



## UNCONDITIONAL PUBLIC EXCHANGE OFFER

by

**UCB SA**

*(incorporated with limited liability in Belgium)*

on

**250,000 5.75% fixed rate bonds due 27 November 2014**

issued by it on 27 November 2009 (the “Existing Bonds”)

in exchange for

**5.125% fixed rate bonds due 2 October 2023 for a maximum  
amount of EUR 250,000,000**

to be issued by UCB SA on 2 October 2013 (the “New Bonds”)

Holders of Existing Bonds that are exchanged in the proposed Exchange Offer will receive New Bonds with a nominal value of EUR 1,000 and a yield of 5.125% per annum (gross), corresponding to the addition of the three following elements: (i) 4.461% (corresponding to the gross yield for a new 10-year bond issued at par by UCB, as evaluated by the Offeror) + (ii) 0.564% (the report and spreading of the unrealized gain of the Existing Bonds over the ten years of the New Bond) + (iii) 0.1% (tender premium) (see the section “Price Justification” in the Chapter “Terms of the Exchange Offer”, on page 58 and ff. of the Prospectus). The net actuarial yield, calculated in economic terms for natural persons domiciled in Belgium (taking into account the 25% withholding tax) for the New Bonds amounts to 3.311% (calculated on the basis of a reference market price of the Existing Bonds of 104.47%).

One New Bond will be delivered against delivery of one Existing Bond. The interests accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer (being EUR 48.68 per Existing Bond) will be paid on 2 October 2013.

**The New Bonds constitute debt instruments. Participating in the Exchange Offer involves risks. By subscribing to the New Bonds, investors lend money to the Issuer who undertakes to pay interest on an annual basis and to reimburse the principal on the maturity date. In case of bankruptcy or default by the Issuer, however, investors may not recover the amounts they are entitled to and risk losing all or a part of their investment. The New Bonds are intended for investors who are capable of evaluating the interest rates in light of their knowledge and financial experience. Each decision to participate in the Exchange Offer must be based solely on the information contained in this Prospectus, including the section headed “Risk Factors” and in particular the risk factors “Risks related to the maturity of the New Bonds (2023)” and “UCB Group’s inability to manage its sources of funding may adversely affect its business, financial condition and results of operation” as well as the other risk factors referred to in the Summary (on pages 16 and ff.) and more generally the factors that may affect the Issuer’s ability to fulfill its obligations under the New Bonds and factors which are material for the purpose of assessing the market risks associated with the New Bonds.**

Under the unconditional public exchange offer (the "**Exchange Offer**") described in this prospectus (the "**Prospectus**"), UCB SA, a limited liability company (*société anonyme*) incorporated under the laws of Belgium, having its registered office at Allée de la Recherche 60, B-1070 Brussels and registered with the Crossroads Bank for Enterprises under number 0403.053.608 ("**UCB**", the "**Offeror**" or the "**Issuer**") offers to exchange 250,000 (out of 750,000) 5.75% fixed rate bonds (ISIN Code: BE6000431112) due 27 November 2014 issued by it on 27 November 2009 (the "**Existing Bonds**") in exchange for delivery of newly issued 5.125% fixed rate bonds (ISIN Code: BE0002200666) due 2 October 2023 for a maximum amount of EUR 250 million (the "**New Bonds**").

The Exchange Offer is not addressed to any person that is not located in Belgium, save to the extent such person is a "qualified investor" for the purposes of Article 3(2)(a) of the Prospectus Directive as implemented in the Member State in which such person is located (the "**Relevant Member State**") and it is authorized to accept the Exchange Offer in such Relevant Member State.

The effective settlement of the Exchange Offer is not subject to any condition.

The Exchange Offer is opened from 4 September 2013 until (and including) 18 September 2013. The acceptance forms of the Exchange Offer may be filed as from 4 September 2013 and until, at the latest, 18 September 2013 (before 4 p.m. CET) at the bank counters of BNP Paribas Fortis SA/NV, ING Bank N.V., Belgian branch and KBC Bank NV or through any other financial institution.

In case acceptance forms are delivered in respect of more than 250,000 Existing Bonds, one or more allocation key(s) may be applied. As a result, the investors may find that only part of the Existing Bonds for which they accepted the Exchange Offer are exchanged for New Bonds (with the remaining Existing Bonds continuing to be held by the relevant investor on its securities account).

The precise allocation key will be determined after the closing of the Acceptance Period based on the following principles: (i) any reduction of the Existing Bonds tendered will be performed on a proportional basis with an allocation of a whole number of New Bonds; (ii) the same allocation key will be used regardless of the financial institution through which an investor holds its Existing Bonds; and (iii) the Offeror and the Dealer Managers may decide to apply the proportional reduction only to investors that tendered a number of Existing Bonds that exceeds a number (the "**Minimum Threshold**"). If that is the case, investors who tendered Existing Bonds in the Exchange Offer for a number that does not reach the Minimum Threshold, will consequently benefit from the Exchange Offer for all the Existing Bonds tendered with no proportional reduction. Investors who tendered Existing Bonds in the Exchange Offer for a number exceeding the Minimum Threshold will receive a number of New Bonds equal to the higher of (i) the Minimum Threshold and (ii) the number of Existing Bonds tendered reduced using the allocation key.

The French version of this Prospectus has been approved by the Belgian Financial Services and Markets Authority (the "**FSMA**") as a prospectus for the purposes of Article 18 of the law of 1 April 2007 on public takeover bids ("**Public Takeover Law**"). The approval by the FSMA does not imply any appraisal of the appropriateness or the merits of the Exchange Offer or the issue of the New Bonds, nor of the situation of the Offeror. In the event of any discrepancy between the English, Dutch and the French version of this Prospectus, the French version shall prevail. The Offeror assumes responsibility for the consistency between the English version, the Dutch version and the French versions of this Prospectus.

In accordance with Article 18, §1 c) and §2, c) of Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market (the "**Prospectus Law**"), the public offer and the admission to trading of the New Bonds on the regulated market of NYSE Euronext Brussels benefits from an exemption to publish a prospectus for the purposes of the Prospectus Law.

The decision to participate to the Exchange Offer belongs solely to the holders of Existing Bonds. Any Existing Bond that will not be delivered to the Exchange Offer will remain listed on the Luxembourg Stock Exchange's regulated market until its maturity date, i.e. 27 November 2014. The Offeror will not be in a position to launch any forced redemption of the Existing Bonds.

Application has been made to NYSE Euronext Brussels for the New Bonds to be admitted to trading on NYSE Euronext Brussels' regulated market. NYSE Euronext Brussels' 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 ("**Markets in Financial Instruments Directive**").

The Offeror will issue New Bonds for a maximum amount of EUR 250 million. Interest on the New Bonds is payable annually in arrears on the Interest Payment Dates falling on, or nearest to 2 October in each year, the first payment being in 2014, and the last payment being in 2023.

The denomination of the New Bonds shall be EUR 1,000. The New Bonds are offered to the public in Belgium solely.

The New Bonds 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 New Bonds will be represented exclusively by book entries in the records of the Belgian National Bank securities and cash clearing system operated by the National Bank of Belgium (the "**NBB**") or any successor thereto (the "**Clearing System**").

