UCB SA

(incorporated in the Kingdom of Belgium with limited liability)

Issue of EUR 300,000,000
Fixed-to-Floating Rate Perpetual Subordinated Securities

Issue Price: 99.499 per cent.

Issue Date: 18 March 2011

JOINT BOOKRUNNER AND STRUCTURING MANAGER

BofA Merrill Lynch

JOINT BOOKRUNNERS

BNP PARIBAS **ING Belgium SA/NV**

SENIOR CO-LEAD MANAGER

The Royal Bank of Scotland

CO-LEAD MANAGERS

Crédit Agricole CIB **Mitsubishi UFJ Securities International plc**

Prospectus dated 16 March 2011

The EUR 300,000,000 Fixed-to-Floating Rate Perpetual Subordinated Securities (the "**Securities**") will be issued by UCB SA. The Securities will bear interest from (and including) 18 March 2011 (the "**Issue Date**") at a rate of 7.750 per cent. per annum to (but excluding) 18 March 2016 (the "**First Call Date**") and, thereafter, at the Floating Interest Rate (as defined in the terms and conditions of the Securities (the "**Terms and Conditions**"). Interest on the Securities is payable annually in arrear on 18 March in each year up to (and including) the First Call Date, the first payment being on 18 March 2012, and, after the First Call Date, quarterly in arrear on the Interest Payment Dates falling on, 18 June, 18 September, 18 December and 18 March in each year (subject to adjustment for non business days). **The Issuer may elect to defer any interest payment at its sole discretion, except in certain circumstances as described in Condition 5 of the Terms and Conditions. The Issuer may pay such deferred interest at any time and must pay such deferred interest under certain circumstances as described in Condition 5 of the Terms and Conditions.**

The Securities are perpetual securities in respect of which there is no stated maturity and the Issuer is under no obligation to redeem the Securities at any time. The Holders have no right to call for their redemption. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.

The Securities are redeemable in whole but not in part at the option of the Issuer at their principal amount together with any accrued and unpaid interest thereon up to (but excluding) the redemption date and any outstanding Arrears of Interest, on the First Call Date or on any Interest Payment Date thereafter. If a Special Event or a Change of Control Event has occurred, the Issuer may also elect to redeem the Securities in whole but not in part at any time at their (i) Premium Redemption Price (in the case of an Accounting Event or a Tax Event where such redemption occurs prior to the First Call Date), (ii) Make-Whole Redemption Price (in case of a Rating Event) or (iii) principal amount (in the case of an Accounting Event or a Tax Event where such redemption occurs on or after the First Call Date or in the case of a Substantial Repurchase Event, a Change of Control Event or a Withholding Tax Event where such redemption occurs at any time), in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interests (see "Terms and Conditions").

The Securities constitute direct, unsecured and undated subordinated obligations of the Issuer and in the event of a Winding -Up (as defined in "Terms and Conditions"), will be subordinated to the claims of holders of all Senior Obligations (as defined in "Terms and Conditions"). In the event of a Winding-Up, no payments will be made under the Securities until the claims of holders of all Senior Obligations shall first have been satisfied in full.

The denomination of the Securities shall be EUR 50,000.

Application has been made to the Commission de Surveillance du Secteur Financier (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July 2005 relating to prospectuses for securities (the "**Luxembourg Act**") for the approval of the Prospectus, for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). Application has also been made to the Luxembourg Stock Exchange for the Securities to be listed on to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market. References in this Prospectus to the Securities being "listed" (and all related references) shall mean that the Securities have been listed on the Official List and admitted to trading on the Luxembourg Stock Exchange's regulated market. The Luxembourg Stock Exchange's regulated market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Securities will be issued in dematerialised form under the Belgian Company Code (*Wetboek van Vennootschappen / Code des Sociétés*) (the "**Belgian Company Code**") and cannot be physically delivered. The Securities will be represented exclusively by book entries in the records of the X/N securities and cash clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Clearing System**"). Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Securities. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). Accordingly, the Securities will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Securities within securities accounts in Euroclear and Clearstream, Luxembourg.

Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (the "**Eligible Investors**") holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the X/N Clearing System operated by the National Bank of Belgium.

Unless otherwise stated, capitalised terms used in this Prospectus have the meanings set out in this Prospectus. Where reference is made to the "Conditions of the Securities" or to the "Conditions" reference is made to the "Terms and Conditions of the Securities".

An investment in the Securities involves certain risks. Prospective investors should have regard to the factors described under the heading "Risk Factors" on page 7.

RESPONSIBLE PERSON

This prospectus dated 16 March 2011 (the "**Prospectus**") is a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and the Luxembourg Act and for the purpose of giving information with regard to UCB SA, having its registered office at 60 Allée de la Recherche, 1070 Brussels, Belgium (the "**Issuer**") and its affiliates (the "**UCB Group**" or the "**Group**") and the EUR 300,000,000 Fixed-to-Floating Rate Perpetual Subordinated Securities (the "**Securities**") which according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the Securities and of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. The Issuer (the "**Responsible Person**") accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference (see "Documents Incorporated by Reference").

This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy the Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer and the Managers do not represent that this Prospectus may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Managers which is intended to permit a public offering of the Securities or the distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of Securities.

For a description of further restrictions on offers and sales of Securities and distribution of this Prospectus see "Subscription and Sale" below.

IN CONNECTION WITH THE ISSUE OF THE SECURITIES, MERRILL LYNCH INTERNATIONAL AS STABILISING MANAGER (THE "**STABILISING MANAGER**") (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) MAY OVER-ALLOT SECURITIES OR EFFECT TRANSACTIONS WITH A VIEW TO SUPPORTING THE MARKET PRICE OF THE SECURITIES AT A LEVEL HIGHER THAN THAT WHICH MIGHT OTHERWISE PREVAIL. HOWEVER, THERE IS NO ASSURANCE THAT THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) WILL UNDERTAKE STABILISATION ACTION. ANY STABILISATION ACTION MAY BEGIN ON OR AFTER THE DATE ON WHICH ADEQUATE PUBLIC DISCLOSURE OF THE TERMS OF THE OFFER OF THE SECURITIES IS MADE AND, IF BEGUN, MAY BE ENDED AT ANY TIME, BUT IT MUST END NO LATER THAN THE EARLIER OF 30 DAYS AFTER THE ISSUE DATE OF THE SECURITIES AND 60 DAYS AFTER THE DATE OF THE ALLOTMENT OF THE SECURITIES. ANY STABILISATION ACTION OR OVER-ALLOTMENT MUST BE CONDUCTED BY THE STABILISING MANAGER (OR PERSONS ACTING ON BEHALF OF THE STABILISING MANAGER) IN ACCORDANCE WITH ALL APPLICABLE LAWS AND RULES.

No person is or has been authorised to give any information or to make any representation not contained in or not consistent with this Prospectus and any information or representation not so contained or inconsistent with this

Prospectus or any other information supplied in connection with the Securities and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that the information contained in this Prospectus is true subsequent to the date hereof or otherwise that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event likely to involve any adverse change, in the condition (financial or otherwise) of the Issuer since the date hereof or, if later, the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Securities is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. The Managers and the Issuer expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Securities.

Neither this Prospectus nor any other information supplied in connection with the offering of the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Managers that any recipient of this Prospectus or any other information supplied in connection with the offering of the Securities should purchase any Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Prospectus nor any other information supplied in connection with the offering of the Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Managers to any person to subscribe for or to purchase any Securities.

No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Managers as to the accuracy or completeness of the information contained or incorporated in this Prospectus or any other information in connection with the Issuer or the offering of the Securities. No Manager accepts any liability, whether arising in tort or in contract or in any other event, in relation to the information contained or incorporated by reference in this Prospectus or any other information in connection with the Issuer, the offering of the Securities or the distribution of the Securities.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or any state securities laws and are subject to U.S. tax law requirements. Subject to certain exceptions, the Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of U.S. persons (as defined in Regulation S under the Securities Act). For a further description of certain restrictions on the offering and sale of the Securities and on the distribution of this document, see "Subscription and Sale" below.

All references in this document to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

WARNING

The Prospectus has been prepared to provide information on the listing of the Securities. When potential investors make a decision to invest in the Securities, they should base this decision on their own research of the Issuer and the conditions of the Securities, including, but not limited to, the associated benefits and risks, as well as the conditions of the offer itself. The investors must themselves assess, with their own advisors if necessary, whether the Securities are suitable for them, considering their personal income and financial situation. In case of any doubt about the risk involved in purchasing the Securities, investors should abstain from investing in the Securities.

The summaries and descriptions of legal provisions, accounting principles or comparisons of such principles, legal company forms or contractual relationships reported in the Prospectus may in no circumstances be interpreted as investment, legal or tax advice for potential investors. They are urged to consult their own advisor, bookkeeper or

other advisors concerning the legal, tax, economic, financial and other aspects associated with the subscription to the Securities.

In the event of important new developments, material errors or inaccuracies that could affect the assessment of the securities, and which occur or are identified between the time of the approval of the Prospectus and the time at which trading on a regulated market commences, the Issuer will have a supplement to the Prospectus published containing this information. This supplement will be published in compliance with at least the same regulations as the Prospectus, and will be published on the websites of the Issuer. The Issuer must ensure that this supplement is published as soon as possible after the occurrence of such new significant factor.

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PART I: RISK FACTORS

The following is a description of risk factors which are material in respect of the Securities and the financial situation of the Issuer and which may affect the Issuer's ability to fulfil its repayment obligations under the Securities and which prospective investors should consider carefully before deciding to purchase the Securities. The sequence in which the following risk factors are listed is not an indication of their likelihood to occur or of the extent of their commercial consequences. The following statements are not exhaustive: prospective investors should read and consider all of the information provided in this Prospectus or incorporated by reference in this Prospectus and should make their own independent evaluations of all risk factors and consult with their own professional advisers if they consider it necessary. Terms defined in "Terms and Conditions of the Securities" below shall have the same meaning where used below.

1. FACTORS THAT MAY AFFECT THE ISSUER'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER THE SECURITIES

(a) The loss of patent protection or other exclusivity or ineffective patent protection for marketed products may result in loss of sales to competing products.

Patent protection is considered, in the aggregate, to be of material importance in the UCB Group's marketing of its products in the EU, the U.S. and in most other major markets. Patents covering products that the Group has introduced normally provide market exclusivity, which is important for the successful marketing and sale of its products and its ability to reinvest the proceeds of sales into research and development. Similarly, many products, upon approval by regulatory authorities, benefit from "data exclusivity". This exclusivity is a recognition of the unique work (typically clinical work) performed to demonstrate the safety and efficacy of a product. Exclusivity is an important asset enabling the UCB Group to lawfully sell its protected products for a period of time unimpeded by competition from identical or similar products. The UCB Group will seek patents and data exclusivity, where the opportunity exists, covering each of its products in each of the markets where it intends to sell the products and where meaningful patent protection is available.

Even if the Group succeeds in obtaining patents covering its product, third parties may challenge or seek to invalidate or circumvent its patents and patent applications. It is important for the business of the UCB Group to successfully defend the patent rights that provide market exclusivity for its products. Patent litigation and other challenges to the patents of the UCB Group are costly and unpredictable and may deprive the Group of market exclusivity for a patented product or, in some cases, third party patents may prevent the Group from marketing and selling a product in a particular geographic area.

Generic drug manufacturers, particularly in the U.S., may seek marketing approval for pharmaceutical products currently under patent protection by attacking the validity or enforceability of a patent through a Paragraph IV patent certification under 21 U.S.C. §355(j)(2)(A)(vii). If a generic manufacturer succeeds in invalidating a patent protecting one of the products of the UCB Group, that product could be exposed to generic competition before the expected expiration date of the patent and data exclusively. If one or more important products lose patent protection in profitable markets, sales of those products are likely to decline significantly as a result of generic versions of those products becoming available. The results of operations of the UCB Group may be adversely affected by such sales decline. Decisions adversely impacting the Group's patents could also result in third party claims by, for example, direct and indirect purchasers and state and federal governmental entities, seeking damages for having wrongly precluded competition in the market place.

During the life of its patent related to the compound per se, a patented product is normally only subject to competition from different products with similar indications. After a patent expires or a product loses exclusivity, the owner of the formerly patented product is likely to face increased competition from generic products entering the market, the extent of which will very much depend on various factors like the geographical market, the therapeutic area and the type of disease, the existing competition and the volume of sales of the original product. The loss of patent protection in the U.S. and subsequent generic erosion in relation to Keppra® has impacted the UCB Group in accordance with predictions, with an approximate market share retention of less than 20 per cent more than 12 months after the loss of such protection. In Europe, Keppra® has lost data exclusivity in September 2010 but it is too soon to be able to assess the impact on the market share. With a number of products coming off patent in various jurisdictions in the coming years, the sustainability of the projected market share in the face of generic competition will become important for the UCB Group. In the event that the sales of any product differ from those anticipated after the loss of patent protection, this may have a negative impact on the profits of the Group. As such, the introduction in the US in October 2010 of a generic version of Tussionex® is expected to have a significant impact on sales thereof for 2010 and onwards.

The extent of patent protection varies from country to country. In some of the countries in which the UCB Group currently operates, patent protection may be significantly weaker and/or more difficult to enforce than in the European Union or the United States. Piracy of patent protected intellectual property has occurred in recent years, especially in some Asian countries. In particular, these countries could facilitate competition within their markets from generic manufacturers who would otherwise be unable to introduce competing products for a number of years.

Separately, in its report on the pharmaceutical sector adopted in July 2009, the European Commission seemed to suggest an intention to challenge the existence of patent rights in certain circumstances, in an attempt to address the perceived difficulties encountered by generic companies in getting to market once a product patent has expired, and to counter the apparent decline in the number of novel medicines entering the market. The report addressed certain practices by pharmaceutical companies as being among the causes of these problems, and the European Commission is now expected to intensify its scrutiny of the pharmaceutical sector under antitrust law, including increased monitoring of settlement arrangements between originators and generic drug companies. The report also calls on European member states to introduce legislation to facilitate the uptake of generic drugs. In the event that such legislation is proposed or implemented, or, in the future, the UCB Group becomes the subject of an antitrust investigation, this could have a material adverse effect on the Group's business.

The UCB Group also is currently assessing and will carefully monitor the potential impact on the organization of the key areas of healthcare reform in the U.S. For example, there is pending legislation called the Preserving Access to Affordable Generics, which if passed would give the Federal Trade Commission (FTC) broad authority to bring enforcement actions against parties who settle patent infringement claims related to the sale of drug products. Under this proposed legislation, if the FTC initiates proceedings against parties to any such settlement agreements then such agreements where a generic manufacturer receives anything of value and agrees to limit research, development, manufacturing or marketing of its product for any period of time would be presumptively anticompetitive. The UCB Group is also preparing for the implementation of the Patient Protection and Affordable Care Act of 2009 ("PPACA") that was signed into law in the U.S. on 23 March 2010, as amended by the Healthcare and Education Reconciliation Act of 2010. PPACA significantly changes how health care is delivered, financed and regulated in the U.S. and significantly impacts biopharmaceutical companies like the UCB Group. Among other changes, PPACA establishes mechanisms that may serve to limit access to particular therapies and/or discourage bringing particular therapies to market (e.g., comparative effectiveness). The new legislation will significantly increase the

cost of compliance, impose new taxes on sales to US government health plans, and impose increased rebates on pharmaceutical companies. PPACA is anticipated to increase the number of insured beginning in 2014 – thereby potentially increasing access to the UCB Group and other therapies. Finally, PPACA provides a regulatory approval pathway for follow-on biologics which includes a period of market exclusivity of twelve years for originators; however, how this pathway will operate in practice remains to be seen. Open questions include the design and number of clinical trials required and non-US. product referencing and naming requirements. In addition, President Obama's budget proposal for 2012 proposes reducing the period of data exclusivity for innovative biologics manufacturers to 7 years. Such a reduction faces stiff opposition from BIO and PhRMA and would have to be approved by Congress to take effect. Answers to these outstanding questions will help determine the timing and impact of the introduction of this new form of competition. Despite the questions and concerns, the net impact of PPACA may not be understood fully until implementing regulations are established and operating. The recent shift of power in the U.S. House of Representatives (to those generally disfavouring PPACA) also may result in amendments to the legislation. Such legislative changes may have a significant impact on the business of the Group.

There also are several pieces of legislation pending in the U.S. that, if passed, might impact UCB's intellectual property, including:

1) The Preserving Access to Affordable Generics (S.27) would give the Federal Trade Commission (FTC) broad authority to bring enforcement actions against parties who settle patent infringement claims related to the sale of drug products. Under this proposed legislation, if the FTC initiates proceedings against parties to any such settlement agreements then such agreements would be presumptively anticompetitive where a generic manufacturer receives anything of value and agrees to limit research, development, manufacturing or marketing of its product for any period of time.

2) The Patent Reform Act of 2011 (S.23) contains several intellectual property-related provisions supported by the biopharmaceutical community. Among other provisions, it would reform the current "inter partes reexamination" process in the Patent Office by removing inefficiencies that currently cause such proceeding to last for five years or more. It would establish other efficiencies and incentives to speed the process. It would provide the Patent Office with expanded fee-setting authority and a proposed amendment would ensure that such fees are not diverted away from the Patent Office. The bill would transition the U.S. patent system from the current "first to invent" to a "first to file" system thereby harmonizing the process more with the patent process of other industrialized countries to make more efficient use of the patent system. It also would create a process for patent owners to submit new or corrected information relevant to the examination of their issued patents. This "supplemental examination" is hoped to lead to more unambiguously valid and enforceable patents.

3) The Equal Access to Tax Planning Act (S.139) would deem any strategy to reduce, avoid or defer tax liability insufficient to differentiate invention from prior art when evaluating an invention under section 102 or 103 of title 35, United States Code.

Other than the potential legislation referenced above, the UCB Group is not aware of any proposed patent law modifications or other imminent legislation that will affect it materially. Nevertheless, if a country in which the UCB Group currently sells a substantial volume of an important product were to effectively invalidate its patent rights in that product, the revenues of the Group could suffer.

(b) Failure to develop new products and production technologies will have a negative impact on the competitive position of the UCB Group.

The UCB Group significantly depends on the development of commercially viable and sustainable new products and technologies. Because of the lengthy development process, technological challenges and

intense competition, there is a risk that any of the products which the Group is currently developing will not show the required efficacy and safety, will not be approved by the relevant authorities, will not be marketable on time or which are launched and subsequently manifest safety issues, manufacturing abnormalities or other such problems. Balancing current growth and investment for the future remains a major challenge, and the UCB Group may be unable to meet its expectations and targets with respect to products which are being developed. The competitive position and operating results of the UCB Group could be harmed in the long term if it is unsuccessful in developing new products and quality and cost efficient manufacturing processes, or if its ability to generate sufficient levels of sales through investments in new products and expenditures on research and development declines.

The UCB Group has devolved its research and development function, splitting it between UCB NewMedicines™ and Global Projects & Development. In the event that either of these groups is not productive, this may have a negative impact on the pipeline of products being developed. Further, the success of UCB NewMedicines™ and Global Projects & Development are in part reliant on the success of their various partnerships. In the event that such arrangements are unsuccessful, this may have a negative impact on the success of UCB NewMedicines™ and the pipeline of products for the UCB Group.

The UCB Group focuses on extracting value from its products by managing their life cycle efficiently and maximising the patent protection available in various jurisdictions for different and innovative indications and formulations. In the event that the Group fails or is unable to maximise the value obtained from the products while such protection is in place, this may have a negative impact on sales in the medium to long term, since the value of that patent protection will be diminished. Such a reduction in product sales may have a material adverse effect on the revenues of the UCB Group and its ability to further reinvest in research and development and sales and marketing. In particular, the introduction in the U.S. in October 2010 of a generic version of Tussionex®, sooner than anticipated although not unanticipated, could significantly impact sales thereof from 2010 onwards and the "at risk" launch of a generic Xyzal® product in the US will similarly impact the market for Xyzal® sales thereafter. The loss of exclusivity of Keppra® is equally an event that could significantly impact sales thereof in Europe.

(c) The UCB Group depends in the near term on a small number of products which may also be subject to competitive forces.

The UCB Group has to date depended, and will continue to depend to a large extent on the sales of a few products. Historically, key products have included Zyrtec®, Keppra® and Xyzal®, which are approaching or have reached the end of their patent-protected timeframe. The current key products for the UCB Group include Cimzia®, Neupro® and Vimpat®. The continuing sales volume of these products significantly depend on their patent protection but also on other factors such as regulatory approvals, regulation of pricing, product liability, sales and marketing strategies and investments, and competition. A significant decrease in the sales of any of these products could have a material adverse impact on the results of operations of the Group.

The UCB Group cannot predict with accuracy the timing or impact of the introduction of competitive products or their possible effect on its sales. Products that compete with the Group's products, including some of its best-selling medicines, are launched from time to time. Launches of a number of competitive products have occurred in recent years, and certain potentially competitive products are in various stages of development, some of which have been filed for approval with the FDA and with regulatory authorities in other countries.

If any of the UCB Group's major products were to become subject to new problems such as loss of patent protection, changes in prescription growth rates, material product liability litigation, unexpected

side effects, manufacturing difficulties, governmental proceedings and actions, significant product recalls, major changes in healthcare structures, publicity affecting doctor or patient confidence or pressure from existing competitive products, changes in labelling or if a new, competitive treatment should be introduced, the adverse impact on the Group's revenues could be significant. In addition, the UCB Group's revenues could be significantly impacted by the timing and rate of commercial acceptance of key new products including Cimzia®, Neupro® and Vimpat®.

(d) There are risks associated with the technical and clinical development of products of the UCB Group.

The development of pharmaceuticals carries significant risk, and failure may occur at any stage during development due to quality, safety or clinical efficacy issues. After marketing approvals have been received, safety issues which may not have surfaced in the comparably small patient populations studied during clinical trials can result in label restrictions and, in the worst case, to the withdrawal of the drug from the market. All drug candidates of the UCB Group will need extensive quality, pre-clinical and clinical testing before an application can be made for market authorisation from regulatory authorities. It cannot be predicted with certainty if or when the UCB Group will be able to submit an application to the regulatory authorities of the relevant markets or whether such application, if and when submitted, will be acted upon affirmatively.

Each individual development step is associated with the risk of failure, hence an early stage drug candidate carries a considerably higher accumulated risk of failure than a later stage candidate, but the risk nonetheless is high even at the latest stage. The statistical chance of success is increasing as drug candidates progress successfully through the different phases of drug development. It is probable that not all the programmes in the pipeline of the UCB Group will succeed.

The UCB Group has project financed clinical trials in several indications on various of its products such as Vimpat®, Cimzia® or Briveracetam, which could trigger a maximum aggregate total payment by the Group of EUR 538 million. Whilst the partners carry out the clinical trials essentially at their risk, some payment by the UCB Group will be required and failure of the clinical trials would deprive the Group of new indications to add to the label of these products.

Human clinical trials are very expensive and difficult to design and implement, in part because such trials are subject to rigorous regulatory requirements. Clinical trials are also very time consuming and can take several years to complete for each product candidate. Failure can occur at any stage of the trials and problems may be encountered that would cause the UCB Group to interrupt, abandon or repeat clinical trials. The commencement and completion of clinical trials may be delayed or hindered by several factors, including but not limited to:

- difficulties in obtaining regulatory, ethics committee and/or physician approval of the study protocol;
- fewer than the projected number of suitable investigators, which will result in delayed recruitment of the required number of patients;
- unexpected safety and tolerability issues;
- unexpected manufacturing issues;
- issues with identifying the appropriate therapeutic dosage range;
- unexpected issues with respect to the supply of investigational products;

- unfavourable benefit/risk ratio due to safety data collected in the course of clinical development; and
- introduction of new legal requirements (e.g. the review of the Clinical Trials Directive).

Every clinical trial requires a pre-specified objective and clearly defined primary goal. The hypothesis which is to be tested in the clinical trial may be proven wrong. This will result in a negative study outcome. Clinical studies which have not met their primary goal are usually not suitable to support a regulatory submission. If clinical trials for a drug candidate should be unsuccessful, the UCB Group will be unable to commercialize such drug candidate. If one or more of the clinical trials of the UCB Group for a drug candidate is delayed, the Group will be unable to meet the Group's anticipated development and commercialisation timelines for such drug candidate. Such failure of, or delay in, commercialisation may have a material adverse effect on the UCB Group's business, financial condition and results of operations.

(e) There are risks associated with the international business of the UCB Group.

The UCB Group conducts its business to a significant extent on an international level. This is associated with a variety of different risks for the UCB Group, such as currency fluctuations, currency controls, the political and economic conditions and regulatory regimes in the countries where entities of the Group will operate. The UCB Group's international operations could also be affected by changes in intellectual property legal protections and remedies, trade regulations and procedures and actions affecting approval, production, pricing, reimbursement and marketing of products. Any or all of these factors may have a material adverse effect on the business, financial condition and results of operations of the UCB Group.

(f) The UCB Group's international revenues and transactions, as well as its international asset portfolio, expose the Group to foreign currency and interest rate risks.

The UCB Group currently has a significant amount of its income and incurs a significant amount of its expenses outside the Euro zone, most importantly in the United States, United Kingdom, Switzerland and Japan, and is significantly exposed to transactions in U.S. dollars, Pounds Sterling, Japanese Yen and Swiss Francs, as well as to certain emerging market currencies, directly or indirectly. Since the financial statements of the UCB Group are prepared in Euro, the foreign currency transactions of the Group and the financial statement items of its foreign operations that are included in the financial statements of the Group for any financial period will be translated into Euro in accordance with the exchange rates to be applied pursuant to applicable accounting provisions. These translation effects may adversely expose the results of the UCB Group to fluctuations in the exchange rate of the Euro vis-à-vis the U.S. dollar and other foreign currencies. These translation effects could have a material adverse effect on the UCB Group's business, financial condition and results of operations. In addition, the Group will also have operational trading positions in foreign currencies exposing it to foreign currency transaction risks.

The UCB Group's interest-bearing investments, loans and borrowings are also subject to risk from changes in foreign exchange rates and interest rates. The Group employs certain financial risk management techniques to minimise the impact of foreign exchange rate movements and interest rate movements on earnings, using both operational means and various financial instruments. These practices may change as economic conditions change. From time to time, the UCB Group may fix interest rates either by entering into fixed-rate investments and borrowings or through the use of derivative financial instruments, such as interest rate swaps and swaptions. Notwithstanding the UCB Group's efforts to foresee and mitigate the effects of changes in fiscal circumstances, the Group cannot

predict with certainty changes in currency and interest rates, inflation or other related factors affecting its business.

(g) The UCB Group is dependent on third-party manufacturers and suppliers.

The UCB Group relies upon third-party manufacturers and suppliers with regard to some of their products and important ingredient or components of their products and, like all pharmaceutical companies, may continue to look for other third party manufacturers and suppliers for other products. Given the specialist nature of the industry, there are certain products for which only one supplier exists. The UCB Group cannot be certain that it will be able to enter into satisfactory agreements with third-party manufacturers and/or suppliers or that they will continue to serve as reliable partners. Further, the limited number of suppliers may cause escalation in the cost of supply of certain key products, which would damage the revenue streams of the UCB Group. The failure of the Group to enter into agreements with such manufacturers and/or suppliers on reasonable terms, if at all, or poor manufacturing or supplying performance of the third-party manufacturers and suppliers could have a material and adverse effect on the business, financial condition and results of operations.

(h) The UCB Group is dependent on research and development partners and commercial partners.

The UCB Group relies on research and development partners, in particular in relation to its early stage operations encompassed in UCB NewMedicines™ and Global Projects & Development. Those partnerships depend upon efficient collaboration and stable research strategies. Failure to retain or replace key scientific personnel both internally and in collaborations may have a negative impact on the success of a specific research program. Separately, the UCB Group has looked to joint ventures to divest some of its non-core products, such as oncology therapies, and is therefore now reliant on the ability of the joint venture party to progress such products to ensure that the joint venture is successful. The UCB Group also relies on third parties (including available government funding) to fund or help fund research and development costs and expenses associated with supporting clinical studies and regulatory filings to allow the Group the opportunity to launch and maximize the potential of its products in the marketplace and is therefore now reliant on the abilities of such third parties to progress such products. In particular, but not limited hereto, the UCB Group has project financed clinical trial in several indications on various of its products such as Vimpat®, Cimzia® and Briveracetam, which could trigger a maximum aggregate total payment by the Group of EUR 538 million. Whilst the partners carry out the clinical trials essentially at their risk, some payment by the UCB Group will be required and failure of the clinical trials would deprive the Group of new indications to add to the label of these products. Existing and future commercial partnerships with third parties are of material importance for the Group. The UCB Group has acquired third parties' products for further commercialisation in specific geographical areas or therapeutic areas through licensing, co-promotion or co-marketing. Similarly, in view of the ongoing consolidation in the Pharma market, it can not be excluded that the UCB Group at some point would be solicited for partnering or other types of corporate events. The initiation of such partnerships usually involves material up-front and royalty payments to such third parties based on the evaluation of the potential success of the relevant product. Similarly, the UCB Group holds licences in relation to a number of products which other parties distribute, with the Group receiving royalties in respect of sales by such distributors. In the event that these sales and therefore the royalty payments were to decrease, this may have a significant negative impact on the UCB Group's revenue.

The failure of the UCB Group to enter into such kind of partnership agreements on reasonable terms, if at all, or the poor performance of the third-party products could have a material and adverse effect on the business, financial condition and results of operations of the Group.

(i) The UCB Group's relatively high fixed costs base, as a proportion of its total costs, means that falls in revenue could have a significantly adverse effect on its profitability.

The UCB Group has a relatively high fixed cost base as a proportion of its total costs, consisting primarily of costs of maintaining continued investment in the product pipeline and related infrastructure, and the supply of products and equipment for the development of drugs. A decrease in the UCB Group's revenue is likely therefore to have a disproportionately material adverse impact on the Group's profitability if the Group is unable, in the short to medium term, to manage its costs and supply requirements substantially to mitigate the effect of any significant falls in revenue on profit. The UCB Group's profitability is therefore likely to be more significantly negatively affected by decreases in revenue than would be the case for a company with a more flexible cost base. Any decrease in profitability could have a material adverse effect on the UCB Group's business, financial condition and results of operations.

(j) Products, including products in development, cannot be marketed unless the UCB Group obtains and maintains regulatory approval.

The activities of the UCB Group, including research, drug development, manufacturing and marketing its products, are and will be subject to extensive regulation by numerous authorities in the European Union, including the European Medicine Evaluation Agency, and in the United States, including the Food and Drug Administration, and by other foreign regulatory authorities. Regulations are primarily focused on drug quality, safety and efficacy. The regulatory authorities have substantial discretion to require additional testing, to delay or withhold registration and marketing approval and to mandate product recalls or withdrawals. Regulatory approval also extends to the supply and distribution of products. If a situation occurs, as was the case with Neupro® in 2008, where a product is to be recalled and removed from distribution for any length of time, this will have a material adverse effect on the revenues of the UCB Group.

Even if the UCB Group develops new products it will not be able to market any of those products unless and until it has obtained the required regulatory approvals in each jurisdiction where it proposes to market the new products. Once obtained, the UCB Group must maintain these market authorisations as long as it plans to market its new products in each jurisdiction where approval is required. The failure of the Group to obtain approval, significant delays in the approval process, or its failure to maintain approval in any jurisdiction will prevent it from selling the new products in that jurisdiction until approval is obtained. The UCB Group will not be able to realise revenues for those new products in any jurisdiction where it does not have approval.

(k) The UCB Group may not obtain acceptable price and reimbursement for its products.

In most markets, drug prices and reimbursement levels are regulated or influenced by governments, public health trust assessment bodies, insurance companies or other third parties. Furthermore, the overall cost to society regarding healthcare has increased considerably over the last decades and governments and insurance companies all over the world are striving to control healthcare costs. There can be no guarantee that the drugs of the UCB Group will obtain the anticipated selling prices or reimbursement levels foreseen. If actual prices and reimbursement levels granted to the products of the Group are lower than anticipated, then this is likely to have a negative impact on the products' profitability and/or marketability.

In the U.S. and in certain European markets, many of the UCB Group's pharmaceutical products are subject to increasing pricing pressures. Such pressures in the U.S. have increased as the result of the U.S. Medicare Prescription Drug, Improvement and Modernization Act of 2003 (the "2003 Medicare Modernization Act"), PPACA, and widespread budget shortfalls among the states. PPACA imposes

sweeping changes to the Medicare and Medicaid programmes that will have a direct and material impact on the UCB Group's business. Among its provisions, PPACA increases the rebates on pharmaceutical products provided under certain government programs, revises payments made under Medicare prescription drug coverage, Medicare Advantage and Medicaid fee-for-service arrangement, and imposes new taxes on sales to U.S. government health plans. PPACA establishes mechanisms that may serve to limit access to particular therapies and/or discourage bringing particular therapies to market (e.g., comparative effectiveness). PPACA is anticipated to increase the number of insured beginning in 2014 – thereby potentially increasing access to the UCB Group and other therapies. Finally, PPACA provides a regulatory approval pathway for follow-on biologics which includes a period of market exclusivity of twelve years for originators; however, how this pathway will operate in practice remains to be seen. Some states have implemented, and other states are considering price controls or patient access constraints under the Medicaid programme, and some states are considering price-control regimes that would apply to broader segments of their populations that are not Medicaid eligible. If further changes are made in the future to impose direct governmental price controls and access restrictions, it would have a significant adverse impact on the UCB Group's business. In addition, managed care organizations, as well as Medicaid and other U.S. federal and state government agencies, continue to seek price discounts and other concessions on the Group's pharmaceutical products.

The international patchwork of price regulation has led to different prices in different markets, and consequently there has been some third party trade in the UCB Group's products from markets with lower prices. Such trade exploiting price differences between countries can undermine sales in markets with higher prices. As a result, it is expected that pressures on the pricing component of operating results will continue.

The UCB Group operates in a heavily regulated environment worldwide. Every aspect of its business is regulated by laws of the countries within which it conducts its business from clinical research and development, to manufacturing, to marketing and promotion of products in the market place, to pricing, and to price reporting. Any non-compliance with the laws can result in lengthy and costly investigations and litigations, substantial fines, both civil and criminal penalties, product withdrawals, plant shutdowns and overall reductions of revenue

(l) The UCB Group faces certain litigation risks, which may adversely affect the business.

The outcome of legal proceedings in which the UCB Group is involved, or of potential future litigation, may adversely affect the business, financial condition and results of operations of the Group. Legal proceedings may include, but are not limited to, patent challenges, commercial disputes, product liability claims, governmental investigations, defending claims or taking action to protect commercial or competitive interests, in a range of jurisdictions and a number of legal systems. The costs and potential economic consequences of any legal proceedings are difficult to quantify and, particularly in the case of product patent infringement and significant commercial litigation, may be high. Material legal proceedings may both impact the profit of the business and, if a third party patent suit were to result in an adverse judgment, even prevent the UCB Group from continuing to market certain of its products or result in possible liabilities or loss of exclusivity for the company. Among other proceedings, the Group is a party to ANDA patent litigation involving Xyzal® in Europe and is also actively managing all litigation and claims relating to its products including a limited number of product-related litigations in the U.S. and elsewhere, commercial disputed and a US Department of Justice review of Keppra® promotional practices.

Separately, the UCB Group has made and will continue to consider acquisition opportunities within the pharmaceutical industry. While the Group typically obtains warranties or representations from the seller of such asset or business with respect to certain legal or factual issues, these warranties may not cover

all of the problems that may arise following the acquisition, such as additional tax liabilities, and may not fully compensate the UCB Group for any loss it may suffer in relation to the acquired asset or business. In addition, it may be difficult or impossible to enforce warranties or representations against a seller for various reasons, including the expiration of limitation periods or enforcement periods for such warranties or representations.

See Section 16, "Legal Proceedings" of Part V of this Prospectus, for a description of litigations in which companies of the UCB Group are involved

(m) The UCB Group relies on its key personnel.

The UCB Group is highly dependent upon the senior management and scientific team, the loss (or the impossibility to replace them) of whose services might impede the achievement of the scientific development and commercial objectives, or the manner in which the Group is able to conduct its business. Competition for key personnel with the experience that is required is intense and is expected to continue to increase. There is a risk that the UCB Group will not be able to retain key personnel, or that the Group will not be able to recruit new key personnel in the future.

(n) Existing insurance coverage may turn out to be inadequate.

The UCB Group seeks to cover foreseeable risks through insurance coverage, to the extent practicable and subject to availability. Such insurance coverage, however, may not fully cover the risks to which the Group will be exposed, with certain products and circumstances, conduct and events excluded from insurance cover either fully or under certain indications. This can be the case with respect to insurance covering legal and administrative claims, including environmental claims, as well as with respect to insurance covering other risks. Considering generally the increasing number of product liability cases in the market and the increasing level of damage awarded to claimants in connection with such cases, in particular in the United States, adequate insurance coverage is or may not be available for certain products or type of products or, if available, it may not be available at reasonable conditions.

