UCB News

UCB Half Year Report 2013:

UCB reports continued strong growth of core medicines and confirms 2013 financial targets

- Revenue in HY 2013 of EUR 1 657 million, -3% compared to HY 2012. Cimzia® (+30%), Vimpat® (+23%) and Neupro® (+48%) combined net sales of EUR 537 million, a 30% increase. Keppra® net sales down by 19% to 361 million, with Europe the largest source of expected decline.
- Underlying profitability (recurring EBITDA) reached EUR 319 million (-12%) due to product mix and high R&D expenses of EUR 424 million (+5%). As such, net profit reached EUR 87 million (-36%) also as a result of higher non-recurring and income tax expenses. Core earnings per share were EUR 0.90
- R&D highlights: Cimzia® with positive vote for axSpA in US; Cimzia® filed for additional indications in US and EU; Vimpat® with positive results in monotherapy (US); tozadenant, a new compound for Parkinson's disease
- Financial outlook 2013 confirmed: total revenue of approximately EUR 3.4 billion. Recurring EBITDA from approximately EUR 680-710 million. Core earnings per share of approx. EUR 1.90-2.05.

Brussels (Belgium), 31 July 2013 – 7:00 AM (CEST) - regulated information - UCB announced today its consolidated financial results for the first six months of 2013.

"With the growth of UCB core medicines, Cimzia®, Vimpat® and Neupro® as well as in emerging markets accelerating during in the second quarter, UCB is on track for growth. This momentum combined with a particularly rich late-stage pipeline and dynamic discovery research provides UCB a unique platform to deliver sustainable value to patients, and hence to shareholders," said Roch Doliveux, CEO of UCB.

Financial performance in HY 2013

Revenue in the first six months of 2013 was down 3% to EUR 1 657 million (down 1% at constant exchange rates). Net sales amounted to EUR 1 466 million or 4% lower than in the first six months of 2012 (down 2% at constant exchange rates) due to generic competition to Keppra® (*levetiracetam*) and other mature products, mostly offset by strong performance of the core medicines Cimzia® (*certolizumab pegol*), Vimpat® (*lacosamide*) and Neupro® (*rotigotine*). When adjusted for product divestitures net sales were down 2%.

Cimzia® for rheumatoid arthritis (RA) and Crohn's disease (CD) increased net sales to EUR 272 million (+30%; +33% at constant exchange rates), growing 33% in Europe, and 20% in the U.S. In Japan, Cimzia® was launched in March 2013 and reported net sales of EUR 8 million, while net sales in the emerging and other markets were EUR 3 and 9 million respectively. Net sales of the anti-epileptic medicine Vimpat® (*lacosamide*) increased to EUR 185 million (+23%; 25% at constant rates), growing 26% in the U.S. and 15% in Europe. Neupro® (*rotigotine*), the patch for Parkinson's disease (PD) and restless legs syndrome (RLS) increased net sales by 48% to EUR 80 million (+48% at constant exchange rates). Neupro® was launched in the U.S. during the second half of 2012 and reported net sales of EUR 16 million in the first half of 2013, while growth in Europe, where Neupro® is available to patients since 2006, continued with +14%. In Japan, Neupro® was launched in February 2013 by UCB's partner Otsuka and recorded net sales of EUR 2 million.

The anti-epileptic medicine Keppra® (*levetiracetam*) reached net sales of EUR 361 million, down 19% over last year (-17% at constant rates). The continued post-exclusivity expiry erosion in Europe (-35%) and the stable situation in North America was partly compensated for by strong growth in the emerging markets (BRICMT ; +39%).

Royalty income & fees remained grew slightly to EUR 85 million (+2%). Other revenue in the first six months of 2013 increased to EUR 106 million (+11%) due to the milestone payments received upon the launch of Cimzia® and Neupro® in Japan and the upfront payment from R-Pharm for licensing *olokizumab*.

Gross profit reached EUR 1 135 million, 4% lower than in the first six months of 2012 (-1% at constant rates) due to product mix. Total operating expenses remained flat at EUR 941 million (+2% at constant rates) reflecting lower marketing & selling expenses of EUR 413 million (-6%), offsetting a 5% increase in research & development expenses to EUR 424 million driven by the advanced late-stage pipeline with three projects in the last development phase. General & administrative expenses were EUR 107 million (+13%) due to expansion in emerging markets[1] and IT-investments.

As a result, underlying profitability - recurring EBITDA - is 12% lower than in the same period of last year, reaching EUR 319 million, reflecting higher research & development expenses as well as the generic erosion of Keppra® and other products.