**Global Coordinator**

ING Bank N.V., Belgian branch

**Dealer Managers and Joint Bookrunners**

BNP Paribas Fortis SA/NV

ING Bank N.V., Belgian branch

KBC Bank NV

*The English, Dutch and French versions of the Prospectus are available without charge for investors at the registered office of the Offeror (Allée de la Recherche 60, B-1070 Brussels). The Prospectus may also be obtained free of charge upon request to ING Bank N.V., Belgian branch (tel: 02/464.60.01 (NL) and 02/464.60.02 (FR)) and KBC Bank NV (tel: 078/ 152 153 (NL) and 078/ 152 154 (FR)). In addition, the Prospectus is available on the website of the Offeror ([www.ucb.com](http://www.ucb.com)), BNP Paribas Fortis SA/NV ([www.bnpparibasfortis.be/emissions](http://www.bnpparibasfortis.be/emissions) (French) or [www.bnpparibasfortis.be/emissies](http://www.bnpparibasfortis.be/emissies) (Dutch)), ING Bank N.V., Belgian branch ([www.ing.be](http://www.ing.be) (Beleggen - Obligaties) (Dutch) or [www.ing.be](http://www.ing.be) (Investir – Obligations) (French)) and KBC Bank NV ([www.kbc.be/ucb](http://www.kbc.be/ucb)).*

## IMPORTANT NOTICES AND WARNINGS

No person has been authorised to give any information or to make any representation other than those contained in this Prospectus in connection with the tendering of the Existing Bonds and/or the issue or sale of the New Bonds and, if given or made, such information or representation must not be relied upon as having been authorised by the Offeror or any of ING Bank N.V., Belgian branch as Global Coordinator (the "**Global Coordinator**") and BNP Paribas Fortis SA/NV, ING Bank N.V., Belgian branch and KBC Bank NV as Dealer Managers (the "**Dealer Managers**"). Neither the delivery of this Prospectus nor any exchange or sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Offeror 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 in the financial position of the Offeror since the date hereof or the date upon which this Prospectus has been most recently supplemented or that any other information supplied in connection with the Exchange Offer is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Prospectus, the offer to tender the Existing Bonds in exchange for the New Bonds and the offering or sale of the New Bonds in certain jurisdictions may be restricted by law. The offer to tender the Existing Bonds in exchange for the New Bonds is not addressed to any person that is not located in Belgium, save to the extent such person is a "qualified investor" for the purposes of Article 3(2)(a) of the Prospectus Directive as implemented in the Relevant Member State in which such person is located and it is authorized to accept the Exchange Offer in such Relevant Member State. Neither this Prospectus nor any other information or publicity may be provided to the public on a territory other than the territory of the Kingdom of Belgium where registration, approval or any other obligation is or will be applicable in connection with takeover bids on securities (or a solicitation by anyone to this end) and may not be distributed in the European Economic Area (other than on the territory of the Kingdom of Belgium) to persons who are not "qualified investors" for the purposes of Article 3(2)(a) of the Prospectus Directive), Canada, Japan and the United States. Any breach of these restrictions may constitute a breach of financial regulations applicable in the member states of the European Economic Area, Canada, Japan, the United States or any other country. Neither the Offeror nor any Dealer Manager nor the Centralising Agent shall be held liable for any breach of these restrictions by third parties. Persons into whose possession this Prospectus may come are required by the Offeror, the Dealer Managers and the Global Coordinator to inform themselves about and to observe any such restriction. For a description of certain restrictions on offers and sales of New Bonds and on distribution of this Prospectus, see section "*Terms of the Exchange Offer*" below.

No Existing Bonds may be tendered in exchange for New Bonds directly or indirectly, and neither this Prospectus nor any advertisement or other Exchange Offer material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The Issuer and ING Belgium NV/SA (the "**Centralising Agent**") entered into a centralising agency agreement in respect of the Exchange Offer, pursuant to which the Centralising Agent has agreed to assume certain duties relating to acceptances of the Exchange Offer by holders of Existing Bonds, and the settlement of the Exchange Offer. Neither the Global Coordinator, nor any of the Dealer Managers, accepts any liability for the actions of, or for any omission to act, by the Centralising Agent.

To the fullest extent permitted by law, none of the Dealer Managers or the Global Coordinator accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Global Coordinator or a Dealer Manager or on its behalf in connection with the Offeror or the Exchange

Offer. The Global Coordinator and each Dealer Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Prospectus or any such statement. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Offeror, the Dealer Managers or the Global Coordinator that any recipient of this Prospectus or any other financial statements should exchange the Existing Bonds it holds for New Bonds. Each person contemplating to accept the Exchange Offer should determine for itself the relevance of the information contained in this Prospectus and the exchange of Existing Bonds for New Bonds should be based upon such investigation as it deems necessary. None of the Dealer Managers or the Global Coordinator undertake to review the financial condition or affairs of the Offeror during the life of the arrangements contemplated by this Prospectus nor to advise any persons exchanging the Existing Bonds for New Bonds in the Exchange Offer of any information coming to the attention of any of the Dealer Managers or the Global Coordinator.

Holders who do not participate in the Exchange Offer, or whose Existing Bonds are not accepted for exchange by the Offeror, will continue to hold their Existing Bonds that remain subject to the relevant Existing Bonds conditions.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with:

- (a) the audited annual consolidated financial statements of the Offeror for the financial year ended 31 December 2011, drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union together with the audit report thereon;
- (b) the annual report of the Offeror for the financial year ended 31 December 2012, which include the audited annual consolidated financial statements of the Offeror for the financial year ended 31 December 2012, drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union together with the audit report thereon ;
- (c) the half-year financial report of the Offeror for the period ended 30 June 2013; and
- (d) the press releases issued by the Offeror and listed hereunder, which have been previously published or are published simultaneously with this Prospectus and which have been approved by the FSMA or filed with it,

save for the following items that shall be excluded from the documents incorporated by reference to this Prospectus:

- (i) the fifth bullet point and the section headed “Outlook 2013” from the press release dated 27 February 2013 (“UCB in 2012: New Core Medicines Drive Growth”);
- (ii) paragraph 3.11 headed “Outlook 2013” from the section headed “Operating and Financial Review” in the consolidated audited annual financial statements of UCB for the financial year ended 31 December 2012 included in the UCB Annual Report 2012;
- (iii) the third row (*E 2013*) of the first table of the section headed “Key figures” on page 5 of the UCB Annual Report 2012;
- (iv) the second and third paragraph of the section headed “Aspiring to superior growth” on page 14 of the UCB Annual Report 2012;
- (v) the section headed “2013 Financial Guidance” on page 16 of the UCB Annual Report 2012;
- (vi) the fourth bullet point regarding financial outlook 2013 and the section headed “Outlook 2013” from the press release dated 31 July 2013 (“UCB Half Year Report 2013: UCB reports continued strong growth of core medicines and confirms 2013 financial targets”); and
- (vii) the section headed “Outlook 2013” from the half-year financial report of the Offeror for the period ended 30 June 2013.

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 office of the Offeror and its website ([www.ucb.com](http://www.ucb.com)).

The table below sets out the relevant page references for (i) the audited annual consolidated financial statements for the financial years ended 31 December 2011 and 31 December 2012, respectively, as set out in the Offeror's relevant annual report and (ii) the half-year financial report of the Offeror for the period ended 30 June 2013.

The Offeror confirms that it has obtained the approval from its auditors to incorporate by reference in this Prospectus the auditor's reports for the financial years ended 31 December 2011 and 31 December 2012.

**Consolidated audited annual financial statements of the Offeror for the financial year ended 31 December 2012**

	<b>Offeror's Annual Report 2012</b>
Corporate governance statement	Page 18
Operating and financial review	Page 44
Consolidated income statement	Page 53
Consolidated statement of comprehensive income	Page 54
Consolidated statement of financial position	Page 55
Consolidated statement of cash flows	Page 56
Consolidated statement of changes in equity	Page 57
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Report of the statutory auditors	Page 122

**Consolidated audited annual financial statements of the Offeror for the financial year ended 31 December 2011**

	<b>Offeror's Annual Report 2011</b>
Business performance review	Page 2
Operating and financial review	Page 4
Corporate governance statement	Page 11
Consolidated income statement	Page 33
Consolidated statement of comprehensive income	Page 34
Consolidated statement of financial position	Page 35
Consolidated statement of cash flows	Page 36
Consolidated statement of changes in equity	Page 37
Notes to the consolidated financial statements	Page 50
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**Half-year financial report of the Offeror for the period ended 30 June 2013**

Condensed consolidated income statement	Page 13
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Condensed consolidated statement of financial position	Page 15
Condensed consolidated statement of cash flows	Page 16
Notes to the condensed consolidated interim financial statements	Page 18