The business of the UCB Group will expose it to the risk of product liability claims or other such claims inherent in the development, manufacturing, use, sale and promotion of drugs. The use of any of the product candidates in clinical trials of the UCB Group and the sale of any approved products may expose it to costly and damaging product liability claims and other claims brought by clinical trial participants, consumers, health care providers, pharmaceutical companies, private customers, government entities or others. The amount of the liability insurance coverage of the UCB Group including but not limited to product liability coverage, may not be adequate to cover all expenses the Group might incur. Moreover, insurance coverage is becoming increasingly expensive and for certain products or product categories not available, and the UCB Group is not certain to be able to maintain insurance coverage at a reasonable price or in sufficient amounts to protect the Group against costs, expenses, fees and damages due to liability claims on all products. If the UCB Group is unable to obtain insurance at an acceptable cost or otherwise protect against potential product liability claims, it may be exposed to significant liabilities, which may materially and adversely affect its business and financial position. If the UCB Group is sued for injuries or damages allegedly caused by or relating to products it has developed, manufactured, sold or promoted, the liability of the Group could exceed its total assets and the Group could be unable to pay any judgment against it. Even if the UCB Group were able to pay a judgment against it, a successful product liability claim or series of claims brought against the Group could result in significant capital expenditures and expenses, as well as liabilities, thereby harming the business and operating results of the Group.

(o) Environmental liabilities and compliance costs may have a significant negative effect on operating results of the UCB Group.

The environmental laws of various jurisdictions impose actual and potential obligations on the UCB Group to remediate contaminated sites. These obligations may relate to sites that the UCB Group currently owns or operates; that the UCB Group formerly owned or operated and in relation to which the UCB Group retains some contractual liabilities in addition to any legal responsibility (in the pharmaceuticals, chemicals or films industry); or where property owned by third parties was contaminated by the emission or spill of contaminants for which the UCB Group bears responsibility. Steps have been taken either to remediate certain sites or to agree settlements with respect to contaminated areas, limiting the Group's potential liabilities in this area.

The costs of these environmental remediation obligations could significantly reduce the UCB Group's operating results. In particular, the UCB Group's accruals for these obligations may be insufficient if the assumptions underlying these accruals prove incorrect or if the Group is held responsible for additional, currently undiscovered, contamination. Furthermore, the UCB Group may become involved in claims, lawsuits and administrative proceedings relating to environmental matters. Stricter health, safety and environmental laws and regulations as well as enforcement policies could result in substantial liabilities and costs to the UCB Group and could subject its handling, manufacturing, use, reuse or disposal of substances or materials to more rigorous scrutiny than is currently the case. Consequently, compliance with these laws and regulations could result in significant capital expenditures and expenses, as well as liabilities, thereby harming the business and operating results of the Group.

(p) The impact of the global economic conditions on the UCB Group may affect future results.

The recent changes in global financial markets have not had, nor does the UCB Group anticipate they will have, a significant impact on its liquidity. Due to the UCB Group's operating cash flow and financial assets, the Group continues to believe that it has the ability to meet its future financing needs. As market conditions change, the UCB Group will continue to monitor its liquidity position. However, there can be no assurance that its liquidity or results of operations will not be affected by recent and possible future changes in global financial markets and global economic conditions. Moreover, like other businesses, the UCB Group faces the potential effects of the global economic recession. Unprecedented market conditions, including illiquid credit markets, volatile equity markets, dramatic fluctuations in foreign currency rates and economic recession could affect future results.

(q) The UCB Group's inability to manage its sources of funding may adversely affect its business, financial condition and results of operations.

The UCB Group's former credit facility, which was due to mature in 2011, was paid down in 2009 through the proceeds of three bonds and the negotiation of a new credit facility, enabling the Group to align the maturity profile of its debt more closely with its expected cash flows. The UCB Group currently has access to a EUR 1.0 billion debt facility which is due to mature in 2015, and an off-balance sheet U.S. receivables financing program with a current limit of USD 60 million.

In the event that the UCB Group breaches any of its covenants or any other material term of its credit facility and/or outstanding bonds, this could have a significant impact on the business of the Group. Further, it will have to renegotiate the terms of the bonds and of the credit facility upon their respective maturities on terms which may not be commercially desirable. Either outcome may have a material adverse effect on the UCB Group's business and results of operations.

(r) Certain of the UCB Group's products are subject to seasonal demand variation.

The UCB Group product portfolio includes a number of primary care products whose sales may vary seasonally. These include products such as Xyzal® and Zyrtec®, both of which are used to treat allergies and therefore are susceptible to seasonal variations in demand, peaking during heavily pollinated times. Such seasonal variations may affect the consistency of revenues for the Group.

(s) The UCB Group is reliant upon its information technology systems and infrastructure, and any damage to either may have a negative impact on its business.

The UCB Group relies to a large extent upon sophisticated information technology systems and infrastructure. The size and complexity of its computer systems make such systems and infrastructure potentially vulnerable to breakdown, malicious intrusion and random attack. Likewise, data privacy breaches by employees and others with permitted access to the UCB Group's technology systems may pose a risk that sensitive data may be exposed to unauthorised persons or to the public. While the Group has invested heavily in protection of data and information technology, there can be no assurance that its efforts will prevent violations of policies or breaches, breakdowns in its technology systems that could adversely affect its business.

(t) The UCB Group is exposed to risk of changes in tax legislation and the interpretation of such legislation in the jurisdictions in which it operates.

The UCB Group's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Action by governments to increase tax rates or to impose additional taxes may reduce the profitability of the Group. Revisions to tax legislation or to its interpretation may also affect the Group's results in the future.

In addition, any tax authority may initiate a review of the UCB Group's compliance with its tax regime at any time. There are several such reviews pending regarding the UCB Group in a range of jurisdictions such as Germany, the UK, Belgium, Spain, Italy and Turkey. The UCB Group is not able to predict with certainty the outcome of such reviews, or the impact that such reviews may have on the business of the Group. In the event that such a review resulted in the issue of fines and/or other penalties, this may have a material adverse effect on the profitability of the Group.

2. FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH THE SECURITIES

(a) The Securities may not be a suitable investment for all investors

Each potential investor in any Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact the investment will have on the potential investor's overall investment portfolio.

(b) The Securities have no stated maturity date

The Securities are perpetual securities in respect of which there is no stated maturity date and the UCB Group is under no obligation to redeem the Securities at any time. The Holders have no right to call for their redemption. Prospective investors should be aware that they may be required to bear the financial risks of an investment in the Securities for an indefinite period of time.

(c) The Issuer has the right to defer interest payments on the Securities

The Issuer may, at its sole discretion and for any reason, elect to defer all or part of any payment of interest on the Securities, subject to limited exceptions. See ''Terms and Conditions — Optional Interest Deferral''.

Any such deferral of interest shall not constitute a default for any purpose unless such payment is required in accordance with Condition 6(c).

Any deferral of interest will be likely to have an adverse effect on the market price of the Securities. In addition, as a result of the interest deferral provisions of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to such deferral and may be more sensitive generally to adverse changes in the UCB Group's financial condition.

(d) The Issuer's obligations under the Securities are subordinated

The Issuer's obligations under the Securities will be direct, unsecured and subordinated. In the event of a Winding-Up of the Issuer (as defined in the "Terms and Conditions"), the claims of the Holders will be subordinated to the claims of holders of all Senior Obligations of the Issuer but will rank *pari passu* with the claims of holders of all present and future subordinated obligations of the Issuer other than Junior Obligations of the Issuer and will rank in priority to the claims of holders of Junior Obligations of the Issuer (except as otherwise provided by mandatory provisions of law). Winding-up is defined by reference to a final order being made for the winding-up, liquidation or dissolution of the Issuer or a final judicial determination or formal admission of insolvency or bankruptcy. The Securities therefore only become automatically and immediately due and payable upon such a final order or final judicial determination. The Belgian bankruptcy law of 8 August 1997 does not prevent, however, that distributions be made while a decision is not final and pending an appeal. Therefore it is possible that distributions may be made to subordinated creditors before distributions are made to the holders of the Securities. Condition 1 (b) on the status of the Securities should be read taking into account this risk. However, given the current practice of bankruptcy trustees and their potential liablity this risk seems to be very remote. See ''Terms and Conditions — Status'' and ''Terms and Conditions — Winding-Up'', respectively.

By virtue of such subordination, payments to a Holder will, in the events described in the relevant Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied. A Holder may therefore recover less than the holders of unsubordinated liabilities of the Issuer. Furthermore, the Conditions will not limit the amount of the liabilities ranking senior to, or *pari passu* with, the Securities which may be incurred or assumed by the Issuer from time to time, whether before or after the Closing Date. Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with, the Securities and each Holder shall, by virtue of his holding, be deemed to have waived all such rights of set-off, compensation or retention.

Although subordinated debt securities may pay a higher rate of interest than comparable debt securities which are not subordinated, there is a real risk that an investor in the Securities will lose all or some of his investment should the Issuer become insolvent.

(e) Limited Remedies

The only enforcement event in the Conditions of the Securities is if a default is made by the Issuer for a period of 14 days or more in relation to the payment of any principal or 21 days or more in relation to the payment of any interest, in each case in respect of the Securities and which is due, then the Issuer shall be deemed to be in default under the Securities and any Holder may institute proceedings for the Winding-Up of the Issuer and/or prove or claim in the Winding-Up of the Issuer for such payments. Therefore, it will only be possible for the Holders to enforce claims for payment of principal or interest of the relevant Securities when the same are due. In addition, in the event of a Winding-Up of the Issuer, the claims of Holders will be subordinated to the claims of holders of all Senior Obligations of the Issuer as further described in the Conditions.

Accordingly, the claims of holders of all Senior Obligations of the Issuer will first have to be satisfied in any winding-up or analogous proceedings before the Holders may expect to obtain any recovery in respect of their Securities and prior thereto Holders will have only limited ability to influence the conduct of such winding-up or analogous proceedings.

(f) The Securities will be subject to optional redemption by the Issuer including upon the occurrence of a Change of Control Event or Special Event

The Securities will be redeemable, at the option of the Issuer, in whole but not in part on the First Call Date or any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

In addition, upon the occurrence of an Accounting Event, a Tax Event, a Withholding Tax Event, a Substantial Repurchase Event, a Rating Event or a Change of Control Event, the Issuer may elect to redeem, in whole but not in part, the Securities at their (i) Premium Redemption Price (in the case of an Accounting Event or a Tax Event where any such redemption occurs prior to the First Call Date) or (ii) Make-Whole Redemption Price (in the case of a Rating Event) or (iii) principal amount (in the case of an Accounting Event or a Tax Event where any such redemption occurs on or after the First Call Date or in the case of a Withholding Tax Event, a Substantial Repurchase Event or a Change of Control Event where any such redemption occurs at any time), in each case together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

In the case of a Change of Control Event, in the event that the Issuer does not elect to redeem the Securities, the then prevailing Interest Rate (as defined in the Conditions), and each subsequent Interest Rate, on the Securities shall be increased by 500 basis points with effect from (and including) the Interest Period commencing on the first Interest Payment Date following the date on which the Change

of Control Event occurred. However this increase in Interest Rate following a Change of Control Event will only be effective if the relevant resolution is approved by the Shareholders of the Issuer and a copy of such resolution is filed promptly thereafter. The approval of the relevant resolution is expected to be proposed at the general meeting of the Shareholders of the Issuer to be held on 28 April 2011, but there can be no assurance that the Shareholders will approve such resolution.

During any period when the Issuer may elect to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem the Securities when its cost of borrowing is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Securities being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

(g) Representation of Holders

The Conditions will contain provisions for calling meetings of Holders to consider matters affecting their interests generally. These provisions will permit defined majorities to bind all Holders including Holders who did not attend and vote at the relevant meetings and Holders who voted in a manner contrary to the majority.

(h) Modification upon Accounting Event, Tax Event, Withholding Tax Event or Rating Event

If an Accounting Event, a Tax Event, a Withholding Tax Event or a Rating Event has occurred and is continuing, then the Issuer may, subject to Condition 7 (without any requirement for the consent or approval of the Holders) at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities.

(i) No Prior Market for the Securities

Application has been made to the Luxembourg Stock Exchange for the Securities to be admitted to listing and trading on its regulated market. However, there can be no assurance that a liquid secondary market for the Securities will develop or, if it develops, that it will continue. In an illiquid market, an investor might not be able to sell his Securities at any time at fair market prices. The possibility to sell the Securities might additionally be restricted by country specific reasons.

(j) Fixed rate Securities are exposed to specific market risks

A holder of a security with a fixed compensation rate is exposed to the risk that the price of such security falls as a result of changes in the market interest rate. While the nominal compensation rate of a security with a fixed compensation rate is fixed for a specified period, the current interest rate on the capital market (market interest rate) typically changes on a daily basis. As the market interest rate changes, the price of such security changes in the opposite direction. If the market interest rate increases, the price of such security typically falls, until the yield of such security is approximately equal to the market interest rate. If the market interest rate falls, the price of a security with a fixed compensation rate typically increases, until the yield of such security is approximately equal to the market interest rate. Holders should be aware that movements of the market interest rate can adversely affect the price of the Securities and can lead to losses for the Holders if they sell Securities.

(k) EU Savings Directive

Under the EC Council Directive 2003/48/EC on the taxation of savings income (the "EU Savings Directive"), member states of the European Economic Union (the "EU Member States" and each a "EU Member State") are required to provide to the tax authorities of another EU Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other EU Member State or to certain limited types of entities established in that other EU Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

Investors should note that on 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the EU Savings Directive, which included the Commission's advice on the need for changes to the EU Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the EU Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of the proposed changes are made in relation to the EU Savings Directive, they may amend or broaden the scope of the requirements described above. If a payment were to be made or collected through a paying agent established in a state which at that time applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor the Agent nor any other person would be obliged to pay additional amounts to the Holders or to otherwise compensate Holders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

(l) Belgian Withholding Tax

If the Issuer, the NBB, the Agent or any other person is required to make any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatever nature in respect of any payment in respect of the Securities, the Issuer, the NBB, the Agent or that other person shall make such payment after such withholding or deduction has been made and will account to the relevant authorities for the amount so required to be withheld or deducted.

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Holder in respect of the Securities, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Issuer in respect of the Securities, will equal the amount which would have been received in the absence of any such withholding taxes, except that no such additional amounts shall be payable in respect of any Security in the limited circumstances set out in Condition 11.

(m) Taxation

Potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred or other jurisdictions. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, sale and redemption of the Securities. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

(n) Change of law

The Conditions of the Securities are based on English law and, in respect of Condition 1(b), 2, 5 and Condition 14(a) and any matter relating to, and the dematerialised form of, the Securities, Belgian law, in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or, as the case may be, the laws of the Kingdom of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

(o) The Agent is not required to segregate amounts received by it in respect of the Securities

The Conditions of the Securities provide that the payment obligations of the Issuer under the Securities will be discharged by payment to the Agent of the relevant amount. The Agency Agreement provides that the Agent will, simultaneously with the receipt by it of the relevant amounts, pay to the Holders, directly or through the NBB, any amounts due in respect of the relevant Securities. However, the Agent is not required to segregate any such amounts received by it in respect of the Securities, and in the event that the Agent were subject to insolvency proceedings at any time when it held any such amounts, Holders would not have any further claim against the Issuer in respect of such amounts, and would be required to claim such amounts from the Agent in accordance with applicable Belgian insolvency laws.

(p) Relationship with the Issuer

All notices and payments to be delivered to the Holders will be distributed by the Issuer to such Holders in accordance with the Conditions. In the event that a Holder does not receive such notices or payments, its rights may be prejudiced but it may not have a direct claim against the Issuer therefore.

(q) Reliance on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Issuer

The Securities will be issued in dematerialised form under the Belgian Company Code and cannot be physically delivered. The Securities will be represented exclusively by book entries in the records of the Clearing System.

Access to the Clearing System is available through its Clearing System participants whose membership extends to securities such as the Securities. Clearing System participants include certain banks, stockbrokers (*beursvennootschappen*/*sociétés de bourse*), and Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Securities will be effected between the Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Securities.

The Issuer and the Agent will have no responsibility for the proper performance by the Clearing System or the Clearing System participants of their obligations under their respective rules and operating procedures.

A Holder must rely on the procedures of the Clearing System, Euroclear and Clearstream, Luxembourg to receive payments under the Securities. The Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Securities within the Clearing System.

(r) Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than euro. These include the risk that exchange rates

may significantly change (including changes due to devaluation of the euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to euro would decrease (1) the Investor's Currency-equivalent yield on the Securities, (2) the Investor's Currency-equivalent value of the principal payable on the Securities and (3) the Investor's Currency-equivalent market value of the Securities. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

(s) Potential Conflicts of Interest

The Issuer may from time to time be engaged in transactions involving an index or related derivatives which may affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the Holders.

The Agent and the Managers (both as defined below) might have conflicts of interests which could have an adverse effect to the interests of the Holders.

Potential investors should be aware that the Issuer is involved in a general business relation or/and in specific transactions with the Agent, the Calculation Agent and/or each of the Managers (both as defined below) and that they might have conflicts of interests which could have an adverse effect to the interests of the Holders. Potential investors should also be aware that the Agent, the Calculation Agent and each of the Managers may hold from time to time debt securities, shares or/and other financial instruments of the UCB Group.

(t) Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for it, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. The investors should consult their legal advisers to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

(u) The Calculation Agent does not assume any fiduciary or other obligations to the Holders and, in particular, is not obliged to make determinations which protect or further their interests

ING Belgium SA/NV will act as the Issuer’s Calculation Agent. In its capacity as Calculation Agent, it will act in accordance with the Conditions in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Holders should be aware that the Calculation Agent does not assume any fiduciary or other obligations to the Holders and, in particular, is not obliged to make determinations which protect or further the interests of the Holders.

The Calculation Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Calculation Agent shall not be liable for the consequences to any person (including Holders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Securities or (ii) any determination made by the Calculation Agent in relation to the Securities or interests, in each case in the absence of bad faith or wilful default. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences to any person (including Holders) of any such errors or omissions arising as a result of (i) any information provided to the

Calculation Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Calculation Agent on a timely basis.

(v) No limitation on issuing further debt

The Issuer is not prohibited from issuing further debt or securities ranking *pari passu* or senior to the Securities. The Securities do not limit the ability of the Issuer to incur indebtedness or issue securities. The issuance of any such further debt or securities may dilute the claim of Holders.

(w) Securities may be held only by Eligible Investors

Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (the "Eligible Investors") holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the X/N Clearing System operated by the National Bank of Belgium.

PART II: DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2008, 2009 and 2010 together in each case with the audit report thereon, and with the press release listed hereunder, which have been previously published or are published simultaneously with this Prospectus and which have been filed with the CSSF. Such documents shall be incorporated in, and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of documents incorporated by reference in this Prospectus may be obtained (without charge) from the registered offices of the Issuer, the website of UCB (www.ucb.com) and the website of the Luxembourg Stock Exchange (www.bourse.lu).

The table below sets out the relevant page references for the audited consolidated annual statements for the financial years ended 2010, 2009 and 2008 as set out in the Issuer's Annual Report.

Any information not listed in the cross reference list but included in the documents incorporated by reference is given for information purpose only

Consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2010

	UCB SA Annual Report 2010
Corporate Governance statement	Page 50
Consolidated income statement	Page 82
Consolidated statement of financial position	Page 84
Consolidated statement of cash flows	Page 85
Notes to the consolidated financial statements	Page 87
Report of the Statutory Auditor	Page 140

The audited consolidated financial statements of the Issuer of the year ended 31 December 2010 are still subject to approval by the general meeting of Shareholders of the Issuer scheduled to be held on 28 April 2011.

Consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2009

	UCB SA Annual Report 2009
Corporate Governance Report	Page 2
Consolidated income statement	Page 32
Consolidated balance sheet	Page 33
Consolidated cash flow statement	Page 34
Notes to the financial statements	Page 36
Report of the Auditors	Page 88

Consolidated audited annual financial statements of the Issuer for the financial year ended 31 December 2008

	UCB SA Annual Report 2008[(1)]
Corporate Governance Report	Page 2
Consolidated income statement	Page 31
Consolidated balance sheet	Page 32
Consolidated cash flow statement	Page 33
Notes to the financial statements	Page 35
Report of the Board of Auditors	Page 85

(1) The page numbers refer to the corresponding pages in the Management Report which forms part of the Annual Report 2008.

Other documents incorporated by reference

- Press release of 8 March 2011: UCB completes placement of EUR 300 million perpetual subordinated bonds
- Press release of 7 March 2011: UCB launches offering of perpetual subordinated bonds
- Press release of 7 March 2011: Journalists recognised for excellence in reporting on epilepsy
- Press release of 2 March 2011: UCB Full-year Report 2010: a year of strong delivery
- Press release of 1 March 2011: UCB and its Design Partners OXO Win Coveted Design Award for Cimzia® Syringe and Packaging
- Press release of 28 February 2011: UCB establishes Innovative Collaboration with Harvard University
- Press release of 14 February 2011: UCB reinforces commitment to epilepsy community on European Epilepsy Day
- Press release of 14 February 2011: Epilepsy In Our Time
- Press release of 10 February 2011: Transparency notification of Wellington Management Company LLP
- Press release of 8 February 2011: UCB and PDL BioPharma Resolve Patent Disputes
- Press release of 12 January 2011: Vimpat® (lacosamide) significantly reduced partial onset seizures regardless of the mechanism of action concomitant antileptic drugs
- Press release 10 January 2011: UCB delivers on its clinical development milestones
- Press release 5 January 2011: UCB's financial update 2010

- Press release of 22 December 2010: UCB to expand manufacturing capacity for Cimzia®
- Press release of 15 December 2010: Transparency notification of Schwarz Vermögensverwaltung GmbH & Co, Financière de Tubize SA and UCB SA/NV
- Press release of 15 December 2010: UCB optimizes its manufacturing network
- Press release of 14 December 2010: UCB announces start of phase III programme with epratuzumab for patients with moderate to severe systemic lupus erythematosus
- Press release of 10 December 2010: Patients with Parkinson's disease treated with Neupro® (rotigotine) showed low rates of dyskinesias with long term treatment
- Press release of 6 December 2010: Long-term use of antiepileptic drug Vimpat® (lacosamide)effectively reduced partial-onset seizure frequency and improved health-related quality of life
- Press release of 1 December 2010: UCB Amendment to Revolving Credit Facility
- Press release of 23 November 2010: Neupro® (rotigotine) improved motor, sleep and non-motor symptoms of Parkinson's disease in large-scale study
- Press release of 9 November 2010: Epratuzumab phase IIb data presented at ACR show pipeline drug had positive effect in patients suffering of from moderate to severe systemic lupus erythematosus
- Press release of 9 November 2010: New Cimzia (certolizumab pegol) data show a significant, rapid clinical response and reduced disease activity among diverse patient populations with active rheumatoid Arthritis (RA)
- Press release of 21 October 2010: Interim Report – Intense growth of Cimzia, Vimpat and Neupro
- Press release of 12 October 2010: UCB and Synosia Therapeutics sign strategic alliance in neurology
- Press release of 2 August 2010: UCB delivers solid growth from its new medicines Cimzia, Vimpat and Neupro
- Press release of 30 July 2010: UCB to out-license six established products to Actient Pharmaceuticals, LLC
- Press release of 23 July 2010 E Keppra (levetiracetam) receives regulatory approval in Japan
- Press release of 19 July 2010: UCB strengthens ICT department to foster its transformation into a global patient centric biopharma leader
- Press release of 10 June 2010: UCB strengthens strategic alliance with WILEX
- Press release of 18 May 2010: UCB's Roch Doliveux joins Board of the Innovative Medicines Initiative
- Press release of 29 April 2010: UCB: Delivering for patients through innovation
- Press release of 29 April 2010: Interim Report – Cimzia®, Vimpat® and Neupro® build momentum
- Press release of 23 April 2010: UCB receives Complete Response Letter from U.S. FDA regarding Neupro® (rotigotine)
- Press release of 14 april 2010: New data presented at the American Academy of Neurology meeting showed that Neupro® (rotigotine transdermal system) improved both motor and non-motor symptoms of Parkinson's disease
- Press release of 13 April 2010: New data showed sustained 5-year benefit of Neupro® (rotigotine transdermal system) on symptoms of Restless Legs Syndrome
- Press release of 29 March 2010: New members of UCB's Board of Directors
- Press release of 2 March 2010: UCB: Solid foundation for sustainable growth

- Press release of 29 January 2010: UCB accelerates transition to become patient-centric global biopharmaceutical leader with decision to exit the primary care market in the U.S
- Press release of 21 December 2009: UCB announces initial clinical trial results involving patients taking certolizumab pegol for moderate to severe Crohn's disease
- Press release of 15 December 2009: UCB signs a new EUR 1.5 billion credit facility.

PART III: TERMS AND CONDITIONS OF THE SECURITIES

The issue of the €300,000,000 Fixed-to-Floating Rate Perpetual Subordinated Securities (the "**Securities**", which expression shall, unless otherwise indicated, include any Further Securities) was (save in respect of any Further Securities) authorised by resolutions of the board of directors of UCB S.A. (the "**Issuer**") passed on 27 October 2010 and 17 December 2010 and resolutions of a duly appointed committee of the board of directors of the Issuer passed on 11 November 2010. The Securities are issued pursuant to an agency agreement dated 16 March 2011 and entered into between the Issuer and ING Belgium SA/NV acting as domiciliary agent and principal paying agent (together, the "**Agent**", which expression shall include any successor as Agent) and as calculation agent (the "**Calculation Agent**", which expression shall include any successor as Calculation Agent) (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**"). The statements set out in these Terms and Conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Agency Agreement. The Holders (as defined below) are deemed to have notice of those provisions applicable to them which are contained in the Agency Agreement.

Copies of the Agency Agreement are available for inspection at the office of the Agent at 24 Avenue Marnix, B 1000 Brussels.

1 FORM, DENOMINATION, TITLE AND STATUS

(a) Form, Denomination and Title

The Securities are in dematerialised form in accordance with Article 468 of the Belgian Code of Companies. The Securities will be represented by book entry in the records of the clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**NBB System**"). The Securities can be held by their holders through participants in the NBB System, including Euroclear and Clearstream, Luxembourg and through other financial intermediaries which in turn hold the Securities through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Securities are accepted for clearance through the NBB System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the rules of the NBB System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**NBB System Regulations**"). Title to the Securities will pass by account transfer in accordance with the NBB System Regulations. The Holders will not be entitled to exchange the Securities into definitive securities in bearer form.

Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the X/N Clearing System operated by the NBB.

For so long as the Securities are held by or on behalf of the NBB System, each person (each an "**Accountholder**") being shown in the records of a participant or sub-participant in the NBB System as the holder of a particular principal amount of the Securities (in which regards any certificates or other documents issued by the NBB System or a participant or sub-participant therein as to the principal amount of such Securities standing to the account of any Accountholder (together with any notification from the NBB System or the operator thereof as to the identity of a relevant participant with whom the

Accountholder holds his Securities) shall be conclusive and binding for all purposes) and such Accountholder may be treated as the holder of that principal amount for the purpose of any quorum, voting, the right to demand a poll or for any other purpose and "**Holder**" shall for such purposes be construed accordingly.

The Securities are in the principal amount of €50,000 each.

(b) Status

The Securities constitute direct, unsecured and subordinated obligations of the Issuer which will at all times rank *pari passu* without any preference among themselves. On a Winding-Up (as defined below), the rights and claims of the Holders against the Issuer in respect of or arising under the Securities held by them will be subordinated to the claims of holders of all Senior Obligations but will rank *pari passu* with the claims of holders of all other present and future subordinated obligations of the Issuer other than Junior Obligations and will rank in priority to the claims of holders of Junior Obligations (except as otherwise provided by mandatory provisions of law).

2 WINDING-UP

(a) General

In the event of:

(i) a final order being made, or an effective resolution being passed, for the winding-up, liquidation or dissolution of the Issuer (except, in any such case, a solvent winding-up for the purposes of a reorganisation, reconstruction, amalgamation, merger or consolidation of the Issuer on terms approved by an Extraordinary Resolution of Holders); or

(ii) the Issuer is finally judicially determined or formally admitted to be insolvent or bankrupt,

(each such event, a "**Winding-Up**") the Securities will become automatically and immediately due and payable at their outstanding principal amount, together with any accrued and unpaid interest up to and including such date and any outstanding Arrears of Interest, provided that such amount shall only be paid to Holders to the extent that the claims of holders of all Senior Obligations have been met in full.

(b) Set-off

Subject to applicable law, no Holder may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer in respect of, or arising under or in connection with the Securities and each Holder shall, by virtue of his holding of any Security, be deemed to have waived all such rights of set-off, compensation or retention.

3 DEFINITIONS

In these Conditions:

an "**Accounting Event**" shall be deemed to occur if the Issuer receives an opinion from a firm of auditors of international repute confirming that the obligations of the Issuer under the Securities will no longer or may no longer be recorded as "equity" in the next following audited annual consolidated financial statements of the Issuer prepared in accordance with IFRS.

"**Additional Amounts**" has the meaning provided in Condition 11.

"**Arrears of Interest**" has the meaning provided in Condition 5(*a*).

"**Business Day**" means a day (other than a Saturday or Sunday) which is a TARGET Business Day and on which commercial banks and foreign exchange markets are generally open for business in Brussels.

"**Calculation Amount**" has the meaning provided in Condition 4(*b*).

a "**Change of Control**" shall occur if an offer is made by any person, other than an Excepted Person, to all (or as nearly as may be practicable all) Shareholders (or all (or as nearly as may be practicable all) such Shareholders other than the offeror and/or any parties acting in concert (as defined in Article 3, paragraph 1, 5° of the Belgian Law of 1 April 2007 on public takeover bids or any modification or re-enactment thereof) with the offeror), to acquire all or a majority of the issued ordinary share capital of the Issuer and (the period of such offer being closed, the definitive results of such offer having been announced and such offer having become unconditional in all respects) the offeror has acquired or, following the publication of the results of such offer by the offeror, is entitled to acquire as a result of such offer, post completion thereof, Ordinary Shares or other voting rights of the Issuer so that it has the right to cast more than 50 per cent. of the votes which may ordinarily be cast on a poll at a general meeting of the Issuer, whereby the date on which the Change of Control shall be deemed to have occurred shall be the date of the publication by the offeror of the results of the relevant offer (and for the sake of clarity prior to any reopening of the offer in accordance with Article 42 of the Royal Decree of 27 April 2007 on Public Takeover Bids).

a "**Change of Control Event**" occurs if:

(a) a Change of Control occurs and at the time the Issuer is not rated; or

(b) a Change of Control occurs and at the time the Issuer is rated and, within the Change of Control Period, a Rating Downgrade in respect of that Change of Control occurs.

a "**Change of Control Period**" shall commence on the date of a Change of Control, and shall end 45 days after the date of the Change of Control (which period shall be extended following consummation of a Change of Control for so long as any Rating Agency has publicly announced within the period ending 45 days after the Change of Control that it is considering a possible ratings change, provided that the Change of Control Period shall not extend more than 45 days after the public announcement of such consideration).

"**Change of Control Resolutions**" means one or more resolutions duly passed, approved or adopted at a General Meeting of Shareholders of the Issuer approving the provisions of Condition 4(*h*).

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme.

"**Closing Date**" means 18 March 2011.

"**Deferral Notice**" has the meaning provided in Condition 5(*a*).

"**Deferred Interest Payment**" means any Interest Payment to the extent that, pursuant to Condition 5, the Issuer has elected to defer all or part of such Interest Payment and to the extent that such deferred payment has not been satisfied.

"**Determination Date**" has the meaning provided in Condition 4(*d*).

"**EEA**" means the European Economic Area.

"**Enforcement Event**" has the meaning provided in Condition 12.

"**EUR**", "**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

"**Euroclear**" means Euroclear Bank S.A./N.V.

"**Excepted Person**" means Financière de Tubize S.A., either by itself or acting together with (i) Schwarz Vermögensverwaltung GmbH, (ii) any shareholder of the Issuer with whom, as at the Closing Date, Financière de Tubize S.A has declared that it is acting in concert separately in accordance with article 3, §1, 13° of the law of 2 May 2007 on the disclosure of large shareholdings in issuers whose securities are admitted to trading on a regulated market and (iii) any person or persons controlled by Financière de Tubize S.A. or any of the persons referred to under (i) and (ii) above.

"**Extraordinary Resolution**" has the meaning provided in the Agency Agreement.

"**First Call Date**" means 18 March 2016.

"**Fixed Interest Rate**" has the meaning provided in Condition 4(*c*).

"**Fixed Rate Interest Period**" means the period from (and including) the Closing Date to (but excluding) the First Call Date.

"**Floating Interest Amount**" has the meaning provided in Condition 4(*e*).

"**Floating Interest Rate**" has the meaning provided in Condition 4(*d*).

"**Further Securities**" means any further Securities issued pursuant to Condition 16 and consolidated and forming a single series with the then outstanding Securities.

"**Group**" means the Issuer and each of its Subsidiaries from time to time.

"**Holder**" means, in respect of any Security, the person entitled thereto in accordance with the NBB System Regulations, subject as provided in Condition 1(a).

"**Interest Payment**" means in respect of an interest payment on an Interest Payment Date, the amount of interest payable for the relevant Interest Period in accordance with Condition 4.

"**Interest Payment Date**" means 18 March in each year for the period up to (and including) the First Call Date, and thereafter 18 June, 18 September, 18 December and 18 March in each year, provided that if any Interest Payment Date would fall on a day which is not a Business Day it shall be postponed to the next Business Day unless it would then fall into the next calendar month in which event the Interest Payment Date shall be brought forward to the immediately preceding Business Day.

"**Interest Period**" means the period commencing on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period commencing on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date or the date of redemption, as the case may be.

"**IFRS**" means International Financial Reporting Standards as adopted by the European Union.

"**Interest Rate**" means the Fixed Interest Rate and/or the Floating Interest Rate, as the case may be.

"**Junior Obligations**" means (i) any class of shares in the capital of the Issuer and any obligations of the Issuer ranking, or expressed to rank, junior to the Securities, and (ii) any obligations of any other member of the Group benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, junior to the Securities.

"**Long Stop Date**" means 30 June 2011.

"**Make-Whole Redemption Price**" means, in respect of each Security, the higher of: (a) the principal amount of such Security and (b) the price, expressed as a percentage (rounded to four decimal places, 0.00005 being rounded upwards), at which the yield to maturity on the Security on the Reference Date (assuming for this purpose that the Securities are to be redeemed at their principal amount on the First Call Date) is equal to the

yield to maturity (determined by reference to the middle market price) at 11.00 hours (Central European time) on the Reference Date of the Reference Bond plus 1.00 per cent., all as determined by the Calculation Agent, together, in each case, with accrued but unpaid interest up to (but excluding) the relevant date fixed for redemption and any outstanding Arrears of Interest.

Where:

"**Reference Bond"** means the 2.00 per cent. Bundesobligationen due February 2016 or, if such stock is no longer in issue, such other German government stock selected by the Calculation Agent, with the advice of the Reference Market Makers, that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the First Call Date;

''**Reference Date"** means the date which is three Business Days prior to the date fixed for redemption pursuant to Condition 6(*g*); and

"**Reference Market Makers"** means three brokers or market makers of bunds selected by the Calculation Agent or such other three persons operating in the bunds market as are selected by the Calculation Agent in consultation with the Issuer.

"**Mandatory Payment Event**" has the meaning provided in Condition 5(*b*).

"**Ordinary Shares**" means fully paid ordinary shares in the capital of the Issuer currently with no-par value.

"**Parity Obligations**" means (i) any obligations of the Issuer ranking, or expressed to rank, *pari passu* with the Securities and (ii) any obligations of any other member of the Group benefiting from a guarantee or support agreement entered into by the Issuer which ranks, or is expressed to rank, *pari passu* with the Securities.

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity).

"**Premium Redemption Price**" means 101 per cent. of the principal amount of the Securities.

a "**Rating Agency**" means Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies, Inc., Fitch, Inc., or Moody's Investors Service Inc., and their respective successors and assigns.

a "**Rating Downgrade**" means any downgrade of the credit rating of the Issuer by a Rating Agency.

a "**Rating Event**" has the meaning given to it in Condition 6(*g*).

"**Relevant Date**" means (i) in respect of any payment other than a sum to be paid by the Issuer upon a Winding-Up, the date on which such payment first becomes due and payable but, if the full amount of the moneys payable on such date has not been received by the Agent on or prior to such date, the Relevant Date means the date on which such moneys shall have been so received and notice to that effect shall have been given to the Holders in accordance with Condition 15, and (ii) in respect of a sum to be paid by the Issuer on a Winding-Up, the date which is one day prior to the date of such Winding-Up.