Total non-recurring expenses amounted to EUR 19 million, up from EUR 14 million in 2012. The main components were restructuring expenses and impairment charges.

Net financial expenses were EUR 69 million (-9%) while 2012 was impacted by one-off-effects. Income tax expenses increased to EUR 22 million from EUR 16 million in 2012 (restated). Previously recognized R&D tax credits in the income tax expenses (EUR 14 million) have now been reallocated as R&D operational expenses. The average tax rate on recurring activities for the first six months of 2013 was 20% versus 19% in the same period last year.

Net profit amounted to EUR 87 million versus EUR 137 million in the first half 2012. Core earnings per share, which reflect the after tax effects of non-recurring items, financial one-offs and

[1] Brezil, Russia, India, China, Mexico, Turkey

amortization of intangibles, reached EUR 0.90 based on 181.9 million weighted average shares outstanding in June 2013 from EUR 1.09 based on 179.1 million shares in June 2012.

Outlook 2013

UCB expects its financial results in 2013 to be driven by the continued growth of Cimzia®, Vimpat®, Neupro® and emerging markets, partially offset by post-exclusivity erosion for Keppra®. Revenue 2013 is anticipated at approximately EUR 3.4 billion. Recurring EBITDA is expected between approximately EUR 680-710 million. Core earnings per share are expected in the corresponding range of EUR 1.90 – 2.05 based on 179.3 million shares outstanding.

Supplement to the base prospectus

A supplement to the base prospectus relating to the Euro Medium Term Note Program (EMTN) established by UCB and UCB Lux S.A. has been approved by the Financial Services and Markets Authority in Belgium (FSMA) on 30 July 2013 and is available on the website of UCB: http://www.ucb.com/investors/Financials/Bonds/EMTN.

R&D update central nervous system (CNS)

Vimpat® (*lacosamide*) generated positive results in the Phase 3 US monotherapy study. UCB is submitting the supplemental New Drug Application to the US Food & Drug Administration (FDA), in H2 2013.

The pediatric Phase 3 program is scheduled to start in 2013. Discussions with regulatory agencies for Vimpat® Phase 3 development for primary generalized tonic-clonic seizures (PGTCS) are on-going. The Phase 3 clinical trial in Asia, as well as the European monotherapy Phase 3 development program for Vimpat® in partial-onset seizures are on-going as planned.

In June 2013, UCB received abbreviated new drug applications (ANDAs), which have recently been filed by generic companies for Vimpat®. UCB has filed suit against the ANDA applicants.

The phase 3 program for *brivaracetam* as adjunctive therapy for the treatment of partial onset seizures in adults with epilepsy is on track.

UCB licensed worldwide rights to *tozadenant* in Parkinson's disease from Biotie Therapies. *Tozadenant* (SYN115), a selective inhibitor of the adenosine 2a receptor.

R&D update immunology

UCB has two new regulatory filings with the FDA and the European Medicines Agency (EMA) to extend the marketing authorization for Cimzia® (*certolizumab pegol*) for the treatment of adult patients with active psoriatic arthritis (PsA) and for adult patients with active axial spondyloarthritis (axSpA). These regulatory filings are now under review by both agencies.

The FDA's Arthritis Advisory Committee met in July to discuss UCB's supplemental biologics application (sBLA) for Cimzia® for the proposed indication of treatment of adults with active axial spondyloarthritis (axSpA), including patients with ankylosing spondylitis (AS). The Committee voted seven to six, with one abstention, to recommend approval of Cimzia® for the proposed indication. The FDA is not bound by the Committee's guidance, but the Agency may consider the Committee's recommendations as it completes its review.

The Phase 3 program for *epratuzumab* will continue to enroll patients with systemic lupus erythematosus (SLE) throughout calendar year 2013. The slower than anticipated enrollment is due to the heterogeneous nature of SLE and the complex aspects of the diagnostic instruments. First results are now expected in Q1 2015.

For CDP7657, a CD40 ligand antibody under development in partnership with Biogen Idec, UCB started a phase 1b study in SLE. First results are expected in H2 2014.

The other clinical development projects in immunology for Cimzia® as well as the phase 3 program *romosozumab* in post-menopausal osteoporosis (PMO) and UCB4940 in phase 1 are advancing.