### **Other documents incorporated by reference**

- Press release of 5 February 2013: UCB: Accelerating focus on the patient
- Press release of 11 February 2013: Acceleration of Fracture Healing with CDP7851/AMG785 will not move into phase 3
- Press release of 20 February 2013: UCB announces regulatory filings for Cimzia® (certolizumab pegol) to treat psoriatic arthritis and axial spondyloarthritis
- Press release of 26 February 2013: UCB to license worldwide rights to tozadenant in Parkinson's disease from Biotie Therapies
- Press release of 27 February 2013: UCB in 2012: New Core Medicines Drive Growth
- Press release of 5 March 2013: VIMPAT® (lacosamide) generates positive results in US Phase 3 monotherapy study
- Press release of 16 May 2013: UCB and IBM Collaborate to Personalize Care for Epilepsy Patients
- Press release of 4 July 2013: UCB to out-license olokizumab to R-Pharm
- Press release of 10 July 2013: UCB gets access to rights for an antibody program from WILEX for non-oncology indications
- Press release of 10 July 2013: UCB's Kremers Urban Pharmaceuticals Inc. receives FDA approval for extended release methylphenidate hydrochloride
- Press release of 24 July 2013: U.S. FDA Arthritis Advisory Committee Votes On Cimzia® (certolizumab pegol) For Treatment of Adults with Active Axial Spondyloarthritis, Including Patients with Ankylosing Spondylitis
- Press release of 31 July 2013: UCB Half Year Report 2013: UCB reports continued strong growth of core medicines and confirms 2013 financial targets

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## SUMMARY OF THE PROSPECTUS

This summary contains essential information relating to the unconditional public exchange offer (the “**Exchange Offer**”) by UCB SA, a limited liability company (*société anonyme*) incorporated under the laws of Belgium, having its registered office at Allée de la Recherche 60, B-1070 Brussels and registered with the Crossroads Bank for Enterprises under number 0403.053.608 (“**UCB**”, the “**Offeror**” or the “**Issuer**”) on 250,000 (out of the 750,000) 5.75% fixed rate bonds (ISIN Code: BE6000431112) due 27 November 2014 issued by it on 27 November 2009 (the “**Existing Bonds**”) in exchange for delivery of newly issued 5.125% fixed rate bonds (ISIN Code: BE0002200666) due 2 October 2023 (the “**New Bonds**”) for a maximum amount of EUR 250,000,000.

This summary must be read as an introduction to the prospectus dated 3 September 2013 (the “**Prospectus**”). Any decision to participate to the Exchange Offer should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference.

The Offeror has prepared this summary and is only liable in relation thereto to the extent its contents are inaccurate, misleading or contradicts other parts of this Prospectus (including any documents incorporated by reference). In the event of discrepancy between this summary and other parts of this Prospectus, the other parts of this Prospectus shall prevail.

Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of Member States of the European Economic Area, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated or during such proceedings.

### Important notice

The holders of Existing Bonds should make their own assessment of the conditions of the Exchange Offer. The decision of whether to participate to the Exchange Offer should not be based on any information other than the one provided in this Prospectus. The holders of Existing Bonds are advised to consult their own advisers in connection with any legal, tax, economical, financial and other aspects relating to their potential participation to the Exchange Offer. The holders of Existing Bonds are liable for the analysis and assessment of the advantages and disadvantages of their participation to the Exchange Offer.

<b>1 Main information on the Exchange Offer</b>	
<b>Decision</b>	Pursuant to a resolution of its board of directors dated 25 April 2013, the Offeror launches a public bond exchange offer on the Existing Bonds. The terms and conditions of the Existing Bonds are provided in the section “Terms and Conditions of the Existing Bonds” of this Prospectus.
<b>New Bonds</b>	Within 10 business days following the date of publication of the results of the Exchange offer (the “ <b>Delivery Date</b> ”), the Offeror provides New Bonds (ISIN code BE0002200666) bearing an interest rate of 5.125% due on 2 October 2023 in return for the Existing Bonds. Unless a notice to the contrary is published in the press, the Delivery Date will be 2 October 2013.
<b>Terms and conditions of the New</b>	The terms and conditions of the New Bonds are provided in the section “Terms and Conditions of the New Bonds” of this Prospectus. The New Bonds benefit from an annual (gross) actuarial interest rate of 5.125%, payable

<p><b>Bonds</b></p>	<p>annually on 2 October.</p> <p>The New Bonds are due on 2 October 2023. The New Bonds may be redeemed prior to their stated maturity in the following circumstances:</p> <ul style="list-style-type: none"> <li>(i) Subject to approval by the shareholders' meeting of the Offeror, each holder of New Bonds may require the Offeror to redeem the New Bonds held by it upon exercise by such holder of New Bonds of its put option following a change of control (in case the Issuer is rated, the change of control put option may not be available if no rating downgrade occurs in the context of such change of control). If the put option is exercised by holders of the New Bonds representing 85% or more of the aggregate principal amount of the New Bonds, the Offeror may redeem all New Bonds.</li> <li>(ii) If any event of default occurs and is continuing then any New Bond may, by notice in writing given by the bondholder to the Offeror, be declared immediately due and payable. The events of default applying to the New Bonds are usual for bonds of this nature (non-payment, breach of covenants, cross acceleration, enforcement proceedings, enforcement of security, insolvency, winding-up and analogous events).</li> <li>(iii) If the Offeror were to be obliged to increase the amounts payable in respect of any New Bonds due to any new tax regulation or a change in the application or official interpretation of any tax regulation, and if such increase cannot be avoided, the Offeror may redeem all of the New Bonds.</li> <li>(iv) The Offeror may at any time use its call option to redeem all or parts of the New Bonds, prior to maturity.</li> </ul> <p>In case of early repayment or redemption of the New Bonds, the early repayment or redemption amount shall not be lesser than the nominal value of the relevant New Bonds repaid or redeemed and the interest accrued. In case of early repayment further to an Offeror's call described in paragraph (iv) above, this amount will be equal to the value of payments remaining due until the maturity date of the relevant New Bonds, discounted with a reference rate increased by 0.5% (with a minimum of 101% of the nominal value of the New Bonds and the interest accrued).</p> <p>The New Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge provisions) unsecured obligations of the Offeror and rank and will at all times rank <i>pari passu</i>, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Offeror, subject to legal exceptions.</p> <p>The New Bonds are issued in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code and cannot be physically delivered. The New Bonds have a nominal value of EUR 1,000 each.</p>
<p><b>Significant differences between the terms and conditions of</b></p>	<p>Taken as a whole, the terms and conditions applicable to the New Bonds are rather similar to those applicable to the Existing Bonds. However, in addition of the differences relating to pricing, maturity and listing place, the terms and conditions of the New Bonds include certain differences with the terms and conditions of the Existing Bonds.</p> <p>The significant differences between the terms and conditions applicable to the Existing</p>