"**Senior Obligations**" means all present and future unsubordinated obligations of (i) the Issuer and (ii) any other member of the Group benefiting from a guarantee or support agreement entered into by the Issuer on an unsubordinated basis.

"**Shareholders**" means the holders of Ordinary Shares.

"**Special Event**" means any of an Accounting Event, a Substantial Repurchase Event, a Rating Event, a Tax Event or a Withholding Tax Event or any combination of the foregoing.

"**Subsidiary**" means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50 per cent. of whose issued share capital (or equivalent) is then beneficially owned, by the Issuer and/or one or more of its respective Subsidiaries. For this purpose, for a company to be "**controlled**" by another means that the other (whether directly or indirectly and whether by ownership of share capital, the possession of voting power, contract or otherwise) has the power to appoint and/or remove all or the majority of the members of the Board of Directors or other governing body of that company or otherwise controls or has the power to control the affairs and policies of that company.

a "**Substantial Repurchase Event**" shall be deemed to occur if prior to the giving of the relevant notice of redemption the Issuer has repurchased (and effected corresponding cancellations) or redeemed Securities in respect of 75 per cent. or more of the aggregate principal amount of the Securities initially issued (which shall for this purpose include any Further Securities).

"**TARGET Business Day**" means a day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro.

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system, or any successor thereto.

a "**Tax Event**" shall be deemed to have occurred if the Issuer receives a tax opinion from independent tax advisors or lawyers of international repute confirming that, as a result of a Tax Law Change, in making any Interest Payment on the Securities, the Issuer will not be entitled to claim a deduction in respect of computing its taxation liabilities in the Kingdom of Belgium, or such entitlement is reduced or otherwise adversely affected in any material respect and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

"**Tax Law Change**" means a change in or proposed change in, or amendment or proposed amendment to, or clarification of, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having the power to tax, including any treaty to which the Kingdom of Belgium is a party, or any change in the application of official or generally published interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretation thereof that differs from the previously generally accepted position in relation to similar transactions, which change or amendment becomes, or would become, effective on or after 16 March 2011.

a "**Withholding Tax Event**" shall be deemed to occur if the Issuer receives a tax opinion from independent tax advisors or lawyers of international repute confirming that, as a result of a Tax Law Change, in making any payments on the Securities, the Issuer has paid or will, or would on the next Interest Payment Date, be required to pay Additional Amounts on the Securities and the Issuer cannot avoid the foregoing by taking measures reasonably available to it.

4 INTEREST

(a) Interest Rate

The Securities bear interest at the applicable Interest Rate from (and including) the Closing Date in accordance with the provisions of this Condition 4. Subject to Condition 5, interest shall be payable

annually in arrear on each Interest Payment Date up to (and including) the First Call Date and thereafter quarterly in arrear on each Interest Payment Date.

(b) Accrual of Interest

The Securities will cease to bear interest from (and including) the date of redemption thereof pursuant to Condition 6 or Condition 12 or from (and including) the date on which the Securities become repayable under Condition 2 or the date of substitution or variation thereof pursuant to Condition 7, as the case may be, unless payment of all amounts due in respect of the Securities is not made, in which event interest shall continue to accrue at the applicable Interest Rate in respect of unpaid amounts on the Securities, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

Where it is necessary to compute an amount of interest in respect of any Security during the Fixed Rate Interest Period for a period which is less than a complete year, such interest shall be calculated on the basis of the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Closing Date) to (but excluding) the relevant payment date divided by the actual number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next (or first) scheduled Interest Payment Date. Where it is necessary to compute an amount of interest in respect of any Security for a period of more than one year, such interest shall be the aggregate of the interest payable in respect of a full year plus the interest payable in respect of the remaining period calculated in the manner as aforesaid.

Where it is necessary to compute an amount of interest in respect of any Security during any Interest Period commencing on or after the First Call Date, such interest shall be calculated on the basis of the actual number of days in the Interest Period concerned divided by 360.

Interest in respect of any Security shall be calculated per €50,000 in principal amount thereof (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall be equal to the product of the relevant Interest Rate, the Calculation Amount and the day-count fraction for the relevant period, rounding the resulting figure to the nearest cent (half a cent being rounded upwards).

(c) Fixed Interest Rate

Subject as provided in Condition 4(*h*) and Condition 4(*i*), in the Fixed Rate Interest Period, the Securities bear interest at the rate of 7.75 per cent. per annum (the "**Fixed Interest Rate**").

(d) Floating Interest Rate

The Interest Rate applicable to the Securities for each Interest Period commencing on or after the First Call Date (the "**Floating Interest Rate**") will be determined by the Calculation Agent on the following basis:

(i) the Calculation Agent will determine the rate for deposits in Euro for a period equal to the relevant Interest Period which appears on the display page designated EURIBOR01 on Reuters (or such other page as may replace that page on that service, or such other service as may be nominated as the information vendor, for the purpose of displaying comparable rates) as of 11:00 a.m. (Brussels time) on the second TARGET Business Day before the first day of the relevant Interest Period (the "**Determination Date**");

(ii) if such rate does not appear on that page, the Calculation Agent will:

(1) request the principal Euro zone office of each of four major banks in the Euro zone interbank market to provide a quotation of the rate at which deposits in Euro are offered by it at approximately 11:00 a.m. (Brussels time) on the Determination Date to prime banks in the Euro zone interbank market for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time; and

(2) determine the arithmetic mean (rounded, if necessary, to the nearest one hundred thousandth of a percentage point, 0.000005 being rounded upwards) of such quotations; and

(iii) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean (rounded, if necessary, as aforesaid) of the rates quoted by major banks in the Euro zone, selected by the Calculation Agent, at approximately 11:00 a.m. (Brussels time) on the first day of the relevant Interest Period for loans in Euro to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Floating Interest Rate for such Interest Period shall be the sum of 9.889 per cent. per annum and the rate or (as the case may be) the arithmetic mean so determined; provided, however, that if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Floating Interest Rate applicable to the Securities during such Interest Period will be the sum of 9.889 per cent. per annum and the rate or (as the case may be) arithmetic mean last determined in relation to the Securities in respect of the last preceding Interest Period for which a Floating Interest Rate is available or, if none, 9.889 per cent.

(e) Calculation of Floating Interest Rate and Floating Interest Amount

The Calculation Agent will, as soon as practicable after the Determination Date in relation to each Interest Period commencing on or after the First Call Date, calculate the amount of interest (the "**Floating Interest Amount**") payable in respect of each Security for such Interest Period.

(f) Publication of Floating Interest Rate and Floating Interest Amount

The Calculation Agent will cause each Floating Interest Rate and Floating Interest Amount determined by it, together with the relevant Interest Payment Date, to be notified to the Agent and each listing authority, stock exchange and/or quotation system (if any) by which the Securities have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Holders. The Calculation Agent will be entitled to recalculate any amount of interest (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

(g) Notifications

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4 by the Calculation Agent will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent and the Holders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent

in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(h) Step-up after Change of Control

Notwithstanding any other provision of this Condition 4, if the Issuer does not give notice of its election to redeem the Securities in accordance with Condition 6*(f)* within 60 days of the occurrence of a Change of Control Event, the then prevailing Interest Rate, and each subsequent Interest Rate otherwise determined in accordance with the provisions of this Condition 4, on the Securities shall be increased by 500 basis points with effect from (and including) the Interest Period commencing on the first Interest Payment Date following the date on which the Change of Control Event occurred.

This Condition 4(*h*) will only be effective if, prior to the earliest of (a) the Issuer being notified by the Belgian Banking, Finance and Insurance Commission of a formal filing of a proposed offer to the shareholders of the Issuer or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Issuer in a general meeting and (ii) such resolutions have been filed with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*).

The Issuer undertakes to (i) use all reasonable endeavours to procure that the Change of Control Resolutions be passed at the general meeting of Shareholders of the Issuer scheduled to be held on 28 April 2011 and (ii) file a copy of the resolutions as aforesaid promptly thereafter with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*).

If a Change of Control occurs prior to such approval and filing, this Condition 4(h) will not be effective. There can be no assurance that such approval will be granted at such meeting. In the absence of such step being taken, Condition 4(i) will apply.

(i) Change of Control Resolutions

If by not later than the Long Stop Date:

(i) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or

(ii) the Change of Control Resolutions have not been duly filed with the Clerk of the Commercial Court of Brussels;

then, with effect from the Interest Period starting on the first Interest Payment Date following the Long Stop Date, the then prevailing Interest Rate shall be increased by 100 basis points.

5 OPTIONAL INTEREST DEFERRAL

(a) Deferral of Payments

The Issuer may, subject as provided in Condition 5(*b*) below, elect to defer all or part of any Interest Payment which is otherwise scheduled to be paid on an Interest Payment Date by giving notice (a "**Deferral Notice**") of such election to the Holders in accordance with Condition 15 and the Agent not less than 10 days prior to the relevant Interest Payment Date.

If any Interest Payment, or part thereof, is deferred pursuant to this Condition 5*(a)* then such Deferred Interest Payment shall itself bear interest at the prevailing Interest Rate (such further interest together with the Deferred Interest Payment, being "**Arrears of Interest**"), to the extent permitted by and in

accordance with the requirements set out in Article 1154 of the Belgian Civil Code, from (and including) the date on which (but for such deferral) the Deferred Interest Payment would otherwise have been due to be made to (but excluding) the relevant date on which such Deferred Interest Payment is paid in accordance with Condition 5*(c)*, such further interest being compounded on each Interest Payment Date during the Fixed Rate Interest Period and, thereafter, on each Interest Payment Date that falls on, or nearest to, the anniversary of the First Call Date.

Non-payment of Arrears of Interest shall not constitute a default by the Issuer under the Securities or for any other purpose, unless such payment is required in accordance with Condition 5*(b)* or Condition 5(*c*).

(b) Compulsory Interest Payments

The Issuer may give a Deferral Notice under Condition 5*(a)* with regard to any amount which would otherwise be due on an Interest Payment Date pursuant to these Conditions in its sole discretion and for any reason, unless during the 12 month period ending on such Interest Payment Date a Mandatory Payment Event has occurred in which case any such Deferral Notice which may be given or which has already been given in respect of such Interest Payment Date shall have no force or effect.

A "**Mandatory Payment Event**" shall have occurred if:

(i) a dividend, other distribution or payment was validly resolved on, paid or made in respect of either Junior Obligations or Parity Obligations, except in respect of (i) any obligations whose terms do not provide that such dividend, other distribution or payment is discretionary or may be deferred at the discretion of the Issuer, (ii) where such dividend, other distribution or payment was required to be validly resolved on, paid or made as a result of a dividend, other distribution or payment having been validly resolved on, paid or made in respect of any other obligations or securities of the Issuer or (iii) where such dividend, other distribution or payment was required to be validly resolved on, paid or made in respect of any stock option plans of the Issuer; or

(ii) the Issuer has repurchased, redeemed, or otherwise acquired either any Junior Obligations or Parity Obligations, except in respect of any such obligations that are subject to mandatory repurchase, redemption or other acquisition.

(c) Arrears of Interest

Arrears of Interest may be settled at the option of the Issuer in whole or in part at any time following delivery of a notice to such effect given by the Issuer to the Holders in accordance with Condition 15 and the Agent informing them of its election to so settle such Arrears of Interest (or part thereof) and specifying the Business Day on which such Arrears of Interest (or part thereof) will be settled, which shall be at least 10 days after the date of the relevant notice.

Notwithstanding the provisions of this Condition 5*(c)* and Condition 5(*a*), the Issuer shall pay any outstanding Arrears of Interest, in whole but not in part, on the first to occur of the following dates:

(i) the date falling 14 days following the date on which a Mandatory Payment Event occurs, provided that if such date is not a Business Day, it shall be postponed to the next Business Day;

(ii) the date on which the Securities are redeemed or repaid in accordance with Condition 6 or Condition 12 or upon a Winding-Up in accordance with Condition 2; or

(iii) the date on which the Securities are substituted for, or where the terms of the Securities are varied so that they become, Qualifying Securities (as defined in Condition 7) in accordance with Condition 7.

6 REDEMPTION

(a) No Fixed Redemption Date

The Securities are perpetual securities in respect of which there is no fixed redemption date and the Issuer shall (subject to the provisions of Condition 2 and without prejudice to the provisions of Condition 13) only have the right to repay them in accordance with the following provisions of this Condition 6.

(b) Issuer's Call Option

The Issuer may, by giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable), redeem all, but not some only, of the Securities on the First Call Date or any Interest Payment Date thereafter at their principal amount together with any accrued and unpaid interest up to (but excluding) the redemption date and any outstanding Arrears of Interest.

(c) Redemption for Taxation Reasons

If a Tax Event or a Withholding Tax Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions at any time all, but not some only, of the Securities at (i) in the case of a Tax Event where such redemption occurs prior to the First Call Date, the Premium Redemption Price or (ii) in the case of a Tax Event where such redemption occurs on or after the First Call Date or in the case of a Withholding Tax Event at any time, their principal amount, together (in each case) with any accrued and unpaid interest to the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(d) Redemption for Accounting Reasons

If an Accounting Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at (i) (where such redemption occurs prior to the First Call Date) the Premium Redemption Price or (ii) (where such redemption occurs on or after the First Call Date) their principal amount, together (in each case) with any accrued and unpaid interest to the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(e) Redemption for Substantial Repurchase

If a Substantial Repurchase Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at their principal amount, together with any accrued and unpaid interest to the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(f) Redemption for Change of Control

If a Change of Control Event has occurred, then the Issuer may, subject to having given not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time at their principal amount, together with any accrued and unpaid interest to the redemption date and any outstanding Arrears of Interest. Upon the expiry of such notice, the Issuer shall redeem the Securities.

(g) Redemption following Published Credit Rating

If, at any time on or after the Closing Date, a credit rating is published by any one or more Rating Agencies in respect of the Issuer's senior unsecured debt (a "**Rating Event**"), the Issuer may, by giving not less than 30 nor more than 60 days' notice to the Agent and, in accordance with Condition 15, the Holders (which notice shall be irrevocable) and subject to Condition 8, redeem in accordance with these Conditions all, but not some only, of the Securities at any time prior to the First Call Date at their Make-Whole Redemption Price. Upon the expiry of such notice, the Issuer shall redeem the Securities.

7 VARIATION

If an Accounting Event, a Tax Event or a Withholding Tax Event has occurred and is continuing, then the Issuer may, subject to Condition 8 (without any requirement for the consent or approval of the Holders) at any time either (i) substitute all, but not some only, of the Securities for, or (ii) vary the terms of the Securities with the effect that they remain or become (as the case may be), Qualifying Securities (as defined below).

In connection therewith, any outstanding Arrears of Interest will be satisfied in full in accordance with the provisions of Condition 5*(c)*.

In connection with any substitution or variation in accordance with this Condition 7, the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

Any such substitution or variation in accordance with the foregoing provisions shall not be permitted if any such substitution or variation would give rise to a Special Event (other than a Substantial Repurchase Event or Rating Event) with respect to the Qualifying Securities.

In these Conditions, "Qualifying Securities" means securities that:

(a) have terms not materially less favourable to an investor than the terms of the Securities (as reasonably determined by the Issuer);

(b) are issued by the Issuer or any wholly-owned direct or indirect finance subsidiary of the Issuer with a guarantee of the Issuer;

(c) rank (or, as appropriate, the guarantee of such securities as aforesaid, rank) pari passu on a Winding-Up with the Securities;

(d) contain terms which provide for the same Interest Rate as from time to time applying to the Securities;

(e) are otherwise on substantially identical terms (as reasonably determined by the Issuer) to the Securities save where any modifications to such terms are required to be made to avoid the occurrence of an Accounting Event, a Tax Event or, as the case may be, a Withholding Tax Event or due to such securities being domiciled in a system other than the NBB System; and

(f) are listed on the Luxembourg Stock Exchange or such other regulated market in the EEA as is at that time selected by the Issuer.

The Issuer shall give notice of any such substitution or variation to the Agent and to the Holders in accordance with Condition 15 as soon as reasonably practicable after such substitution or variation.

8 PRECONDITIONS TO SPECIAL EVENT REDEMPTION, REDEMPTION FOLLOWING CHANGE OF CONTROL EVENT, SUBSTITUTION AND VARIATION

Any redemption of the Securities in accordance with Condition 6*(b)*, 6*(c)*, 6*(d)*, 6*(e),* 6*(f)* or 6*(g)* or any substitution or variation of the Securities in accordance with Condition 7 shall be conditional on all outstanding Arrears of Interest being paid in full in accordance with the provisions of Condition 5 on or prior to the date thereof, together with any accrued and unpaid interest up to (but excluding) such redemption, substitution or, as the case may be, variation date. A certificate signed by two directors of the Issuer confirming the fulfilment of these conditions shall be deposited with the Agent prior to such redemption, substitution or variation.

9 PURCHASES AND CANCELLATION

(a) Purchases

The Issuer or any of its Subsidiaries may at any time purchase or procure others to purchase beneficially for its account Securities in any manner and at any price. The Securities so purchased, while held by or on behalf of the Issuer or any such Subsidiary, shall not entitle the Holder to vote at any meetings of the Holders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Holders or for the purposes of Condition 15.

(b) Cancellation

All Securities redeemed or substituted by the Issuer pursuant to Condition 6 or 7, as the case may be, will forthwith be cancelled. All Securities purchased by the Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the Issuer, surrendered for cancellation to the Agent. Securities so surrendered, shall be cancelled forthwith. Any Securities so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

10 PAYMENTS

(a) Principal, Premium and Interest

Without prejudice to Article 474 of the Belgian Code of Companies, all payments of principal, premium or interest in respect of the Securities shall be made through the Agent and the NBB System in accordance with the NBB System Regulations. The payment obligations of the Issuer under the Securities will be discharged by payment to the Agent in respect of each amount so paid.

(b) Payments

Each payment in respect of the Securities pursuant to Condition 10*(a)* will be made by transfer to a euro account maintained by the payee with a bank in a city in which banks have access to the TARGET System.

(c) Payments subject to fiscal laws

All payments in respect of the Securities are subject in all cases to any applicable fiscal or other laws and regulations.

(d) Agents, etc.

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent and/or the Calculation Agent, to vary or terminate the appointment of the Agent and/or the Calculation Agent, as applicable, and appoint additional or other paying agents, provided that it will (i) maintain a principal paying agent and calculation agent and (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the X/N Clearing System. Notice of any change in Agent or Calculation Agent or their specified offices will promptly be given by the Issuer to the Holders in accordance with Condition 15.

(e) No Charges

The Agent shall not make or impose on a Holder any charge or commission in relation to any payment in respect of the Securities.

(f) Fractions

When making payments to Holders, if the relevant payment is not of an amount which is a whole multiple of the smallest unit of the relevant currency in which such payment is to be made, such payment will be rounded down to the nearest unit.

11 TAXATION

All payments of principal, premium and interest by or on behalf of the Issuer in respect of the Securities shall be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts ("**Additional Amounts**") as shall result in receipt by the Holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Security:

(a) **Other connection**: to, or to a third party on behalf of, a Holder who is liable to such Taxes in respect of such Security by reason of his having some connection with the Kingdom of Belgium other than a mere holding of such Security; or

(b) **Payment to individuals**: where such withholding or deduction is imposed on a payment to or for an individual or a certain other person and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(c) **Non-Eligible Investor**: to a Holder, who at the time of issue of the Securities, was not an eligible investor within the meaning of Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax or to a Holder who was such an eligible investor at the time of issue of the Securities but, for reasons within the Holder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Securities, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to certain securities; or

(d) **Conversion into registered securities**: to a Holder who is liable to such Taxes because the Securities were upon his/her request converted into registered Securities and could no longer be cleared through the NBB System.

References in these Conditions to principal, premium, Interest Payments, Deferred Interest Payments and/or any other amount in respect of interest shall be deemed to include any Additional Amounts which may become payable pursuant to the foregoing provisions.

12 ENFORCEMENT EVENT

(a) *Proceedings*

Subject to Condition 5, and without prejudice to Condition 2, if a default is made by the Issuer for a period of 14 days or more in the payment of any principal or 21 days or more in the payment of any interest in respect of the Securities or any of them which is due (an "**Enforcement Event**"), then the Issuer shall without notice from the Holders be deemed to be in default under the Securities and any Holder may, notwithstanding the provisions of Condition 12*(b)*, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office, institute proceedings for the Winding-Up of the Issuer and/or prove or claim in the Winding-Up of the Issuer for such payments.

(b) *Enforcement*

Any Holder may and without further notice institute such proceedings against the Issuer as it may think fit to enforce any term or condition binding on the Issuer under the Securities but in no event shall the Issuer, by virtue of the institution of any such proceedings, be obliged to pay any sum or sums sooner than the same would otherwise have been payable by it.

(c) *Holders' Waiver*

For the avoidance of doubt, the Holders waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (*ontbinden/résoudre*), or demand in legal proceedings the rescission (*ontbinding/résolution*) of, the Securities and (ii) to the extent applicable, all their rights whatsoever in respect of the Securities pursuant to Article 487 of the Belgian Company Code (right to rescind (*ontbinding/résolution*)). Furthermore, to the fullest extent permitted by law, the parties hereby waive their rights under Article 1117 of the Belgian Civil Code to nullify, or demand in legal proceedings the nullification of, the Securities on the ground of error (*dwaling/erreur*).

13 PRESCRIPTION

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of such payment.

Claims in respect of any other amounts payable in respect of the Securities shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

14 MEETINGS OF HOLDERS, MODIFICATION AND WAIVER

(a) Meetings of Holders

The Agency Agreement contains provisions for convening meetings of Holders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions (such modification being always subject, for the avoidance of doubt, to the consent of the Issuer).

All meetings of Holders will be held in accordance with the provisions of Article 568 sq. of the Belgian Company Code with respect to bondholders meetings; provided however that the Issuer shall, at its own expense, promptly convene a meeting of Holders upon the request in writing of Holders holding not less than one-tenth of the aggregate principal amount of the outstanding Securities. Subject to the quorum and majority requirements set out in Article 574 of the Belgian Company Code, and if required thereunder subject to validation by the court of appeal of Brussels, the meeting of Holders shall be entitled to exercise the powers set out in Article 568 of the Belgian Company Code and to modify or waive any provision of these Conditions, provided however that the following matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Holders at which two or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Securities form a quorum: (i) any proposal to change any date fixed for payment of principal, premium or interest in respect of the Securities, to reduce the amount of principal, premium or interest payable on any date in respect of the Securities or to alter the method of calculating the amount of any payment in respect of the Securities on redemption or the date for any such payment; (ii) subject to Condition 7, any proposal to effect the exchange, conversion or substitution of the Securities for, or the conversion of the Securities into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) any proposal to change the currency in which amounts due in respect of the Securities are payable; (iv) any proposal to change the provisions regarding subordination referred to in Conditions 1(b) and 2; or (v) any proposal to change the quorum required at any meeting of Holders or the majority required to pass an Extraordinary Resolution.

Resolutions duly passed in accordance with these provisions shall be binding on all Holders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Holders shall be made in accordance with Article 570 of the Belgian Company Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. The Agency Agreement provides that a resolution in writing signed by or on behalf of all Holders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Holders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Holders.

(b) Modification and Waiver

The Agent may agree, without the consent of the Holders, to (i) any modification of any of the provisions of the Agency Agreement, any agreement supplemental to the Agency Agreement which in the Agent's opinion is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law, and (ii) any other modification to the provisions of the

Agency Agreement or any agreement supplemental to the Agency Agreement, which is, in the opinion of the Agent, not materially prejudicial to the interests of the Holders.

(c) Meetings of Shareholders and Right to Information

The Holders shall be entitled to attend all general meetings of Shareholders of the Issuer, in accordance with Article 537 of the Belgian Company Code, and they shall be entitled to receive or examine any documents that are to be remitted or disclosed to them in accordance with the Belgian Company Code. The Holders who attend any general meeting of Shareholders shall be entitled only to a consultative vote.

15 NOTICES

All notices regarding the Securities will be valid if published either in a leading daily newspaper in Luxembourg (which is expected to be the *Luxemburger Wort*) or on the website of the Luxembourg Stock Exchange (*www.bourse.lu*). The Issuer shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Securities are for the time being listed. Any such notice shall be deemed to have been given on the date of such publication or, if required to be published in more than one newspaper or in more than one manner, on the date of the first such publication in all the required newspapers or in each required manner. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Agent may approve.

For so long as the Securities are held by or on behalf of the NBB System, notices to Bondholders may also be delivered to the NBB System for onward communication to Bondholders in substitution for such publication (provided that, so long as the Securities are listed on the Luxembourg Stock Exchange and the rules of that Stock Exchange so require they are also published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or published in a leading newspaper having general circulation in Luxembourg (which is expected to be *the Luxemburger Wort*)). Any such notice shall be deemed to have been given to Bondholders on the seventh calendar day after the date on which the said notice was given to the NBB System.

16 FURTHER ISSUES

The Issuer may from time to time without the consent of the Holders create and issue further securities either having the same terms and conditions in all respects as the Securities or in all respects except for the first payment of interest on them and so that such further issue shall be consolidated and form a single series with the Securities or upon such terms as to interest, premium, redemption and otherwise as the Issuer may determine at the time of their issue. The Agency Agreement contains provisions for convening a single meeting of the Holders.

17 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of the Securities under the Contracts (Rights of Third Parties) Act 1999.

18 GOVERNING LAW AND JURISDICTION

(a) Governing Law

The Agency Agreement and the Securities and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that the provisions contained in Conditions 1(b) and 2 in relation to subordination, and Condition 14*(a)*, and any matter relating to the dematerialised form of the Securities shall be governed by, and construed in accordance with, Belgian law.

(b) Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Securities and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Securities ("**Proceedings**") may be brought in such courts. The Issuer has in the Agency Agreement irrevocably submitted to the jurisdiction of such courts and has waived any objection to Proceedings in such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of the Agent and each of the Holders and shall not limit the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) Agent for Service of Process

The Issuer has irrevocably appointed UCB Celltech at 208 Bath Road, Slough, Berkshire, SL1 3WE as its agent in England to receive service of process in any Proceedings in England. Nothing herein or in the Agency Agreement shall affect the right to serve process in any other manner permitted by law.

PART IV: CLEARING

The Securities will be accepted for clearance through the Clearing System under the ISIN number BE6213104605 and Common Code 060529647 with respect to the Securities, and will accordingly be subject to the NBB System Regulations.

The number of Securities in circulation at any time will be registered in the register of registered securities of the Issuer in the name of the NBB.

Access to the Clearing System is available through those of its Clearing System participants whose membership extends to securities such as the Securities.

Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (the "Eligible Investors") holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the X/N Clearing System operated by the National Bank of Belgium.

Clearing System participants include certain banks, stockbrokers (*beursvennootschappen / sociétés de bourse*), and Euroclear and Clearstream, Luxembourg. Accordingly, the Securities will be eligible to clear through, and therefore accepted by, Euroclear and Clearstream, Luxembourg and investors can hold their Securities within securities accounts in Euroclear and Clearstream, Luxembourg.

Transfers of interests in the Securities will be effected between Clearing System participants in accordance with the rules and operating procedures of the Clearing System. Transfers between investors will be effected in accordance with the respective rules and operating procedures of the Clearing System participants through which they hold their Securities.

The Agent will perform the obligations of domiciliary agent included in the Clearing Agreement.

The Issuer and the Agent will not have any responsibility for the proper performance by the Clearing System or its Clearing System participants of their obligations under their respective rules and operating procedures.

PART V: DESCRIPTION OF THE ISSUER

1. OVERVIEW OF THE ISSUER AND ITS BUSINESS

UCB SA is a Belgian corporation ("*naamloze vennootschap"/"société anonyme")* having its registered office at 60 Allée de la Recherche, 1070 Brussels, Belgium and registered with the register of legal persons ("*rechtspersonenregister"/"registre des personnes morales*") under enterprise number ("*ondernemingsnummer"/"numéro d'entreprise*") VAT-BE 0403.053.608 RLP Brussels. The Issuer was incorporated on 26 May 1925. The Issuer's Ordinary Shares have been listed on the Belgian Stock Exchange (now NYSE Euronext Brussels) since incorporation.

The UCB Group is a global biopharmaceutical company, headquartered in Brussels (Belgium). The UCB Group develops and markets human pharmaceutical products for the treatment of severe central nervous system (or CNS) and immunology disorders.

The strategy of the UCB Group is driven by its ambition to become a leading global next generation biopharmaceutical company focused on the treatment of severe diseases. The Group differentiates itself by focusing on a patient-driven approach to developing treatments for a range of severe CNS and immunology disorders, including epilepsy, Parkinson's disease, restless leg syndrome, Crohn's disease and rheumatoid arthritis. In recent years the UCB Group has become more streamlined to enable it to focus on these core areas of CNS and immunology treatment, with other areas, such as oncology being developed in concert with partners. In selected markets, the UCB Group also has a successful primary care business and it is dedicated to optimizing its value. This, together with a more focused investment strategy across products and markets, has simplified the organisation, providing a basis to improve competitiveness.

The key marketed products of the UCB Group are Vimpat®, Neupro® and Keppra® (including Keppra®XR) for CNS diseases. For immunology, the key marketed product is Cimzia®. In 2010, other significant marketed products include Zyrtec®, Xyzal®, Tussionex®, venlafaxine XR, omeprazole and Metadate™CD. While Keppra® lost exclusivity in the U.S. at the end of 2008 and in Europe in 2010, the generic erosion has been within the normal pattern of generic erosion of similar products.

The currently marketed products of the Group are anticipated to be supplemented by a research and development pipeline focusing on the following CNS diseases: epilepsy, Parkinson's disease, restless legs syndrome and cognitive disorders. Research and development is also carried out in the following immunology disorders: rheumatoid arthritis and other arthritis indications, ulcerative colitis, systemic lupus erythematosus, bone loss disorders and other autoimmune diseases. The UCB Group believes that the concentration of its research and development efforts on a limited range of severe diseases increases the likelihood of significant, high-value innovations. Research at the UCB Group has two Centres of Excellence which are located in Slough (United Kingdom) and Braine-l'Alleud (Belgium). The UCB Group invested €705 million in research and development expenditure in 2010.

The principal geographic markets of the UCB Group as of 31 December 2010 were: Europe with 51% of net sales, North America with 37% of net sales, Japan 6% of net sales, Asia 5% of net sales and the other international markets contributing the remaining 1% of net sales of the Group. Total net sales in 2010 were €2,786 million.

Employing 8,898 people (end of 2010) and operating in more than forty countries, the UCB Group generated revenues of €3.2 billion in 2010 with underlying profitability (recurring EBITDA) reaching €731 million.

2. HISTORY AND FORMATION

In 1928, 13 Belgian industrial companies were merged into a public company under the name "Union Chimique Belge", manufacturing various intermediate chemicals. A research unit was founded through the acquisition of another Belgian company, which formed the basis of the pharmaceutical business. The first pharmaceutical products were launched by Union Chimique Belge in the early 1950s. In 1961, Union Chimique Belge merged with a manufacturer of cellulose films, Société Industrielle de la Cellulose ("Sidac"), the Issuer's legal predecessor created in 1925, and with two further Belgian entities manufacturing textiles to form Union Chimique-Chemische Bedrijven, with 14 factories employing approximately 10,000 people.

By 1970 the two textile-producing entities had been divested, allowing UCB (as it was renamed) to focus on activities in three main sectors: pharmaceuticals, chemicals and films, each of which grew over the next 20 years. In the pharmaceutical business, Nootropil® was launched in 1972, forming the basis of an international distribution network and pharmaceutical premises at Braine-l'Alleud (Belgium). In 1987, Zyrtec® was launched, becoming the key product for the UCB Group until 2005 when it was replaced as the UCB Group's key product by Keppra®. During this period international expansion continued with the acquisition of pharmaceutical companies in the U.S. in 1994 and in Asia in 2000, with further subsidiaries also being established simultaneously in the latter region.

In the chemical division, the UCB Group sold the fertilizer activities in 1982 to focus on high value activities such as certain intermediates and speciality chemicals. In 1995, the phtalates business was sold to Sisas (an Italian chemicals group), and in 2003 the methylamines business was also sold. The remainder of the chemical business was sold to Cytec Industries in February 2005. While development continued in the films business during the 1980s, overall the business was in decline and plants were closed in the UK, Belgium and Spain. The remainder of the films business was sold in September 2004 to a UK based consortium.

Since 2004, the UCB Group has focused solely on biopharmaceutical activities, with the acquisition of Celltech in 2004 and Schwarz Pharma in 2006 strengthening the medium-term pipeline of products in development, as well as expanding the current product portfolio. More recently in 2009 the UCB Group divested of certain of its non-core products in non-core territories to GSK Trading Limited. During 2009 and 2010 UCB continued to focus its core activities on biopharmaceutical activities in CNS and immunology disorders by entering into a strategic alliance with Wilex AG to develop UCB's preclinical oncology portfolio in 2009. In 2010 followed signing with Synosia Therapeutics of a strategic alliance in neurology to obtain access to certain movement disorders development projects.

3. SELECTED FINANCIAL HIGHLIGHTS

Selected Group Financial Data (Consolidated figures - *EUR Millions*) based on 2010, 2009 and 2008 Issuer's Annual Reports:

	Actual		
	2010	2009	2008
Revenue	**3 218**	**3 116**	**3 601**
Net sales	**2 786**	**2 683**	3 027
Royalty income & fees	**220**	**227**	396
Other revenue	**212**	**206**	178
Gross profit	**2 165**	**2 091**	**2 455**
Marketing & selling expenses	(797)	(781)	(928)
Research & development expenses	(705)	(674)	(767)
General & administrative expenses	(194)	(189)	(228)
Other operating income/(expenses)	(2)	6	(1)
Recurring EBIT (REBIT)	**467**	**453**	**531**
Non-recurring income/(expenses)	(263)	384	(418)
EBIT (operating profit)	**204**	**837**	**113**
Net financial expenses	(185)	(162)	(156)
Profit before income taxes	**19**	**675**	**(43)**
Income tax expenses	86	(168)	30
Profit from continuing operations	**105**	**507**	**(13)**
Profit from discontinuing operations	**(1)**	**7**	**55**
Net profit (after minority interests)	**103**	**513**	**42**
Recurring EBITDA	**731**	**698**	**733**
Adjusted net profit[1]	**239**	**226**	**270**
Number of shares non-diluted	**180**	**180**	**180**
EPS (per non-diluted share)	**0.57**	**2.85**	**0.24**
Core EPS[2] (per non-diluted share)	**1.99**	**1.74**	**1.86**

[1] Adjusted net profit is equal to the net profit reported in the consolidated financial statements, adjusted for discontinued operations and the after-tax impact of non-recurring items and one-off items.

[2] Core EPS is equalt to the adjusted net profit, as defined above, adding back the after tax amortisation of intangible assets linked to sales per nondilluted share.

4. CURRENT ORGANISATIONAL STRUCTURE

UCB SA is the holding company of the UCB Group, with over 108 subsidiaries, the large majority of which are directly or indirectly wholly owned. A complete list of the subsidiaries of the UCB Group is incorporated at Part IX, "Associated Companies and Shareholdings".

The current structure of the UCB Group has evolved through the implementation of the SHAPE programme in late 2008 and 2009 which has streamlined management and focused investment across the UCB Group. This was continued throughout 2010 with the exit of the primary care market e.g. in the U.S., Belgium and Japan and the downscaling of the corresponding sales force and infrastructure to further focus on specialists markets such as epilepsy and immunology and other severe diseases. A particular emphasis of the SHAPE programme has been to establish partnerships or joint ventures in

core disease areas, in addition to which the Issuer is also increasingly using partnerships with outsourcing providers to perform a range of activities. These include activities along the value chain, ranging from strategic research work in UCB NewMedicines™ and the processing of non-serious cases in the pharmacovigilance function to transactional activities in support functions such as finance. This allows the Issuer to access skills beyond its current capacities, and the Issuer believes that it benefits from efficiencies in cost savings and process improvements throughout the organisation.

(a) UCB NewMedicines™

UCB NewMedicines™ is responsible for new drug generations for the Issuer, comprising research, formulation and non-clinical departments. UCB NewMedicines™ has an increased emphasis on external collaboration and research in order to sustain pipeline innovation. UCB NewMedicines™ employs a collaborative external approach to access cutting-edge knowledge and novel approaches, carefully selecting appropriate discovery research and early stage clinical partnerships and collaborations to enrich its activities and seeking partners from multiple sources, both in industry and in academia. The use of 'incubators' enables external experts to complement and strengthen the science within UCB NewMedicines™ as well as allowing non-core inventions to be taken forwards outside the organisation. Outsourcing and increased virtual working is also bringing in external expertise while allowing a sharper focus for internal resources.

