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

Press Release

*First Half-Year 2007 Financial Results**

Revenue increased to 1.86 billion euro driven by strong performance of Keppra® and Xyzal®

Underlying profitability (recurring EBITDA) increased by 14%* to 485 million euro

Synergy target increased from 300 million euro to 380 million euro

- **Net sales went up by 14% on a like for like basis to 1,709 million euro (+6%*). Revenue increased by 3%* to 1,861 million euro.**
  Continuing outstanding growth in Keppra® with net sales up 36% to 498 million euro (44% currency adjusted), reinforcing market leadership in Europe and the U.S.A. Solid allergy sales with Xyzal® sales growing by 18% (+20% currency adjusted) to 104 million euro, Xyzal® launch in the U.S.A. on track for autumn 2007. Excellent uptake of Neupro® with sales of 17 million euro (up >500%), Neupro® launched in the U.S.A. in July 2007
- **Recurring EBITDA of 485 million euro, before impact of acquisition related one-time inventory step-up (94 million euro), increased by 14%* reflecting revenue increase, manufacturing improvements and cost containment**
- **Net profit of 171 million euro (-39%*), reflecting the acquisition related one-time expenses and financial charges. Net profit adjusted for one-time acquisition related expenses and non-recurring items amounts to 224 million euro (+1%*), with operating performance more than compensating the incremental acquisition related financial expenses and intangible amortisation expenses**
- **Swift integration of Schwarz Pharma ongoing with raised synergy targets of 380 million euro after three years**

Brussels (Belgium), 26 July 2007, 7:00 AM CET – UCB today announced its consolidated financial results for the six months ending 30 June 2007.

Roch Doliveux, CEO of UCB, comments: "UCB today is much better positioned for the future than a year ago - with significantly increased critical mass - large enough to advance an especially rich pipeline and launch our new products to specialists first. UCB's new leadership team is now aligned and executing our plan to become a next generation biopharma leader building on an even stronger talent pool."

Roch Doliveux concludes: "For the first half of 2007, UCB's strong operational performance and growth, combined with a swift integration, enables us – excluding the one-time non recurring expenses – to fund the Schwarz Pharma acquisition as well as our new product launches. With the registration of the Schwarz Pharma Domination and Profit Transfer Agreement in July, the full integration is now possible thus allowing UCB to raise the synergy target from 300 to 380 million euro of which we aim to realise 130 million euro in 2007 already."

UCB anticipates revenue for the full year 2007 to slightly exceed last year's pro forma revenue. Recurring EBITDA is expected to reach approximately 720 million euro, while reported net profit for 2007 is expected at a lower level, exceeding 100 million euro due to financial and exceptional one-time charges related to the acquisition.

**Full consolidation of UCB and Schwarz Pharma – Comparison of reported H1 2007 versus pro-forma H1 2006 figures at real rates*

First Half 2007 - Financial highlights (unaudited)*

million euro	**Reported H1 2007**	**Pro Forma H1 2006**	**Pro Forma Variance* Real rate**	**Reported UCB H1 2006**	**Reported Variance**
Revenue	**1 861**	**1 806**	**3%**	1 322	41%
Net sales	1 709	1 617	6%	1 133	51%
Royalty income	152	189	-19%	189	-19%
Gross profit[(1)]	**1 303**	**1 353**	**-4%**	**1 041**	**25%**
M&S expenses	(529)	(526)	1%	(360)	-47%
R&D expenses	(374)	(404)	-7%	(307)	-22%
G&A expenses	(135)	(150)	-10%	(102)	-33%
Other operating income	47	84	-44%	(1)	
Recurring EBIT (REBIT) [(1)]	**312**	**357**	**-13%**	**271**	**15%**
excluding inventory step-up	406		14%		50%
Non-recurring income/(expenses)	(6)	87		89	
EBIT (Operating profit) [(1)]	**306**	**445**	**-31%**	**360**	**-15%**
Financial expenses	(77)	(21)		(24)	
Profit before income taxes	**229**	**423**	**-46%**	**336**	**-32%**
Income tax expenses	(61)	(145)		(98)	
Profit from continuing operations	167	279	-40%	237	-29%
Net Profit (after minority interests)	**171**	**279**	**-39%**	**237**	**-28%**
Recurring EBITDA	**485**	**427**	**14%**	**317**	**53%**
Adjusted Net Profit [2)]	**224**	**223**	**1%**	**180**	**24%**
EPS (Euro per non-diluted share)	0.95	1.55	-39%	1.66	-43%
Adjusted EPS [2)] (Euro per non-diluted share)	1.24	1.24	1%	1.26	-1%
Number of outstanding shares (non-diluted in million)	180.2	180.2			