<p><b>the Existing Bonds and the terms and conditions of the New Bonds.</b></p>	<p>Bonds and to the New Bonds are the following :</p> <ul style="list-style-type: none"> <li>(i) The New Bonds are due 2 October 2023 as opposed to the Existing Bonds due 27 November 2014.</li> <li>(ii) The term of the New Bonds is ten years as opposed to the term of the Existing Bonds which was five years from the issue date.</li> <li>(iii) The (gross) yield for the New Bonds is 5.125% per year due 2 October of each year, as opposed to the (gross) yield of 5,75% per year, due on 27 November of each year for the Existing Bonds.</li> <li>(iv) The New Bonds will be admitted to trading on NYSE Euronext Brussels' regulated market as opposed to the Existing Bonds which have been admitted to trading on the regulated market of the Luxembourg Stock Exchange.</li> <li>(v) The Offeror benefits from a call option to redeem all or parts of the New Bonds whereas such option did not exist under the Existing Bonds.</li> <li>(vi) The cross default provision applicable to the New Bonds is not applicable in case of acceleration in respect of other debts challenged in good faith by the Offeror or the relevant subsidiary. This exclusion was not applicable for the Existing Bonds.</li> <li>(vii) The incapability to face intra-group payments does not constitute an event of default under the terms and conditions applicable to the New Bonds whereas it was under the terms and conditions applicable to the Existing Bonds.</li> </ul>
<p><b>Justification of the pricing</b></p>	<p>The interest rate of the New Bonds will consist of three elements: (i) the expected market yield of a new 10-year bond issued at par by UCB, (ii) the transfer and spreading of the unrealized gain of the Existing Bonds (corresponding to the positive difference between the current market price of the Existing Bonds and 100%), and (iii) a premium to incentivize the holders of Existing Bonds to tender their Existing Bonds in the Exchange Offer.</p> <ul style="list-style-type: none"> <li>(i) The gross yield for a new 10-year bond issued at par by UCB is evaluated by the Offeror at 4.461% in the current market environment. This yield encompasses the reference rate for the same period (2.195%), plus a 2.266% "spread" reflecting the credit risk of the Offeror, as assessed by the Offeror. The reference rate used in the market is the mid-swap rate. The credit risk "spread" is assessed on the basis of several criteria that include company size, balance sheet structure, the company's business, the quality of its assets and the duration of the bond.</li> <li>(ii) The unrealized gain is the difference between the reference market price of the Existing Bond (104.47% on 30 August 2013) and 100%, i.e. 4.47%. The reference market price of the Existing Bonds is the mid-market price of the Existing Bonds calculated by Bloomberg Finance L.P. on over the counter (OTC) transactions (the Bloomberg mid-market price of the Existing Bonds is available with the following Bloomberg ticker: UCBBB 5 ¾ 11/27/14 Corp). Bloomberg calculates a real time composite of respectively the bid and ask prices for Existing Bonds bid and asked by market participants on OTC markets, balanced by the volume of Existing Bonds so bid and asked on such markets. The reference price calculated by Bloomberg may therefore vary from the trading price of the Existing Bonds as it appears on the Luxembourg Stock Exchange as such price</li> </ul>

	<p>does not include such a real-time and composite valuation. As of 30 August 2013, the trading price of the Existing Bonds on the Luxembourg Stock Exchange amounts to 104.3% (the trading price of the Existing Bonds on the Luxembourg Stock Exchange is available at the following internet address: <a href="https://www.bourse.lu/instrument/bond/summary?cdVal=155964&amp;cdTypeVal=OBL">https://www.bourse.lu/instrument/bond/summary?cdVal=155964&amp;cdTypeVal=OBL</a>). The report and spreading of this unrealized gain over the 10 year life of the New Bond results in an increase of the gross yield by 0.564% per annum (4.47% being the present value of 0.564% over 10 years at a discount factor of 4.461%, being the expected market yield of a new 10-year bond issued at par by UCB calculated in (i)).</p> <p>(iii) The premium offered to incentivize holders to tender their Existing Bonds in the Exchange Offer was set at 0.10%. The level of this premium is at the discretion of the Offeror.</p> <p>Holders of Existing Bonds that are exchanged in the proposed Exchange Offer will receive New Bonds with a nominal value of 100% and an interest rate of 5.125% per annum (gross), corresponding to the addition of three foregoing elements, 4.461% + 0.564% + 0.1%. The net actuarial yield, calculated in economic terms for natural persons domiciled in Belgium (taking into account the 25% withholding tax) for the New Bonds amounts to 3.311% (calculated on the basis of a reference market price of the Existing Bonds of 104.47%).</p>
<b>Exchange Offer</b>	<p>The Offeror acts simultaneously as Offeror and company for the purposes of the law of 1 April 2007 on public takeover bids (the “<b>Law</b>”).</p> <p>The decision to participate to the Exchange Offer belongs solely to the holders of Existing Bonds. Any Existing Bond that will not be delivered to the Exchange Offer will remain listed on the Luxembourg Stock Exchange’s regulated market until its maturity date, i.e. 27 November 2014. The Offeror will not be in a position to launch any forced redemption of the Existing Bonds.</p>
<b>Acceptance period</b>	<p>From 4 September 2013 until (and including) 18 September 2013 (the “<b>Acceptance Period</b>”).</p> <p>The Offeror has no intention to reopen the Exchange Offer after such date.</p>
<b>Conditions of the Exchange Offer</b>	<p>The effective settlement of the Exchange Offer is not subject to any condition.</p>
<b>Acceptances</b>	<p>In order to accept the Exchange Offer, a holder of Existing Bonds should deliver the acceptance form provided to it by the financial intermediary with which it holds the relevant Existing Bond (the “<b>Relevant Depository Intermediary</b>”) duly filled and executed to such Relevant Depository Intermediary between 4 September 2013 and 18 September 2013 (4 p.m. CET). The Relevant Depository Intermediary with whom such acceptance form is filed may be the Centralising Agent, one of the Dealer Managers or any other financial institutions. Such Relevant Depository Intermediary may, in accordance with the terms and conditions governing the account on which the relevant Existing Bonds are held, block such accounts, as a consequence of which such Existing Bonds may no longer be transferred</p>

	<p>(other than in the context of the settlement of the Exchange Offer).</p> <p>In case the Relevant Depository Intermediary is not the Centralising Agent or a Dealer Manager, such holder shall require information about the costs charged by these other financial institutions. These institutions must, in each case, adapt to the terms of this Prospectus. Any cost potentially invoiced by financial intermediaries other than the Centralising Agent or any Dealer Manager will be borne by the holders of Existing Bonds and will not be paid by the Offeror.</p> <p>The cancellation of the acceptance of the Exchange Offer should be communicated through the Relevant Depository Intermediary prior to the end of the Acceptance Period.</p>
<b>Reduction</b>	<p>In case acceptance forms are delivered in respect of more than 250,000 Existing Bonds, one or more allocation key(s) may be applied. As a result, the investors may find that only part of the Existing Bonds for which they accepted the Exchange Offer are exchanged for New Bonds (with the remaining Existing Bonds continuing to be held by the relevant investor on its securities account).</p> <p>The precise allocation key will be determined after the closing of the Acceptance Period based on the following principles: (i) any reduction of the Existing Bonds tendered will be performed on a proportional basis with an allocation of a whole number of New Bonds; (ii) the same allocation key will be used regardless of the financial institution through which an investor holds its Existing Bonds; and (iii) the Offeror and the Dealer Managers may decide to apply the proportional reduction only to investors that tendered a number of Existing Bonds that exceeds a number (the "<b>Minimum Threshold</b>"). If that is the case, investors who tendered Existing Bonds in the Exchange Offer for a number that does not reach the Minimum Threshold, will consequently benefit from the Exchange Offer for all the Existing Bonds tendered with no proportional reduction. Investors who tendered Existing Bonds in the Exchange Offer for a number exceeding the Minimum Threshold will receive a number of New Bonds equal to the higher of (i) the Minimum Threshold and (ii) the number of Existing Bonds tendered reduced using the allocation key.</p>
<b>Publication of the final allocation formula and the results</b>	<p>The results of the Exchange Offer and the final allocation key will be published on or around 21 September 2013.</p>
<b>Delivery of the New Bonds</b>	<p>The delivery of the New Bonds will occur on the Delivery Date.</p> <p>The Relevant Depository Intermediaries will transfer the Existing Bonds for which the acceptance form is accepted in accordance with section (<i>Reduction</i>) above to the Centralising Agent by transfer to a securities account opened in the books of the National Bank of Belgium in the name of the Centralising Agent. The Agent will deliver the New Bonds to the Centralising Agent in exchange for the Existing Bonds tendered on the Delivery Date. The New Bonds will then be transferred on the accounts of the participants to the Exchange Offer through their financial institution.</p> <p>The interests accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer (being EUR 48.68 per Existing Bond) will also be payable on the Delivery Date by UCB through the financial institution where the Existing Bonds have been deposited</p>