UCB NewMedicines™ is continuing to strengthen its early research capabilities through external partnerships. Various funding agreement have been implemented with the Walloon regional government in Belgium which are intended to support collaborative research into CNS disorders. The NeuroAllianz initiative in Germany is a public private partnership in the neurology area. The UCB Group is further actively participating in the Innovative Medicines Initiative ("IMI") of the EU and has strengthened in the course of 2010 several strategic alliances such as with Wilex®.

(b) Global Projects & Development

Global Projects & Development is responsible for managing compounds through the entire value chain, including being responsible for moving products from proof-of-concept through full clinical development efficiently and in close consultation with the regulatory authorities to secure marketing approvals for new drugs. Drug development in the Issuer involves many functions across the Issuer, both within and external to Global Projects & Development. It is organised around empowered project teams responsible for pipeline projects, from candidate selection to the market, through the various life cycle management activities which seek to maximise patient benefit and the economic value of a molecule. These teams take time to understand and consider the disease, its effect on patients and the science behind it. Each project team brings multiple disciplines to the task and continues its work on a drug well beyond its clinical development phase. The UCB Group believes that the key to success in drug development resides in empowering the project teams to ensure that decisions are taken promptly and are implemented in the optimal manner. Adherence to this concept has given the Issuer a track record of success in drug development, resulting in numerous regulatory approvals around the world.

This broad expertise produces informed and directed activity around the development of a new product. With a keen understanding of a disease, its underlying mechanisms and its impact on the patient, the Issuer is better able to target its therapies at patients to address needs that are currently unmet.

5. KEY STRENGTHS AND STRATEGIES OF THE UCB GROUP

Key strengths of the Group include:

(a) Strong product range

The UCB Group has a history of developing effective and commercially successful products, such as Keppra® and Zyrtec®. The Group is now focused on developing and protecting a further range of new products in the CNS and immunology areas. The current product range includes Cimzia®, which was launched in Switzerland in January 2008 and in the U.S. in April 2008 as a treatment for Crohn's disease and which is also approved for the treatment of rheumatoid arthritis in the U.S. in May 2009 and in the E.U. in October 2009 and in Australia in January 2010 and which was launched in twenty countries in 2010; and Vimpat®, which is available to patients in Europe since September 2008 and since June 2009 in the U.S., and launched in twenty countries in 2010. Neupro® has been launched in Europe and U.S. in 2007, available in twenty countries in 2010. Ongoing monitoring of in-market product revealed a deviation from the approved product specification and crystal formulation in some batches, the UCB Group recalled Neupro® from the U.S. market in March 2008. The Group worked with the European authorities and developed a cold-chain storage and distribution system under which Neupro® was restored to full commercialisation in the EU in June 2009 and was launched in restless legs syndrome, its second movement disorder indication. Subject to FDA approval, the UCB Group aims to make the patch available to U.S. patients during 2012.

(b) Focus on developing a pipeline of products

The UCB Group is committed to developing a pipeline of effective, commercially successful specialist products for the treatment of CNS and immunology disorders. With ten different molecular entities for 15 different severe diseases in CNS and immunology, the Group has a solid development pipeline. With seven regulatory approvals, including three new molecular entities ("NMEs") in the US, and six new regulatory filings in 2008, the UCB Group also has a track record of bringing new therapies to the patient. In 2008, the Group was the only company to have three NME's approved by the FDA, a notable achievement given that the 15 largest pharmaceutical companies average less than three NMEs each over a five year period. In 2010 UCB had ten different molecular entities for 17 different (sub-)indications in the disease areas of CNS and immunology in clinical development, including regulatory filing processes.

(c) Commitment to research and development of new products

UCB NewMedicines™ was launched in October 2008 with the aim of focusing on early discovery research through to clinical proof-of-concept for products showing efficacy in target diseases. UCB NewMedicines™ was established to secure the future pipeline of the UCB Group, and dedicated resources span all required disciplines for projects through these early phases. The organisation is highly networked with the external world to access novel technologies, collaborators and services, with several drug discovery alliances and more then 80 university partnerships. Using a disseminated discovery approach to early research which the UCB Group believes fosters an environment for innovation, UCB NewMedicines™ aims to optimise early investment with a mix of internal and external projects. This is designed to facilitate the delivery of high-value, differentiated projects with which to create the Group's future pipeline.

(d) Global footprint

With operations in more than 40 countries and 19 of the top 20 pharmaceutical markets, the UCB Group has fully integrated operations in the world's more established pharmaceutical markets, including the U.S., Japan, Germany, France, Italy, the UK, Spain and Canada.

(e) Leading role in developing epilepsy treatments

The UCB Group has a trusted heritage within, and proven commitment to, the epilepsy community, with Keppra® (levetiracetam) providing significant relief for many sufferers. The Group continues to develop new products in this area, with Vimpat® (lacosamide) being launched in Europe and the U.S. in late 2008 and mid 2009 respectively. Keppra®XR was launched in the U.S. in October 2008, offering patients a simplified treatment and an opportunity to achieve improved seizure control. In addition, the UCB Group is developing from its strong presence in epilepsy into additional neurological indications such as movement and sleep disorders, building on its reputation in the field of neurology.

(f) Experienced scientific and management teams

Scientists at the UCB Group are well-regarded in their respective fields, and management teams have significant experience in the pharmaceutical industry. Within the Group, the scientists and management teams work together to bring products through to patients efficiently and are committed to the UCB Group's goal of putting the patient at the focal point of innovation, with the aim of producing new therapies which have a tangible positive impact on sufferers of severe CNS and immunology disorders.

The key strategies which the Group employs to develop and maximise the potential in its business include:

(a) Successful commercialisation and launch of new products

The UCB Group is focused on the successful launch of new products with the aim of achieving commercial success. 2008 and 2009 saw multiple product launches, including Cimzia® (in the U.S. and the EU), Toviaz® (a product developed by the UCB Group but marketed by Pfizer; U.S. and EU), Vimpat® (U.S. and EU), Keppra®XR (in the U.S.) and Xyzal® oral solution (in the U.S.); Neupro® (new patients launch in Parkinson's disease and restless legs syndrome in the EU). In 2010 product launches continued including E Keppra® in Japan (with partner Otsuka Pharmaceuticals) and the anticipated launch Xyzal® in Japan in December 2010 (through partner GSK).

(b) Continued commercialisation of products no longer protected by patents

Keppra®, a market leader in the treatment of epilepsy in the U.S. and Europe, ceased having exclusivity from generic competition in the U.S. in November 2008 and in the EU since September 2010. The negative impact of Keppra®'s loss of exclusivity on U.S. sales was partially compensated by Keppra®XR in the U.S. and Vimpat® in U.S. and Europe, and the expansion of Keppra® into significant emerging markets, such as China, India, Korea and most recently Japan under the brand name E Keppra®. E Keppra® which will enjoy 8 years of local data exclusivity and is being co-marketed by the UCB Group and Otsuka Pharmaceuticals in Japan, and was launched in September 2010. In Europe, following expiry of the basic protection for the active ingredient, *levocetirizine,*

Xyzal® continues to perform. However registration of various generic versions of *levocetirizine* and successful attacks on the patent covering its key indications may see sales decline.

Some mature products, such as Nootropil®, are no longer actively promoted in major market geographies by the UCB Group, but they retain a steady or slowly declining market share and sales, and therefore provide a reliable source of income for the business and are continuing to grow in some of the Issuer's major emerging country operations.

(c) Focus on development of the pipeline

The strategic split of the research and development function between UCB NewMedicines™ and Global Projects & Development is designed to allow better allocation of resources between the development of molecules to clinical proof-of-concept and bringing such concepts through to the delivery of products to the market, and ensuring optimal management of their life cycle. The UCB Group is committed to maintaining its focus on the development of new products in CNS and immunology, and resources continue to be allocated accordingly. UCB NewMedicines™ and Global Projects & Development are highly networked with the external world to access novel technologies, collaborators and services, with several drug discovery alliances and more then 80 university partnerships. At present, Global Projects & Development is focusing on a pipeline which includes a novel treatment for systemic lupus erythematosus (a disease for which no new treatment has been registered for over 50 years), bone loss disorders and a new form of treatment for epilepsy in the form of brivaretecam, in addition to pursuing further indications for existing products such as Cimzia®, Vimpat® and Neupro®. Recent new entries to the clinical development pipeline were: CDP6038 (anti-IL 6) which is being developed for the treatment of autoimmune diseases. CDP7657 (anti-CD40L) which has potential for systemic lupus erythematosus (SLE).

(d) Optimising the life cycle of products

The UCB Group endeavours to extract as much value as it is able to from its products and their respective intellectual property by the active management of product life cycles. The planning and timing of applications for new indications of products, broadening the patient base, and introducing products into new geographical areas, is managed centrally through the project teams with the intention of bringing treatment benefits to patients with unmet medical needs, which is expected to result in commercial success for the UCB Group products.

6. BUSINESS DIVISIONS/CORE THERAPEUTIC AREAS

The biopharmaceuticals business segment is the core business of the UCB Group. This includes research, development, manufacturing and marketing of products in the therapeutic fields of severe central nervous system and immunology disorders.

(a) Central Nervous System

Summary

The market for central nervous system diseases covers various therapeutic areas, in particular insomnia, Parkinson's disease, depression, anxiety, bipolar disorder, schizophrenia, Alzheimer's disease, migraine, fibromyalgia and epilepsy. The UCB Group focuses primarily on epilepsy, Parkinson's disease and restless legs syndrome, and is also marketing compounds in other CNS therapeutic areas.

Epilepsy is the most common serious brain disorder, affecting about 50 million people world wide. In the seven major markets, more than 6 million people suffer from epilepsy and the market size in approx. US$ 4 billion. For the treatment of epilepsy, currently the Group offers Keppra®, Keppra®XR and Vimpat® and is developing *brivaracetam*.

Parkinson's disease is a chronic, progressive movement disorder, an estimated 4 million people around the world have Parkinson's disease. In the seven major markets, more than 3 million people are affected and the market size is more than US$ 2 billion. Neupro® was launched to treat early stage and advanced Parkinson's disease during 2006 and early 2007 in the EU, and in early 2007 in the U.S. in relation to early stage idiopathic Parkinson's disease. Ongoing monitoring of in-market product revealed a deviation from the approved product specification and crystal formulation in some batches, the UCB Group recalled Neupro® from the U.S. market in March 2008. The UCB Group worked with the European authorities (EMA) and developed a cold-chain storage and distribution system under which Neupro® was restored to full commercialisation in the EU in June 2009. Subject to FDA approval, the Group aims to make the patch available to U.S. patients during 2012.

Restless legs syndrome is a chronic neurological disorder that is characterised by uncomfortable burning, tingling, gnawing and pulling sensations in the legs, leading to an irresistible urge to move one's legs. The prevalence of restless legs syndrome was approximately 54 million sufferers in the seven major markets, with an estimated market size of US$ 588 million. Neupro® was approved to treat the symptoms of moderate-to-severe idiopathic restless legs syndrome in adults in the EU in September 2008, and was launched in mid 2009. Subject to FDA approval, the UCB Group aims to make the patch available to U.S. patients during 2012.

The CNS development pipeline of the UCB Group includes, among others, *brivaracetam* for the treatment of epilepsy, Neupro® for the treatment of restless legs syndrome and Parkinson's disease in the US, Vimpat® to treat epilepsy (monotherapy indication in the U.S. and EU and treatment of primary generalised tonic-clonic seizures (PGTCS)) and Xyrem® for the treatment of fibromyalgia in the EU.

Strategy/Trend

The UCB Group has established itself as an important participant in the CNS market through innovation in drug discovery and development as well as a strong commercial performance. The Group has established an independent presence within the CNS market which will support the ongoing development and commercialization of future CNS products. This includes products whose indications extend beyond the area of epilepsy, in particular into the treatment of Parkinson's disease, restless leg syndrome, cognitive disorders and fibromyalgia.

Major Products

Vimpat® *(lacosamide)*

In September 2008, the new antiepileptic drug Vimpat® was approved in Europe as adjunctive therapy for the treatment of partial-onset seizures with or without secondary generalisation in patients with epilepsy aged 16 years and older. In the U.S., the FDA approved Vimpat® in October 2008 as an add-on therapy for the treatment of partial-onset seizures in people with epilepsy aged 17 years and older.

In 2008, Vimpat® generated net sales of €2 million, followed by net sales of €46 million in 2009. In 2010, Vimpat® reached net sales of €133 million and more than 108 000 patients benefiting from the drug. Available in Europe and in the U.S. as an add-on therapy for the treatment of partial-onset

seizures, Vimpat® continues to gain market share. The successful launch in the U.S. epilepsy market is reflected by a strong prescription take-off: 1,73% NRx share of the anti-epileptic drug market in 2010. Additionally, Vimpat® is growing well in Europe.

Neupro® ***(rotigotine transdermal system)***

The UCB Group Parkinson's disease patch, Neupro®, was launched in 2007 for the treatment of the signs and symptoms of early-stage idiopathic Parkinson's disease. The UCB Group recalled Neupro® from the U.S. market in March 2008, after ongoing monitoring revealed a deviation from the approved product specification and crystal formulation in some batches. In December 2008, The UCB Group received a Complete Response Letter from the FDA which concluded that there was substantial evidence of effectiveness of Neupro® in patients with advanced Parkinson's disease. However, the Issuer must first resolve the issue of crystal formation in the patches before (re-)launching the drug in the U.S. Subject to FDA approval, the Group aims to make a room-temperature-stable patch available to U.S. patients during 2012.

In Europe, Neupro® is indicated for the treatment of the signs and symptoms of early-stage idiopathic Parkinson's disease as monotherapy, or in combination with levodopa over the course of the disease, through to late stages. A complete cold-chain storage and distribution system successfully implemented by September 2008 has helped control the crystal formation issue and allowed existing patients to continue their therapy. In June 2009 this storage and distribution system was approved by the EU and Neupro® is available again to all patients suffering from Parkinson's disease, including to new patients, in Europe.

Neupro® was also approved by the EMA for the treatment of restless leg syndrome in September 2008, and following approval of the cold chain storage and distribution system within the EU was launched there. In 2008, Neupro® reached net sales of € 58 million and in 2009 net sales of € 61 million. In 2010, Neupro®, the patch for Parkinson's disease and restless legs syndrome (RLS) had net sales of € 82 million, with more than 73 000 patients currently being treated with the drug.

The FDA accepted the supplemental new drug application for Neupro® as a treatment for moderate-to-severe restless leg syndrome in December 2007. A response was provided in December 2008 concluding that there was substantial evidence of effectiveness of Neupro® in patients with restless leg syndrome. In April 2010, UCB received a Complete Response Letter from the U.S. regulatory authority, the FDA, recommending reformulation of Neupro® before making it available in the U.S. market for Parkinson's disease and restless legs syndrome. UCB aims to make the patch available to U.S. patients during 2012, subject to FDA approval.

Keppra® ***(levetiracetam***)

Despite having lost patent exclusivity in the U.S. and EU, Keppra® is still one of the core products of the UCB Group, indicated for the treatment of certain types of epilepsy. During its period of patent protection it was a key product for the Group, with a leading market share in terms of revenue in all key markets. U.S. patent protection for Keppra® expired in November 2008. In 2008 Keppra® (including Keppra®XR) reached net sales of € 1,266 million and in 2009 € 913 million. In 2010 Keppra® (including Keppra®XR), reached net sales of € 942 million. Data exclusivity for Keppra® expired in the European Union on 29 September 2010. In Japan, the UCB Group and its partner Otsuka Pharmaceutical successfully launched E Keppra® in September for adjunctive therapy in partial-onset seizures in adults with epilepsy. E Keppra® will enjoy 8 years of local data exclusivity.

Keppra®XR *(levetiracetam*)

The once daily formulation, Keppra®XR (extended release tablets), was approved as an add-on therapy for the treatment of partial-onset seizures in people with epilepsy who are 16 years of age and older in the U.S. in September 2008. Keppra®XR offers patients simplified treatment and another opportunity to achieve improved seizure control. Sales of Keppra®XR in the U.S. in 2010 were €83 million.

Product Pipeline

Brivaracetam is an anti-epileptic product in development, for which headline Phase III efficacy and safety data were seen in April 2009. One efficacy trial and the safety trial met their primary endpoints, but a second efficacy study did not meet its primary endpoint. The UCB Group started in December 2010 the additional Phase III study for *brivaracetam* as add-on therapy in partial onset seizures. A Phase III development programme for Vimpat® as monotherapy in partial-onset seizures in the the U.S. is ongoing and commenced in the EU at the end of 2010. The Vimpat® Phase II trial in primary generalised tonic-clonic seizures started in the second quarter of 2010. The primary generalised tonic-clonic seizures (Phase II) as well as the paediatric (Phase II) and the U.S.-monotherapy (Phase III) development programmes in partial-onset seizures are ongoing as planned.

Separately developed in conjunction with Jazz Pharmaceuticals, the UCB Group's filing of Xyrem® (sodium oxybate) in fibromyalgia is under review by the European Medicines Agency (EMA) and the Group expects feedback from the European authorities during the first half of 2011. The UCB Group is currently marketing Xyrem® in the EU for the treatment of narcolepsy with cataplexy in adult patients.

UCB0942, a new drug candidate with an innovative mechanism of action, “pre-and-post synaptic inhibitor” (PPSI), has been designed for the treatment of drug refractory epilepsy. Phase I studies started in December 2010.

For a more detailed description of the product pipeline in the CNS field see Section 8, “Research and Development” of this Part V.

(b) Immunology

Summary

The overall immunology market includes the treatment of autoimmune diseases, inflammation and allergy and comprises several therapeutic categories of drugs. These drugs target the treatment of a variety of autoimmune and inflammatory conditions, such as inflammatory bowel disorders (including Crohn’s disease and ulcerative colitis), rheumatoid arthritis, asthma, allergic rhinitis, psoriasis and urticaria.

The UCB Group has a long history of scientific and commercial presence in this field, primarily through its discovery of several generations of anti-histamines for the treatment of allergic rhinitis and chronic idiopathic urticaria. Following the acquisition of Celltech in 2004, the Group decided to streamline its operations to focus on specialist immunology products with a focus on Crohn’s disease and rheumatoid arthritis, among others. More recently, pipeline products are targeting disorders such as systemic lupus erythematosus and bone loss disorders.

Crohn’s disease is an autoimmune disease causing chronic inflammation of the GI tract. Approximately one million patients across the seven major markets suffer from Crohn's disease, a market size of EUR 1.9 billion in 2009. Cimzia® has been successful since its launch in the U.S. and Switzerland in 2008.

Rheumatoid arthritis is a chronic, progressive and disabling autoimmune disease. It is estimated that this condition affects more than five million patients in the seven major markets, with an approximate market value of EUR 6.3 billion in 2009. Cimzia® has been launched in the U.S. and in the EU in 2009.

Bone loss disorders are characterised by a loss of bone density and quality. For osteoporosis, a skeletal disorder, it is estimated that this condition affects 64 million patients in the seven major markets, with an approximate market value of EUR 4.7 billion in 2009.

Systemic lupus erythematosus (SLE) is an autoimmune disease of unknown cause causing inflammation and damage to various body tissues. SLE attacks cells and tissue in the body, resulting in inflammation and tissue damage. Symptoms can be mild or serious, and while there is no known cure it can be treated effectively. It is estimated that this condition affects 0.6 million patients in the seven major markets, with an approximate market value of € 875 million in 2008.

Strategy/Trend

The UCB Group is focused on severe immunology disorders, such as rheumatoid arthritis, in line with its specialist approach to the development of immunology products. There are a number of products in the pipeline which are anticipated to continue this trend. This includes rheumatoid arthritis and further arthritis indications like psoriatic arthritis and ankylosing spondilyitis as well as SLE.

Major Products

Cimzia® *(certolizumab pegol)*

The use of Cimzia® in Crohn's disease was approved and launched in Switzerland in January 2008 and in the U.S. in April 2008. In the EU, the Committee of Medicinal Products for Human Use ("CHMP") rejected the appeal by the UCB Group against the CHMP's refusal of marketing authorisation for Cimzia® in the treatment of patients with Crohn's disease in March 2008, and this indication has not been pursued further.

Since 2009, Cimzia® is also approved for rheumatoid arthritis in the US and the EU.

In 2008, Cimzia® for Crohn's disease (CD) and rheumatoid arthritis (RA) reached net sales of € 10 million and in 2009 net sales of € 75 million and € 198 million in 2010. The roll-out of Cimzia® in the U.S. and in Europe continues with now more than 22 000 patients treated with the drug world-wide. Cimzia® is available in twenty countries. The number of prescriptions for Cimzia® in the treatment of Crohn's disease (CD) and rheumatoid arthritis (RA) in the U.S. is growing faster than the total market with a 21% and a 3.64% share of new prescriptions (NRx) in the CD and RA segments of the subcutaneous anti-TNF market respectively.

The UCB Group and Otsuka Pharmaceuticals announced a co-promotion and co-development agreement whereby the parties will collaborate in relation to the clinical trials and filing of Cimzia® in Japan. Clinical trials for the rheumatoid arthritis indication in Japan completed ahead of plan, both trials meeting their primary endpoints. Submission of an application for regulatory approval to the Japanese authorities is being prepared in collaboration with Otsuka Pharmaceutical.

Product Pipeline

A number of indications are being developed for Cimzia®, including Phase III trials in psoriatic arthritis and ankylosing spondilytis. First results are expected in the fourth quarter 2011. A clinical study for juvenile rheumatoid arthritis is being planned, and further studies of monotherapy use or use of the product in conjunction with methotrexate are ongoing in Japan, with results expected in Q3 2011.

Epratuzumab, licensed from Immunomedics Inc., is in development for the treatment of systemic lupus erythematosus, a chronic autoimmune disease in which the immune system attacks cells and tissues in the body, resulting in inflammation and tissue damage. The course of the disease is highly variable and may flare up sporadically. The cause is unknown, and November 2008 marked 50 years without a new approved treatment for the condition. The top line results from Phase IIb testing were positive, published in August 2009. Two Phase III trials (Embody 1 & 2) for *epratuzumab* in systemic lupus erythematosus (SLE) started as planned at the end of 2010.

The UCB Group is also developing products for the treatment bone loss disorders, osteoporosis and fracture healing. The Group's collaboration with its partner Amgen to develop CDP7851 ("sclerostin-antibody") is progressing well. The top line results of the Phase II programme for CDP7851 in post-menopausal osteoporosis (PMO) are expected earlier than previously anticipated, i.e. in the second half of 2011. Another Phase II trial using the same drug candidate is ongoing in fracture healing, with first headline results expected in 2012.

A Phase IIb programme for CDP6038 (anti-IL 6) being developed for the treatment of moderate to severe rheumatoid arthritis (RA) started of plan at the end of 2010. Headline results are expected in the third quarter of 2012.

In April 2010, a new molecule entered clinical Phase I: CDP7657, a humanised anti-CD40L antibody fragment, which was potential for systemic lupus erythematosus (SLE).

For a more detailed description of the product pipeline in the immunology field see Section 8, "Research and Development" of this Part V.

(c) Primary Care Products

The UCB Group streamlined its organisation during the course of 2008-2010 in order to focus on the development and marketing of specialist products with which it can be competitive without incurring high distribution and sales costs. With this in mind the Group no longer focuses on allergy, anti-histamine and other primary care products as described below and has exited primary care markets in the U.S., certain European countries and Japan. However, these products continue to produce significant revenue and profitability for the UCB Group.

Xyzal® *levocetirizine*

Xyzal® is an allergy treatment indicated for the symptomatic treatment of allergic rhinitis, including persistent allergic rhinitis, and chronic idiopathic urticaria in adults and children over six months. In the U.S., Xyzal® is promoted by Sanofi-Aventis US LLC on the basis of a profit share arrangement. *Levocetirizine*, the active ingredient in Xyzal® is covered by U.S. patent owned by Sunovion (formerly Sepracor Inc.) relating to the use of *levocetirizine* in asthma and rhinitis, which is currently being contested in the U.S. courts. Xyzal® U.S. sales are not consolidated.

In Europe, Xyzal® was first launched in Germany and the UK in 2001 and is now available across the EU, marketed by the UCB Group. Xyzal® continues to perform well, however registration of various generic versions of *levocetirizine* and successful attacks in certain countries on the patent covering its

key indications is likely to result in a decline in sales. Xyzal® in Japan was licensed in full to GlaxoSmithKline K.K. in 2008 and launched by GSK in December 2010.

In 2008, Xyzal® reached net sales of € 173 million and in 2009 € 132 million. In 2010, Xyzal® reached net sales of € 115 million, a decrease of 13% compared to 2009, following entry of generic competition in the European market.

Zyrtec® (cetirizine)

Zyrtec® is an antihistamine used to treat the symptoms of seasonal allergic rhinitis, perennial allergic rhinitis and chronic idiopathic urticaria. While Zyrtec® had been a key product in establishing and sustaining the UCB Group, patent protection in the US expired in December 2007. In 2008, net sales of Zyrtec® reached € 249 million and in 2009 € 268 million. In 2010, Zyrtec®, (including Zyrtec®-D/Cirrus®) had decreased net sales of 15% to € 229 million, of which € 133 million in Japan.

Other

There are a number of other products which are part of the UCB Group's portfolio, including (but not limited to) Venlafaxine XR, to treat major depressive and social anxiety disorders, Tussionex™ (hydrocodone polistirex and chlorpheniramine polistirex), Nootropil® (piracetam), for cognitive disorders, Omeprazole, a generic product for hyperacidity disease, and Metadate™ CD (methylphenidate HCI), for attention deficit and hyperactivity disorder.

(d) Manufacturing and supply of raw materials

The products of the UCB Group are manufactured by a combination of internal manufacturing and outsourced manufacturing. Like all pharmaceutical companies, the Group is always examining ways of furthering the outsourcing capabilities of manufacturing and/or supply. Both the active pharmaceutical ingredient ("API") manufacturing and pharmaceutical manufacturing have been outsourced in part. Internal API manufacturing is located in Braine l'Alleud (Belgium), Shannon (Ireland), and Bulle (Switzerland). Pharmaceutical operations and packaging for most of the products of the UCB Group takes place in various manufacturing sites located in Braine l'Alleud (Belgium), Rochester (United States), Bulle (Switzerland), Saitama (Japan) and Vapi (India). The manufacturing sites in Rochester and Bulle, most of the site in Braine l'Alleud and the site in Vapi are owned by the Group; two buildings for research and development purposes in Braine l'Alleud are leased, together with the Group headquarters in Brussels. The pharmaceutical production and packaging on Monheim (Germany), Pianezza (Italy) and Zwickau (Germany) were sold to Aesica Pharmaceuticals GmbH and Aesica Pharmaceuticals Srl. The UCB Group regularly reviews the sourcing of its products and will continue to do so in the foreseeable future.

The manufacturing of Cimzia® has been outsourced to toll manufacturers. Currently, Cimzia® is manufactured by Sandoz GmbH pursuant to the terms of a development and manufacturing agreement between Celltech Group plc and Sandoz GmbH, formerly Biochemie GmbH, with Vetter Pharma-Fertigung GmbH & Co.KG manufacturing and supplying Cimzia® pre-filled syringes. In the future, the manufacturing of Cimzia® will also be outsourced to Lonza Limited and a production site, owned by UCB will be opened in Bulle (Switzerland) and is expected to be operational in 2015. For a more detailed description of the manufacturing agreements with Sandoz GmbH and Lonza Limited see Section 15 "Key Contracts" of this Part V.

The API for Neupro® is manufactured by Cambrex Karlskoga AB, which has recently expanded capacity. LTS Lohmann Therapie-Systeme AG supplies the patches, and a second manufacturing site is

under construction. The packaging of the product takes place within the UCB Group. The API for Vimpat® is manufactured at Chemtech Leuna GmbH (Germany) and PCAS SA (France) and is finished in-house. Keppra® is manufactured at three different locations, one of which is outsourced. Products licensed to the UCB Group by its commercial partners, such as Xyrem® from Jazz Pharmaceuticals, are manufactured by the respective licensor and subsequently supplied to the Group.

Within the UCB Group, a dedicated function manages the strategic relationships with all product supply and manufacturing counterparties.

Manufacturing processes are strictly controlled and approved in the framework of the relevant product approval and related marketing authorizations, and all sites are approved and regularly inspected by various regulatory authorities. Regulatory authorities require that drugs are manufactured, packaged and labelled in conformity with current good manufacturing practices ("GMP"). The GMP requirements govern quality control of the manufacturing process and documentation policies and procedures. The UCB Group has established an internal quality control and quality assurance program, including a set of standard operating procedures and specifications. For more detailed information see Section 13, "Governmental Regulation" of this Part V.

With respect to its supply chain, the UCB Group relies on forecasts from its commercial operations which are converted into supply, manufacturing and purchasing plans. The Group uses various suppliers for the raw materials required to manufacture its products. These raw materials are mainly solvents or other readily available raw materials. The UCB Group does not depend on a single supplier or site for any of its key raw materials, except with respect to Cimzia® for which the PEG component is produced and supplied by Nektar AL Corporation. For a more detailed description of the supply agreements of the UCB Group see section 15 "Key Contracts" of this Part V.

(e) Markets and Distribution

The majority of prescription products of the UCB Group are distributed through wholesalers to retail and hospital pharmacies. The UCB Group maintains marketing and sales forces and has wholly-owned distribution subsidiaries in most major markets in Europe, North America and Asia. These affiliates distribute products coming from the main production sites of the UCB Group, which are located in Braine l'Alleud in Belgium, Bulle in Switzerland, Rochester/New York in the United States, Vapi in India and Saitama in Japan, to wholesalers in their own country. Wholesalers are responsible for delivery to thousands of retail pharmacies and hundreds of hospital centres, with deliveries taking place typically at least once a day in most developed countries. With few exceptions, the UCB Group does not deliver its products directly to patients or individual pharmacists. The distribution chain for prescription drugs is subject to strict rules of quality and safety and the UCB Group takes every reasonable precaution to ensure the regular supply of its drugs to patients around the world.

7. GEOGRAPHIC SEGMENTS/PRINCIPAL MARKETS

The sales of the Group are mainly derived from Europe and North America. As a part of the SHAPE transition to a more streamlined business, the UCB Group has prioritised its geographical aims to focus first on fully resourced strategic markets, such as the U.S. and key European countries, then markets which are developing quickly and are strategically aligned but minimally resourced, then tailored markets with long term investment opportunities and non-strategic markets.

The UCB Group currently has sales and marketing affiliates as well as manufacturing plants in North America, Europe and Asia. In the financial year 2010, North America represented 37 per cent., Europe represented 51 per cent., Japan 6 per cent., Asia 5 per cent. and the rest of the world represented 1 per cent. of the total net sales of the Group. The seven countries with the largest pharmaceutical markets in

the world (United States, Japan, Germany, France, Italy, United Kingdom and Spain) account for approx. 70 per cent. of the total net sales of the UCB Group and constitute the core of the business activities of the Group, from a revenue and profitability standpoint.

The UCB Group has increased its presence in Europe and the rest of the world significantly during recent years, with North America remaining a major source of business. Rather than attempting to expand globally, the Group intends to make a significant impact in its core markets of North America and Europe.

The following table sets forth the net sales of the UCB Group by core product and region in the financial years ending 31 December 2008, 31 December 2009 and 31 December 2010:

NET SALES FOR MAIN PRODUCTS BY REGION

	2010	2009	2008
		In € million	
North America			
Keppra®	278	320	768
Tussionex™	80	147	147
Velafaxine XR	162	109	10
Cimzia®	166	70	8
Neupro®	0	0	5
Vimpat®	96	30	0
Other products	243	273	255
Net Sales North America	**1,024**	**948**	**1,193**

Europe			
Keppra®	606	545	437
Xyzal®	88	114	143
Zyrtec® (including Cirrus™)	71	73	87
Nootropil®	57	57	69
Cimzia®	31	5	2
Vimpat®	36	16	2
Neupro®	81	60	53
Other products	451	500	621
Net Sales Europe	**1,421**	**1,370**	**1,414**
Rest of World			
Zyrtec® (including Cirrus™)	150	183	153
Keppra®	58	48	60
Xyzal®	25	17	26
Nootropil®	9	13	24
Other products	106	114	140
Net Sales Rest of World	**348**	**375**	**404**
Unallocated	**-7**	**-11**	**17**
Total Net Sales	**2,786**	**2,683**	**3,027**

Revenue in 2010 increased by 3% to € 3 218 million. Net sales went up by 4% due to the solid performance of the three core products Cimzia®, Vimpat® and Neupro®, strong Keppra® sales in Europe as well as venlafaxine XR in North America, partially offset by the generic competition to the mature product portfolio.

Cimzia® (certolizumab pegol) for Crohn's disease (CD) and rheumatoid arthritis (RA), reached net sales of EUR 198 million (+163%). The roll-out of Cimzia® continues with now more than 22,000 patients treated with the drug worldwide, its launch occurring in 20 countries with further launches in major European countries and international markets expected in 2010. The new anti-epileptic drug, Vimpat® (lacosamide) reached net sales of EUR 133 million (+190%) with more than 108,000 patients benefiting from the drug. The Neupro® (rotigotine) patch for Parkinson's and RLS had net sales increasing by 34% to EUR 82 million in the 20 markets where the drug has been launched so far with more than 73,000 patients currently being treated with the drug.

The anti-epileptic drug Keppra® (levetiracetam) reached net sales of EUR 942 million which is 3% higher than last year. Zyrtec® (cetirizine), for allergy, had reduced net sales of 15% to EUR 229 million due to the divestment of nonstrategic small markets to GlaxoSmithKline (GSK) in the first quarter of 2009. European sales remained stable, whilst Japanese sales decreased by 12%. Xyzal®

(levocetirizine), for allergy, reached net sales of EUR 115 million (-13%) following entry of generic competition in the European market. Tussionex™ (hydrocodone polistirex and chlorpheniramine polistirex) made net sales of EUR 80 million (-46%). Metadate™ CD (methylphenidate HCI), for attention deficit and hyperactivity disorder, achieved net sales of EUR 54 million (- 26%). This product is only sold by the UCB Group in the U.S. under the trademark Metadate™ CD and was sold prior to the divestiture under the trademark Equasym™ XL in Europe and Rest of World.

8. RESEARCH AND DEVELOPMENT

(a) Introduction

The vision of the UCB Group is to deliver innovative therapies for patients suffering from severe central nervous system and immunology disorders. The key features of the research and development organization of the Group include:

(a) a strategic focus on severe CNS and immunology diseases;

(b) a dual pipeline approach to research and development encompassing both new chemical entities and new biological entities;

(c) a world-wide research and development staff;

(d) two major research sites located at Braine-l'Alleud (Belgium) and Slough (United Kingdom);

(e) five development teams located at Atlanta, Georgia (USA), Brussels (Belgium), Monheim (Germany), Slough (United Kingdom) and Tokyo (Japan);

(f) a focus on molecules in development for the treatment of epilepsy, Parkinson's disease, restless legs syndrome, cognitive disorders, Crohn's disease, rheumatoid arthritis and other inflammatory arthritic diseases, ulcerative colitits, bone loss diseases, systemic lupus erythematosus, psoriasis and other severe CNS and autoimmune diseases; and

(g) UCB NewMedicines™ leading partnerships with academia and other leading drug discovery organizations as well as a continuing search for further partnerships through which the UCB Group can utilise its expertise, particularly in antibody-based drug research and development, to optimise the development and marketing of new pharmaceuticals.

(b) Discovery Technologies

As a result of its dual-pipeline strategy encompassing both new chemical entities and new biological entities, the UCB Group is able to address disease pathways at different points in the targeted therapy areas.

New chemical entities ("**NCEs**") are used to treat a wide range of diseases. Such drugs usually have a molecular weight of less than 500 daltons and are most often designed to be taken orally. NCEs are less expensive to manufacture than extracellular large molecules, and are designed to address both extracellular and intracellular targets.

New biological entities ("**NBEs**"), in particular antibody-based drugs are relatively large (molecular weight generally greater than 50,000 daltons), tend to be highly specific and are often the only way to block large protein-protein interactions. NBEs are generally administered by injection and can act very rapidly and over a long period of time.

They are not easily applied to intracellular targets, but can be used to selectively modulate such events as cytokine-receptor interactions or adhesion molecule binding. The UCB Group possesses a range of cutting-edge technologies that facilitate the discovery and development of NCE and NBE.

NCE Technologies

The discovery of the synaptic vesicle protein SV2A, the binding site of Keppra, and the continuance of clinical trials for further SV2A ligands, including *brivaracetam*, illustrate the capability and skills of the UCB Group in advancing small molecule drug discovery to produce potential new, highly potent anti-epileptic drugs. The NCE discovery technologies of the UCB Group include, for example, computer assisted drug discovery ("CADD"), a technology which assists and facilitates drug discovery programmes through the application of advanced modelling, simulation and data visualisation techniques, and protein crystallography, a technology which provides structural information on compound binding to research targets.

