



UCB
News

UCB to sell its U.S. specialty generics business Kremers Urban to Advent International and Avista Capital Partners for US\$ 1,525 million

- Further step to enhance focus on UCB's core business in CNS and immunology
- Proceeds to increase flexibility for reduction of net debt and/or strategic investments
- 2014 financial outlook for core business unchanged, adjusted for Kremers Urban exit

Brussels (Belgium), 7 November 2014 – 07:00am (CET) – regulated information – UCB, Advent International ("Advent") and Avista Capital Partners ("Avista"), two leading private equity firms with a strong healthcare focus, today announced they have entered into a definitive agreement providing for the acquisition of UCB's US specialty generics subsidiary, Kremers Urban Pharmaceuticals Inc. ("KU"), by Advent and Avista. UCB will receive gross cash proceeds of US\$ 1 525 million upon closing, subject to regulatory approval and other customary closing conditions. UCB plans to use the proceeds from this divestiture to reduce indebtedness and increase the company's capacity strategic investments, to further accelerate growth and/or to further strengthen its innovative medicines pipeline.

"This is another step for UCB to enhance focus on our core business in neurology and immunology," said Roch Doliveux, CEO of UCB. Jean-Christophe Tellier, CEO-Elect of UCB added: "Our growing core business and UCB's progressing early and late-stage pipeline now allow us to focus even more on providing innovative solutions to patients living with severe diseases."

"Kremers Urban has been an important enabler to build UCB's core business. We thank our Kremers Urban colleagues for the excellent performance they have delivered," said Detlef Thielgen, CFO of UCB. "It's now the right time from a value perspective to focus on our core business and to offer Kremers Urban further growth opportunities with two strong organizations that are well equipped to help Kremers Urban continue to grow. UCB's adjusted financial outlook for 2014 is unchanged for the core business; however it is now taking into account the exit of the Kremers Urban business."

The purchase price is payable to UCB in cash upon closing. This transaction announced today has been unanimously approved by UCB's Board of Directors and is expected to close by the first quarter 2015, subject to the satisfaction of customary closing conditions.

Following this agreement to divest KU, the KU assets are treated differently within UCB's group accounts: KU will be treated as 'discontinued operation' from 1 January 2014 onwards; hence it will also no longer be included in the key performance indicators for UCB's recurring underlying performance. UCB estimates today that the financial outlook for 2014 – while stable for UCB's core business - changes to the following, reflecting the exit of KU: total revenue of approx. € 3.15-3.25 billion, underlying profitability (recurring EBITDA) of € 590-620 million and core earnings per share (Core EPS) of € 1.40-1.55. The gain on the divestiture of KU and the net profit of KU for the

period will be reported under 'discontinued operations', hence increasing significantly UCB's net profit line for the period. More details of the IFRS impact of this transaction will be disclosed as part of the 2014 results and the Annual Report 2014 publication, scheduled for 27 February 2015.

Lazard is acting as lead financial advisor to UCB, BNP Paribas is acting as additional financial advisor and Covington & Burling LLP is acting as legal counsel to UCB.

There will be a conference call for investors and analysts of UCB on 7 November at 14:30 CET /1:30 GMT/ 8:30 EST

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Participant Pin Code: 10914346#

UCB website link: <http://www.ucb.com/investors/Financials/Conference-call>

On the UCB website, there will be a presentation available for download and the replay available after the call.

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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 more than 8500 people in approximately 40 countries, the company generated revenue of € 3.4 billion in 2013. UCB is listed on Euronext Brussels (symbol: UCB). Follow us on Twitter: @UCB_news

About Kremers Urban Pharmaceuticals Inc. (KU)

KU is the generic subsidiary of UCB in the US. It is a specialty generic pharmaceutical company focused on difficult, "high barrier" to entry generic products. To learn more visit www.kremersurban.com.

About Advent International

Founded in 1984, Advent International is one of the largest and most experienced global private equity investors. Since inception, the firm has invested in more than 290 companies in 39 countries and today has \$34 billion in assets under management. With offices on four continents, Advent has established a globally integrated team of over 170 investment professionals across North America, Europe, Latin America and Asia. The firm focuses on investments across five core sectors, including business and financial services; healthcare; industrial; retail, consumer and leisure; and technology, media and telecom. After 30 years dedicated to international investing, Advent remains committed to partnering with management teams to deliver sustained revenue and earnings growth for its portfolio companies. For more information, visit www.adventinternational.com.

About Avista Capital Partners

Avista Capital Partners is a leading private equity firm with approximately \$6 billion under management and offices in New York, Houston and London. Founded in 2005, Avista makes controlling or influential minority investments in growth-oriented energy, healthcare, communications & media, industrials, and consumer businesses. Through its team of seasoned investment professionals and industry experts, Avista seeks to partner with exceptional management teams to invest in and add value to well-positioned businesses. For more information on Avista please visit www.avistacap.com.

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.

Additionally, information contained in this document shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction. UCB is providing this information as of the date of this document 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.