a leap forward in building UCB into a global biopharmaceutical leader focused on selected disease areas, especially neurology, inflammation and oncology. This transaction brings to UCB attractive late stage products in our targeted disease areas and a strengthening of our business in the United States and Europe, that will further accelerate our growth well into the next decade. It provides the opportunity to leverage our leading US and EU neurology franchise with new medicines ready to be marketed. The two companies are a perfect fit.”

“The UCB management team has already demonstrated its expertise in acquiring and integrating complementary businesses, as demonstrated by the Celltech transaction and others. We look forward to working together with Schwarz Pharma’s management and employees to realise the outstanding potential of this combination for our stakeholders as we deliver new medicines to treat patients with severe diseases. This is a winning combination.”

Patrick Schwarz-Schuetze, CEO of Schwarz Pharma said:

"I am very excited by the prospects for this new company. The transaction broadens the business and significantly enhances the commercial prospects of our late stage development pipeline. It also provides significant growth potential. The two companies together will have enlarged R&D base, a diversified product portfolio and increased presence especially in the USA and EU. Therefore I am convinced that this business combination will be successful for all stakeholders."

Summary

- The Boards of UCB and Schwarz Pharma ("Schwarz") announce that they have agreed the terms of a recommended cash and shares offer proposed to be made by UCB for the entire issued and to be issued share capital of Schwarz Pharma.
- The proposed offer for each Schwarz Pharma share would be 50 euros in cash and 0.8735 of one new ordinary share in UCB, valuing each Schwarz Pharma share at 91.1 euros based on the closing price of a UCB share on 22 September 2006. At the same date, the Offer values the share capital of Schwarz Pharma at approximately 4.4 billion euros.
- The Offer represents a premium of approximately:
 - 20.4 per cent to the closing price of 75.65 euros per Schwarz Pharma share on Friday, 22 September 2006
 - 28.4 per cent to the closing price of 70.93 euros per Schwarz Pharma share on 20 September 2006, the day prior to the announcement of the transactions involving Serono and Altana
 - 25.9 per cent to the average middle-market closing price of 72.37 euros per Schwarz Pharma share during the 3 months prior to the date of this announcement.
 - 50.4 per cent to the average middle-market closing price of 60.57 euros per Schwarz Pharma share during the 12 months prior to the date of this announcement.
- BNP Paribas and Fortis Bank have entered into a commitment to arrange and underwrite 5-year debt facilities to provide the cash element of the transaction. The shares of UCB that will be used as consideration in the tender offer will be issued by way of a capital increase. UCB will apply to the Belgian stock market authority to have the new UCB shares admitted to trading on Eurolist by Euronext Brussels.

- The Schwarz family, owning approximately 60 per cent of the issued share capital of Schwarz Pharma, has irrevocably committed to accept the proposed offer and to hold at least 41.5 per cent of the UCB shares they receive in the Offer until after June 2010. Patrick Schwarz-Schuette will be invited to join the Board of UCB on completion of the transaction.

- UCB has also received letters of intent from Schroders Investment Management Limited and Capital Research and Management, who together own approximately 7.9 per cent of Schwarz Pharma, stating their intention to accept the proposed offer. In addition, Capital Research and Management, who own approximately 9.7 per cent of UCB, has also expressed its intent to vote in favour of the proposed capital increase of UCB to be voted on at an Extraordinary General Meeting of UCB.

- The combination of UCB and Schwarz Pharma would build the next generation biopharmaceutical leader with strong combined US and EU commercial power and proforma 2005 revenues of 3.3 billion euros. In particular:
 - Combining the R&D expertise of the two companies would produce world leading platforms in neurology, inflammation and oncology with diversified expertise in Belgium, Germany, the U.K. and the US. The combined annual R&D budget of 770 million euros (2005) would enhance further the development of next generation medicines targeting severe diseases and above average growth
 - The enlarged UCB would have an attractive late stage development pipeline with two immediate product launches and a further two before end 2008, two from UCB and two from Schwarz Pharma
 - UCB's existing proven sales and marketing infrastructure focused on neurologists in Europe and especially the United States would provide Schwarz Pharma's approved and late stage neurology pipeline with enhanced and rapid market access and competitive advantage
 - The enlarged entity would have an even stronger therapeutics expertise in neurology combined with UCB's promising franchise in inflammation and the established positions in respiratory/allergy and cardiovascular
 - Schwarz Pharma's revenues of over 990 million euros (in 2005) would further broaden UCB's business, particularly in the United States and Europe and the enlarged UCB would be a more attractive partner for licensing deals and R&D collaboration than either Schwarz Pharma or UCB alone

- Significant anticipated synergies: more than 300 million euros per annum after three years.
- Monheim (Germany) will be an important location for the enlarged company as it will headquarter the primary care business under the Schwarz Pharma name and will be one of the company's R&D centres.
- The enlarged company will be called UCB and will continue to be based at UCB's current headquarters in Brussels.
- This combination brings together two companies guided by a common vision to combine the best of both entities. The intent is to use a balanced approach to integration with each job being filled by the best professional irrespective of company. It will be driven by a common process, joint integration teams and Schwarz Pharma managers represented in UCB Leadership Teams.