NBE Technologies

The UCB Group's proprietary selected lymphocyte antibody method ("SLAM") technology enables the Group to isolate rare, high-affinity, functionally-active antibodies with speed and precision, reducing the time it takes to identify these antibodies from six months to approximately eight weeks. The development of this licensed technology has enabled the UCB Group to identify such antibodies and to develop them for specific requirements from a wide range of species. The UCB Group is constantly endeavouring to improve SLAM, with the PEGylated antibody fragment platform giving the Group a further edge by enabling it to prolong the therapeutic activity of the fragment of antibody, leading to less frequent, more convenient dosing.

(c) Therapeutic Focus: Research Areas

In accordance with its general strategy, the research and development activities of the UCB Group are focused on the therapeutic areas of severe CNS and immunology disorders.

Central Nervous System

The UCB Group has an established record of innovative CNS research and has developed a number of novel, marketed drugs and continues to strive for new treatments of neurological disorders such as epilepsy, Parkinson's disease and other movement disorders as well as diseases involving cognitive impairment. The research strategy of the UCB Group in the therapeutic field of CNS is to combine target-based drug discovery with a focus on target validation in disease-relevant neuropharmacology models of integrative brain activity. The UCB Group's research focuses on neural excitability as a whole because the Group considers that abnormalities in neural excitability and synchronization underlie many neurological conditions.

The UCB Group established a leading scientific platform for the therapy and treatment of epilepsy with the development and production of Keppra®, followed by the approval of Vimpat® in 2008. Clinical trials for Keppra®XR in the U.S. for monotherapy have demonstrated that Keppra®XR has the potential to control partial-onset seizures without concomitant anti-epileptic drugs. The UCB Group is continuing to develop new molecules for the treatment of epilepsy, with first Phase III results with *brivaracetam* in the indication 'Partial Onset Seizures' being already available. *Brivaracetam* is a broad-spectrum anti-epileptic product in development which has a distinct pharmacological profile that

distinguishes it from other currently available treatment options, demonstrating a 10-fold higher affinity for synaptic vesicle protein 2A (SV2A) than Keppra®. The clinical significance of these findings is not known. *Brivaracetam* also demonstrated inhibitory activity at neuronal voltage-dependent sodium channels whose abnormal function is understood to contribute to electrical discharges associated with seizures. These differences may be important for the antiepileptic activity of brivaracetam, its clinical efficacy and its tolerability. *Brivaracetam* is protected by a composition of matter patent until at least 2021.

Vimpat® continues to be developed as a monotherapy for epilepsy (indication: Partial Onset Seizures) in the U.S., where the Phase III trial is ongoing and results are expected in 2013. A monotherapy study designed to fulfil the regulatory requirements of the European Medicines Agency was initiated in 2010 and results are expected in 2014. Vimpat® is also in development as an adjunctive epilepsy therapy for primary generalised tonic-clonic seizures. Phase II in this indication has been initiated in 2010. Finally, Vimpat® is being tested in the U.S. for paediatric use in partial-onset seizures, with headline results of Phase II expected still in 2011.

The UCB Group is also, in conjunction with Jazz Pharmaceuticals, developing a treatment for fibromyalgia, an idiopathic chronic pain syndrome defined by widespread musculoskeletal pain and generalised tender points. Positive results from the two Phase III pivotal clinical trials of Xyrem® for the treatment of fibromyalgia were announced in late 2008 and early 2009. Xyrem® is approved by the FDA for the treatment of excessive daytime sleepiness and cataplexy for patients with narcolepsy, and in the EU for the treatment of narcolepsy with cataplexy in adult patients. The FDA recently issued a "Complete Response Letter" for the fibromyalgia indication to Jazz Pharmaceuticals. The UCB Group has marketing exclusivity for Xyrem® in Europe and certain other countries. The Group has submitted a Marketing Authorization Application for the fibromyalgia indication to the European Medicines Agency. The regulatory review process is ongoing.

Immunology

Inflammatory diseases can be classified in many different ways, but all inflammatory diseases result from an inappropriate activation of immune cells and a subsequent inflammatory response. The UCB Group is developing new products, both NBEs and NCEs, which are designed to treat a range of serious autoimmune diseases. Some of the diseases the UCB Group is focusing on are inflammatory bowel disease, rheumatoid arthritis and systemic lupus erythematosus.

The UCB Group targets molecules that regulate the immune system's inappropriate response to the environmental or intrinsic factors that trigger inflammatory disease. The drugs which the Group is developing to modulate these regulatory molecules fall into two main classes: genetically engineered antibodies and traditional small molecules. These two classes of drugs have different utilities and allow the UCB Group to attack inflammatory diseases in a range of different ways.

The UCB Group has developed and marketed Cimzia®, a PEGylated anti-TNF-alpha antibody fragment which inhibits the actions of the immune system protein tumour necrosis factor alpha ("TNF-alpha") which is overproduced in inflammatory diseases like Crohn's disease and rheumatoid arthritis. Cimzia® targets and binds to TNF-alpha with high affinity, which helps relieve the painful symptoms caused by inflammation. Cimzia® was first approved in April 2008 for the treatment of Crohn's disease in the U.S. and Switzerland, and received the additional indication for the treatment of rheumatoid arthritis in the U.S. in April 2009 and in Europe in October 2009.

The pipeline of developing autoimmune treatments includes further indications for Cimzia®, including psoriatic arthritis, juvenile rheumatoid arthritis and ankylosing spondylitis.

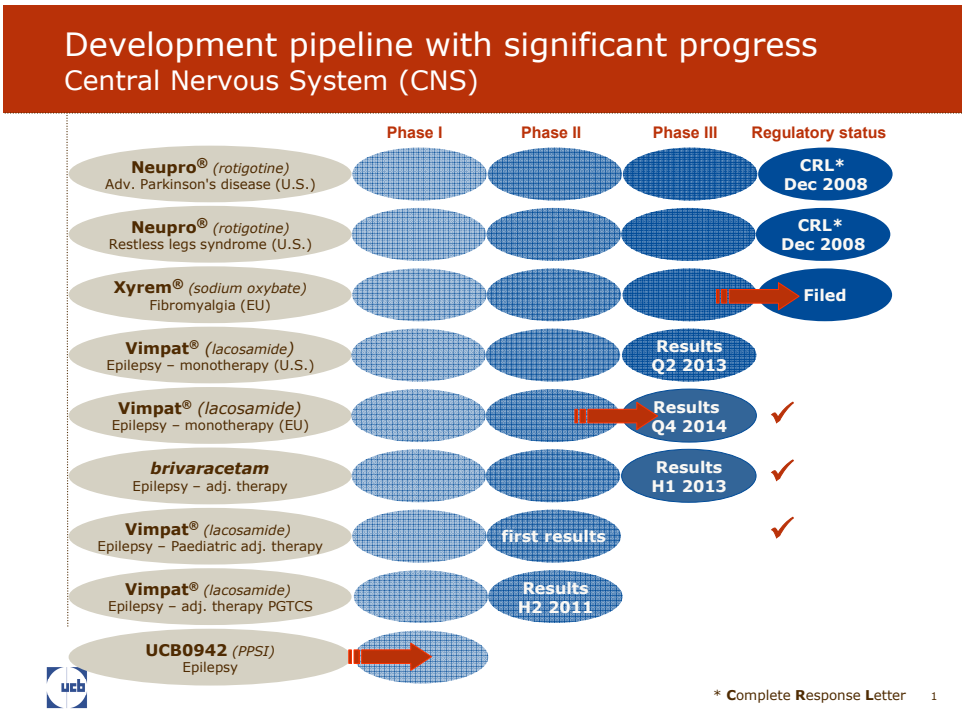
A treatment for systemic lupus erythematosus, epratuzumab (humanised anti-CD22 antibody), started the Phase III in December 2010 with key results expected by 2014. The UCB Group is responsible for the global development of epratuzumab in autoimmune diseases as part of the license agreement in place between the molecule's originator, Immunomedics Inc., a U.S. based biotechnology company, and the UCB Group.

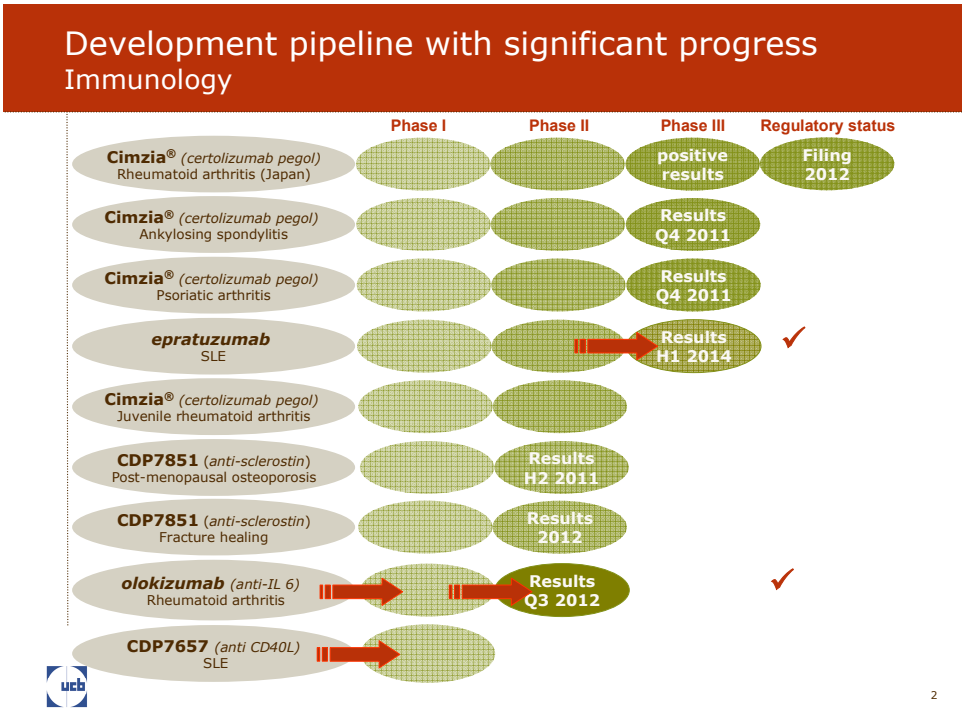
The UCB Group is also developing in collaboration with Amgen Inc. CDP7851 (anti-sclerostin monoclonal antibody), an anabolic therapy for bone loss disorders. Following encouraging first-in-human data, the UCB Group and Amgen Inc. initiated a Phase II study in postmenopausal osteoporosis, which is expected to be completed in H2 2011, and a phase II study in fracture healing, results to be available in 2012.

In addition, the UCB Group has 2 early compounds in development for which preclinical studies have shown interesting results. CDP6038 (anti IL-6 antibody) started Phase II for the treatment of rheumatoid arthritis in 2011 and CDP7657 (antiCD40L, in collaboration with Biogen Idec) is in PhI for the treatment of systemic lupus erythematosus.

(d) Development Pipeline

The following table illustrates the current main development projects of the UCB Group and their current stage of development:





(e) Research Sites

The UCB Group has structured its drug discovery capabilities into two Centres of Excellence, each focusing on specific therapeutic areas. These include: immunology (Slough, United Kingdom) and CNS disorders (Braine l'Alleud, Belgium). At the site in Slough, the UCB Group also established its "UCB NewMedicines™ Centre for Collaborative Research" which concentrates on NBE technologies for immunology. The UCB Biologics Research and Development Centre is located in the UK, providing a state of the art facility for the discovery and early development of antibodies. In Belgium, the UCB Group is also investing in a pilot biotechnology plant with the support of the Walloon regional government.

The primary locations for Global Projects & Development are Monheim (Germany), Research Triangle Park, Raleigh (U.S.) and Tokyo (Japan). Global Regulatory Affairs is co-located with global commercial activities in Brussels (Belgium) and Atlanta (U.S.) and provides strategic regulatory expertise as well as submission of regulatory dossiers world-wide to all projects and products. Global drug development functions, such as clinical operations, act as a resource pool for the flexible and fast planning and implementation of the majority of clinical studies conducted by the UCB Group. Expert physicians and Clinical Program Directors are available to all projects in the Clinical Therapeutic Areas for CNS and Immunology.

Each centre is small enough to allow vital and regular face-to-face contact between the scientists and is supported by all the necessary functions to progress commercially viable ideas.

(f) Partnerships

The UCB Group has a strategy of partnering to complement its skills and to maximize the potential of its products.

The Group currently has a range of partnerships, including more than 80 research partnerships with a variety of academic institutions and a number of industrial partnerships and collaborations. These partnerships range from research collaborations to joint discovery, development and commercialisation agreements and commercial partnerships with a wide range of small to large companies, and include agreements with the following parties:

- *Amgen Inc.*: A partnership aimed at the research, development and commercialisation of CDP7851, an antibody which works against sclerostin, a protein discovered by the Group, for the treatment of bone diseases and disorders such as osteoporosis and fracture healing.
- *Astra Zeneca do Brasil Ltd* : The UCB Group and Astra Zeneca do Brasil Ltd have entered into a partnership relating to the registration and commercialization of Cimzia® in Brazil, which allows Astra Zeneca do Brasil Ltd to be the exclusive distributor of Cimzia® in Brazil, with the UCB Group retaining the right to co-promotion of Cimzia® and any future line extensions.
- *Bioseek, Inc.*: The UCB Group and BioSeek, Inc. have established a new compound evaluation collaboration, under which BioSeek, Inc. will apply predictive human biology to evaluate the therapeutic potential of novel molecules identified by the Group.
- *deCODE chemistry Inc. & biostructures:* The UCB Group and deCODE are collaborating on the structure-based discovery of novel small molecule anti-inflammatory products.
- *Immunomedics Inc.*: Immunomedics Inc. has granted to the UCB Group the exclusive worldwide rights to develop, market and sell *epratuzumab* for all non-cancerous human diseases including autoimmune disease indications.
- *Inogent Laboratories Pvt. Ltd.:* Inogent and the UCB Group have agreed a multi-year collaboration to support the Group's early projects (up to proof of concept) on chemical process, analytical and formulation development aspects.
- *Jazz Pharmaceuticals*: Jazz Pharmaceuticals has granted to the UCB Group the exclusive right to commercialize Xyrem® in most European and certain other countries.
- *King's College London*: The UCB Group and Kings College London have agreed a multi-year collaboration to support the university's structure-based drug design activities.
- *Lonza Limited*: Lonza Limited and the UCB Group have a long-term supply agreement under which Lonza Limited will manufacture PEGylated antibody fragment-based drugs for the Group.
- *Millennium Pharmaceuticals, Inc.*: The UCB Group and Millennium Pharmaceuticals, Inc. are collaborating on the research, development and commercialization of new antibody therapeutics aimed at one validated Millennium Pharmaceuticals, Inc. target. The parties have agreed to terminate this program by mutual consent.
- *Neuroallianze-Biopharma Initiative*: The UCB Group, Universities of Bonn and Duisburg-Essen, Landschaftsverband Rheinland, Forschungszentrum Jülich, Fraunhofer Institute, Protagen AG and Life&Brain GmbH entered into a consortium agreement with the goal to set up diverse early stage development agreements/collaborations among the partners in the neurology field (medicines and diagnostics; the latter without involvement of the UCB Group). The initiative is supported by the German government.
- *Otsuka Pharmaceuticals*: The UCB Group and Otsuka Pharmaceuticals have entered into collaboration agreements pertaining to the development, licence and supply of Neupro® in Japan, a development and commercialisation contract relating to Cimzia® and Keppra®in Japan, and a development and commercialisation contract relating to Cimzia® in Korea.
- *Proteros biostructures GmbH:* A research agreement has been reached between the UCB Group and Proteros biostructures GmbH in relation to gene-to-structure based drug design for novel small molecule anti-inflammatory drugs.
- *Pfizer Inc.*: The UCB Group is party to a license agreement regarding the marketing of Toviaz® worldwide with Pfizer Inc..

- *SAI Advantium Pharma Ltd***:** A multi-year discovery chemistry collaboration in support of medicinal chemistry and library synthesis activities at the UCB Group's research labs in Belgium and UK.
- *Wilex AG*: The UCB Group and Wilex AG have entered into a strategic partnership in which Wilex AG has acquired world-wide rights to develop the Group's pre-clinical oncology portfolio. The UCB Group has retained exclusive rights to re-purchase any part of the portfolio following completion of initial clinical feasibility studies in June 2010, UCB acquired an additional 6.65% of shares in Wilex, increasing UCB's total holding in Wilex to 18.05%.
- *Wyeth*: The UCB Group and Wyeth have a long-standing collaborative relationship dating from 1986 relating to the research, development and commercialisation of monoclonal antibody conjugates for use in the therapy and diagnosis of human cancers.
- *Strategic alliance in neurology with Synosia:* In October 2010, UCB and Synosia Therapeutics announced a new strategic partnership in neurology. Synosia has granted UCB a license for exclusive, worldwide rights to the development compound SYN-115 and rights to a second compound, SYN-118, for non-orphan indications. Both are in Phase 2 clinical development for the treatment of Parkinson's disease. Synosia is responsible for the development up to the end of Phase II. UCB will be responsible for subsequent development and commercialisation. UCB also became a key shareholder of Synosia Therapeutics. In January 2011, Biotie Therapies acquired Synosia, thereby creating a leading Central Nervous System development company. UCB now holds 8.94% of the shares of Biotie Therapies.

(g) Investment in research and development

The UCB Group intends to maintain its record of significant investment in research and development though both UCB NewMedicines™ and Global Projects & Development in the future, both by way of direct investment and partnership opportunities.

9. INVESTMENTS

In addition to its ongoing investment in research and development opportunities, the UCB Group is focusing investment on developing the life cycle of its patented products to ensure that the results of research are duly protected and maintained as widely as possible for the maximum available time in accordance with the applicable legislation. It is the Group's policy that it seeks such extensions wherever and whenever they are available.

The UCB Group is also currently investing in upgrading equipment and facilities at the UCB NewMedicines™ site in Slough (UK), as well as installing a pilot biotechnology plant in Braine l'Alleud (Belgium), which is also being supported by the Walloon regional government.

10. EMPLOYEES

On 31 December 2010 the UCB Group employed a total of 8,898 individuals. The geographic breakdown of employees as at 31 December 2010 is set out below.

Geographic Area	Number of Employees
Europe	5,044
North America	1,829
Rest of World	2,025
Total	8,898

11. COMPETITION

There is intense competition among pharmaceutical and other companies that research, develop, manufacture or market pharmaceutical products. The UCB Group competes with these entities in all areas of its business, including competing to attract and retain qualified scientific, technical, and operational personnel. The Group believes that this competition will continue to increase in the future.

The competitive position of the products of the UCB Group among the products of other pharmaceutical companies is based on, among other things, patent protection, data exclusivity, product efficacy, safety, reliability, availability, patient convenience and price. The UCB Group remains committed to growing its businesses as well as holding or increasing its market share.

The products of the Group may compete against products that have lower prices, superior performance, are easier to administer or that are otherwise competitive with products of the UCB Group. The continued expansion of generic competition worldwide also poses a current and future competitive challenge to the Group.

Following the expiration or loss of patent protection, certain of the current products of the UCB Group have experienced increasing competition from generic manufacturers. The Group remains committed to vigorously defending its intellectual property. In addition, the introduction of new products or the development of new processes by competitors or new information about existing products may result in product replacements or price reductions, even for products protected by patents.

Some competitors of the UCB Group are actively engaged in research and development in areas where the Group is also performing research and developing product candidates. The competitiveness of the product candidates of the UCB Group is significantly dependent upon the timing of entry into the market. Early entry may have important advantages in gaining product acceptance contributing to the product's eventual success and profitability. Accordingly, in some cases, the relative speed with which the UCB Group can develop products, complete the clinical testing, receive regulatory approval, and supply commercial quantities of the product to the market is expected to be important for the competitive position of the Group.

Certain of the products of the UCB Group face substantial competition from products developed, manufactured and marketed by large pharmaceutical companies which may have greater clinical, research, regulatory, manufacturing, sales, marketing, financial and human resources than the Group.

Such competitive pressures can prevent the UCB Group's products from becoming established and achieving optimal market penetration.

In addition, the UCB Group competes with large pharmaceutical companies when entering into collaborative arrangements or partnerships with other pharmaceutical companies, research organizations and other entities for the research, development, manufacturing and marketing of technologies, product candidates and marketed products. The UCB Group may face competition in its collaborative arrangements or licensing and acquisition activities from other pharmaceutical companies that also seek to license or acquire technologies, product candidates or marketed products from these entities. Accordingly, the UCB Group may have difficulties entering into collaborative arrangements and licensing or acquiring technologies, product candidates and marketed products on acceptable terms or fail to reach original objectives.

12. INTELLECTUAL PROPERTY

In order to fortify its position as a leading biopharmaceutical company and to offer to its patients treatments which are able to improve their health and qualify of life, the UCB Group continually strives to develop new products and new technologies and to expend significant efforts and funds on research, development and manufacturing. The UCB Group has obtained intellectual property rights through internal efforts, acquisitions and as a consequence of various research and development collaboration agreements. The UCB Group has granted from time to time, and may continue to grant, licenses to third parties to use certain patents and know-how of the Group. The UCB Group has received from time to time, and may continue to receive, licenses from third parties to use their technologies and know-how or to manufacture and sell their products (see Section 15 "Key Contracts" of this Part V). The production technologies of the UCB Group typically incorporate specialised proprietary know-how. To preserve and enhance the value of its investments and assets, the Group relies on the intellectual property laws of the jurisdictions in which it operates, and has developed an active intellectual property strategy.

(a) Patents

General

As an innovation-based biopharmaceutical company, the UCB Group strives to secure exclusivity for its lead products by obtaining protection through granted patents in all of its important markets.

Depending on the jurisdiction, patent protection may be available for:

- the active pharmaceutical ingredients (or API);
- formulations and combinations containing the API;
- manufacturing processes;
- intermediates which are useful for the manufacturing of the APIs and products;
- research tools and technologies;
- platform technologies; and
- new uses for existing products.

Patent laws in the UCB Group's major markets are substantially similar, but the protection provided by a patent varies from country to country, depending on the type of claim granted, the scope of those claims' coverage (the way claims are interpreted) and the legal remedies available for enforcement. Although there are certain exceptions as to when and how generic pharmaceutical manufacturers may

apply for regulatory approval with respect to patent expiry, patent protection in key markets such as the United States, Europe and Japan is generally strong.

The UCB Group currently has approximately 480 active patent families, comprising approximately 3,310 granted patents and 1,880 pending patent applications. Although patents are important to the business of the UCB Group, the Group believes that no single patent (or group of related patents) is material to the Group's business as a whole. However, the UCB Group believes that patents relating to key products such as Cimzia®, Vimpat® and Neupro®, are of particular importance.

Term and Expiration of Patent

The term of a patent varies depending on the laws of the particular jurisdiction which has granted the patent. However, in all jurisdictions which are of key importance to the UCB Group, patent protection, once granted, is valid for 20 years from the date on which the corresponding patent application was filed.

The European Union, the United States, Japan and certain other countries provide extensions of patent term or supplementary protection certificates to compensate for patent term loss due to regulatory review thus allowing adequate time to recoup the substantial investment in research and development and regulatory approval of products. In accordance with its product life-cycle management policy, the UCB Group will seek such extensions wherever and whenever they are available.

Although expiration of the basic patent protection for a product (usually the API or a key formulation) normally results in the loss of market exclusivity, the UCB Group may continue to derive commercial benefits from:

- patents relating to specific uses for the API;
- patents relating to novel compositions and formulations;
- patents relating to processes and intermediates used in manufacturing the active ingredient; and
- in certain markets (including the U.S. and the EU), market exclusivity under laws other than patent laws, in particular, regulatory data protection and exclusivity provisions.

The following summary sets forth the expected expiration dates of the basic patent protection for key products of the UCB Group in its major markets (including any patent extensions, where applied for or already granted).

Marketed Products	**EU**	**U.S.**	**Japan**
Neupro® (*rotigotine; patch*)	February 2021[1]	March 2021[1]	March 2019
Vimpat® (*lacosamide; API*)	March 2022	March 2022[1]	March 2017
Cimzia® (*certolizumab; API*)	October 2024[1]	March 2024[1]	June 2021

[1] Including extensions where applied for or already granted

Products in Development:

The UCB Group's key products in development are expected to enjoy basic patent protection of 10 years or longer from their projected introduction dates in the core markets of the Group.

Licenses from third parties which the UCB Group deems to be important for its business activities, such as those relating to Neupro® (rotigotine), Vimpat® (lacosamide), Cimzia® (certiluzimab) have been secured. See Section 16, "Legal Proceedings" of this Part V, for a description of patent-related litigation in which companies of the UCB Group are involved.

(b) Trademarks

The following table sets forth the best-known trademarks of the UCB Group which have been registered on behalf of the Group and enjoy trademark protection:

- The UCB Group and the logo
- KEPPRA®
- NEUPRO®
- XYZAL®
- ZYRTEC®
- CIRRUS®
- VIMPAT®
- METADATE®
- TUSSIONEX®
- CIMZIA®

In contrast to patents, registrations for trademarks can be renewed indefinitely, although in many jurisdictions it is required to use the trademark in commerce to preserve its registration and protection.

Even though many jurisdictions recognise common law rights in trademarks, it is the policy of the UCB Group to register its trademarks whenever a jurisdiction provides for such registration. Although the trademark portfolio of the UCB Group is important to its business activities, the Group does not believe that a single trademark in its portfolio is material to the business of the UCB Group as a whole.

13. GOVERNMENTAL REGULATION

The business activities of the UCB Group are subject to significant governmental regulation. Its pharmaceutical products must be examined and approved by regulatory agencies for quality, safety and effectiveness before they may be marketed. The distribution and marketing of its products is subject to supervision and control by various regulatory authorities and its production activities must comply with applicable health, safety and environmental regulations.

Relevant regulations are typically of a national scope, although within the EU a considerable degree of harmonization exists. The EU institutions have created a common regulatory framework that applies in every EU member state (and that sometimes allows EU member states to adopt more detailed and more stringent regulations), and has indirect harmonizing effects in certain other European countries. Review and approval of certain products such as those generated at the UCB Group is handled by the EMA in a centralised procedure which, in the event of a positive outcome, results in approval for the product in all EU countries. In the United States such regulatory review is handled by the FDA.

(a) Product approval

Before the UCB Group can market pharmaceutical products in a particular country, it is required to obtain regulatory approval in accordance with the applicable national regulations. Following receipt of initial marketing approval, regulatory approval must be maintained in order to continue to market products. The regulatory requirements follow stringent standards that vary by country. From drug discovery through pre-clinical development and clinical trials to approval and initial product launch, the process of developing a pharmaceutical product is intensive, lengthy and rigorous, and takes approximately ten years. This period varies considerably depending on the targeted therapeutic area. Regulatory authorities have the right to link their approval to the implementation of stringent risk management measures for each drug which go beyond standard pharmacovigilance procedures. These measures may include additional clinical studies which can add substantially to the investment required to develop a new drug and to obtain and maintain its regulatory approval.

Development of New Products

Once a new compound has been identified in the laboratory as a potential candidate drug through a screening process, it undergoes broad pre-clinical testing. During pre-clinical testing, in-vitro tests and other studies in tissues and animals are conducted to show biological activity of the compound in models of the targeted disease, as well as to evaluate its potential toxicity. These steps are generally undertaken by UCB NewMedicines™.

To begin clinical trials (i.e., tests of the drug in humans) in the EU, applications have to be filed with the regulatory authorities of each member state in which clinical trials are intended to take place. To begin clinical trials in the United States, an investigational new drug ("IND") application is filed with the FDA. The IND becomes effective if the FDA does not reject it within 30 days from its filing. In other countries there are varying but similar requirements before beginning clinical trials.

Clinical testing prior to filing for a marketing license is usually done in three phases. This clinical development program can eventually be followed by a Phase IV study programme which is performed after marketing approval has been obtained. The size and the duration of clinical trials depend very much on the targeted disease. Typically, several hundred to several thousand patients have to be treated successfully under the highly controlled conditions of clinical trials before a sponsoring pharmaceutical company can apply for marketing authorisation. The duration of trials and the vast amount of data that must be collected and evaluated makes clinical testing the most time-consuming and expensive part of new drug development.

Marketing Approval for New Products

Before a drug can qualify for marketing approval, a registration dossier must be submitted to the regulatory authorities of the jurisdictions where the drug is intended to be marketed. In the EU, the UCB Group has to follow either the centralized procedure at the EMA, the mutual recognition procedure, the decentralized procedure or the national procedure depending on the therapeutic area, type of product and the number of countries in which the Group intends to market the drug. In the United States, the Group has to file a new drug application ("NDA") or biological licence application with the FDA. Other countries accept variations of the EU or United States registration dossiers, as long as they contain a specific national chapter in a special format and the native language. The submission of a registration dossier to a regulatory authority does not guarantee that approval to market the product will be granted.

The registration dossier contains detailed information about the safety, efficacy and quality of a new medication. It also provides details about the manufacturing process, the production facilities and information to be provided to patients and medical practitioners.

The registration process can last from a few months to a few years and depends on the nature of the drug under review, the quality of the submitted data, the registration procedure, the medical needs, the efficiency of the relevant agency and the jurisdiction in which the application is filed.

In the EU, the authorities have to decide on marketing approval within 210 days following receipt of a complete marketing application. For products to be approved under the centralized procedure at the EMA, the time period may be reduced to 150 days. These time periods do not include delays during which the sponsoring company has to respond to numerous detailed questions regarding the product raised by the authorities. Industry average approval times in the EU are 14-16 months.

In the United States, the FDA is required to review and provide a Complete Response Letter within 10 months of filing the registration dossier. The Complete Response Letter will notify the company of the additional information required by the FDA in order for it to provide approval. Alternatively, approval may be granted in the Complete Response Letter. For drugs designated as ''priority'' drugs, the maximum review time for the FDA is six months. Industry average approval times in the U.S. are 18-21 months.

In recent years, the EMA, FDA and the Japanese Ministry of Health, Labour and Welfare have sought to shorten development and registration periods for pharmaceutical products by harmonizing the individual requirements of the three regions through the work of the International Conference on Harmonization ("ICH"). The implementation of the requirements which have been resolved by the ICH would not completely harmonize the regulatory processes in the United States, Japan and the European Union. The UCB Group would still need to address region-specific development requirements to obtain marketing approval in these three regions.

Once the EMA, the FDA or the regulatory agency in another country have approved the marketing application, the new pharmaceutical drug becomes available for sale. The marketing authorization may be granted for an unlimited term or be subject to renewal. In the European Union marketing approval is granted for an initial period of five years. Following the expiration of this five year period, the EMA will decide whether to renew the marketing approval for an indefinite term. In many countries approval is followed by intense and lengthy submissions to and negotiations with panels such as pricing and reimbursement authorities, health technology assessment bodies and committees granting approvals to formularies before the product can be made available for sale.

Pharmacovigilance

The UCB Group performs high-quality clinical safety and pharmacovigilance activities for drugs under development and marketed drugs. These surveillance and reporting processes are highly regulated with the objectives to ensure adequate interpretation of the safety profile of the drugs and the protection of the patients. Each identified or reported adverse drug reaction is analyzed and interpreted by a team of physicians and scientists and is reported within determined timelines to the appropriate regulatory authorities in various countries. Any adverse events observed for drugs under development are also notified to clinical investigators, institutional review boards and independent ethics committees (as appropriate). Furthermore, the pharmacovigilance department endeavours to ensure the timely preparation and submission of aggregate periodic reports of any such adverse drug reactions. These aggregate reports include non-clinical safety data, clinical safety data and an evaluation of the risk-benefit profile of the individual product.

In the course of the life cycle of a product, regulatory authorities also demand the preparation of risk management plans or risk evaluation and mitigation strategies. Such plans and strategies set out the UCB Group's approach to identifying, monitoring and mitigating any potential safety observations. The UCB Group clinical safety and pharmacovigilance department undertakes the preparation, follow-up and reporting of such observations, such as Phase IV, pharmaco-epidemiological and observational studies or registries, as detailed in such plans and strategies.

Furthermore the UCB Group clinical safety and pharmacovigilance department contributes to the accuracy of the description of any adverse effects and potential safety observations in product-related information provided to patients and healthcare professionals.

Marketing of Products

After a product has reached the market, it will be subject to regulatory restrictions on advertising, promotion and distribution. These restrictions apply to over-the-counter and prescription drugs and also address the interaction between pharmaceutical companies and healthcare professionals. The type and degree of these regulatory restrictions vary from country to country. Many countries provide for varying degrees of restrictions on granting benefits or product samples to healthcare professionals. Some countries impose restrictions on the involvement of pharmaceutical companies in meetings with healthcare professionals. The marketing and distribution of the UCB Group's products is also subject to general anti-corruption and unfair competition regulations. The UCB Group has adopted a broad code of conduct of the business setting out certain principles in relation to business practices which are further extended in the UCB Group's guidelines and standard operating procedures to comply with such legal, regulatory, ethical and other restrictions. It has also implemented a programme which provides for the administration and supervision of its compliance guidelines as well as the related training of its employees.

(b) Manufacturing

The UCB Group and its toll manufacturers' production facilities require regulatory approval and are subject to periodic inspections. The manufacturing of the UCB Group's products is subject to extensive governmental regulations which address facilities, equipment, manufacturing processes, product specifications, quality control and good manufacturing practices.

(c) Pricing

In most of the jurisdictions in which the UCB Group sells its products, it is subject to price and reimbursement control by governments or private insurance companies. Price and reimbursement control mechanisms operate differently from jurisdiction to jurisdiction and may result in substantial price and reimbursement differentials between different countries.

Even though the UCB Group cannot predict with certainty the future governmental or private healthcare insurance interventions on the pricing and reimbursement of pharmaceutical products, such interventions may include the increase of price controls and restrictions in use, the inclusion of patent protected drugs in a fixed price system by therapeutic area and legislation permitting or requiring a pharmacist to substitute a prescribed pharmaceutical product with other versions thereof, including generic products. These interventions could have significantly adverse consequences for the pharmaceutical industry, including the business activities of the UCB Group.

14. HEALTH, SAFETY AND ENVIRONMENTAL REGULATIONS

Although there is a significant process of harmonizing health, safety and environmental regulations among the member states of the EU and in some cases globally, regulations vary across the countries in which the UCB Group operates. The UCB Group's goal is to be in compliance with all applicable health, safety and environmental requirements and to make sure it provides workplaces for employees that are safe. The UCB Group monitors and evaluates all environmental legal initiatives and laws regarding their potential impact on its current and past activities in order to develop and implement appropriate action plans in a timely and effective manner. When necessary, the UCB Group incurs capital expenditure to help achieve this objective, and has recently outsourced certain aspects of its health and safety operations such as the processing of non-serious drug safety cases, aiming to improve efficiency. The UCB Group expects that it will continue to be subject to stringent health, safety and environmental regulations. Although the UCB Group cannot predict future expenditures, it believes that current spending trends will continue.

The development, production and distribution of the products of the UCB Group are subject to increasingly stringent environmental regulations. These environmental regulations address:

- emissions into the air;
- discharges of waste water;
- incidental and other releases into the environment;
- generation, handling, storage, transportation, treatment and disposal of hazardous and non-hazardous materials; and
- construction and operation of facilities.

Historically, the UCB Group owned and operated various chemical industrial sites. Pursuant to some of the environmental regulations which apply to the business activities of the UCB Group, a current or previous owner or operator of an industrial site may be liable for the remediation costs associated with the site, irrespective of whether it caused or was aware of the presence of the contaminants, or whether the practices that resulted in the contamination were in compliance with the applicable laws at the time they occurred. As many of the former industrial sites of the UCB Group have a long history of chemical production, it cannot be excluded that soil or groundwater contamination has not or will not occur or be discovered at these sites. Accordingly, the full impact of these regulations on the UCB Group cannot be predicted. In connection with the sale of its Surface Specialty business activities the Group also agreed with the respective purchasers to retain specific environmental liabilities, in each case subject to certain limitation periods.

Some of the former sites of the UCB Group are currently subject to remediation and other sites will be subject to remediation as a consequence of forthcoming legislation. Even though some of the former sites of the UCB Group currently do not raise any environmental concerns, it cannot be excluded that future investigations will discover contamination and result in remediation obligations for the Group.

It is difficult for the UCB Group to estimate the future costs of environmental protection and remediation because of uncertainties associated with the status of regulations and their future developments. Taking into consideration its experience, currently known facts and its existing provisions which were made in light of potential remedial obligations, the UCB Group believes that the capital expenditures and remedial actions necessary to comply with environmental regulations will not have a material adverse effect on its financial position, results of operations or cash flows.