	or by credit on the account referred to in the acceptance form.
<b>Fees, costs and expenses</b>	<p>The costs and expenses relating to the structuring of the Exchange Offer and issue of the New Bonds will be borne by the Offeror. These costs and expenses cover essentially legal and administrative fees, the FSMA fees, legal publications, prospectus printing costs, fees of counsels and fees of the Dealer Managers.</p> <p>No fee will be charged to the holder of Existing Bonds participating to the Exchange Offer who holds the relevant Existing Bonds through the Centralising Agent or any Dealer Manager. The holders of Existing Bonds that will deliver their Existing Bonds through Relevant Depository Intermediaries other than the Centralising Agent or any Dealer Manager should request information on fees chargeable by such Relevant Depository Intermediary. Any such fees will be borne by the relevant holder of Existing Bonds and will not be reimbursed by the Offeror.</p>
<b>Tax aspects</b>	<p>Upon the exchange of Existing Bonds for New Bonds, bondholders will neither be subject to Belgian withholding (except in relation to the accrued interest – see below) nor to the Belgian stock exchange tax.</p> <p>The payment of interest accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer will be subject to the same Belgian withholding tax and income tax treatment as that described below for interest payments on New Bonds.</p> <p>All payments by or on behalf of the Offeror of interest on the New Bonds are in principle subject to the 25% Belgian withholding tax on the gross amount of the interest. However, payments of interest and principal under the New Bonds by or on behalf of the Offeror may be made without deduction of withholding tax in respect of the New Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors in an exempt securities account, i.e. an X 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.</p> <p>Further details on the tax treatment applying to the New Bonds are provided in the section “Belgian tax treatment of the New Bonds” of this Prospectus.</p>
<b>Risk Factors</b>	<p>The main risk factors in relation to the Exchange Offer include:</p> <p>(i) <i>Risks related to the maturity of the New Bonds (2023)</i></p> <p>The Existing Bonds are due in November 2014, i.e. before the term of syndicated credit facility dated 14 December 2009 as amended and restated on 30 November 2010 and on 7 October 2011 and several bonds which will mature in 2015, 2016 and 2020. Similarly the bank financings of EUR 150 million and EUR 100 million granted by the European Investment Bank to UCB Lux S.A., Luxembourg subsidiary of the Offeror, pursuant to credit agreements dated 9 May 2012 and 15 April 2013 respectively will mature in 2019 and 2020 respectively. The New Bonds will mature in 2023.</p> <p>There is no certainty that the facilities above mentioned or amounts received from the issues of bonds remain available to UCB after 2015-2016.</p> <p>(ii) <i>New Bonds may not be a suitable investment for all investors</i></p> <p>Each potential participant in the Exchange Offer, must determine the suitability of that investment in light of its own circumstances. In particular, each potential</p>



	<p>investor should have sufficient knowledge and experience to make a meaningful evaluation of the New Bonds, the merits and risks of participating to the Exchange Offer and investing in the New Bonds and the information contained or incorporated by reference in this Prospectus or any applicable supplement.</p> <p>(iii) <i>There is no active trading market for the New Bonds</i></p> <p>Application has been made for the New Bonds to be admitted to trading on the regulated market of NYSE Euronext Brussels. However, the New Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the New Bonds are traded after their issue, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Offeror. There is no assurance that an active trading market will develop.</p> <p>(iv) <i>Reduction</i></p> <p>If the number of Existing Bonds tendered for exchange in the Exchange Offer is greater than 250,000, investors may end up in a situation where part only of the Existing Bonds for which they have accepted the Exchange Offer will be exchanged against New Bonds. In this situation, one or more allocation key(s) may be applied.</p> <p>Investors will be unaware of the final allocation formula at the time they will accept the Exchange Offer. As a consequence of such pro-rata, it may be that, after the Delivery Date for the New Bonds, an investor will hold both Existing Bonds and New Bonds.</p> <p>(v) <i>The New Bonds may be redeemed prior to maturity</i></p> <p>The Offeror may redeem the New Bonds in the following circumstances:</p> <p>(i) Subject to approval by the shareholders' meeting of the Offeror, each holder of New Bonds may require the Offeror to redeem the New Bonds held by it upon exercise by such holder of the New Bonds of its put option following a change of control (in case the Issuer is rated, the change of control put option may not be available if no rating downgrade occurs in the context of such change of control). If the put option is exercised by holders of the New Bonds representing 85% or more of the aggregate principal amount of the New Bonds, the Offeror may redeem all New Bonds.</p> <p>(ii) If any event of default occurs and is continuing then any New Bond may, by notice in writing given by the bondholder to the Offeror, be declared immediately due and payable. The events of default applying to the New Bonds are usual for bonds of this nature (non-payment, breach of covenants, cross acceleration, enforcement proceedings, enforcement of security, insolvency, winding-up and analogous events).</p> <p>(iii) If the Offeror were to be obliged to increase the amounts payable in respect of any New Bonds due to any new tax regulation or a change in the application or official interpretation of any tax regulation, and if such increase cannot be avoided, the Offeror may redeem all of the New Bonds.</p>
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	<p>(iv) The Offeror may at any time use its call option to redeem all or part of the New Bonds, prior to maturity.</p> <p>In case of early repayment or redemption of the New Bonds, the early repayment or redemption amount shall not be lesser than the nominal value of the relevant New Bonds repaid or redeemed and the interest accrued.</p> <p>These early redemption options may impact the market value of the New Bonds. Indeed, there is a risk that the market value of the New Bonds will not increase significantly above the early redemption amount of the New Bonds.</p> <p>(vi) <i>The change of control put</i></p> <p>A change of control put is specified in the terms and conditions of the New Bonds. Consequently, each holder of New Bonds (a “<b>Participating Bondholder</b>”) will have the right to require the Offeror to repurchase all or any part of such holder’s New Bonds at the put redemption amount upon the occurrence of a Change of Control and, if applicable, a rating downgrade in respect of the Offeror, in accordance with the terms and conditions. However, the change of control put is subject to the approval of the Offeror’s shareholders. The approval of the change of control put is expected to be raised at the ordinary meeting of shareholders of the Offeror to be held in 2014. In the event that the shareholders do not approve the change of control put, such provision will not be effective.</p> <p>(vii) <i>Market Value of the New Bonds</i></p> <p>The value of the New Bonds may be affected by the creditworthiness of the Offeror and a number of other factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the market on which the New Bonds are traded.</p> <p>(viii) <i>Potential Conflicts of Interest.</i></p> <p>Potential investors should be aware that the Offeror is involved in a general business relation or/and in specific transactions (including without limitation, long or short term financing facilities) with the Agent or/and each of the Dealer Managers (and their respective affiliates, if any) and that they might have conflicts of interests which could have an adverse effect to the interests of the Participating Bondholders. The terms of such specific transactions may be more favourable to the Dealer Managers than the terms of the New Bonds.</p> <p>(ix) <i>The UCB Group’s inability to manage its sources of funding may adversely affect its business, financial condition and results of operation</i></p> <p>On 30 June 2013, the Offeror reported a net debt of EUR 2,096 million versus recurring EBITDA (earnings before interest, tax, depreciation and amortisation) over the first six months of the year of EUR 319 million.</p> <p>The ratio net debt / recurring EBITDA as at 30 June 2013 is 3.35x (calculated over the previous 12 months). This number excludes the perpetual subordinated unsecured bonds (EUR 300 million) and share swaps (EUR 191.8 million) (in accordance with IFRS).</p> <p>The net debt of EUR 2,096 million, an increase of EUR 330 million compared to EUR 1,766 million as per end December 2012, mainly relates to the dividend payment on the 2012 results (EUR 186 million) and the dividend paid related to the</p>
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perpetual subordinated bond (EUR 23 million) and the further investment in intangible and tangible assets (EUR 173 million), partly off-set by the underlying net profitability.

The sources of funding of the UCB Group primarily consist of a EUR 1 billion committed syndicated credit facility the term of which has been extended until 2016 and other committed and non-committed bilateral credit facilities, and bonds.

At the date of this Prospectus, no moneys were borrowed under the EUR 1 billion committed syndicated credit facility and EUR 100 million was borrowed under various other committed and uncommitted credit facilities.