1) after 94 million euro acquisition related inventory step-up
2) adjusted for after-tax impact of non-recurring items and acquisition related inventory step-up

Solid top line growth - cost containment - first realisation of synergies

Revenue of 1,861 million euro grew by 3%* during the first six months of 2007, driven by an increase in net sales of 6%* and decline in royalty income, compared with the same period in 2006.

Royalty income of 152 million euro, declined by 19%* due to the remaining impact of the Boss patent expiry (H1 2006: 62 million euro) but was partially off-set by stable royalty flows from Pfizer on sustained Zyrtec® sales in the U.S.A. and an increased continuing royalty income on our Biotechnology patents.

Net sales amount to 1,709 million euro up 6%* (currency adjusted +10%) mainly driven by UCB's key drivers of growth: Keppra®, Zyrtec® and Xyzal® as well as the newly launched Neupro®. Other products continue to perform well despite generic competition, the impact of discontinued product sales following several divestments, the impact of the loss of products due to change of control clauses as well as State-mandated price reductions in Europe. Furthermore, net sales were impacted by the deterioration of the US dollar and the lower Japanese yen. Net sales have increased by 10% at constant rates and by 14% on a like for like basis.

Keppra®, UCB's anti-epileptic, continued its strong growth, enhancing its market position in the treatment of epilepsy, and particularly its leadership in the U.S.A. and Europe supported by new indications and forms. Keppra® net sales grew by 36% (currency adjusted +44%) to 498 million euro, compared with the same period in 2006.

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Xyzal®, UCB's prescription anti-histamine, continued its growth in Europe and the emerging markets, reaching net sales of 104 million euro, up 18% compared to 2006 (currency adjusted +20%).

Zyrtec® global net sales of 298 million euro decreased by 6% (currency adjusted +1%) during the first half of 2007 with sustained U.S.A. performance up 6% and increased sales in the emerging markets more than off-set by sales decreases in Europe (down 6% but more than compensated by Xyzal® sales gains) and lower sales in Japan due to a weak allergy season (down 19%, of which 10% caused by currency fluctuations).

Neupro®, the Parkinson's patch, reached net sales of 17 million euro representing an excellent uptake after the first European launch of the product in March 2006. Neupro® was launched in the U.S.A. in July 2007.

Gross profit of 1,303 million euro is 4%* lower than 2006 with cost of sales of 558 million euro, up 23%*. Cost of sales was impacted by a one-time non-cash inventory step-up 94 million euro as required by IFRS and additional 13 million euro amortisation expenses linked to the acquisition.

Marketing & Selling expenses of 529 million euro are up 1%* mainly driven by continued significant investments into sales growth, preparing for the launches of Neupro® and Xyzal® in the U.S.A., and off-set by implemented cost reductions as a result of first restructuring efforts.

Research & Development expenses of 374 million euro are down 7%* due to decreasing expenses related to the successful completion of Phase III programmes, optimisation of key processes and cost reductions due to critical mass.

General & Administrative expenses of 135 million euro are down 10%* reflecting substantial stand-alone savings and focus on cost containment.