The UCB Group believes that it is in substantial compliance with applicable health, safety and environmental laws and regulations. The UCB Group is concerned about the health and safety of its

employees and the protection of the public health and environment. While its compliance to health, safety and environmental laws and regulations has not adversely affected the competitive position or business of the UCB Group, it cannot predict the impact of possible future regulations. Although the UCB Group has taken measures to conform to the stricter regulations, such as increasing the efficiency of its internal research and development process in order to reduce the impact of extended testing on time-to-market, stricter regulatory regimes could delay product development or restrict marketing and sales.

15. KEY CONTRACTS

(a) License and Distribution Agreements

Astra Zeneca do Brasil Ltd

In September 2009, the UCB Group and Astra Zeneca do Brasil Ltd entered into a partnership relating to the registration and commercialization of Cimzia® in Brazil, which allows Astra Zeneca do Brasil Ltd to be the exclusive distributor of Cimzia® in Brazil, with the UCB Group retaining the right to co-promotion of Cimzia® and any future line extensions.

Actient

On 29 July 2010, the UCB Group completed a transaction with Actient Pharmaceuticals, LLC, licensing to Actient the U.S. marketing rights for six established pharmaceutical products with an option to purchase those products. Products in the transaction included: Edex® (alprostadil for injection), Theo-24® (theophylline anhydrous), Semprex®-D Capsules (acrivastine and pseudoephedrine hydrochloride), Levatol® (penbutolol sulfate), Robaxin® (methocarbamol tablets, USP) and Dilatrate®-SR (isosorbide dinitrate). Under the terms of the agreement, the UCB Group received an upfront payment upon closing and will receive future royalty payments.

GlaxoSmithKline K.K.

In July 2005, UCB Japan Co., Limited and GlaxoSmithKline K.K. entered into an agreement whereby UCB Japan Co., Limited appointed GlaxoSmithKline K.K. as its new co-distributor for Zyrtec® on the Japanese market. The agreement expires at the later of the end of a ten year term or the end of an eight year term following a specific regulatory approval. Subsequently, the agreement can be renewed for two year periods. The agreement provides for customary termination provisions.

GlaxoSmithKline (Germany)

In August 2000, GlaxoSmithKline Germany and the UCB Group entered into a co-marketing agreement relating to Atmadisc for Germany. GlaxoSmithKline Germany is marketing the identical product under its trademark "Viani", while the UCB Group has been granted an exclusive license under the trademark "Atmadisc". The initial term of the agreement runs until December 2013 and will be automatically extended for one year each if the minimum sales target of each preceding year is reached for at least 60 per cent..

Harris FRC

In December 1999, Harris FRC and the UCB Group entered into a license agreement and a trademark license agreement. Under such agreements, the UCB Group has been granted exclusive rights for Vimpat® worldwide (excluding worldwide veterinary uses), and for the trademark Vimpat®, which were expanded in 2010 to include Japan. Concurrently, the parties also entered into a development

agreement which expires with the last to expire licensed patent. The product is already launched by the UCB Group in numerous countries for certain epilepsy related indications. The license agreement expires concurrently with the expiry of the last to expire licensed patent. The trademark license agreement expires, on a country-by-country basis, 25 years after launch of the product.

Jazz Pharmaceuticals

In June 2006, Jazz Pharmaceuticals granted UCB Pharma Limited an exclusive license to distribute any of its products containing sodium oxybate as an active ingredient under the trademark Xyrem® in most European and certain other countries for the treatment of narcolepsy. In October 2006, the parties extended the license to additional countries and to the commercialization of Xyrem® for the treatment of the fibromyalgia syndrome if and when Xyrem® is approved for this indication.

McNeil PPC, Inc.

In February 2006, UCB Inc. and McNeil PPC, Inc. (formerly known as Warner Lambert Company, LLC) entered into an exclusive, royalty-bearing license agreement for the sale of Zyrtec® (cetirizine) by McNeil PPC, Inc. in the over-the-counter market in the U.S. The term of the agreement extends until June 20, 2030.

Nektar AL Corporation

In December 2000, Nektar AL Corporation (formerly the Shearwater Corporation) granted the UCB Group, an entity which was acquired by the UCB Group in connection with its acquisition of Celltech in 2004, an exclusive worldwide license to develop, market and sell PEGylated antibody fragments which bind to soluble anti-tumour necrosis factor. Save for certain exceptions, the UCB Group is obliged to purchase the licensed product exclusively from Nektar AL Corporation. The initial term of the agreement expires on a country-by-country basis on the later of (i) the expiry of a ten year period following receipt of the first marketing authorization for the licensed product in a country of the licensed territory or (ii) the expiry of the last valid patent claim relating to the licensed product in the main territories of the United States, Europe and Japan. In March 2010, the UCB Group entered into (i) two further licence and supply agreements for two further PEGlyated antibody fragments, (ii) an agreement allowing Nektar to evaluate a UCB Group antibody; and (iii) an agreement to transfer the technology for the PEG manufacturing process to allow the UCB Group to manufacture PEG for three of the Group's PEGlyated antibody fragments.

Novartis Pharma GmbH

In May 2007, Novartis Pharma GmbH ("Novartis") and the UCB Group entered into a silent co-promotion agreement on Novartis' product Provas®. This agreement succeeds the co-marketing and supply agreement dated May 1999 which was terminated by Novartis in 2007. The term of the agreement is until 31 December 2016.

On 24 August 2009 Novartis and Schwarz Pharma Deutschland GmbH entered into two further co-promotion agreements, one for Novartis' product Dafiro®, and one for Novartis' products Jalra® and Icandra®. Both agreements run until 31 August 2019.

Osmotica Pharmaceutical Corp.

The UCB Group has an exclusive license to sell the venlafaxine extended-release tablet product from Osmotica Pharmaceutical Corp. in the U.S. The term of the agreement extends until 14 July 2013.

Otsuka Pharmaceutical Company Limited

In November 2002, Otsuka Pharmaceuticals and the UCB Group entered into a development, license and supply agreement for Neupro® (rotigotine) in Japan. Under this agreement, Otsuka Pharmaceuticals develops Neupro® (rotigotine) for the Japanese market and has been granted exclusive licence rights under Neupro® (rotigotine) patents and know-how for Japan.

In June 2008, Otsuka Pharmaceuticals and the UCB Group entered into co-promotion and co-development agreements in relation to Cimzia® in Japan and Korea, and Keppra® in Japan. The term of each of these agreements is, in relation to Cimzia®, for a period of 11 years after the date of launch of the licensed product, and in relation to Keppra® for a period of ten years after the launch of the licensed product. A co-promotion agreement between Otsuka Pharmaceuticals and the UCB Group in relation to PletaaL® in Japan was also entered into in June 2008.

Pfizer Inc.

In April 2006, Pfizer Inc and the UCB Group entered into an agreement under which Pfizer was granted worldwide exclusive license rights under patents and know-how related to fesoterodine. The product Toviaz® for fesoterodine has already been launched by Pfizer in the US and Europe. The initial term of the agreement runs until the occurrence of Significant Generic Competition (as defined in the agreement), on a country-by-country and licensed product-by licensed product basis.

Sanofi-Aventis US LLC

In September 2006, UCB Inc. and Sanofi-Aventis US LLC. entered into an agreement to co-promote Xyzal® (levocetirizine) in the United States. The agreement extends until 31 December 2013. The agreement was adjusted early 2010 leaving Sanofi-Aventis the promotion rights and sole marketing activities for Xyzal®. In return, the UCB Group receives a profit share.

Synosia Therapeutics Holding AG

In August 2010, UCB Inc. made an equity investment in Synosia Therapeutics Holding AG. Concurrently, UCB Pharma SA entered into a licence and collaboration agreement with Synosia Therapeutics Holding AG, Synosia Therapeutics AG and Synosia Therapeutics Inc relating to development and commercialisation of two Synosia development compounds.

Azur Pharma International III Limited

On 19 September 2008, the UCB Group completed a transaction with Azur Pharma International III Limited, licensing to Azur the U.S. marketing rights for four established pharmaceutical products with an option to purchase those products. Products in the transaction included: Parcopa® (carbidopa/levodopa), Niravam® (alprazolam), Fluxid™ (famotidine), and Kemstro™ (baclofen). Under the terms of the agreement, the UCB Group received an upfront payment upon closing and will receive future royalty payments.

(b) Research and Development Agreements

Amgen Inc.

An exclusive collaboration and license agreement entered in May 2002 by the UCB Group and Amgen Inc. to develop, market and sell antibody products targeting the sclerostin protein, including CDP7851. The agreement expires if the parties cease to develop or commercialise the licensed product.

Harris FRC

In December 1999, Harris FRC and the UCB Group entered into a development agreement on the development and marketing by the UCB Group of lacosamide; in particular in the indications of epilepsy and neuropathic pain; which expires with the last to expire licensed patent. The scope of this agreement was extended in 2010 to Japan and is consequently now worldwide.

Immunomedics Inc.

In May 2006, Immunomedics, Inc. granted the UCB Group an exclusive worldwide license to develop, market and sell *epratuzumab* for the treatment of any human disease except cancer. The agreement remains in force unless terminated by the UCB Group ceasing to develop or commercialize *epratuzumab*. Discussions have taken place over the last several months between the parties to resolve differences concerning certain aspects of the development program for epratuzumab, the product licensed from Immunomedics. These discussions are continuing in an attempt to resolve differences.

LTS Lohmann Therapie-Systeme AG

In December 1998, LTS Lohmann Therapie-Systeme AG ("LTS") and the UCB Group entered into a development and license agreement for rotigotine on a world-wide basis. Initially the territory of Japan was excluded but was added later. The license under LTS' share in certain contractual (formulation) patents for rotigotine is evergreen, while the development part of the agreement expired when Neupro® / rotigotine entered the markets.

Millennium Pharmaceuticals, Inc.

In October 2004, the UCB Group and Millennium Pharmaceuticals, Inc. entered into a collaboration agreement regarding the research, development and commercialization of new antibody therapeutics aimed at one validated Millennium Pharmaceuticals, Inc. target. The parties have agreed to terminate this program by mutual consent.

Wyeth

In July 2000, the UCB Group and Wyeth (formerly American Home Products) entered into an exclusive collaboration agreement extending a relationship dating from 1986 to research, develop and commercialise monoclonal antibody conjugates for use in the therapy and diagnosis of human cancers (including CMC544 and Mylotarg®). The duration of the agreement is for 40 years from the date when the last collaboration product is first put on sale in any country.

Development Agreements

The UCB Group has entered in the course of 2009 and 2010 into a number of project financing transactions for clinical trials in several indications on various of its products such as Vimpat®, Cimzia® and Briveracetam, which could trigger a maximum aggregate total payment by the UCB Group of EUR 538 million.

(c) Manufacturing and Supply Agreements

Cambrex Karlskoga AB

In June 2003, Cambrex Karlskoga AB and the UCB Group entered into a product supply agreement for the supply of rotigotine API and (S)-5-MAT by Cambrex Karlskoga AB. The initial term of the agreement is for 15 years after first regulatory approval date for the product, and will be automatically prolonged for three years each if not terminated with 24 months prior notice.

Chemtec Leuna GmbH

In December 2005, Chemtec Leuna GmbH and the UCB Group entered into a supply agreement for the supply by Chemtec Leuna GmbH of lacosamide API and N-Boc-D-Serine, an intermediate of lacosamide. The initial term of the agreement is ten years after first regulatory approval of lacosamide products and will be prolonged for consecutive three year periods if not terminated with 24 months prior notice.

Lonza Limited

Since April 2005, UCB Farchim S.A. and Lonza Limited are parties to a manufacturing and supply agreement pursuant to which Lonza Limited produces PEGylated antibody fragment-based bulk actives on the basis of the UCB Group's proprietary technology.

LTS Lohmann Therapie-Systeme AG

In October 2002, LTS and the UCB Group entered into a manufacturing and supply agreement under which LTS exclusively supplies the UCB Group with rotigotine product. The initial term of the agreement is 15 years after the first order for the product and will be prolonged for consecutive five years each if not terminated with 36 months prior notice.

PCAS SA

In December 2007, PCAS SA and the UCB Group entered into a supply agreement for the supply by PCAS SA of lacosamide API and N-Boc-D-Serine, an intermediate of lacosamide. The initial term of the agreement is until 3 December 2012 and will be prolonged for consecutive two year periods if not terminated with 12 months prior notice.

Sandoz GmbH

In March 2001, the UCB Group and Sandoz GmbH (the former Biochemie GmbH) entered into a development and manufacturing agreement, pursuant to which Sandoz GmbH shall, after an analytical and development phase, manufacture certain antibody fragment based drugs (including the API for Cimzia®) exclusively for the UCB Group.

Vetter Pharma-Fertigung GmbH & Co.KG

In February 2007 the UCB Group and Vetter Pharma-Fertigung GmbH & Co.KG entered into a manufacturing and supply agreement under which Vetter Pharma-Fertigung GmbH & Co.KG manufactures and supplies Cimzia® pre-filled syringes. The initial term of the agreement is for a period of three years, and it will automatically renew for a further period of two years in the event that 18 months' notice of termination is not provided by either party.

16. LEGAL PROCEEDINGS

The companies of the UCB Group are involved in a number of legal proceedings. As a result of its global pharmaceutical operations, the companies of the UCB Group may in the ordinary course of their business become involved in proceedings relating to, for example, such matters as: product liability, commercial disputes, price reporting, competition and antitrust, challenges to patent validity and infringement, product promotion, tax assessments and audits and environmental liability.

Although not an exhaustive list of actual claims or proceedings in which the companies of the UCB Group are involved, this Section 16 describes what the UCB Group believes are most noteworthy. Subsequent developments in any pending matter as well as additional claims that may arise from time to

time, including additional claims similar to those described below, could become significant to the UCB Group. The UCB Group treats any claim asserted against it by a third party seriously and, with the assistance of advisors, takes steps to defend itself in any such proceedings.

The UCB Group cannot predict with certainty the outcome of any proceedings to which the UCB Group or its subsidiaries are or may become a party. An adverse decision in a lawsuit or any other forum, or any decision taken against the UCB Group by investigating authorities seeking civil or criminal damages or fines or other payments or remedies from the UCB Group, or the Group's decision to settle certain cases, could result in monetary payments or transfer of other value to the claimant and other fines, costs and expenses. If the UCB Group loses a case in which the Group seeks to enforce its patent rights or where the Group has been accused of infringing another company's patent rights, the UCB Group may sustain a loss of future revenue if the Group can no longer sell the product covered by the patent or command prices for the affected products that reflect the exclusivity conferred by the patent, or could be held accountable financially for past patent infringement or depriving market access to third parties. While payments and other costs and expenses the UCB Group might have to bear as a result of these actions are covered by insurance in some circumstances, it is possible that the coverage under some of these could become exhausted, and other payments may not be covered by the UCB Group's insurance policies in full or at all. Accordingly, each of the legal proceedings described below could either now be or sometime in the future become significant to or have a material adverse effect upon the UCB Group.

(a) AWP Litigation

On 29 October 2010, the State of Louisiana filed a suit with 19th Judicial District Court in the Parish of East Baton Rouge against approximately 108 pharmaceutical manufacturers, including the UCB Group, for damages sustained by allegedly engaging in false, misleading, wanton, unfair and deceptive acts and practices in the pricing and marketing of prescription drugs. There were no specific allegations brought against the UCB Group and no specific products were listed in the pleading.

(b) Diet Drug Cases (Ionamin®)

Prior to the acquisition of Celltech by the UCB Group in 2004, various Celltech entities were named as co-defendants in over 7,000 cases claiming personal injury relating to heart valve defects from the "Phen-Fen" diet drug combination. Ultimately, Wyeth, the manufacturer of fenfluramine and dexfenfluramine established a settlement fund, which as of the date hereof totals approximately US$5 billion to settle claims. The litigation is organized in the form of a class action/multi-district litigation. As of the date hereof, there have been no judgments against any Celltech or UCB Group entities, nor has any Celltech or UCB Group company paid any money to any claimant in settlement of any related claims. As of 31 October 2010, Celltech/UCB, the manufacturer of Ionamin®, a phentermine, had been dismissed from all but approximately 22 cases without any liability. Of those 22 cases, all are pending dismissal.

(c) Vaccine Cases (Thiomerosal)

Prior to the acquisition of Celltech by the UCB Group in 2004, various Celltech entities were named as co-defendants in over 600 cases alleging that diphtheria/tetanus vaccines marketed by Celltech contained mercury that led to autism in children who received the vaccines. As of 31 October 2010, UCB/Celltech Group entities had been named in a total of 129 vaccine cases (some with multiple claimants), filed in California, Illinois, Mississippi, Ohio and Texas. Of the 129 cases, 41 remain technically "active" (i.e., undismissed). Three of the 41 active cases were never served upon the named UCB/Celltech entity. The other 38 active cases, which are pending in Illinois and Ohio, remain subject

to stays imposed by the courts. As of the date hereof, the UCB Group has not made any settlement payments and has not been assessed with any liability in these cases.

(d) Metoclopramide Cases (Reglan®)

In December 2001, Wyeth sold certain rights associated with brand name Reglan® tablets to Schwarz Pharma, Inc., which Schwarz Pharma, Inc. thereafter manufactured and distributed until 2008. As of 14 January 2010, Schwarz Pharma, Inc. has been named as a defendant in 1058 active metoclopramide cases in various jurisdictions across the United States. Of the 1058 active cases, 814 cases are in the State of Pennsylvania where a mass tort program was certified. There are also mass tort programs forming in New Jersey and California. Generally, these lawsuits have alleged that Schwarz Pharma, Inc., Wyeth and/or those companies that manufacture generic metoclopramide (an FDA-approved prescription drug used to treat gastroesophageal reflux disease and the active ingredient in Reglan®) failed to adequately warn about the "true" risk of side effects associated with the use of Reglan®, including: (a) that therapy with Reglan® for more than 12 weeks is unsafe; and (b) that the risk of developing tardive dyskinesia is far greater than as represented in the drug's labelling information. Few of the cases involved the ingestion of the Reglan® product itself, but rather involved generic metoclopramide. As of the date hereof, Schwarz Pharma, Inc. has not gone to trial on any of these cases and has been dismissed on Summary Judgment in approximately 40 cases.

(e) US Department of Justice Investigation (Keppra®)

Since 2008 UCB has been cooperating with the United States Department of Justice in an investigation relating to the marketing of Keppra®. Recently, the Company reached an agreement in principle with the United States and participating states to settle this investigation. Under the agreement in principle, UCB Inc. will plead guilty to a misdemeanor violation and pay US$8.6 million and enter into a civil settlement of US$25.8 million plus modest interest. UCB is continuing to work with the authorities to conclude this investigation. The issues that were the subject of this investigation occurred more than six years ago. Since then, UCB has established and continues to enhance its compliance program. UCB's compliance program reflects the Company's commitment to the highest standards of corporate conduct.

(f) Distilbène Litigation

As of the date hereof, entities of the UCB Group have been named as defendants in more than one hundred actions, the majority of which have been filed in France. Approximately 79 of these actions are active. The claimants to these actions claim that their mothers took Distilbène, a former product of the UCB Group, during their pregnancy, and that the claimants suffered either clear cell adenocarcinoma of the cervix, malformations of the genital track or dysplasia/squamous cells cancer as a consequence of this exposure. These actions include six claims of premature births due to genital track anomalies.

The UCB Group is unable to estimate the total number or types of Distilbène related cases that may be filed in the future, nor is the UCB Group able to estimate the total liability nor whether such liability will be fully insured as a result of these cases.

(g) Xyzal® Litigation

In the US, the ANDA litigation initiated by Synthon and Sandoz challenging the Sepracor patent covering the antihistamine indication for levocetirizine is ongoing. Late in 2010, Synthon, through its marketing partner, launched its generic levoceterizine product at risk. No trial date has yet been set in this case.

(h) Apotex Inc.

Apotex Inc., a generic company based in Canada, has commenced a claim against the UCB Group (as the former owner of the Group bioproducts business sold to Lonza in 2006) and Lonza Braine SA (a subsidiary of Lonza) claiming for damages for failure to deliver desmopressin on time, in quantity and within specifications, which Apotex Inc. alleges made it impossible to launch the product in Canada and the U.S. in its anticipated timeframe. Apotex Inc. has accused the UCB Group and Lonza Braine SA of committing to provide certain volumes of desmopressin which were not delivered.

In addition to this claim by Apotex Inc., the UCB Group's former agent S&D Chemicals (Canada) Limited has introduced a parallel claim against the Group and Lonza Braine SA for lost commission due to failed orders for desmopressin.

Proceedings have commenced in the Ontario courts, and the UCB Group is currently working with Canadian counsel to prepare a full defence to this claim. It is not possible to assess the likelihood or the amount, if any, of financial exposure to the UCB Group.

(i) Challenges to the domination and profit transfer agreement between UCB SP GmbH and Schwarz Pharma

After the acquisition of the majority of shares in Schwarz Pharma by UCB SP GmbH in December 2006 and the adoption of a domination and profit transfer agreement ("DPTA") between UCB SP GmbH and Schwarz Pharma by the general shareholder's meeting of Schwarz Pharma in May 2007, sixteen minority shareholders of Schwarz Pharma filed challenge actions against the respective shareholder's resolution with the District Court of Düsseldorf in Germany.

In order to receive an early registration of the DPTA in the commercial registry of the company and therefore to make the DPTA effective despite the pending challenge actions described above, Schwarz Pharma, as a counter motion, filed for a proceeding for early registration ("Freigabeverfahren") with the District Court of Düsseldorf, which decided in favour of Schwarz Pharma on 30 April 2008. An appeal was filed against this decision by the minority shareholders with the Higher Court of Düsseldorf, which also ruled in favour of Schwarz Pharma on 18 December 2008; making the DPTA final and binding as of that date.

On 6 March 2009, the District Court of Düsseldorf dismissed the challenge actions of the minority shareholders.

(j) Appraisal procedure for judgment on adequate compensation and guaranteed dividend under the DPTA between UCB SP GmbH-Schwarz Pharma in 2007 and after the Squeeze-Out of Minority Shareholders in 2009

After the acquisition of the majority of shares in Schwarz Pharma by UCB SP GmbH in December 2006 and the adoption of the DPTA between UCB SP GmbH and Schwarz Pharma by the general shareholder's meeting of Schwarz Pharma in May 2007, foreseeing an adequate compensation for potential tendering of shares by minority shareholders and a guaranteed dividend, sixty-eight minority shareholders filed for an appraisal procedure against UCB SP GmbH to challenge the adequateness of such compensation and guarantee dividend in August 2007. After numerous filings of argumentative writs of both claimants and defendant, a date for an oral hearing has not yet been set by the court.

At the general shareholders' meeting of Schwarz Pharma in July 2009 a squeeze-out resolution was passed which was already registered in the commercial registry of the company and resulted in the transfer of all minority shares to UCB SP GmbH in exchange for adequate compensation determined by the court to be €111.44 per share. As at the end of September 2009, eighty-one minority shareholders

initiated an appraisal procedure against UCB SP GmbH to challenge the adequacy of such compensation fixed in the resolution. The court proceedings are still ongoing.

(k) Tax authority reviews relating to the UCB Group

The UCB Group operates in a number of jurisdictions around the world, each of which has its own tax regulations and statutes under which the UCB Group may have payment obligations. On occasion, tax authorities may initiate a review of the UCB Groups' compliance with its tax regime. There are several such reviews pending regarding the UCB Group in a range of jurisdictions such as Germany, the UK, Belgium, Spain, Turkey and Italy. The UCB Group is not able to predict with certainty the outcome of such reviews, or the impact that such reviews may have on the business of the UCB Group.

(l) Alleged breaches of environmental law

In 1997 Rogers Corporation acquired the shares of UCB Induflex NV, a Belgian company which was subsequently renamed Rogers Induflex NV. Several years later Rogers Induflex NV demanded damages from the UCB Group for alleged soil contamination with respect to the Group's former site. The parties met but did not come to an arrangement. Subsequently Rogers Induflex NV filed a criminal complaint against UCB Induflex NV, based on alleged violations of environmental law, which specified damages in the region of €300,000. Further to the criminal investigation, the Belgian Supreme Court ("Cour de Cassation") decided to refer UCB Induflex NV together with one of its former employees to the Belgian Criminal Court of Ghent for such alleged violations of environmental law. The Belgian Supreme Court's decision consists of a mere referral decision, whereas the Criminal Court of Ghent will deal with the merits of the case.

(m) Arbitration – Genentech

Genentech has filed a notice of arbitration against UCB alleging, among other claims, breach of contract in permitting Centocor to terminate its sub license with UCB for the Cabilly patent in connection with Centocor's sales of Remicade. This case has only recently been filed.

PART VI: MANAGEMENT AND CORPORATE GOVERNANCE

1. BOARD OF DIRECTORS

The Board of Directors of the Issuer is the governing body of the Issuer. The current Board is composed of 15 Directors. The Board appoints a chairman and one or more vice-chairmen among its members. The Board appointed Karel Boone as its chairman in 2008 and Evelyn du Monceau as the only vice-chairperson of the Board in 2006. Roch Doliveux is the chief executive officer and chairman of the executive committee to whom the Board has delegated certain of its powers (the "Executive Committee"). The following table sets forth the name, position and first year of appointment of the current members of the Board:

Name	Position	As in present function	Year First Appointed as Board member	Up for Election in
Karel Boone	Chairman	2008	2000	2012
Evelyn du Monceau[3]	Vice-Chairperson	2006	1984	2011
Roch Doliveux[1]	Chief Executive Officer	2004	2004	2013
Armand de Decker[2]	Non executive Director		2008	2011
Peter Fellner[2]	Non executive Director		2005	2013
Jean-Pierre Kinet[2]	Non executive Director		2008	2011
Thomas Leysen[2]	Non executive Director		2009	2011
Gerhard Mayr[2]	Non executive Director		2005	2011
Norman J-Ornstein[2]	Non executive Director		2008	2011
Arnoud de Pret[3]	Non executive Director		2005	2011
Bridget van Rijckevorsel[3]	Non executive Director		1992	2011
Gaetan van de Werve[3]	Non executive Director		2006	2012
Tom McKillop[2]	Non executive Director		2009	2012
Albrecht De Graeve[2]	Non executive Director		2010	2013
Alexandre Van Damme	Non executive Director		2010	2013

1 Roch Doliveux is also the chairman of the Executive Committee.

2 These Directors meet all independence criteria according to the Belgian Companies Code 2009 (the "BCC") and the 2009 Belgian Code on Corporate Governance (the "2009 Code").

3 These Directors are representatives of Financière de Tubize S.A., the reference shareholder of the Issuer.

The business address for each of the foregoing Directors is UCB S.A., 60 Allée de la Recherche, 1070 Brussels, Belgium.

Karel Boone was appointed chairman of the Board in 2008, after being appointed to the Board in 2000. Karel Boone is since 2000 member of the Remuneration and Nominations Committee and since 2008 also a member of the Audit Committee. A commercial engineer (K.U.Leuven, Belgium), Karel Boone started in 1966 as executive member of the board of directors of Lotus Bakeries S.A. (now Lotus Biscuits S.A.) and became chief executive officer in 1974 when Lotus Biscuits merged with Corona. He was also Executive Chairman of the Board of Directors from 1992 until 2006 when he became non-Executive Chairman of the Board. He is a member of the following boards of directors: Axa Belgium S.A., Banque Degroof S.A., Compagnie du Bois Sauvage S.A. and Vendemoortele S.A. (chairman). He is a member of the Corporate Governance Committee for Belgian listed companies. He is also active in professional organisations; he has been chairman of the Federation of Belgian Companies.

Evelyn du Monceau has been a member of the Board since 1984 and has been elected vice-chairperson of the Board since 2006. She has also acted as chairperson of the Remuneration and Nominations Committee since 2006. Evelyn du Monceau graduated in Applied Economics from the Catholic University of Louvain UCL in Belgium. She then followed courses in International Relations at the Kennedy School of Harvard University (U.S.) and in Soil Science, Animal Science and Zoology at the Agricultural and Technical College of Farmingdale (U.S.). Evelyn du Monceau is a member of the board of directors of Financière de Tubize S.A. and of Solvac S.A.

Roch Doliveux is a doctor in Veterinarian Medicine from Maisons-Alfort (France), and also Laureate of the Faculty of Medicine, Créteil, and holds an MBA from INSEAD (France) with distinction. He joined the pharmaceutical industry early, first at Ciba-Geigy (now Novartis) in Switzerland, in Peru and in France, and then at Schering-Plough Corporation in various positions, including President of Schering-Plough International. Then, Roch Doliveux joined the Pierre Fabre group as Chief Executive Officer of Pierre Fabre Pharmaceuticals. Roch Doliveux joined UCB SA in October 2003 as Director General of the Pharma Sector and Deputy Chairman of the Executive Committee. He became CEO and Chairman of the Executive Committee of UCB Group on January 1, 2005. He is a member of the Board of Directors of the Issuer, and since July 2010, of the Board of Stryker Corporation, a US listed company, as well as a member of the Board of the European Federation of Pharmaceutical Association (EFPIA), the Innovative Medicines Initiative (IMI) which is a public-private partnership between the European Union and EFPIA, WELBIO (Walloon Institute for Life Lead Sciences), the INSEAD International Council, the Science & Business Innovation and the Caring Entrepreneurship Fund (King Baudouin Foundation).

Armand de Decker has been a member of the Board of the Issuer since 2008. Armand de Decker holds a Master of Law Degree from the University of Brussels (ULB, Belgium) and started his career as a lawyer. In parallel, from 1979, he pursued a political career within the Belgian Liberal Party. In 1981, he was elected to the Belgian Chamber of Representatives where he served until 1995. In 1995, he was elected to the Belgian Senate, and re-elected in 1999, 2003, 2007 and 2010. He served as President of the Council of the Brussels-Capital Region from 1995 to 1999, and from 1999 to 2004 he was President of the Senate. From 20 July 2004 until 12 July 2007, he served as the Minister of International Development Cooperation in the Belgian Federal Government and President of the Senate from July 2007 to July 2010. Armand De Decker is currently Mayor of Uccle (a commune of Brussels) and is Vice–President of the Belgian Senate since June 2010. Armand De Decker has received numerous special recognitions from many countries (among others, Belgium, France, Spain, Sweden, Finland, Denmark, Italy, Mexico) and has various mandates in organisations such as Alzheimer Belgique (the Belgian Alzheimer's association), the Belgian Royal Institute of International Relations, and the Belgian Reference Centre for Expertise on Central Africa.

Peter Fellner was appointed to the Board in 2005. Peter Fellner is chairman of Vernalis plc, and of the privately held UK biotechnology company, Astex Therapeutics Ltd. He is also a director of Qinetiq Group plc, Evotec AG, and Consort Medical plc (previously Bespak plc). Peter Fellner is also chairman of the Board of Directors of Biotie Therapeutics Corp. since October 2009. He was previously chairman of Celltech Group plc, having served as its chief executive officer from 1990 to 2003. He oversaw its development into the UK's largest biotechnology company, until its acquisition by the UCB Group in 2004. Before joining Celltech, he served as chief executive officer of Roche UK, from 1986 to 1990. From 1984 to 1986 he was director of the Roche UK Research Centre.

Jean-Pierre Kinet has been a member of the Board since 2008. He holds a medical degree (MD) from the University of Liège (ULg, Belgium). He is a professor of pathology at Harvard Medical School and at the Beth Israel Deaconess Medical Center in Boston (U.S.). He is a member of numerous Harvard, U.S. and international committees such as National Institutes of Health (NIH) expert panels and the International Strategic Support Committee of Biowin (Health Cluster of Wallonia). He has extensive experience in the research and development of novel therapies and is a board member of several biotechnology companies.

Thomas Leysen has been a member of the Board since January 2009 and has been member of the Remuneration and Nominations Committee since 2010. He has been chairman of the board of Umicore since 19 November 2008, and was previously chief executive officer of Umicore from May 2000 until 19 November 2008. He holds a Master of Law Degree from the University of Leuven (K.U.Leuven, Belgium). He started his career in the maritime business in Hamburg, London and Tokyo. From 1983 to 1988, he managed the Transcor group, which he built into an international oil and coal trading company with activities in Europe, America and Asia. He joined Umicore in 1993 as a member of the Executive Committee, and successively managed several industrial divisions. He became executive vice president of the company in 1998. Thomas Leysen is also chairman of the board of Corelio, Belgium's largest newspaper-publishing group, member of the board of CMB (Compagnie Maritime Belge), Norddeutsche Affinerie, Etex Group as well as member of the supervisory board of Bank Metzler in Frankfurt. He is chairman of FEB – VBO (Federation of Belgian Enterprises) and former Chairman of Eurométaux (the European metals industry federation). He is also president of the BJA (Belgium-Japan Association). He is a member of the Trilateral Commission and of the European Round Table of Industrialists (ERT). In the cultural sphere, he is a member of the board of trustees of the Rubens House Museum in Antwerp and is chairman of the Art Purchase Fund of the Fondation Roi Baudouin.

Gerhard Mayr was appointed to the Board and as member of the Remuneration and Nominations Committee in 2005. A native of Austria, Gerhard Mayr received a Master's Degree in chemical engineering from the Swiss Federal Institute of Technology (Zurich, Switzerland) in 1969, and an MBA from Stanford University (U.S.) in 1972. In March 2004, he retired as executive vice-president of pharmaceutical operations at Eli Lilly & Company after 32 years of service. He had been responsible for global pharmaceutical operations and sales and marketing worldwide at Lilly. Gerhard Mayr is a former chairman of both the International Executive Committee and the Europe Committee of the Pharmaceutical Research Manufacturers of America. He was a board member of the European Federation of the Pharmaceutical Industry from 1995 to 1997 and from 2000 to 2002. Gerhard Mayr is a member of the board of Lonza Group Ltd.

Norman J-Ornstein was appointed to the Board in 2008. He is a resident scholar at the American Enterprise Institute for Public Policy Research (AEI) based in Washington, DC (U.S.) and he counsels government campaign commissions. He also serves as an election analyst for CBS News and writes in several U.S. newspapers. He has also published several books related to U.S. politics. Norman Ornstein has a Bachelor of Arts degree from the University of Minnesota (U.S.), from which he also received an honorary Doctor of Laws degree, and he achieved a Master of Arts and Ph.D. from the University of

Michigan (U.S.). He served as a member of the board of the Public Broadcasting Service (PBS) and is currently on the board of Directors of the Campaign Legal Center, as well as on the board of Trustees of the U.S. Capitol Historical Society.

Arnoud de Pret was appointed to the Board in 2005 and has chaired the Audit Committee since 2005. A commercial engineer from UCL (Louvain), Arnoud de Pret started his career as a credit officer with Morgan Guaranty Trust of New York (in Brussels and Antwerp) in 1971. He became treasurer and corporate finance manager of Cockerill S.A. (Liège) in 1978. He joined the UCB Group (Brussels) in 1981 as chief financial officer and became a member of the Executive Committee in 1986. In 1990 he left the UCB Group and became treasurer and corporate finance manager at Société Générale de Belgique S.A before joining Umicore SA in 1991 as chief financial officer and member of the management committee until May 2000. Arnoud de Pret is director and member of the audit committee of InBev S.A., Umicore S.A., Sibelco S.A., Delhaize Group S.A. and serves as member of the supervisory board of NYSE Euronext.

Bridget van Rijckevorsel was appointed to the Board in 1992. Mrs van Rijckevorsel is a member of the board of directors of various privately-owned investment companies.

Gäetan van de Werve was appointed to the Board in 2006 and is a member of the Remuneration and Nominations Committee since 2006. A Doctor of Law (K.U.Leuven, Belgium), he also holds an MBA from Vlerick Management School (RUG). He joined Petrofina S.A. in 1973 where he held various management responsibilities in the areas of supply, sales and marketing. He was the managing director of Sigma Paints in Thailand from 1983 to 1985. In 1992 he joined the European Petroleum Industry Association (EURPIA) as an executive officer where he was responsible for environment, tax and legal. In 1996 he joined the Belgian Oil Industry Association as secretary-general. Gäetan van de Werve is not a member of the board of directors of another listed company.