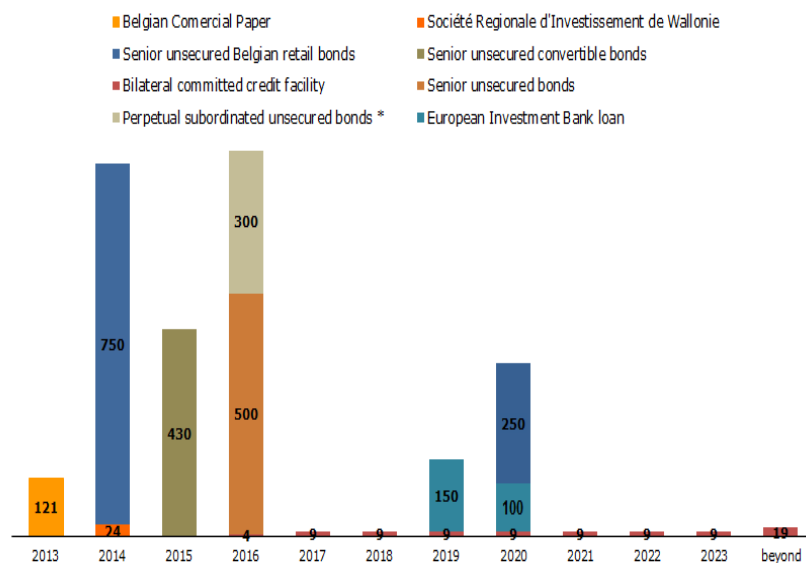
At the date of this Prospectus, the following bonds were outstanding:

- EUR 750 million of Existing Bonds;
- EUR 430 million senior unsecured convertible bonds, with a coupon of 4.5%, due October 2015;
- EUR 500 million senior unsecured bonds, with a coupon of 5.75%, due December 2016;
- EUR 300 million perpetual subordinated unsecured bonds, with a coupon of 7.75% ; and
- EUR 250 million senior unsecured bonds, with a coupon of 3.75%, due March 2020.

In addition, in order to simplify the issue of future bonds, the Offeror has launched a EUR 3 billion EMTN program in March 2013. The amount of the EMTN program is justified by the fact that the EUR 2 billion debt will need to be rolled over in the future (potentially more than once).

There is no certainty of these instruments remaining to be available to the UCB Group in the future.

As of 30 June 2013, the debt maturity profile of the Offeror may be represented as follows:



(x) *Insufficient generation of cash flow may result in unavailability of funding*

UCB Group’s ability to pay principal and interest on the New Bonds and on its other debt depends on its future operating performance. Future operating performance is subject to market conditions and business factors that often are beyond UCB Group’s control. If UCB Group’s cash flows and capital resources are insufficient to allow it to make scheduled payments on its debt, it may have to reduce or delay research and development, sell assets, seek additional capital or debt or restructure or refinance its debt. UCB Group cannot assure that such measures would satisfy its scheduled debt service obligations.

(xi) *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 UCB Group has introduced normally provide substantial 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.

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).

<b>Marketed Products</b>	<b>EU</b>	<b>U.S.</b>	<b>Japan</b>
Neupro® ( <i>rotigotine; patch</i> ).....	February 2021 <sup>1</sup>	March 2021 <sup>1</sup>	March 2019
Vimpat® ( <i>lacosamide; API</i> ).....	March 2022	2022 <sup>(1)</sup>	March 2017
Cimzia® ( <i>certolizumab; API</i> ).....	October 2024 <sup>1</sup>	February 2024 <sup>1</sup>	June 2021

<sup>1</sup> Including extensions where applied for or already granted.

If a generic manufacturer succeeds in invalidating a patent protecting one of the products of the UCB Group, or succeeds in developing a non-infringing formulation, that product could be exposed to generic competition before the expected expiration date of the patent.

(xii) *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. Although products may appear to be promising in development phase, it is possible that such products do not reach the market because further research and (pre-) clinical testing might show that these products are ineffective, or not efficacious or have harmful side effects. Because of the lengthy development process, technological challenges and intense competition, there is also a risk that any of the products which the UCB Group is currently developing will not show the required efficacy and safety, will not be approved by the relevant authorities, or will not be marketable on time.

(xiii) *The UCB Group depends in the near term on a small number of products which are subject to intense 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®,

	<p>Keppra® and Xyzal®. While these and other products have largely reached the end of their patent-protected timeframe, they remain important for the financial condition of the UCB Group. Current key products for the UCB Group include Cimzia®, Vimpat® and Neupro® and the continuing sales volume of these products significantly depends on their patent protection but also on other factors such as regulatory approvals, regulation of pricing, product liability, sales and marketing strategies, investments and competition. A significant decrease in the sales of any of these products could have a material adverse impact on the cash flow, prospects and results of operations of the UCB Group.</p> <p>(xiv) <i>There are risks associated with the technical and clinical development of products of the UCB Group</i></p> <p>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.</p>
<p><b>2 Information about the Offeror</b></p>	
<p><b>Description</b></p>	<p>UCB is a limited liability company (“<i>naamloze vennootschap</i>”/“<i>soci�t� anonyme</i>”), incorporated in Belgium and subject to the laws of Belgium. The Offeror has its registered office at All�e de la Recherche 60, B-1070 Brussels, Belgium and is registered with the Crossroads Bank for Enterprises under number 0403.053.608.</p> <p>Neither the Offeror nor the Existing Bonds and New Bonds are rated.</p>
<p><b>Business of the UCB Group</b></p>	<p>The Offeror and its subsidiaries taken as a whole (the “<b>UCB Group</b>”) constitute 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.</p> <p>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 UCB Group differentiates itself by focusing on a patient-driven approach offering treatments for a range of severe CNS and immunology disorders, including epilepsy, Parkinson’s disease, restless leg syndrome, Crohn’s disease and rheumatoid arthritis. The UCB Group has further indications under clinical development such as systemic lupus erythematosus (SLE or “lupus”) and postmenopausal osteoporosis (PMO). In selected markets, the UCB Group also has a successful primary care business and it is dedicated to optimising its value. The organisation has streamlined itself in the past years with a strong focus on severe disease in CNS and immunology, providing a basis for competitiveness.</p> <p>The key marketed products of the Offeror are Vimpat®, Neupro® and Keppra® for CNS diseases. For immunology, the key marketed product is Cimzia®. In 2012, other significant</p>