HY 2013 – Financial highlights

A full financial report on the consolidated results is available on the UCB website: *http://www.ucb.com/investors/Financials/investors/Financials/Financial-reports.*

For the six months ended 30 June[1]	Actual		Variance	
€ million	**2013**	2012 (revised)[2]	Actual rates	Cst rates
Revenue	**1 657**	**1 706**	**-3%**	**-1%**
Net sales	1 466	1 527	-4%	-2%
Royalty income and fees	85	83	2%	4%
Other revenue	106	95	11%	15%
Gross profit	**1 135**	**1 183**	**-4%**	**-1%**
Marketing and selling expenses	-413	-440	-6%	-3%
Research and development expenses	-424	-405	5%	7%
General and administrative expenses	-107	-94	13%	14%
Other operating income / expenses (-)	3	-3	>-100%	>-100%
Recurring EBIT (REBIT)	**194**	**241**	**-20%**	**-15%**
Non-recurring income / expenses (-)	-19	-14	27%	30%
EBIT (operating profit)	**175**	**227**	**-23%**	**-18%**
Net financial expenses (-)	-69	-76	-9%	-8%
Profit before income taxes	**106**	**151**		
Income tax expenses (-) / credit	-22	-16	38%	52%
Profit from continuing operations	**84**	**135**	-38%	-31%
Profit / loss (-) from discontinued operations	3	2	69%	69%
Net profit	**87**	**137**	**-36%**	**-30%**
Attributable to UCB shareholders	92	137	-33%	-30%
Attributable to non-controlling interest	-5	0	n.s.	n.s.
Recurring EBITDA	**319**	**361**	**-12%**	**-8%**
Capital expenditures (including intangible assets)	185	83		
Net financial debt[1]	2 096	1 766		
Cash flow from operating activities	32	221		
Weighted average number of shares - non-diluted	**181.9**	**179.1**	2%	n.s.
EPS (€ per weighted average number of shares - non diluted)	**0.51**	**0.77**		
Core EPS (€ per weighted average number of shares - non diluted)	**0.90**	**1.09**		

[1] Except for the net financial debt, where 2012 relates to the situation as published in the audited consolidated financial statements as at 31 December 2012.

[2] Revised for R&D tax credits previously recorded as income tax expenses are reclassed to R&D expenses. "The statutory auditor has issued an unqualified review report dated 30 July 2013 on the company's condensed consolidated interim financial statements as of and for

the six month period ended 30 June 2013, and has confirmed that the accounting data reported in the press release is consistent, in all material respects, with the accounts from which it has been derived."

For further information

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31 July 2013 at 14.00 (CEST) – Analysts' and investors' conference call/webcast
Link to the webcast available on http://www.ucb.com/investors/Financials/investors/Financials/Financial-reports .

About UCB

UCB, Brussels, Belgium (www.ucb.com) is a global biopharmaceutical company focused on the discovery and development of innovative medicines and solutions to transform the lives of people living with severe diseases of the immune system or of the central nervous system. With 9000 people in approximately 40 countries, the company generated revenue of EUR 3.4 billion in 2012. UCB is listed on Euronext Brussels (symbol: UCB).

Forward looking statements

This press release contains forward-looking statements based on current plans, estimates and beliefs of management. All statements, other than statements of historical fact, are statements that could be deemed forward-looking statements, including estimates of revenues, operating margins, capital expenditures, cash, other financial information, expected legal, political, regulatory or clinical results and other such estimates and results. By their nature, such forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions which could cause actual results to differ materially from those that may be implied by such forward-looking statements contained in this press release. Important factors that could result in such differences include: changes in general economic, business and competitive conditions, the inability to obtain necessary regulatory approvals or to obtain them on acceptable terms, costs associated with research and development, changes in the prospects for products in the pipeline or under development by UCB, effects of future judicial decisions or governmental investigations, product liability claims, challenges to patent protection for products or product candidates, changes in laws or regulations, exchange rate fluctuations, changes or uncertainties in tax laws or the administration of such laws and hiring and retention of its employees. UCB is providing this information as of the date of this press release and expressly disclaims any duty to update any information contained in this press release, either to confirm the actual results or to report a change in its expectations.
There is no guarantee that new product candidates in the pipeline will progress to product approval or that new indications for existing products will be developed and approved. Products or potential products which are the subject of partnerships, joint ventures or licensing collaborations may be subject to differences between the partners. Also, UCB or others could discover safety, side effects or manufacturing problems with its products after they are marketed.
Moreover, sales may be impacted by international and domestic trends toward managed care and health care cost containment and the reimbursement policies imposed by third-party payers as well as legislation affecting biopharmaceutical pricing and reimbursement.