Tom McKillop was appointed to the board in 2009. Educated at Irvine Royal Academy, Glasgow University and Centre de Mécanique Ondulatoire Appliquée (Paris), he joined ICI's Corporate Research Laboratory at Runcorn in 1969 and his research interests ranged from synthetic chemistry to quantum mechanics and molecular biology. In 1975 he moved to ICI Pharmaceuticals Division and held a number of increasingly senior Research and Development positions until his appointment in 1989 as Technical Director and Deputy Chairman of ICI Pharmaceuticals, a role in which he had global responsibility for Research, Development, Medical and Production. In 1994, he was appointed Chief Executive Officer of Zeneca Pharmaceuticals - Zeneca having demerged from ICI in 1993 - and, on completion of the merger of Astra and Zeneca in April 1999, he became Chief Executive of AstraZeneca PLC, a position he held until retiring on 31 December 2005. His wider industry activities included periods as Chairman of the British Pharma Group, President of the European Federation of Pharmaceutical Industries and Associations, Chairman of the Pharmaceutical Industry Task Force, and as a member of The European Round Table of Industrialists and the European Financial Round Table. Currently Sir Tom is president of The Science Council and a non-executive director of Almirall Prodesfarma SA. He has previously served as Chairman of the Royal Bank of Scotland Group plc., and as a non-executive director of BP plc, Amersham International plc (now GE Healthcare) and Lloyds TSB plc. During his career Sir Tom has received many scholarly awards and fellowships and was knighted in 2002 for services to the pharmaceutical industry.

Albrecht De Graeve was appointed member of the Board and member of the Audit Committee in 2010. Albrecht de Graeve is CEO of the Bekaert Group since May 2006. From 2002 until May 2006 he was CFO and company secretary of the Group. He started his career in 1980 with Arthur Andersen & Co and joined Alcatel Bell in 1982. In 1991 he became General Manager Shanghai Bell Telephone Equipment Mfg. Cy in Shanghai. In 1994 he was appointed Vice President, Director Operations, Alcatel Trade

International and later Director International Affairs, Alcatel Alsthom in Paris. In 1996 he became Managing Director of the Flemish Public Radio & TV Broadcaster (VRT). Bert De Graeve holds a master in Law from the University of Gent (1980) and studied Financial Management at IPO (Antwerp). He became Master in Tax Management at VLEKHO (Brussels). Bert De Graeve is Member of the International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC), President of the Flanders-China Chamber of Commerce, Member of the Advisory Board of the Conference Board China Center for Economics and Business in Beijing, Member of the Board of the Concours Reine Elisabeth and Senior Member of the Conference Board New York.

Alexandre Van Damme is member of the Board since 2010. Alexandre Van Damme holds a degree in business economics and graduated in 1985 from the Solvay Business School (Brussels). He joined the beer industry early and held various functions within Belgium based Interbrew until 1991. He joined the Board of Directors of Anheuser-Busch InBev (previously Interbrew and Inbev) in 1992 and is a Board member of InBev-Baillet Latour (non profit organization) and various Private Family owned companies. He is also a member of the Insead International Council and the Solvay Business School Consultative Counsel.

No member of the Board has been convicted in relation to fraudulent offences or has been associated within the past five years, with any bankruptcies, receiverships or liquidations and/or any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies). Furthermore, no member of the Board has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or, within the past five years, has been disqualified from acting in the management or conduct of the affairs of any issuer. To the knowledge of the Issuer, there are no potential conflicts of interests between any duties to the Issuer of the members of the Board and their private interests and/or other duties.

2. EXECUTIVE COMMITTEE

The Executive Committee is vested with all the duties, powers and authorities assigned to it by the Board. The Board nonetheless continues to bear ultimate responsibility for the management of the Issuer and theoretically has the competence to make decisions in the place of the Executive Committee.

According to section 5.1.1 of the charter of corporate governance of the Issuer (the "Charter"), the Executive Committee has responsibility for executing the strategy of the Issuer and the UCB Group as approved by the Board, in particular in the areas of research and development, operations, financial, administrative, risk and legal issues, human resources and investment.

The Executive Committee consists of eight members; only the chairman of the Executive Committee is a member of the Board. The members of the Executive Committee are appointed for an indefinite term but can be dismissed by the Board at any time. The chairman of the Executive Committee is appointed by the Board upon proposal by the Remuneration and Nomination Committee. The other members of the Executive Committee are appointed by the Board upon recommendation of the chairman of the Executive Committee and upon proposal by the Remuneration and Nomination Committee.

The current members of the Executive Committee are:

Name	**Position**
Roch Doliveux	Chief Executive Officer and Chairman of the Executive Committee
Michele Antonelli	Executive Vice President Technical Operations & HSE
Fabrice Enderlin	Executive Vice President, Global HR & Communication
Iris Löw-Friedrich	Executive Vice President, Global Projects & Development, Chief Medical Officer
Mark McDade	Executive Vice President, Global Operations
Detlef Thielgen	Executive Vice President and Chief Financial Officer
Robert Trainor	Executive Vice President and General Counsel
Ismail Kola	Executive Vice President and President UCB NewMedicines

The business address for each of the foregoing members of the Executive Committee is UCB S.A., 60 Allée de la Recherche, 1070 Brussels, Belgium.

Roch Doliveux please see the information above at Section 1 of this Part VI.

Michele Antonelli was appointed to the Executive Committee in September 2008. He has a degree in Plant Biology from the University of Bari, Italy, and qualified for the ENI's post graduate programme in Biotechnology and in Advanced Genetics (molecular and somatic cell) at the Catholic University of Piacenza and Iowa State University of Ames (U.S.). From 1985 to 1992, he worked at Enichem, in Italy, as Research Fellow and then Head of the Molecular and Cell Biology Unit. In 1992 he joined Serono where he held several senior managerial positions until he joined the UCB Group in 2008, gathering about 15 years' experience in the Q.A. and Manufacturing fields. His last position at Serono was as Senior Vice President of Biotech Manufacturing & Process Development, based in Geneva.

Fabrice Enderlin was appointed to the Executive Committee in March 2008. He was previously Vice President of Human Resources at GSK Biologicals, and at GSK France, Novartis, and Arcelor/Mittal. He Graduated from the "Political Sciences Institute" and has a Master's Degree in HR.

Iris Löw-Friedlich was appointed to the Executive Committee in March 2008. She was previously head of Research & Development and a member of the Executive Board of Schwarz Pharma AG, after having held the position of vice-president of Global Projects at BASF Pharma. Since June 2007, she has also been a member of the supervisory board of Wilex AG.

Mark McDade joined the UCB Group as executive vice-president of Corporate Strategy and Business Development in April 2008 and was appointed Executive vice-president Global Operations in January 2009. From 2002 until late 2007 he was chief executive officer and a director of PDL BioPharma, Inc. Prior to PDL, he served as chief executive officer of Signature BioScience, Inc. and was previously a co-founder and director of Corixa Corporation, where he served as chief operating officer from September 1994 through December 1998, and as president and chief operating officer from January 1999 until his departure in late 2000. Before Corixa, Mark McDade was chief operating officer of Boehringer Mannheim - Therapeutics, and prior to that held several positions at Sandoz Ltd. including business development, product management and general management. Mark McDade received a Bachelor of Arts from Dartmouth College and an MBA from Harvard Business School (U.S.).

Detlef Thielgen was appointed to the Executive Committee in January 2007. He was previously chief financial officer and then chief executive officer of Schwarz Pharma AG, managing director of Schwarz Pharma Operations covering the worldwide manufacturing and supply chain functions and vice-president of Finance & Administration/chief financial officer at Schwarz Pharma Inc/USA.

Robert Trainor was appointed to the Executive Committee in October 2005. He is executive vice-president and general counsel of the Issuer. Before joining the UCB Group, he was vice-president and associate general counsel of Schering-Plough, assistant general counsel of Johnson & Johnson and an attorney with the New York law firm Donovan Leisure Newton & Irvine. He started his career as counsel of the Committee on the Judiciary at the United States House of Representatives.

Ismail Kola was appointed to the Executive Committee in November 2009. He holds a Ph.D. in Medicine from the University of Cape Town, South Africa. He joined the UCB Group from Schering Plough Corporation where he was Senior Vice President, Discovery Research and Early Clinical Research & Experimental Medicine, Schering-Plough Research Institute, the pharmaceutical research arm of Schering-Plough Corporation, and Chief Scientific Officer, Schering Plough Corporation. Ismail came to Schering-Plough from Merck, where he was Senior Vice President and Site Head, Basic Research, and responsible for atherosclerosis and cardiovascular diseases, diabetes, obesity, infectious diseases, immunology and rheumatology, animal pharmacology and basic and medicinal chemistry. He also chaired Merck's Antibacterial and Antifungal Worldwide Business Strategy Team. Prior to that, he was Vice President, Research, and Global Head, Genomics Science and Biotechnology, with Pharmacia Corporation, and served as a consultant to SmithKline Beecham Pharmaceuticals, where he was also a member of the Genomics Advisory Board. Prior to his move to industry, Ismail was Professor of Human Molecular Genetics, Monash University Medical School and Director of the Research Center for Functional Genomics and Human Disease. He was at Monash for approximately 15 years. He holds Adjunct Professorships of Medicine at Washington University, St Louis, Missouri, USA, and Monash University Medical School, Melbourne, Australia; a Foreign Adjunct Professorship at The Karolinska Institute, Stockholm, Sweden; and is a William Pitt Fellow at Pembroke College, Cambridge University, UK. He is a member of the Board of Athersys Inc.

None of the members of the Executive Committee has been convicted in relation to fraudulent offences or has been associated within the past five years, with any bankruptcies, receiverships or liquidations and/or any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies). Furthermore, none of the members of the Executive Committee has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or, within the past five years, has been disqualified from acting in the management or conduct of the affairs of any issuer.

The Executive Committee met twice a month during 2009 and every three weeks in 2010, and there were no transactions or contractual relationships in 2009 between the Issuer, including its related companies, and a member of the Executive Committee which could create a conflict of interests.

3. CORPORATE GOVERNANCE

In accordance with principle 9 of the 2009 Code, the Issuer has established a Charter describing all main aspects of its corporate governance policy; it has until now included a corporate governance chapter in its annual report, and will, as of 2010, include a corporate governance statement in compliance with the 2009 Code.

The Charter describes the main aspects of the corporate governance of the Issuer including its governance structure, the terms of reference of the Board and its committees and other important topics.

The Charter is available, together with the articles of association (the "**Articles**") of the Issuer, on the UCB Group's website (www.ucb.com). The Board approved the initial Charter on 28 October 2005 and the current version of the Charter was approved on 17 December 2010, and was adapted due to notification by Wellington of surpassing a threshold of 3% on 10 February 2011.

(a) Board of Directors

Pursuant to the BCC, public limited liability companies are managed by a board of directors consisting of at least three directors. The board of directors may perform all acts necessary or useful for achieving the company's corporate purpose, with the exception of those acts that are by law or the Articles explicitly reserved for the company's general shareholders meeting. The board of directors also represents the company vis-à-vis third parties and before courts. The board of directors may delegate the company's day-to-day management to one or more persons, whether directors or not, acting jointly or separately.

The Board appoints and removes the chief executive officer, who chairs the Executive Committee. The role of the chief executive officer together with the Executive Committee is to implement the mission, strategy and targets set by the Board and to assume responsibility for the day-to-day management of the company. The chief executive officer reports directly to the Board.

According to the law and the Articles, the members of the Board are appointed by the general meeting of shareholders of the Issuer (the "**General Meeting**") for a term of three years and are at all times subject to dismissal by the General Meeting with or without cause. Directors may be re-elected following the expiration of the term of their appointment. The number of Directors shall be at least three.

According to section 3.1.2 of the Charter, the members of the Board are either executive or non executive Directors. Non executive Directors have no executive responsibilities within the Issuer. The terms of reference of the Board in the Charter require that a majority of the Directors are non executive Directors, and the chairman of the Executive Committee (also the Chief Executive Officer) is currently the only executive Director of the Company. Furthermore, eight of the Directors meet all independence criteria according to the BCC and the 2009 Code, being free from any business, close family or other relationships with the Issuer, its controlling shareholders or the management of either that could create a conflict of interest such as to affect their independent judgment as a Director. The executive Director communicates all information concerning the Issuer's business and finances required for efficient running of the Board. The Board discusses and determines the key policies and strategy proposed by the Executive Committee, identifying the key steps to be taken to develop the Issuer.

The Board meets whenever the interests of the Issuer so require or at the request of one or more Directors. In principle, the Board will meet at least seven times per annum. The decisions of the Board are made by a simple majority of the votes cast. The chairman of the Board has the casting vote.

According to section 3.1.1 of the Charter, the Board has reserved certain powers, which include in particular the determination of the Issuer's mission, values and strategy, monitoring of the management, appointment and removal of members of the audit committee of the Issuer (the "**Audit Committee**"), the remuneration and nomination committee of the Issuer (the "**Remuneration and Nomination Committee**") and the Executive Committee, approval of the annual investment budget, determination of the annual research and development programme, long-term or major finance operations and re-organisation of the Issuer and the UCB Group. The Board has delegated certain of its administrative powers to the Executive Committee, the scope and powers of which are set out in sections 5.1.1 and 5.1.2 of the Charter.

In accordance with the 2009 Code, the Issuer has adopted a code on private investment transactions (the "**Internal Code**") applicable to its Directors, senior executives, key employees, their secretaries and assistants, all employees of the Issuer and their family members (the "**Insiders**") and outsiders to prevent insider trading offences and market abuse by prohibiting dealing in Ordinary Shares or other financial instruments of the Issuer, particularly during the periods preceding the publication of financial results or information which is liable to considerably influence the price of Ordinary Shares or the share price of a company targeted by a planned operation (a close period). The Internal Code also establishes rules to set limitations in transactions by certain key employees of the Issuer.

Close periods currently extend from 1 January to two days after the publication of the annual results and from 1 July to two days after the publication of the half year results. No Insider or other employee is allowed to buy or sell the UCB Group (related) securities during close periods. Moreover, even during trading windows, Insiders are not allowed to trade in the UCB Group (related) securities when in possession of material non-public information.

The Board has designated a compliance officer (the "**Compliance Officer**") who monitors compliance with the rules of the Internal Code. The Internal Code provides for an obligation for Insiders to notify the amount of Ordinary Shares involved and the type of transaction they intend to make for their own account to the Compliance Officer. Additionally, under Belgian law, Directors, members of the Executive Committee and their close family members have to notify each transaction in the UCB Group (related) securities to the CBFA within five business days following the transaction.

(b) Audit Committee

According to section 4.2.2 of the Charter, the Audit Committee is composed of three non-executive Directors, all competent in accounting and audit matters in the sense of Article 526*bis* of the BCC. One of the members is independent according to the Law and to the same Code. The current members of the Audit Committee are Arnoud de Pret (chairman), Karel Boone, Bert De Graeve and Gerhard Mayr. Bert De Graeve and Gerhard Mayr fulfill the independence criteria set by Article 526*ter* of the BCC. The Audit Committee meets at least four times a year, and met four times in 2010.

According to section 4.2.1 of the Charter, the Audit Committee assists the Board in its responsibility of monitoring the management of the Issuer and the UCB Group as a whole, and more specifically with regard to the reliability of financial information, compliance with relevant laws and regulations, appropriate risk management and efficient internal control processes within the Issuer. The Audit Committee makes recommendations to the Board. The Board, however, has the exclusive power of decision.

The assignments of the Audit Committee can vary according to the circumstances. However, the Audit Committee performs the functions such as verifying the quality and reliability of the Issuer's consolidated semi-annual and annual accounts submitted to the Board, evaluating the checking and audit methods implemented at UCB Group level, and examining together with the external auditors the range, scope and method of the performed audit and to examine the results of the external audit and the reports submitted by the external auditors to the shareholders.

The Audit Committee regularly invites the chief financial officer, the internal auditor, the chairman of the risk management committee, the vice-president, and the external auditors to attend its meetings.

(c) Remuneration and Nomination Committee

The Remuneration and Nomination Committee is composed of five non-executive Directors: Evelyn du Monceau (Chair), Karel Boone, Gerhard Mayr, Thomas Leysen and Tom McKillop. A majority of the current members of the Remuneration and Nomination Committee meets the independence criteria set by Article 526*ter* of the BCC, and all members have the competencies and expertise required in matters of remuneration policies as requested by Article 526*quater* of the BCC. In principal, the Remuneration and Nomination Committee meets three times a year, and met two times in 2010.

The duties and responsibilities of the Remuneration and Nomination Committee are determined by the Board. According to section 4.3.1 of the Charter, the Remuneration and Nomination Committee is responsible for the appointment and re-election process for members of the Executive Committee. Additionally, it proposes the remuneration policy for non-executive Directors and executive managers, and proposes the compensation programmes for executive managers. The Remuneration and Nomination Committee makes recommendations to the Board. Only the Board, however, has the power of decision.

The duties of the Remuneration and Nomination Committee include, among others, submitting to the Board proposals for appointment, removal or dismissal of members of the Board and the Executive Committee, determining overall remuneration and any other fixed or variable allowances allocated to members of the Executive Committee, and approving changes in the system of remuneration for the Issuer's senior executives.

The chairman of the Remuneration and Nomination Committee and the chairman of the Executive Committee propose some matters jointly to the Remuneration and Nomination Committee, such as the conditions, bonus remuneration and awarding of free stock or stock options for the other members of the Executive Committee. The chair of the Remuneration and Nomination Committee is responsible for conducting the annual assessment process of the Board and for reporting the results to the Board.

The Remuneration and Nomination Committee is attended by the chairman of the Executive Committee, who does not take part in meetings regarding issues with respect to his own position, and the executive vice-president of human resources, who is also the Remuneration and Nomination Committee's secretary for the meetings. It is also advised by external experts when this is deemed useful by the Remuneration and Nomination Committee.

(d) Scientific Committee

The Scientific Committee is composed of two members who have outstanding scientific medical expertise: Peter Fellner and Jean-Pierre Kinet.

The members of the Scientific Committee attend the meetings of the Issuer Scientific Advisory Board (SAB) and meet regularly with the Executive Vice President & President UCB NewMedecines. The Scientific Committee reports to the Board after each SAB meeting.

The Scientific Committee assists the Board, reviews the quality of the Issuer R&D science and its competitive standing. It assesses the strategy proposed by the Issuer management in R&D matters and communicates its recommendations to the Board.

The members of the Scientific Committee are also closely involved in the activities of the SAB composed of external leading scientific medical experts. SAB was created in September 2005 by the Executive Committee to critically review the R&D activities of the Issuer, to provide scientific appraisal

and strategic input as to the best way for the Issuer to become a robust and thriving biopharmaceutical leader and to advise the Executive Committee on the strategic choices related to early stage R&D. The Scientific Committee's main task is to report to the Board of Directors on the SAB's appraisal of the Issuer's research activities and strategic orientation.

4. COMPENSATION

The following table sets forth the remuneration paid to the members of the Board during the financial year ended 31 December 2010 and for each member's term beginning 1 January 2010 and ending 31 December 2010.

Name	**Remuneration (in €)**
Current Directors	
Karel Boone (Chairman)	149,000
Evelyn du Monceau	115,500
Roch Doliveux	67,000
Prince Lorenz of Belgium (until 29 April 2010)	35,750
Armand de Decker	64,000
Peter Fellner	70,750
Jean-Pierre Kinet	70,750
Thomas Leysen	74,500
Tom McKillop	67,875
Gerhard Mayr	74,500
Norman Ornstein	67,000
Arnoud de Pret	81,000
Bridget van Rijckevorsel	67,000
Gaëtan van de Werve	74,500
Alexandre Van Damme (since 29 April 2010)	50,000
Albrecht De Graeve (since 29 April 2010)	54,625

Based on revised benchmarks which included remuneration of Board members of comparable U.S. companies and remuneration of Board members of European biopharmaceutical companies, the General Meeting of 24 April 2008 approved, as from that date, that the annual emoluments of the Directors are €60,000, €120,000 for the chairman of the Board, and €90,000 for the vice-chairperson. The chair is entitled to €2,000 per meeting, the vice chairperson to €1,500 per meeting and the directors to €1,000 per meeting as meeting attendance fees.

The chief executive officer's annual base salary for 2010 was €1,269,261. The chief executive officer's total compensation (base salary + bonus + long-term incentives) for 2010 amounts to €3,318,766 (excluding pension contributions and other benefits).

The following table sets forth the remuneration paid to the members of the Executive Committee during the financial year ended 31 December 2010. Except for the chairman of the Executive Committee, Roch Doliveux, whose remuneration is disclosed on an individual basis, the remuneration paid to the remaining members of the Executive Committee is disclosed on an aggregate basis.

Name	Base salary (in €)	Bonus (in €)	Other components (in €)
Roch Doliveux	1,269,261	722,716	1,769,252
Other members of the Executive Committee (in aggregate)	3,160,859	2,023,980	1,916,177
	4,430,120	2,746,696	3,685,429

For the financial year ended 31 December 2010, the aggregate compensation (base salary, bonus and long-term incentives) paid to all members of the Executive Committee (excluding the chairman) was €7,930,361 (excluding pension contributions and other benefits).

Other than the service contract for the chief executive officer of the Issuer and chairman of the Executive Committee, Roch Doliveux, no members of the administrative, management or supervisory bodies' have entered into service contracts with any affiliates of the Issuer providing for benefits, in addition or in excess of the statutory benefits, upon termination of employment. The service contract for the chief executive officer of the Issuer and chairman of the Executive Committee, Roch Doliveux, provides that in case of termination, he will be eligible to a lump sum equal to 24 months of actual base compensation increased by the actual average variable compensation relating to the three previous years. In case of termination due to change of control, the lump sum will equal to 36 months. The Issuer has implemented directors' and officers' insurance coverage.

5. STOCK OPTION AND STOCK AWARD PLANS

The Issuer operates several equity-based compensation plans, including a share option plan, a share appreciation rights plan, a share award plan and a performance share plan to compensate employees for services rendered. The share option plan, the share award plan and the performance share plan are equity-settled, whereas the share appreciation rights plan is a cash-settled plan. Besides these plans, UCB Group also operates employee share purchase plans in the UK and the U.S.

(a) Share option plans and share appreciation rights plan

The Remuneration and Nomination Committee granted options on Ordinary Shares to the Executive Committee members, the senior executives and the senior and middle management of UCB Group. The exercise price of the granted options under these plans is equal to the lowest of the following two values:

- the average of the closing price of the Ordinary Shares on NYSE Euronext, Brussels, during the 30 days preceding the offer; or

- the closing price of the Ordinary Shares on NYSE Euronext, Brussels the day before the grant.

A different exercise price is determined for those eligible employees subject to legislation which requires a different exercise price in order to benefit from reduced taxation. The options become exercisable after a vesting period of three years, except for those eligible employees subject to legislation which requires a longer vesting period in order to benefit from reduced taxation. If an employee leaves UCB Group, his/her options usually lapse upon expiry of a period of six months. Options are acquired in case of death or retirement and in case of involuntary termination when taxes have been paid upon grant. UCB Group has no obligation to repurchase or settle the options in cash. There are no reload features, and the options are not transferable (except in case of death).

The share appreciation rights ("**SARs**") plan has similar characteristics to the share option plan, except that it is reserved for the UCB Group employees in the U.S. This plan is cash-settled. All share options granted to U.S. option holders in 2005 and 2006 were transformed into SARs, except for three employees. Since 2007 all eligible U.S. employees have been granted SARs.

(b) Share award plan

The Remuneration and Nomination Committee granted free Ordinary Shares (the "**Free Shares**") to members of the leadership team with a grade 12 or above. The Free Shares have service conditions attached to them whereby beneficiaries are required to remain in service for three years post grant date. Share awards lapse upon leaving UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the vesting period.

(c) Performance share plan

The Remuneration and Nomination Committee granted performance shares (the "**Performance Shares**") to members of the leadership team with a grade 12 or above who achieved an outstanding performance. The performance shares are conditional on the beneficiary completing the Vesting Period and are also subject to the fulfilment of certain performance conditions. Performance Shares lapse upon leaving the UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the Vesting Period.

(d) Phantom share option, share award and performance share plans

The UCB Group also has phantom share option, phantom share award and phantom performance share plans (collectively referred to as the "**Phantom Plans**"). These Phantom Plans apply to certain members of the leadership team who have an employment contract with certain affiliates of the UCB Group and are governed under similar rules to the UCB Group share option, share award and performance share plans except for their settlement. The share-based payment expense incurred for these plans is immaterial.

(e) Employee share purchase plans in the U.S.

This plan is intended to provide employees of the UCB Group affiliates in the U.S. with an opportunity to purchase Ordinary Shares. Ordinary Shares are acquired at a discount of 15 per cent. which is funded by the UCB Group. Employees save a certain portion of their salary through payroll deduction and shares will be purchased with after-tax employee savings. The Ordinary Shares are held by an independent third party banking institution in an account in the employee's name.

The limit placed on employees' participation in the plan is as follows:

- between 1 per cent. and 10 per cent. of each participant's compensation;
- US$25,000 per annum per participant; and

- maximum of US$ 5 million total ownership by U.S. employees in all forms of share plans over a rolling period of 12 months.

As of 31 December 2010, the plan had 731 participants (2009: 688). There are no specific vesting conditions and the share-based payment expense incurred for this plan is immaterial.

(f) Share savings plan in the UK

The purpose of this plan is to encourage the holding of Ordinary Shares by employees in the UK. Participants save a certain portion of their salary through payroll deductions and the UCB Group matches every five Ordinary Shares bought by each participant with one free Ordinary Shares. Ordinary Shares are held in an account in the employee's name by an independent company that acts as a trustee.

Employee contributions to the plan are limited to the lower of: 10 per cent. of each participant's compensation or £1,500 per annum per participant. As of 31 December 2010, the plan had 40 participants (2009: 52) and the share-based payment expense incurred for this plan is immaterial.

(g) Share-based payment expense

The total share-based payment expense incurred for the UCB Group equity-based compensation plans amounted to €20 million in 2010 (2009: €16 million).

For a full description of each of the share option plans, the share appreciation rights plan, the share award plans, the performance share plans, and the options granted in November 2002 which remain outstanding, please refer to pages 116 to 119 of the 2010 Annual Report, which is incorporated by reference in this Prospectus.

6. MAIN FEATURES OF THE COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS

(a) Internal control

The Board of Directors is the Company's governing body, and one of its roles is to provide entrepreneurial leadership of the Company within a framework of prudent and effective controls which enables risks to be assessed and managed. Company management is responsible for establishing and maintaining adequate internal controls to provide reasonable assurance regarding the achievement of objectives of the reliable nature of financial information, compliance with relevant laws and regulations, and performing internal control processes within the Company in the most efficient manner.

The Audit Committee assists the Board of Directors in its responsibility of monitoring the management of the Company and the Group as a whole, of monitoring the effectiveness of the company's overall internal control processes, of the monitoring of the financial overall reporting process and of monitoring the Global Internal Audit function and its effectiveness.

The Global Internal Audit function provides independent, objective assurance activities designed to evaluate, add value and improve the Company's internal control and operations, by bringing a systematic, disciplined approach to the evaluation of, and recommending enhancements to, the Company's governance, compliance, risk management, and internal control processes.

(b) Risk management

A global Risk Management policy, applicable for the whole UCB Group and its affiliates worldwide, describes the UCB Group's commitment to provide an effective risk management system across the company in order to minimise its exposure to risks that could threaten the UCB Group's corporate objectives.

The Board of Directors is responsible for approving the UCB Group's strategy, goals and objectives and overseeing the establishment, implementation and review of the Group's risk management system.

The Board of Directors is assisted by the Audit Committee in its responsibility in the area of appreciation of risk and risk management, and the Audit Committee examines on a regular basis the areas where risk could significantly affect the Group's financial situation and reputation, and monitors the overall risk management process of the Company.

The Corporate Risk Management Committee, consisting of Executive Committee members and senior management representatives of all business functions, and reporting to the Executive Committee, provides strategic leadership that endorses the corporate risk assessment and prioritisation process that drives the establishment of risk mitigation plans within all business functions and operations, supported by a global risks management system to effectively and efficiently assess report, mitigate and manage actual or potential risk or exposures. The chairman of the Corporate Risk Management Committee provides periodic status updates directly to the Audit Committee.

The Executive Committee is responsible for implementing the risk management strategy and objectives, and the Global Internal Audit function is responsible for independently and regularly reviewing and validating the risk management process in the Company and jointly agreeing with the Business Functions on actions to mitigate and control assessed risks.

PART VII. PRINCIPAL SHAREHOLDERS

As at the date of this Prospectus, the share capital of the Issuer amounted to €550,095,156 and consisted of 183,365,052 Ordinary Shares of no-par value. The Ordinary Shares are listed on Eurolist by NYSE Euronext, Brussels. They have been fully paid up.

In accordance with the notifications made in compliance with the law of 2 May 2007, the present major shareholders of the Issuer are, as at the date of this Prospectus:

		Current	Voting Rights (per cent.)	Date of latest declaration in compliance with the law of 2 March 1989
	Capital (€)	**550,095,156**		
	Ordinary Shares	**183,365,052**		
1.	Financière de Tubize S.A.	66,370,000	36.20	15 December 2010
2.	UCB Fipar S.A.	3,165,550	1.73	15 December 2010
3.	UCB SCA	1	0.00	15 December 2010
4.	Schwarz Vermögensverwaltung GmbH	9,102,658	4.96	15 December 2010
5.	KBC Bank N.V.	2,289,318	1.25	1 September 2008
6.	Banque Degroof S.A.	669,230	0.36	1 September 2008
	through Degroof Corporate Finance S.A.	450,000		
	through Imofig S.A.	219,230		
7.	Levimmo S.A.	1,230,770	0.67	1 September 2008
8.	Compar Finance S.A.[1]	1,900,000	1.04	1 September 2008
9.	Pharmahold S.A.[2]	1,900,000	1.04	1 September 2008
10.	Cosylva S.A.[3]	1,900,000	1.04	1 September 2008
	Financière de Tubize S.A. and linked companies and concert 4-10[4]	88,527,527	48.28	1 September 2008
11.	Capital Research and Management Company (voting interests) which include the UCB SA shares held by Euro Pacific Growth Fund which exceed 3 per cent. of UCB SA share capital	21,717,895	11.84	30 October 2008
12.	Wellington Management Cy LLP	5,505,950	3	8 February 2011

[1] Compar Finance S.A. holds additionally 165,830 UCB SA shares outside the concert

[2] Pharmahold S.A. holds additionally 1,100,000 UCB SA shares outside the concert

[3] Cosylva S.A. holds additionally 1,100,000 UCB SA shares outside the concert

[4] Financière de Tubize S.A. has declared acting in concert separately with each of the shareholders 4, 5, 6, 7, 8, 9, 10 for the number of shares as indicated

None of the shareholders mentioned above, nor any other shareholders of the Issuer, have any special rights or privileges other than those conferred by the Ordinary Shares held by them.

Under a shareholders' agreement entered into on 24 September 2006 between Financière de Tubize S.A. and the Schwarz Family Holding (the "**Shareholders' Agreement**"), the Schwarz Family Holding and Financière de Tubize S.A. have agreed, subject to certain conditions and limitations, that prior to each General Meeting they shall meet and consult with each other during a pre-meeting with respect to the agenda of the General Meeting and the proposed decisions. The Schwarz Family Holding and Financière de Tubize S.A. will try to reach a consensus with regard to each item of the agenda on how to exercise their voting rights at the respective General Meeting. In case such consensus cannot be reached, Financière de Tubize S.A. shall have a casting vote. At the relevant General Meeting, the Schwarz Family Holding and Financière de Tubize S.A. shall cast their votes in accordance with the decisions taken at the pre-meeting. These voting arrangements do not apply to certain specific decisions.

Subject to certain conditions and limitations, the Schwarz Family Holding is entitled, however, to transfer the Issuer shares in its possession at any time if: (i) the shareholding of Financière de Tubize S.A. in the Issuer falls bellow 33 per cent.; (ii) the shareholding of the Janssen Family in Financière de Tubize S.A. falls bellow 50 per cent.; or (iii) if Financière de Tubize S.A. or the Janssen Family decides to tender any of their shares in the Issuer or Financière de Tubize S.A., respectively, in a public takeover bid for the Issuer or Financière de Tubize S.A..

The Issuer is not aware of any other voting agreements among the shareholders mentioned above.

PART VIII: RELATED PARTY TRANSACTIONS

During the financial years ending on 31 December 2010, 31 December 2009 and 31 December 2008 respectively all intra-UCB Group transactions were carried out based on assessments of mutual economic benefit to the parties involved, and the applicable conditions were established in accordance with the criteria of at arm's-length negotiations and fair dealing, and with a view to creating value for the entire UCB Group. Conditions governing the intra-UCB Group transactions were similar to conditions governing third party transactions.

With regard to the sale of intermediary and finished products, these criteria were accompanied by the principle of increasing each party's respective production cost by an at arm's length profit margin. With regard to intra-UCB Group services rendered, these criteria are accompanied by the principle of charging fees sufficient to cover each parties' respective incurred costs and at an arm's length mark-up. Intra-group transactions carried out within the UCB Group constitute standard transactions for a biopharmaceutical group. These transactions include the purchase and sale of intermediary and finished medical products, deposits and loans for UCB Group affiliates as well as centralised functions and activities carried out by the UCB Group in order to optimise operations through economies of scale and scope.

Other than the Defensive Warrants, as described in Part XI, there are no financial transactions with related parties other than affiliates of the Issuer.

PART IX: ASSOCIATED COMPANIES AND SHAREHOLDINGS

The Issuer is currently the parent company, directly or indirectly, of the following Belgian and foreign companies.