Other operating income of 47 million euro mainly incorporates 45 million euro milestone payments related to *fesoterodine*, a treatment for overactive bladder (versus 79 million euro milestone payment in the first half of 2006).

Operating profit (EBIT) of 306 million euro is down 31%* impacted by restructuring and integration expenses of 43 million euro, capital gains of 47 million euro mainly on the sale of Cytec shares and OTC business in Europe. In H1 2006 operating profit included significant capital gains due to the divestiture of non strategic products for 114 million euro.

Net profit of 171 million euro is down 39%*, reflecting increased financial expenses in connection with the acquisition, a one-time non-cash impact of IFRS related inventory step-up of 94 million euro (pre-tax) and reduced after-tax contribution of non-recurring items.

Net profit adjusted for the after tax impact of non-recurring items and acquisition related inventory step-up amounts to 224 million euro, up 1%* with operating performance more than compensating the incremental acquisition related financial expenses and intangible amortisation expenses.

Recurring EBITDA of 485 million euro, which excludes the non-cash inventory step-up, increased by 14%*, reflecting the substantial increase in revenue and gross profit and the flat operating expenses.

UCB's **balance sheet** as of the end of June 2007 is comparable to the balance sheet at year end 2006 as Schwarz Pharma's balance sheet was already fully consolidated as of that date. As of 30 June 2007 UCB's total liabilities and shareholders equity amounts to 9,835 million euro, less than the 10,595 million euro as of year end 2006 due to the utilisation of available cash to facilitate repayment of debt.

The **net debt** position of UCB as of 30 June 2007 amounts to 2,073 million euro including financial debt mainly related to the acquisition of 2,660 million euro. Net debt position as of 31 December 2006 was 2,111 million euro.

Operating performance is underlying **cash flow from operating activities** reaching 206 million euro in the first half of 2007. **Cash flow from investing activities** was an outflow 10 million euro mainly due to the Schwarz pharma acquisition (-134 million euro) and investments in fixed assets (-120 million euro) almost counterbalanced by an inflow from proceeds from divestments of 259 million euro. **Cash flow from financing activities** was impacted by dividend payments (158 million euros) and reimbursement of debt with available cash (434 million euros) amounting to an outflow of 590 million euro.

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Financial outlook

For the full year 2007, UCB is expecting to reach revenue slightly exceeding last year's pro forma revenue. For the second half 2007, UCB is expecting to reach comparatively lower revenue than generated in the first half of 2007. This is due to allergy seasonality, generic competition as well as expected currency fluctuations.

For the second half 2007, operating expenses are expected to increase due to the product launches of Neupro® and Xyzal® in the U.S.A. and due to additional investments in Phase III studies, partially compensated by synergies. Recurring EBITDA for the full year 2007 is therefore expected to reach approximately 720 million euro.

As expected, the net profit as reported for the full year 2007 will be affected by the impact of further amortisation expenses, financial expenses and non-recurring restructuring expenses linked to the acquisition of Schwarz Pharma. 2007 net profit is expected to exceed 100 million euro.

R&D Update

Central Nervous System

More patients with **epilepsy** benefit from Keppra®: In the first quarter, Keppra® (*levetiracetam*) was approved in the EU and in the U.S.A. as adjunctive therapy for the treatment of primary generalised tonic-clonic seizures in patients with idiopathic generalised epilepsy. Furthermore Keppra® was launched in China and South Korea. In April UCB announced positive phase III results for Keppra® as adjunctive therapy for partial onset seizures in children from one month to less than four years of age. Phase III results for Keppra® XR are expected in Q4 2007.

Phase III trials with *brivaracetam* in Unverricht Lundborg Disease (ULD) are on track with headline results for the first trial expected in Q4 2007. Phase III trials with *brivaracetam* as adjunctive therapy in epilepsy are expected to start by year end 2007. Development of *seletracetam* has been put on hold to focus on UCB's efforts on *brivaracetam* and *lacosamide* in epilepsy.