	<p>marketed products include Zyrtec®, Xyzal®, omeprazole and Metadate™ CD.</p> <p>The Offeror is seeking to supplement its current marketed products by a research and development pipeline focusing on the following CNS diseases: epilepsy and Parkinson’s disease. Research and development is also carried out in the following immunology disorders: rheumatoid arthritis and other arthritis indications, systemic lupus erythematosus, bone loss disorders and other autoimmune diseases. The Offeror 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 Offeror has two Centres of Excellence which are located in Slough (United Kingdom) and Braine-l’Alleud (Belgium). The Offeror's expenses in research and development was 26% of its revenue in 2012 (24% in 2011) which is a reflection of higher R&amp;D expenses due to late stage pipeline progressing in Phase III as well as lifecycle management with respect to Cimzia®, Vimpat® and Neupro®.</p> <p>The Offeror is the holding company of the UCB Group.</p>																																																																														
<p><b>Key financial data</b></p>	<p>Summary of UCB Group Financial Data (Consolidated figures – EUR millions) based on the 2011 and 2012 Offeror’s Annual Reports:</p> <table border="1" data-bbox="411 860 1353 1951"> <thead> <tr> <th colspan="3"><i>Income statement</i></th> </tr> <tr> <th><i>Consolidated figures – EUR million</i></th> <th><i>Actual 2012</i></th> <th><i>Actual 2011</i></th> </tr> </thead> <tbody> <tr> <td colspan="3"><b>Continuing operations</b></td> </tr> <tr> <td>Net sales</td> <td>3,070</td> <td>2,876</td> </tr> <tr> <td>Royalty income &amp; fees</td> <td>168</td> <td>187</td> </tr> <tr> <td>Other revenue</td> <td>224</td> <td>183</td> </tr> <tr> <td><b>Revenue</b></td> <td><b>3,462</b></td> <td><b>3,246</b></td> </tr> <tr> <td>Cost of sale</td> <td>-1,084</td> <td>-1,013</td> </tr> <tr> <td><b>Gross profit</b></td> <td><b>2,378</b></td> <td><b>2,233</b></td> </tr> <tr> <td>Marketing and selling expenses</td> <td>-875</td> <td>-837</td> </tr> <tr> <td>Research and development expenses</td> <td>-890</td> <td>-778</td> </tr> <tr> <td>General and administrative expenses</td> <td>-198</td> <td>-191</td> </tr> <tr> <td>Other operating income/expenses (-)</td> <td>0</td> <td>12</td> </tr> <tr> <td><b>Operating profit before impairment, restructuring and other income and expenses</b></td> <td><b>415</b></td> <td><b>439</b></td> </tr> <tr> <td>Impairment of non-financial assets</td> <td>-10</td> <td>-39</td> </tr> <tr> <td>Restructuring expenses</td> <td>-40</td> <td>-27</td> </tr> <tr> <td>Other income and expenses</td> <td>24</td> <td>-25</td> </tr> <tr> <td><b>Operating profit</b></td> <td><b>389</b></td> <td><b>348</b></td> </tr> <tr> <td>Financial income</td> <td>86</td> <td>90</td> </tr> <tr> <td>Financing costs</td> <td>-233</td> <td>-205</td> </tr> <tr> <td><b>Profit / loss (-) before income taxes</b></td> <td><b>242</b></td> <td><b>233</b></td> </tr> <tr> <td>Income tax expense (-) / credit</td> <td>-7</td> <td>-9</td> </tr> <tr> <td>Profit / loss (-) from continuing operations</td> <td>235</td> <td>224</td> </tr> <tr> <td colspan="3"><b>Discontinued operations</b></td> </tr> <tr> <td><b>Profit / loss (-) from discontinued operations</b></td> <td><b>17</b></td> <td><b>14</b></td> </tr> <tr> <td><b>Profit</b></td> <td><b>252</b></td> <td><b>238</b></td> </tr> </tbody> </table>	<i>Income statement</i>			<i>Consolidated figures – EUR million</i>	<i>Actual 2012</i>	<i>Actual 2011</i>	<b>Continuing operations</b>			Net sales	3,070	2,876	Royalty income & fees	168	187	Other revenue	224	183	<b>Revenue</b>	<b>3,462</b>	<b>3,246</b>	Cost of sale	-1,084	-1,013	<b>Gross profit</b>	<b>2,378</b>	<b>2,233</b>	Marketing and selling expenses	-875	-837	Research and development expenses	-890	-778	General and administrative expenses	-198	-191	Other operating income/expenses (-)	0	12	<b>Operating profit before impairment, restructuring and other income and expenses</b>	<b>415</b>	<b>439</b>	Impairment of non-financial assets	-10	-39	Restructuring expenses	-40	-27	Other income and expenses	24	-25	<b>Operating profit</b>	<b>389</b>	<b>348</b>	Financial income	86	90	Financing costs	-233	-205	<b>Profit / loss (-) before income taxes</b>	<b>242</b>	<b>233</b>	Income tax expense (-) / credit	-7	-9	Profit / loss (-) from continuing operations	235	224	<b>Discontinued operations</b>			<b>Profit / loss (-) from discontinued operations</b>	<b>17</b>	<b>14</b>	<b>Profit</b>	<b>252</b>	<b>238</b>
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Financing costs	-233	-205																																																																													
<b>Profit / loss (-) before income taxes</b>	<b>242</b>	<b>233</b>																																																																													
Income tax expense (-) / credit	-7	-9																																																																													
Profit / loss (-) from continuing operations	235	224																																																																													
<b>Discontinued operations</b>																																																																															
<b>Profit / loss (-) from discontinued operations</b>	<b>17</b>	<b>14</b>																																																																													
<b>Profit</b>	<b>252</b>	<b>238</b>																																																																													

<b>Attributable to:</b>		
Equity holders of UCB S.A.	256	238
Non-controlling interest	-4	0
<b>Basic earnings per share (EUR )</b>		
from continuing operations	1.34	1.26
from discontinued operations	0.09	0.08
<b>Total basic earnings per share</b>	<b>1.43</b>	<b>1.34</b>
<b>Diluted earnings per share (EUR )</b>		
from continuing operations	1.33	1.26
from discontinued operations	0.08	0.07
<b>Total diluted earnings per share</b>	<b>1.41</b>	<b>1.32</b>

<i>Consolidated statement of financial position</i>		
	<b>2012</b>	<b>2011</b>
	<b>31</b>	<b>31</b>
<i>Consolidated figures – EUR million</i>	<b>December</b>	<b>December</b>
Non-current assets	7,538	7,470
Current assets	1,822	1,706
<b>Total assets</b>	<b>9,360</b>	<b>9,176</b>
Equity	4,593	4,701
Non-current liabilities	2,959	2,863
Current liabilities	1,808	1,612
<b>Total liabilities</b>	<b>4,767</b>	<b>4,475</b>
<b>Total equity and liabilities</b>	<b>9,360</b>	<b>9,176</b>

The results for the exercise ended 31 December 2011 have been updated following the early adoption by the UCB group of amendment in respect of IAS 19 as revised in June 2011 and approved by the European Union in June 2012.

Summary of UCB Group Financial Data (Consolidated figures – EUR millions) based on the half-year financial report 2012 and 2013:

<i>Income statement</i>		
	<b>2013</b>	<b>2012</b>
	<b>Reviewed</b>	<b>Restated</b>
<i>Consolidated figures – EUR million</i>		
<b>Continuing operations</b>		
Net sales	1,466	1,527
Royalty income & fees	85	83
Other revenue	106	95
<b>Revenue</b>	<b>1,657</b>	<b>1,706</b>
Cost of sale	-522	-523
<b>Gross profit</b>	<b>1,135</b>	<b>1,183</b>
Marketing and selling expenses	-413	-440
Research and development expenses	-424	-405
General and administrative expenses	-107	-94

Other operating income/expenses (-)	3	-3
<b>Operating profit before impairment, restructuring and other income and expenses</b>	<b>194</b>	<b>241</b>
Impairment of non-financial assets	-8	-1
Restructuring expenses	-11	-12
Other income and expenses	0	-1
<b>Operating profit</b>	<b>175</b>	<b>227</b>
Financial income	32	37
Financing costs	-101	-113
<b>Profit / loss (-) before income taxes</b>	<b>106</b>	<b>151</b>
Income tax expense (-) / credit	-22	-16
Profit / loss (-) from continuing operations	84	135
<b>Discontinued operations</b>		
Profit / loss (-) from discontinued operations	3	2
<b>Profit for the period</b>	<b>87</b>	<b>137</b>
<b>Attributable to:</b>		
Equity holders of UCB S.A.	92	137
Non-controlling interest	-5	0
<b>Basic earnings per share (EUR )</b>		
from continuing operations	0.49	0.76
from discontinued operations	0.01	0.01
<b>Total basic earnings per share</b>	<b>0.51</b>	<b>0.77</b>
<b>Diluted earnings per share (EUR )</b>		
from continuing operations	0.50	0.70
from discontinued operations	0.01	0.01
<b>Total diluted earnings per share</b>	<b>0.51</b>	<b>0.71</b>
<i>Consolidated statement of financial position</i>		
	<b>30 June 2013 Reviewed</b>	<b>31 December 2012 Restated</b>
<i>Consolidated figures – EUR million</i>		
Non-current assets	7,595	7,535
Current assets	1,963	1,822
<b>Total assets</b>	<b>9,558</b>	<b>9,357</b>
Equity	4,497	4,593
Non-current liabilities	3,256	2,956
Current liabilities	1,805	1,808
<b>Total liabilities</b>	<b>5,061</b>	<b>4,764</b>
<b>Total equity and liabilities</b>	<b>9,558</b>	<b>9,357</b>
There has been no significant change in the financial or trading position of the Offeror since 30 June 2013 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2012, except for the results on 30 June 2013 as set forth in the		



	half-year financial report 2013 (which is incorporated by reference – see “Documents incorporated by reference”).
<b>Shareholding</b>	The Offeror’s main shareholder is Financière de Tubize S.A., a company listed on Euronext Brussels. Financière de Tubize S.A. acts in concert with Schwarz Vermögensverwaltung GmbH and controls the Offeror. As at 1 July 2013, the shares that are covered by this agreement, including the shares held by Financière de Tubize S.A. and by UCB SA or any of its subsidiaries, represented 43.58% of the share capital of the Offeror.