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Biotie Therapies Corp	6 Tykistökatu, 20520 Turku, Finland	Less than 20
Celltech Group Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Celltech Insurance Ltd. (in liquidation)	4th fl St. James House 25-28 Adelaide Road, Dublin 2, Ireland	100
Celltech Japan Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Celltech Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Celltech Pharma Europe Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Celltech Pharma Ireland	United Drug House, Magna Drive, Magna Business Park, City West Road, Dublin 24, Ireland	100
Celltech R & D Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Celltech US LLC	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Chiroscience Group Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Chiroscience R & D Ltd	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Confirmant Ltd.	208 Bath Road, Slough, Berkshire,SL1 3WE, U.K.	100
Darwin Discovery Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Doutors Réassurance S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Evans Healthcare Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Evans Medical Pensions Ltd.	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Fin. UCB S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
Fipar	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Fipar UK Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Fipar US Inc.	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
Immo UCB Braine SA	Allée de la Recherche 60, 1070 Brussels, Belgium	100
International Medication Systems (UK) Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Korea UCB Co., Ltd.	1674-1, Seocho-dong, Seocho-gu,, 137-881 Seoul, South-Korea	100
Kremers Urban Pharmaceuticals Inc.	251 E. Ohio Street, suite 1100, 46204 Indianapolis, Indiana U.S.A.	100
KUdCo Ireland Ltd.	Shannon Industrial Estate, Shannon, County Clare, Ireland	100
Medeva B.V.	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
Medeva Holdings B.V.	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
Medeva International Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Medeva Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Medeva Pharma Suisse SA	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Medeva UK Pension Ltd.	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K	100
Medo Pharmaceuticals Ltd	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Melusin Ilac ve Maddeleri Pazarlama TLS	Rüzgarilibaçe, Cumhurriyet Caddesi Gerçekler Sitesi B Blok Kat:6 Kavacik/Beykoz, Istanbul, Turkey	100
Oxford Glycosciences	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Oxford GlycoSciences (UK) Ltd	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Oxford Glyco Therapeutics Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Sanol GmbH	Alfred-Nobel Strasse, 10, 40789 Monheim am Rhein, Germany	100
Schwarz & Co Immobiliengesellschaft Zwickau beschränkt haftende OHG	Galileistrasse 6, 8056 Zwickau, Germany	100
Schwarz & Co Industriegebäudegesellschaft Zwickau beschränkt haffende OHG	Galileistrasse 6, 8056 Zwickau, Germany	100
Schwarz Pharma Employee Nominee Ltd	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Schwarz Pharma Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Schwarz Pharma Ltd (Ireland)	Shannon Industrial Estate, Shannon, County Clare, Ireland	100
Schwarz Pharma OOO in liquidation.....	Kantemirovskaja 58, 115477 Moscow, Russia	100
Schwarz Pharma Produktions GmbH	Alfred-Nobel Strasse, 10, 40789 Monheim am Rhein, Germany	100
Schwarz Pharmaceuticals Ltd	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Sifar S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
Société Financière UCB S.A.	12, Rue Eugène Rupert, 2453 Luxembourg, , Luxembourg	100
UCB S.R.O. (Czech Republic)	Thamova, 13, Praha 8, 186 00, Czech Republic	
UCB A.E.	580 Vouliagmenis Avenue, 16452 Argyroupolis Athens, Greece	100
UCB Australia Pty. Ltd.	Level 1, 1155 Malvern Road, Malvern, Victoria 3144, Australia	100
UCB Belgium S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
UCB BioSciences GmbH	Alfred-Nobel Strasse, 10, 40789 Monheim am Rhein, Germany	100
UCB Biosciences Inc.	Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB Bulgaria EOOD	15, Lyubata Str., Fl. 4 apt. 10-11, Lozenetz, Sofia, 1407 Bulgaria	100
UCB Canada Inc.	2060 Winston Park Drive, Suite 401, Oakville, ON L6H5R7 Burlington, Canada	100
UCB de Mexico S.A. de C.V	Homero #440, 7fl Col. Chapultepec Morales, 11570 Mexico D.F., Mexico	100
UCB Farchim S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
UCB Farma Brasil Ltda.....	Rue Sete de Setembro n° 67, sala 301, 20050-005 Rio de Janeiro, Brazil	100
UCB Finance N.V.	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
UCB Fipar Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
UCB Fipar S.A.	Allée de la Recherche 60, 1070 Brussels, Belgium	100
UCB France S.A.	Défense Ouest 420, rue d'Estienne d'Orves, 92700 Colombes, France	100
UCB GmbH	Alfred-Nobel Strasse, 10, 40789 Monheim am Rhein, Germany	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
UCB Holdings Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB Hungary Ltd.	Obuda Gate Building Arpád Fejedelem ùtja 26-28, 1023 Budapest, Hungary	100
UCB Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB India Private Ltd.	504 Peninsula Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, 400 013 Mumbai, India	100
UCB Investissements S.A.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
UCB (Investments) Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
UCB Ireland	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
UCB Japan Co., Ltd.	Ochanomizu Kyoun Bldg 2-2, Kanda-Surugadai, 101-0062 Chiyoda-Ku, Japan	100
UCB Lux S.A.	12, Rue Eugène Rupert, 2453 Luxembourg, Luxembourg	100
UCB Manufacturing Inc	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB Pharco Inc.	300 Delaware Avenue Suite 1297, 19801 Wilmington Delaware, U.S.A.	100
UCB Pharma (Hong Kong) Ltd.	Unit 514, 5/F South Tower, World Finance Center The Gateway, Harbour City, Hong Kong, China	100
UCB Pharma AB (Sweden)	Stureplan 4C 4 van, 11435 Stockholm, Sweden	100
UCB Pharma A.G.	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100.
UCB Nordic AS	Arme Jacobsen Alle 15, 2300 Copenhagen, Denmark	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
UCB Pharma AS (Turkey)	Rüzgarilibaçe, Cumhurriyet Caddesi Gerçekler Sitesi B Blok Kat:6 Kavacik/Beykoz, Istanbul, Turkey	100
UCB Pharma A.S. (Norway)	Grini Naeringspark, 8b, Osteras 1361, Baerum, Norway	100
UCB Pharma B.V. (Nederland)	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
UCB Pharma Gesellschaft m.b.H. (Austria)	Geiselbergstrasse 17-19, 1110 Wien, Austria	100
UCB (Pharma) Ireland Ltd.	United Drug House, Magna Drive, Magna Business Park, City West Road, Dublin 24, Ireland	100
UCB Pharma LLC (Russia)	5 Shturvalnaya str. Bldg 1, Moscow 125364, Russia	100
UCB Pharma Logistics LLC	Perevedenovky pereulok, 13, building 21, 105082 Moscow, Russia	100
UCB Pharma Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
UCB Pharma OY (Finland)	Itsehallintokuja 6, 2600 Espoo, , Finland	100
UCB Pharma (Produtos Farmaceuticos) Lda	Rua Victor Camâra Ed. D. Amelià, piso 0, sala A2 Quinta da Fonte, 2770-229 Paço de Arcos, Portugal	100
UCB Pharma Romania S.R.L.	37 Paris Street, Bucharest 11814, Romania	100
UCB Pharma S.A.	Paseo de la Castellana, 141 Planta 15 28046, Madrid, Spain	100
UCB Pharma S.A. (Belgium)	Allée de la Recherche, 60, 1070 Brussels, Belgium	100
UCB Pharma S.A. (France)	Défense Ouest 420, rue d'Estienne d'Orves, 92700 Colombes, France	100
UCB Pharma SpA	Via Gadames, 57, 20151 Milan, Italy	100
UCB Pharma Sp.zo.o. (Poland)	Ul. Kruczkowskiego, 8, 00-380 Warsawa, Poland	100
UCB S.C.A.	12, Rue Eugène Rupert,, 2453 Luxembourg, Luxembourg	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
UCB Services Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
UCB T&R Graham Ltd.	c/o HLB Breckenridge House 274 Sauchiehall Street, Glasgow, G2 3EH, U.K.	100
UCB Technologies Inc	C T Corporation System, 111 Eight Avenue, New York, NY 10011, USA	100
UCB Trading (Shanghai) Co. Ltd.	Room 317, No. 439 Fu Te Xi Yi Road, Shanghai (Waigaoqiao Free Trade Zone), China	100
UCB Watford Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Uni Mediflex Private Ltd.	G-6 Venus Apartments RG Thandani Marg Worli, 400018 Mumbai, India	100
Upstate Pharma LLC	111 Eight Avenue, New York, NY 10011, U.S.A.	100
Vedim Sp.zo.o.	Ul. Kruczkowskiego, 8, 00-380 Warsawa, Poland	100
Vedim Pharma S.A.	Paseo de la Castellana, 141 Planta 15 28046, Madrid, Spain	100
Vedim S.A. de CV	Homero #440, 7fl Col. Chapultepec Morales, 11570 Mexico D.F., Mexico	100
Vedim Pharma (Prod. Quimicos e Farma) Lda	Rua Victor Camâra Ed. D. Amelià, piso 0, sala A2 Quinta da Fonte, 2770-229 Paço de Arcos, Portugal	100
Vedim Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Viking Trading Co. Ltd.	208 Bath Road, Slough, Berkshire SL1 3WE, U.K.	100
Wilex Biotechnology GmbH	Grillparzerstrasse 10, 81675 Munchen, Germany	Less than 20
Zhuhai Schwarz Pharma Company Ltd	Block A. Changsa Industrial Zone. Qianshan District, Zhuhai, Guangdong Province, 519070 China	75

PART X: DESCRIPTION OF THE SHARES AND ARTICLES OF ASSOCIATION

1. FORMATION, LEGAL AND COMMERCIAL NAME, FINANCIAL YEAR

The Issuer's legal predecessor, Société Industrielle de la Cellulose, was founded on 19 May 1925. As part of a merger the name of the company changed to Union Chimique-Chemische Bedrijven on 27 November 1961, and changed again to UCB S.A. on 15 December 1970. The Issuer is currently registered as a public limited liability company organised under Belgian law (société anonyme/naamloze vennootschap) registered in the Belgian Crossroads Bank for Enterprises under 0403 053 608. The registered offices of the Issuer are located at 60 Allée de la Recherche, 1070 Brussels, Belgium. The Issuer's legal name is "UCB S.A.". The Issuer's principal place of business is at 60 Allée de la Recherche, 1070 Brussels, Belgium, telephone number +32 2 559 9264 (Investor Relations). The duration of the Issuer, as set forth in article 4 of the Articles, is unlimited.
The Issuer's financial year corresponds to the calendar year. Following the end of each financial year, the Board approves the draft of the financial statements to be submitted for approval to the ordinary General Meeting. The ordinary General Meeting is to be held each year on the last Thursday of April.

2. CORPORATE PURPOSE

According to article 3 of the Articles, the purpose of the company is to hold and manage direct or indirect shareholdings in other companies having a purpose directly or indirectly related to research, development, industrial or commercial activities, focused mainly but not exclusively on the pharmaceutical industry. The company can provide support services for third parties, in particular for companies in which the company has a direct or indirect interest. More generally it can undertake any commercial, industrial, financial, property, or real estate operations both in Belgium and elsewhere, which may be directly or indirectly related to the above purposes, including, without being limited to, the financing of the companies in which it has an interest by way of loans, guarantees, grants of securities or in any other manner.

3. SHARE CAPITAL AND SHARES

At the time of publication of this Prospectus, the share capital of the Issuer amounted to €550,095,156 divided into 183,365,052 Ordinary Shares. The Ordinary Shares do not have a nominal value. The Ordinary Shares are admitted for listing and trading on Eurolist by Euronext Brussels.

4. FORM AND TRANSFERABILITY OF THE ORDINARY SHARES

The Ordinary Shares can take the form of registered shares or dematerialised shares. All Ordinary Shares are fully paid-up and freely transferable.

5. CURRENCY

Ordinary Shares do not have a nominal value, but reflect the same fraction of the Issuer's share capital, which is denominated in euro.

6. VOTING RIGHTS ATTACHED TO THE ORDINARY SHARES

Each shareholder in the Issuer is entitled to one vote per Ordinary Share. Shareholders may vote by proxy, subject to the rules described below in Part 7, "*General Meetings"*.

Voting rights can be suspended in relation to Ordinary Shares:

- which are not fully paid up, notwithstanding the request thereto of the Board;
- to which more than one person is entitled, except in the event a single representative is appointed for the exercise of the voting right;
- which entitle their holder to voting rights above the threshold of 3 per cent., 5 per cent., 7.5 per cent., 10 per cent., 15 per cent., 20 per cent. and any further multiple of 5 per cent. of the total number of voting rights attached to the outstanding financial instruments of the Issuer on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified the Issuer and the CBFA at least 20 days prior to the date of the shareholders' meeting in accordance with the applicable rules on disclosure of major shareholdings; and
- of which the voting right was suspended by a competent court or the CBFA.

Pursuant to the Belgian Companies Code, the voting rights attached to Ordinary Shares owned by the Issuer and/or its affiliates are suspended.

Generally, the General Meeting has sole authority with respect to:

- the approval of the annual accounts of the Issuer;
- the appointment and dismissal of Directors and the statutory auditor of the Issuer;
- the granting of release from liability to the Directors and the statutory auditor;
- the determination of the remuneration of the Directors and of the statutory auditor for the exercise of their mandate;
- the decisions relating to the dissolution, merger and certain other re-organisations of the Issuer; and
- the approval of amendments to the Articles.

The General Meeting also has authority with respect to:

- the distribution of profits; and
- the filing of a claim for liability against Directors.

7. GENERAL MEETINGS

According to article 32 of the Articles, an ordinary General Meeting shall be held every year, on the last Thursday in April, at 11:00 a.m. If the last Thursday in April is a holiday, the ordinary General Meeting will take place on the first working day thereafter at 11:00 a.m.

A special or an extraordinary General Meeting can also be convened at any time if required by the interests of the Issuer. A General Meeting must also be convened when requested by shareholders representing at least one-fifth of the Ordinary Shares.

All General Meetings, whether ordinary, special or extraordinary, shall be held at the Issuer's registered office or any other place mentioned in the convening notice and shall be convened by a notice from the Board or the auditor(s). The notice of a General Meeting shall contain its agenda, indicating the subjects to be dealt with and the proposed resolutions. Such notice shall be given by announcements, at least 24 days before the General Meetings, in both the Belgian Official Gazette ("*Moniteur Belge*"/"*Belgisch Staatsblad*") and a Belgian newspaper.

In the event that it is necessary to issue a further notice because the attendance quorum is not obtained at the date initially scheduled for the General Meeting and provided that the date of the second meeting has been indicated in the first notice of meeting, the announcements relating to a second meeting must be made at least 17 days before such meeting.

Registered shareholders, registered holders or owners of subscription rights, holders of registered certificates issued by the Issuer, Directors and auditors shall be notified by letter 15 days before the General Meeting. Such letters shall be sent by ordinary post unless addressees agree individually, expressly and in writing to have notices sent to them by other means.

Registered shareholders shall be admitted to the General Meeting if they have been registered for at least five clear days before the date of that meeting. Holders of dematerialised shares and, as long as bearer shares still exist, holders of bearer shares, must deposit the certificates established by a bank or a registered financial operator, or deposit the bearer shares at one of the places designated in the notice at least five clear days before the meeting.

Any shareholder can be represented at the General Meeting by a proxy who is entitled to vote. Legal entities, such as companies, can be represented by a proxy who is not a shareholder. Either spouse can be represented by the other. Minors and legally incapable persons can be represented by their tutors or guardians.

The Board can determine the form of proxies, which must be lodged at the registered office at least three clear days before the date of the General Meeting; subject to a unanimous and general decision, the bureau of the General Meeting (constituted by two scrutineers chosen by the chairman of the General Meeting from amongst the shareholders present, together with the Directors present) can waive the deadline set for filing proxies.

The General Meeting shall be chaired by the chairman of the Board or, in case of absence of the chairman of the Board, by a deputy chairman of the Board, or, should none of them be able to attend the meeting, by another Director. The chairman of the General Meeting shall appoint the secretary, who does not have to be a shareholder.

Each Ordinary Share gives the right to one vote. Unless otherwise provided in the BCC, the decisions of the General Meeting are taken by majority vote regardless of the number of Ordinary Shares present or represented. Decisions requiring a majority vote of more than 50 per cent. of the votes cast include, amongst others:

- amendments to the Articles other than mentioned below (75 per cent. of the votes cast at a meeting with an attendance quorum of 50 per cent. of the share capital, if such quorum is not met, a second meeting with the same agenda can decide regardless of what the attendance quorum is); and
- amendments of the Issuer's corporate purpose under the Articles, the decision to acquire (or to be granted a pledge on) the Issuer's own shares or profit shares, for other purposes than distribution to its personnel, the decision to grant financial assistance (80 per cent. of the votes cast at a meeting with an attendance quorum of 50 per cent. of the share capital).

8. CHANGES IN THE ISSUER'S SHARE CAPITAL

Pursuant to the BCC and the Articles, the Issuer may increase or decrease its share capital upon the approval of 75 per cent. of the votes cast at a General Meeting where at least 50 per cent. of the share capital is present or represented. In case of a capital increase in cash, the existing shareholders have, in principle, a preferential subscription right. The General Meeting may, however, restrict or cancel such preferential subscription rights, according to the same quorum and voting requirements. At the date hereof, the Board has no authorisation to proceed with any capital increase (within the framework of the authorised capital or otherwise) without the intervention of the General Meeting. Any reduction in capital similarly requires the same method of approval by shareholders in a General Meeting.

9. SHARE CAPITAL CONDITIONAL UPON THE EXERCISE OF STOCK OPTIONS

On 24 April 2008, the General Meeting resolved to issue a stock loan represented by 30,000 loan stock units with a nominal value of €20 each, each having 1,000 defensive warrants (the "Defensive Warrants") attached to it. Each Defensive Warrant confers the right to its holder to subscribe to one Ordinary Share newly issued by the Issuer. The loan was subscribed for by Financière de Tubize S.A.. The exercise of all Defensive Warrants (which is limited to circumstances under which, according to the ad hoc committee – created by the same shareholders meeting that issued the loan stock with Defensive Warrants –, the stability of the shareholder structure of the Issuer and its corporate interest is threatened), would lead to the issue of 30,000,000 new Ordinary Shares in the Issuer, the transfer of which is subject to the control of the Board. The new Ordinary Shares in the Issuer resulting from the possible exercise of the Defensive Warrants would be issued by reference to the market price over a period prior to their issue.

For information on options and subscription rights granted to employees of UCB, see Part VI "*Management and Corporate Governance*".

10. AUTHORISED CAPITAL

UCB does not have any authorised capital.

11. OTHER SECURITIES

Under UCB's Articles, UCB can issue cash vouchers or bonds, and mortgage bonds, by a decision of the Board, which shall determine the type, the rate of interest and issue, the method and the time of redemption and reimbursement of such bonds, and all other conditions of their issue.

UCB can issue either convertible loan stock or rights of subscription, attached or non-attached to other shares, within the conditions fixed by the BCC.

On 27 October 2009, UCB successfully completed the placement of 5.75% fixed rate bonds through a public offering in Belgium and Luxembourg, the aggregate nominal amount of the bonds has been set at EUR 750 million and the bonds are due 2014. The bonds have been issued on 27 November 2009.

On 3 December 2009 completed the placement of EUR 500 million senior unsecured bonds, due 2016, through a public offering in Belgium, Luxemburg, the United Kingdom, France and Germany. The bonds have been issued on 10 December 2009.

12. SHAREHOLDING NOTIFICATION REQUIREMENTS

The Belgian law of 2 May 2007 on the disclosure of major shareholdings imposes disclosure requirements on any individual or entity acquiring or transferring voting securities, voting rights or assimilated financial instruments, as soon as the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, increases above or falls below a threshold of 5 per cent., or any multiple of 5 per cent., of the total number of voting rights attached to the securities issued by UCB. A disclosure must be made as soon as possible and at the latest within four trading days. Likewise, disclosure is required in case of a passive crossing of the thresholds, and in case of entering or terminating an agreement for concerted action. Disclosure must be made to the CBFA and to UCB.

In addition, pursuant to article 38 of the Articles, such disclosure is also required for any person or entity acquiring or subscribing to beneficial ownership in Ordinary Shares conferring a right to vote, whether registered or not, in the capital of UCB, when the number of Ordinary Shares purchased or

subscribed for, together with the total number of Ordinary Shares held, exceeds a proportion of 3 per cent. of the total voting rights exercisable, before any possible reduction, at a General Meeting. The same procedure will have to be followed each time that the person obliged to make the initial declaration mentioned above increases his voting strength up to 5 per cent., 7.5 per cent., 10 per cent. and subsequently for each additional 5 per cent. of the total voting rights acquired as defined above or when, following the sale of Ordinary Shares, his voting rights fall below one of the limits specified above.

Violations of the disclosure requirements may result in the suspension of voting rights, the suspension of a General Meeting already convened, a court order to sell the Ordinary Shares to a third party, and/or criminal liability.

13. CONVERTIBLE SECURITIES

On 30 September 2009, UCB successfully completed the offering of EUR 500 million senior unsecured convertible bonds due 2015 (taking into account the exercise of the EUR 50 million over-allotment option). The bonds have been issued on 22 October 2009.

The bonds were placed through an accelerated book building placement with institutional investors.

The bonds have been issued and will be redeemed at 100 per cent of their principal amount and have a coupon of 4.5 per cent per annum, payable semi-annually in arrear , and unless previously converted, repurchased or redeemed will mature on the 6th anniversary of their issue, in 2015. The initial conversion price is EUR 38.746 per share and is set at a premium of 35 per cent to the volume-weighted average price of the Company's shares on Euronext Brussels from launch to pricing. If all of the bonds were to be converted into new shares at the initial conversion price, 11,614,102 new shares would be issued, representing a dilution of 6.0 per cent of the Company's share capital, before any exercise of the over-allotment option referred to above.

Other than the convertible bonds described above and the warrants and options described under Part VI "*Management and Corporate Governance*" and under Section 9 "*Share Capital Conditional Upon the Exercise of Stock Options*" of this Part X, the Issuer has no securities convertible into Ordinary Shares outstanding.

14. TREASURY SHARES HELD BY THE ISSUER

Under Belgian company law, the Issuer is not allowed to acquire its own shares without prior authorisation of the General Meeting. The resolution of the General Meeting is subject to a majority of 80 per cent. of the votes cast at a meeting with an attendance quorum of at least 50 per cent. of the share capital of the Issuer. The Issuer together with its subsidiaries are not allowed to acquire more than 20 per cent. of its share capital.

At the time of the publication of the Prospectus, the Issuer did not hold any Ordinary Shares directly.

UCB Fipar S.A., an affiliate indirectly controlled by the Issuer, acquired 746,800 Ordinary Shares in 2002, 372,904 Ordinary Shares in 2003, 1,064,200 Ordinary Shares in 2004, 370,000 Ordinary Shares in 2005 and 950,000 Ordinary Shares in 2006. As of 31 December 2010, UCB Fipar S.A. held a total of 3,165,550 Ordinary Shares representing 1.73 per cent. of the total number of Ordinary Shares.

UCB S.C.A., an affiliate indirectly controlled by the Issuer, acquired 61,200 Ordinary Shares in 2007 and 50,384 Ordinary Shares in 2008. As of 31 December 2010, UCB S.C.A. held a total of 1 Ordinary Shares.

The Ordinary Shares were acquired by UCB Fipar S.A. and UCB S.C.A. in order to cover the exercise of stock options granted to persons of the Issuer holding management functions. For more information on the Issuer's stock option plans, see Part VI "*Management and Corporate Governance*".

15. OUTSTANDING ACQUISITION RIGHTS AND UNDERTAKINGS TO INCREASE CAPITAL

The Issuer does not have any acquisition rights and/or obligations and did not undertake to increase the capital.

16. DIVIDEND POLICY OF THE ISSUER

All shares carry an equal right to dividends. The Issuer may pay dividends only with the prior approval of the General Meeting. The Board can, however, at its own risk and on the basis of a statement of the assets and liabilities of the Issuer, drawn up not more than two months beforehand, which has been verified by the auditor(s), decide to pay interim dividends to be deducted from the profits of the current financial year, where relevant reduced with the loss carried forward or increased by the profit carried forward. The Board can also determine when such distributions will be paid. This decision of the Board of Directors cannot be taken less than six months after the closure of the preceding financial year, nor before approval of the accounts for that year. When one interim dividend has been paid, a decision to distribute another interim dividend cannot be taken less than three months after the decision to distribute the first dividend.

The payments of dividends approved by the General Meeting are made at the times and places fixed by the Board. Usually the payments take place a few days after the approval of the annual financial statements by the ordinary General Meeting to be held on the last Thursday in April of each year according to the Articles. Holders of Ordinary Shares receive their dividend payments through their custodian banks.

In accordance with Belgian law, the right to collect dividends declared on shares expires five years after the distribution date, whereupon the Issuer is no longer under an obligation to pay such dividends. If, with respect to bearer shares, the Issuer decides to enforce the expiration of the five-year term, the amounts not distributed must be made available in accordance with the provisions of Belgian law and, ultimately, will accrue to the Belgian State.

The Board intends to continue to sustain a dynamic dividend policy, consistent with the long term growth prospects of the Company, offering gradual increase in dividend, and as far as possible not to reduce it, irrespective of the short term income variations.

17. RIGHTS REGARDING LIQUIDATION

The General Meeting can decide to wind up the company at any time, provided that there is an attendance quorum of 50 per cent. of the share capital, and that 75 per cent. of the votes cast approve the decision.

If, due to losses, the net assets are reduced to an amount less than one-half of the capital of the company, the General Meeting shall be convened within at least two months of the date of the losses becoming known or of the time at which they should have become known, in order to consider the possible winding up of the company or other measures set out in the agenda, as the case may be.

The Board shall justify its proposals in a special report made available to the shareholders, as the law requires. If the net assets are reduced to an amount less than one-quarter of the capital, the winding up can be decided by one-quarter of the votes cast at the General Meeting.

If the net assets are reduced to less than the legal minimum, any interested party can apply for the winding-up of the company at the Commercial Court having jurisdiction; the Court can give the company a period of time to put the situation in order.

PART XI: USE OF PROCEEDS

The net proceeds of the issue of the Securities of EUR 295,539,000 (before expenses) will be used for repayment of debt and general corporate purposes.

The expenses in connection with the admission to trading of the Bonds are expected to amount to EUR 34,300.

PART XII: TAXATION

The statements herein regarding taxation are a general description of the principal Belgian and Luxembourg tax consequences for investors receiving interest in respect of, or disposing of, the Securities and is of a general nature. It does not purport to be a complete analysis of tax considerations relating to the Securities.

This general description is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date (or with retroactive effect). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Securities under the laws of their countries of citizenship, residence, ordinary residence or domicile.

1. EU SAVINGS DIRECTIVE

On 3 June 2003, the European Council of Economic and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"). Pursuant to the Savings Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, inter alia, details of payments of interest within the meaning of the Savings Directive (interest, products, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident or certain other persons established in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Savings Directive, for the immediate benefit of individuals or certain other persons.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method to apply, withhold an amount on interest payments (the "**Source Tax**"). The rate of the Source Tax is 20 per cent. as from 1 July 2008 increasing to 35 per cent. as from 1 July 2011.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "OECD Model Agreement") with respect to interest payments within the meaning of the Savings Directive made by paying agents established within their respective countries to beneficial owners resident in the territory to which the Savings Directive applies, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories of the European Union have agreed to adopt similar measures (Disclosure of Information Method or Source Tax) with effect from 1 July 2005.

Investors should note that on 15 September 2008 the European Commission issued a report to the Council of the European Union on the operation of the Savings Directive, which included the Commission's advice on the need for changes to the Savings Directive. On 13 November 2008 the European Commission published a more detailed proposal for amendments to the Savings Directive, which included a number of suggested changes. The European Parliament approved an amended version of this proposal on 24 April 2009 and the Council adopted unanimous conclusions on 9 June 2009 relating to the proposal. If any of the proposed changes are made in relation to the Savings Directive, they may amend or broaden the scope of the requirements described above.

Holders who are individuals or certain other persons and receive interest on the Securities should note that additional amounts which may otherwise become due as described in Condition 11 "Taxation", will not be due in respect of the Source Tax.

2. BELGIAN TAXATION

(a) Belgian Withholding Tax

Securities may be held only by, and transferred only to, Eligible Investors (as defined below) holding their securities in an X account. This section summarises the Belgian withholding tax treatment in the hands of Eligible Investors only.

All payments by or on behalf of the Issuer of interest on the Securities are in principle subject to the 15 per cent. Belgian withholding tax on the gross amount of the interest. In this regard, ''interest'' means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Securities between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Securities by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Securities if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the ''**Eligible Investors**'', see hereinafter) in an exempt securities account (an ''**X Account**'') that has been opened with a financial institution that is a direct or indirect participant (a ''**Participant"**) in the X/N Clearing System operated by the National Bank of Belgium (the ''**X/N System**'' and the ''**NBB"**). Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Securities through the X/N System enables Eligible Investors to receive the gross interest income on their Securities and to transfer the Securities on a gross basis.

Participants to the X/N system must enter the Securities which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the *Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier* (Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax) which include, inter alia:

(i) Belgian corporations subject to Belgian corporate income tax;

(ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of article 262, 1° and 5° of the Income Tax Code of 1992;

(iii) state regulated institutions (*institutions parastatales / parastatalen*) for social security, or institutions which are assimilated therewith, provided for in article 105, 2° of the Royal Decree implementing the Income Tax Code 1992;

(iv) non-resident investors provided for in article 105, 5° of the same decree;

(v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

(vi) tax payers provided for in article 227, 2° of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;

(vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the Income Tax Code 1992;

(viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and

(ix) Belgian resident corporations, not provided for under (i), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, inter alia, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Upon opening of an X Account for the holding of Securities, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no ongoing declaration requirement to the X/N System as to the eligible status, save that they need to inform the Participant of any change in the information contained in the statement of their eligible status. However, Participants are requested to make declarations to the NBB as to the eligible status of each investor from whom they held notes in an X Account during the preceding calendar year.

These identification requirements do not apply to Securities held in Euroclear or Clearstream, Luxembourg as Participants to the X/N Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Securities in such account.

(b) Belgian tax on income and capital gains

Securities may be held only by, and transferred only to, Eligible Investors holding their securities in an X account. This section summarises the Belgian tax on income and capital gains in the hands of such Eligible Investors. This section therefore does not address the tax treatment in the hands of investors which do not qualify as Eligible Investors such as Belgian resident individuals and Belgian legal entities that do not qualify as Eligible Investor.

Belgian resident companies

Interest attributed or paid to corporations Holders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax (*Vennootschapsbelasting / impôt des sociétés*), as well as capital gains realised upon the sale of the Securities are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realised upon the sale of the Securities are in principle tax deductible.

Belgian legal entities

Belgian legal entities which qualify as Eligible Investors (as defined in the section ‘‘Belgian Withholding Tax”) and which consequently have received gross interest income are required to pay the withholding tax themselves.

Capital gains realised on the sale of the Securities are in principle tax exempt, unless the capital gains qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses are in principle not tax deductible.

Belgian non-residents

Holders who are not residents of Belgium for Belgian tax purposes and who are not holding the Securities through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Securities provided that they qualify as Eligible Investors and that they hold their Securities in an X Account.

(c) Tax on stock exchange transactions

A stock exchange tax (*Taxe sur les opérations de bourse / Taks op de beursverrichtingen*) will be levied on the purchase and sale in Belgium of the Securities on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07 per cent. with a maximum amount of Euro 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1, 2º of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

(d) European Directive on taxation of savings income in the form of interest payments

The Savings Directive has been implemented in Belgium by the law of 17 May 2004. The Savings Directive entered into force on 1 July 2005.

Individuals not resident in Belgium

Interest paid on the Securities as from 1 January 2010 and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

3. LUXEMBOURG TAXATION

The following discussion is a summary of the Luxembourg tax consequences to potential purchasers or holders of Securities, based on current law and practice in Luxembourg. This discussion is for general information purposes only and does not purport to be a comprehensive description of all possible tax consequences that may be relevant. Potential purchasers of Securities should consult their own professional advisers as to the consequences of making an investment in, holding or disposing of the Securities and the receipt of any amount in connection with the Securities.

Luxembourg Withholding Tax

Under Luxembourg tax laws currently in effect and with the possible exception of interest paid to individuals and to certain residual entities (as described below), there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individuals and to certain residual entities (as described below), upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Securities.

Individuals not resident in Luxembourg

Under the Luxembourg laws dated 21 June 2005 implementing the Savings Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("EU"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called "residual entities" within the meaning of Article 4.2 of the Savings Directive (i.e. an entity without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC) established in a Member State or in certain EU dependent or associated territories.

The withholding tax rate is 20 per cent. as from 1 July 2008 increasing to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Individuals resident in Luxembourg

A 10 per cent. withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to or for the benefit of Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime).

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

PART XIII: SUBSCRIPTION AND SALE

Merrill Lynch International (having its registered office at 2 King Edward Street, London EC1A 1HQ, United Kingdom), BNP Paribas (having its registered office at 16 boulevard des Italiens, 75009 Paris, France) and ING Belgium SA/NV (having its registered office at Marnixlaan, 24 B 1000 Brussels) (the "Joint Bookrunners"), The Royal Bank of Scotland plc (the "Senior Co-Lead Manager") and Crédit Agricole Corporate and Investment Bank and Mitsubishi UFJ Securities International plc (the "Co-Lead Managers" and together with the Joint Bookrunners and the Senior Co-Lead Manager, the "Managers" and each one a "Manager") have agreed, pursuant to a Subscription Agreement entered into on 16 March 2011 (the "Subscription Agreement"), with the Issuer, subject to the satisfaction of certain conditions condition therein, to subscribe and pay for the Securities at the issue price and at the conditions specified below. The Subscription Agreement will entitle the Managers to terminate their obligations in certain circumstances prior to payment being made to the Issuer. The yield of the Securities is 7.875 per cent. on an annual basis to First Call Date. The yield is calculated as at 18 March 2011 on the basis of the issue price. It is not an indication of future yield.

Selling restrictions

United States

The Securities have not been and will not be registered under the Securities Act and Securities are subject to U.S. tax law requirements. Subject to certain exceptions, Securities may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons. The Managers have represented and agreed that they have not offered, sold or delivered and will not offer, sell or deliver any Securities within the United States or to U.S. persons, except as permitted by the Subscription Agreement.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Manager has represented and agreed that, except as permitted by the Subscription Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Securities, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date (as defined in the Subscription Agreement) within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Securities during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Securities within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), each Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "Relevant Implementation Date") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Prospectus to the public in that Relevant Member State, other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of all Managers; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of Securities to the public in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member Sate and the expression 2010 PD Amending Directive means Directive 2010/73/EU.

United Kingdom

Each Manager has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer ; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Securities in, from or otherwise involving the United Kingdom.

France

Each of the Managers and the Issuer has represented and agreed that in respect of Securities constituting obligations under French law or titres de créances négociables under French tax law or debt instruments assimilated thereto within the meaning of the rulings 2007/59 (FP) dated 8 January 2008 and 2009/23 (FP) dated 7 April 2009 of the Direction générale des impôts, that: it has not offered or sold and will not offer or sell, directly or indirectly, Securities to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Securities, and that such offers, sales and distributions have been and will be made in France only to (a) providers of investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (investisseurs qualifiés), other than individuals, all as defined in, and in

accordance with, Articles L.411-1, L.411-2, and D.411-1 to D.411-3 of the French Code monétaire et financier.

Belgium

This offering is exclusively conducted under applicable private placement exemptions and therefore it has not been and will not be notified to, and any other offering material relating to the offering has not been, and will not be, approved by the Belgian Banking, Finance and Insurance Commission (*Commissie voor het Bank-Financie- en Assurantiewezen / Commission Bancaire, Financière et des Assurances*) pursuant to the Belgian laws and regulations applicable to the public offering of securities. Accordingly, this offering as well as any other materials relating to the offering may not be advertised, offered or distributed in any other way, directly or indirectly, to any other person located and/or resident in Belgium other than in circumstances which do not constitute an offer to the public in Belgium pursuant to the Belgian law of 16 June 2006 on the public offering of investment instruments and the admission of investment instruments to trading on a regulated market, as amended from time to time (the Prospectus Law). Accordingly, each Manager has represented and agreed, that it shall refrain from taking any action that would be characterised as or result in a public offering in Belgium in accordance with the Prospectus Law.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended; the "FIEA") and each Manager has represented and agreed that it will not offer or sell any Securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan."

Hong Kong

Each Dealer has represented and agreed that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Securities other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance."

Singapore

The Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore, and the Securities will be offered pursuant to exemptions under the Securities and Futures Act, chapter 289 of Singapore (the Securities and Futures Act). Accordingly the Securities may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Securities or any other document or material

in connection with the offer or sale or invitation for subscription or purchase of any Securities be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an institutional investor pursuant to Section 274 of the Securities and Futures Act, (b) to a relevant person under Section 275(1) of the Securities and Futures Act or to any person pursuant to Section 275(1A) of the Securities and Futures Act and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Each of the following persons specified in Section 275 of the Securities and Futures Act which has subscribed or purchased the Securities, namely a person who is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor;

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an individual who is an accredited investor,

should note that shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interests in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the Securities under Section 275 of the Securities and Futures Act except:

(i) to an institutional investor under Section 274 of the Securities and Futures Act or to a relevant person or to any person pursuant to Section 275(1) and Section 275(1A) of the Securities and Futures Act, respectively and in accordance with the conditions specified in Section 275 of the Securities and Futures Act;

(ii) where no consideration is or will be given for the transfer; or

(iii) where the transfer is by operation of law; or

(iv) pursuant to Section 276(7) of the Securities and Futures Act.

General

No action has been or will be taken in any jurisdiction by the Issuer or any Manager that would, or is intended to, permit a public offering of the Securities, or possession or distribution of this Prospectus or any other offering material, in any country or jurisdiction where action for that purpose is required. Persons into whose hands this Prospectus comes are required by the Issuer and the Managers to comply with all applicable laws and regulations in each country or jurisdiction in which they purchase, offer, sell or deliver Securities or have in their possession, distribute or publish this Prospectus or any other offering material relating to the Securities, in all cases at their own expense.

PART XIV: GENERAL INFORMATION

1. Application has been made for the Securities to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange. ING Luxembourg S.A. having its registered office at 52, route d'Esch, L − 2965, Grand Duchy of Luxembourg, registered in the Luxembourg company register under number B.6041, has been appointed as listing agent for that purpose.

2. The issue of the Securities was authorised by a resolutions passed by the Board of Directors of the Issuer on 27 October and 17 December 2010.

3. Except as disclosed in this Prospectus, there has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2010 and no material adverse change in the prospects of the Issuer since 31 December 2010.

4. Except as disclosed in Section 16 "Legal Proceedings" of Part V on page 84 of this Prospectus, neither the Issuer nor any of its subsidiaries is, nor has been, involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.

5. The Securities have been accepted for clearance through the clearing system of the National Bank of Belgium with a Common Code of 060529647. The International Securities Identification Number (ISIN) for the Securities is BE6213104605.

   The address of the National Bank of Belgium is 14 Boulevard de Berlaimont, 1000 Brussels, Belgium.

6. So far as the Issuer is aware, no person involved in the offer has any interest, including conflicting ones, that is material to the offer.

7. Material contracts: save as disclosed herein, no member of the UCB Group has entered into any contracts which could result in a company of the UCB Group being under an obligation or entitlement that would be material to the Issuer's ability to meet its obligations towards holders of the Securities.

8. Where information in this Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain, to its reasonable knowledge, from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading in any material respect. The source of third party information is identified where used.

9. During the life of the Securities, copies of the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:

   (a) the Articles of Association (*statuts/statuten*) of the Issuer, in French and in Dutch;

   (b) the published annual report and audited accounts of the Issuer for the years ended on 31 December 2010, 31 December 2009 and 31 December 2008;

   (c) a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and

   (d) all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

10. A "Collège des Commissaires" composed of Emmanuèle Attout and Daniel Goossens (statutory auditors), members of the "*Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*", has audited and rendered unqualified audit report on the accounts of the Issuer for the year ended 31 December 2008; and PricewaterhouseCoopers Bedrijfsrevisoren BCVBA, of Woluwe Garden, Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Belgium (statutory auditor), member of the "*Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren*", represented by Bernard Gabriëls, has audited and rendered unqualified audit report on the accounts of the Issuer for the ended 31 December 2010 and 31 December 2009.

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Auditors of the Issuer

PricewaterhouseCoopers Bedrijfsrevisoren BCVBA

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