UCB intends to issue full Offer documents as soon as possible. The transaction will be subject to the appropriate anti-trust clearances and the approval of the UCB's capital increase by its shareholders. However, UCB anticipates completion of the transaction around the end of the calendar year.

Braveheart Financial Services and Lazard are acting as financial advisers to UCB in this transaction. Rothschild is acting as financial advisor to Schwarz Pharma in this transaction.

There will be a presentation to analysts at 09:00 BST/10:00 CET at the Lincoln Centre, 18 Lincoln's Inn Fields, London WC2A 3ED. The presentation will be webcast and available on www.ucb-group.com and www.cantos.com. In addition, non-attendees can listen to the presentation through a conference call, details of which are:

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Interviews with Roch Doliveux, CEO of UCB, and Patrick Schwarz-Schuette, CEO of Schwarz Pharma, are available on www.ucb-group.com and www.cantos.com.

ENQUIRIES

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Notes to editors

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 8,300 people in 40 countries, UCB achieved revenue of 2.3 billion euro in 2005. UCB is listed on the Euronext Brussels Exchange.

SCHWARZ PHARMA

Schwarz Pharma AG (www.schwarzpharma.com) is a multinational pharmaceutical company that develops and markets innovative drugs with a focus on Central Nervous System (CNS), cardiovascular and gastro-intestinal diseases. The company's Parkinson's patch Neupro[®] (rotigotine transdermal system) has been launched in Europe and has received an approvable letter from the US FDA. The company has licensed its Overactive Bladder product Festerodine to Pfizer in exchange for upfront and milestone payments totaling 220 million euros in addition to royalties on Pfizer's Festerodine and Detrol franchises. In addition to its marketed products, Schwarz Pharma has a substantial late stage pipeline with rotigotine in development for the treatment of Parkinson's disease and Restless Legs Syndrome, and lacosamide for the treatment of epilepsy and neuropathic pain. In 2005 the company achieved global sales of 991 million euros, of which 78 per cent were generated outside Germany. The Company is headquartered in Monheim, Germany, employs around 4,400 professionals worldwide, operates state of the art manufacturing facilities in Europe, USA and Asia and has a strong multinational marketing presence and infrastructure with affiliates in the USA, Europe and Asia. Schwarz Pharma is listed on the Frankfurt Stock Exchange.

Forward-looking statements

This press release includes "forward-looking statements" relating to the Offer, UCB and Schwarz Pharma that are subject to known and unknown risks and uncertainties, many of which are outside of UCB's and Schwarz Pharma's control and are difficult to predict, that may cause actual results to differ materially from any future results expressed or implied from the forward-looking statements. In this press release, the words "anticipates," "believes," "estimates," "seeks," "expects," "plans," "intends" and similar expressions, as they relate to the Offer, UCB or Schwarz Pharma, are intended to identify forward-looking statements. Important factors that could cause actual results to differ materially from such expectations include, without limitation: the inability to obtain necessary regulatory approvals in the context of the Offer or to obtain them on acceptable terms; the inability to integrate successfully Schwarz Pharma within UCB or to realize synergies from such integration following the acquisition; costs related to the acquisition of Schwarz Pharma; the economic environment of the industries in which UCB and Schwarz Pharma operate; costs associated with research and development; changes in the prospects for products in the pipeline or under development by UCB or Schwarz Pharma; dependence on the existing management of UCB and Schwarz Pharma; changes or uncertainties in Belgian or German tax laws or the administration of such laws; changes or uncertainties in the laws or regulations applicable to the markets in which UCB and Schwarz Pharma operate. All written and oral forward-looking statements attributable to UCB or Schwarz Pharma or persons acting on either of their behalf are expressly qualified in their entirety by the cautionary statements above. The forward-looking statements included in this press release are made only as of the date of this press release. Neither UCB nor Schwarz Pharma intend, or undertake any obligation, to update these forward-looking statements.