Lacosamide for adjunctive treatment of epilepsy has been filed with the European authorities in Q2 2007. Submission to the U.S. regulatory authorities is scheduled for Q4 2007.

Lacosamide for the treatment of **diabetic neuropathic pain** is on track to be filed with the European authorities in Q3 and with the U.S. regulatory authorities in Q4 2007.

Neupro® (*rotigotine transdermal system*) the Parkinson's patch, has been approved for advanced stages of **Parkinson's disease** in Europe in Q1 2007 and for early stages of the disease in the U.S.A. in Q2 2007. The patch is being successfully marketed in Europe and was launched in the U.S.A. in July 2007.

Rotigotine for the treatment of **Restless Legs Syndrome** (RLS) is on track to be filed with regulatory authorities in Europe and the U.S.A. in Q4 2007.

In the first half of 2007, UCB initiated proof of concept trials with *lacosamide* in **fibromyalgia**, **osteoarthritis** and **migraine prophylaxis** as well as with *rotigotine* in fibromyalgia. First results are expected in 2008.

Xyrem® (sodium oxybate) has been approved by the European Commission for the treatment of **narcolepsy with cataplexy** in Q1 2007.

Phase II studies have been initiated in June for CDP323 for the treatment of **multiple sclerosis** (MS), first results are expected at the end of 2008.

Inflammation

The regulatory submission of Cimzia® (*certolizumab pegol*) in **rheumatoid arthritis** in the U.S.A. is planned for Q4 2007.

For Cimzia® in the treatment of **Crohn's disease,** the complete response letter from the U.S.A. regulatory authorities has been answered in April 2007. An additional clinical trial in the induction of clinical response in Crohn's disease is being initiated. A CHMP[1] opinion on Cimzia in Crohn's from European authorities is expected by year-end 2007. A re-treatment trial evaluating Cimzia® in **psoriasis** has been completed with results expected in the fourth quarter of 2007.

An open label extension study for *epratuzumab* in **Systemic Lupus Erythematosus** for the re-treatment of patients who have benefited from previous inclusion in the Phase III programme is ongoing. An update on the next steps of the programme is planned for the fourth quarter of 2007.

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Other Therapeutic Areas

The prescription **anti-histamine** Xyzal® (*levocetirizine dihydrochloride*) was approved in the U.S.A. in May 2007 and will be launched together with sanofi-aventis in the autumn of 2007.

A Phase IIa trial with CDP791 to treat **non-small cell lung cancer** completed patient enrollment. The observation of the patients for progression free survival is ongoing. Results are expected when data are sufficiently mature, probably late 2007 or early 2008.

Fesoterodine for the treatment of **overactive bladder** has been approved by the European authorities and has received an approvable letter from the U.S. regulatory authorities. Pfizer holds exclusive world-wide rights to this compound and plans to launch it in the second half of 2008 in Europe and early 2009 in the U.S.A.

UCB's collaboration with Amgen to develop Anti-Sclerostin, a novel anabolic therapy for **bone loss disorders** is progressing. A Phase I trial is ongoing with results expected in the third quarter of 2007.

[1] CHMP: Committee for Medicinal Products for human use

The unaudited first half-year 2007 Condensed Consolidated Interim Financial Statements (condensed balance sheet, condensed income statement and condensed cash flow statement according to IFRS) are attached to this Press Release. The first half-year 2007 Financial Report is available from today on the UCB Website (www.ucb-group.com).

About UCB

Headquartered in Brussels (Belgium), 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 (including epilepsy), immune and inflammatory disorders (including allergy/respiratory diseases) and oncology. UCB focuses on securing a leading position in severe disease categories. Employing more than 10,000 people in over 40 countries, UCB achieved revenue of 3.5 billion euro (pro forma) in the year 2006. UCB is listed on the Euronext Brussels Exchange and owns 87.6% of Schwarz Pharma.

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Conference Call

UCB will host a **Press Conference Call** on Thursday, 26 July 2007, 9.30 am CET

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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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