



UCB
News

UCB to sell its U.S. specialty generics business Kremers Urban to Lannett for US\$ 1.23 billion in cash plus contingent payments

- US\$ 1.23 billion upfront payment plus potential contingent payments related to methylphenidate HCl ER
- Enhanced focus on UCB's core business in CNS and immunology
- Proceeds will be used for reduction of debt, increasing strategic flexibility

Brussels (Belgium), 2 September 2015 – 10:30pm (CEST) – regulated information – UCB and Lannett Company, Inc. (NYSE: LCI) today announced they have entered into a definitive agreement providing for the acquisition of UCB's U.S. specialty generics subsidiary, Kremers Urban Pharmaceuticals Inc. ("KU"), by Lannett. UCB will receive upfront cash proceeds of US\$ 1.23 billion upon closing, which is subject to regulatory approval and other customary closing conditions. In addition, UCB is eligible to receive contingent payments for methylphenidate HCl ER in the event that the product's AB-rating is restored, allowing UCB to participate in potential upside in the product.

UCB plans to use the proceeds from this divestiture to reduce indebtedness and increase the company's capacity for strategic investments, to further accelerate growth and/or to further strengthen its innovative medicines pipeline.

"Kremers Urban has been an important enabler building UCB's core business. We thank our Kremers Urban colleagues for their excellent performance and their focus and persistency throughout this selling process," said Detlef Thielgen, CFO of UCB. "UCB's focus is now entirely on our core business while offering Kremers Urban further growth opportunities together with Lannett."

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

The UCB 2015 financial outlook remains unchanged.

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.

For further information

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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 €3.3 billion in 2014. 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 generic products. To learn more visit www.kremersurban.com.

About Lannett Company, Inc.

Lannett Company, founded in 1942, develops, manufactures, packages, markets and distributes generic pharmaceutical products for a wide range of medical indications. For more information, visit the company's website at www.lannett.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.