## GENERAL PROVISIONS

<b>1 Definitions</b>	
<b>Acceptance period</b>	From 4 September 2013 until (and including) 18 September 2013 (the “ <b>Acceptance Period</b> ”).  The Offeror has no intention to reopen the Exchange Offer after such date.
<b>BNPP Fortis</b>	BNP Paribas Fortis SA/NV, a limited liability company ( <i>société anonyme</i> ) incorporated under the laws of Belgium, having its registered office at Montagne du Parc 3, B-1000 Brussels, Belgium and registered with the Crossroads Bank for Enterprises under number 0403.199.702.
<b>Exchange Offer</b>	The unconditional public exchange offer issued by the Offeror on EUR 250 million on EUR 750 million of the Existing Bonds..
<b>Existing Bonds</b>	5.75% fixed rate bonds issued by the Offeror on 27 November 2009, due on 27 November 2014.
<b>FSMA</b>	Financial Services and Markets Authority.
<b>ING</b>	ING Bank N.V., Belgian branch, a Dutch bank acting through its branch with registered office at 1000 Brussels, Avenue Marnix 24 and registered with the Crossroads Bank for Enterprises under number 828.223.909.
<b>KBC</b>	KBC Bank NV, a limited liability company ( <i>société anonyme</i> ) incorporated under the laws of Belgium, having its registered office at 1080 Brussels, Avenue du Port 2, registered with the Crossroads Bank for Enterprises under number 0462.920.226.
<b>Law Public Takeover</b>	Law of 1 April 2007 on public takeover bids.
<b>New Bonds</b>	5.125% fixed rate bonds and due 2 October 2023, that the Offeror intends to issue in exchange of the Existing Bonds.
<b>Offeror</b>	UCB SA, a limited liability company ( <i>société anonyme</i> ) incorporated under the laws of Belgium, having its registered office at Allée de la Recherche 60, B-1070 Brussels and registered with the Crossroads Bank for Enterprises under number 0403.053.608
<b>2 External advisors</b>	
<b>Legal and financial advisors</b>	White & Case LLP has advised the Offeror on certain aspects of Belgian law in connection with the Exchange Offer. This advice has been provided exclusively to the benefit of the Offeror and no third party may rely on such advice.  ING Bank N.V., Belgian branch has advised the Offeror on certain financial aspects of the Exchange Offer.
<b>Auditor</b>	The auditor of the Offeror is PwC Réviseurs d’Entreprises SCCRL (member of the <i>Institut des Réviseurs/Instituut der Bedrijfsrevisoren</i> ), Woluwedal 18, 1932 Zaventem, Belgium. They rendered unqualified audit reports on the consolidated financial statements of the Offeror for the years ended 31 December 2011 and 31 December 2012.

<b>3 Legal aspects</b>	
<b>Governing Law</b>	The Exchange Offer and the content of this Prospectus and any non-contractual obligations arising out of or in connection with the Exchange Offer or the Prospectus are governed by, and shall be construed in accordance with, Belgian law.
<b>Jurisdictions</b>	The Courts of Brussels (Belgium) are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Exchange Offer or the Prospectus and, accordingly, any legal action or proceedings arising out or in connection with the Exchange Offer or the Prospectus (“ <b>Proceedings</b> ”) may be brought in such courts.
<b>4 Information on the Prospectus</b>	
<b>FSMA approval</b>	The French version of this Prospectus has been approved by the FSMA as a prospectus for the purposes of Article 18 of the Public Takeover Law. The approval by the FSMA does not imply any appraisal of the appropriateness or the merits of the Exchange Offer or the issue of the New Bonds, nor of the situation of the Offeror. The whole of this Prospectus has been translated into English and Dutch. In the event of any discrepancy between the English, the Dutch and the French version of this Prospectus, the French version shall prevail.
<b>Liability for the Prospectus content</b>	<p>The Offeror accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Offeror, 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.</p> <p>The Prospectus is established in French and translated into English and Dutch. The Offeror assumes responsibility for the translation and the consistency between the English, Dutch and French versions of this Prospectus. In case of discrepancy between the French, Dutch and English versions, the French version shall prevail.</p>
<b>Exchange Offer and distribution restrictions</b>	<p>This Prospectus does not constitute an offer to purchase, sell, transfer or assign by any means (or solicitation from anyone to this end) on any territory where its publication, disclosure, lecture or communication by any means or any reliance on its content would be illegal or subject to the approval and authorisation of, or filing with, any authority or entity, or in which such an offer or solicitation is prohibited, or to any person located on a territory where it is illegal to make such an offer or solicitation.</p> <p>The distribution of this Prospectus, the offer to tender the Existing Bonds in exchange for the New Bonds and the offering or sale of the New Bonds in certain jurisdictions (other than the Kingdom of Belgium) may be restricted by law. No action has been or will be taken in any jurisdiction other than the Kingdom of Belgium in relation to the Exchange Offer that would permit a public offering of securities. The offer to tender the Existing Bonds in exchange for the New Bonds is not addressed to any person that is not located in Belgium, save to the extent such person is a "qualified investor" for the purposes of Article 3(2)(a) of the Prospectus Directive as implemented in the Relevant Member State in which such person is located and it authorized to accept the offer in such Relevant Member State.</p> <p>Neither this Prospectus nor any other information or publicity may be provided to the public on a territory other than the territory of the Kingdom of Belgium where registration, approval or any other obligation is or will be applicable in connection with</p>

	<p>takeover bids on securities (or a solicitation by anyone to this end) and may not be distributed in the European Economic Area (other than on the territory of the Kingdom of Belgium), to persons who are not "qualified investors" for the purposes of Article 3(2)(a) of the Prospectus Directive, Canada, Japan and the United States.</p> <p>Any breach of these restrictions may constitute a breach of financial regulations applicable in the member states of the European Economic Area, Canada, Japan, the United States or any other country. Neither the Offeror nor any Dealer Manager nor the Centralising Agent shall be held liable for any breach of these restrictions by third parties.</p> <p>Any person that has access to this Prospectus should obtain information on these restrictions and, if applicable, comply with such restrictions.</p>
<p><b>Limitations</b></p>	<p><i>No guarantee – Exclusion of liability</i></p> <p>The holders of Existing Bonds should not refer to any other information in connection with the Exchange Offer other than the one contained in this Prospectus. No person or entity has been mandated by the Offeror to provide information on the Exchange Offer other than the one contained in this Prospectus.</p> <p>The public offer of the Existing Bonds has been documented by a prospectus dated 23 October 2009. The terms and conditions of the Existing Bonds are provided in the section “Terms and Conditions of the Existing Bonds” of this Prospectus.</p> <p>The Existing Bonds benefit from an annual (gross) interest rate of 5.75%, payable annually on 27 November each year. .</p> <p>The Existing Bonds are due on 27 November 2014. The Existing Bonds may be redeemed earlier in the following situations;</p> <ul style="list-style-type: none"> <li>(i) The Existing Bonds may be redeemed earlier upon exercise by the bondholders of their put option following a change of control.</li> <li>(ii) If any event of default occurs and is continuing then any Existing Bond may be declared immediately due and repayable. The events of default applying to the Existing Bonds are usual for bonds of this nature (non-payment, breach of covenants, cross acceleration, enforcement proceedings, enforcement of security, insolvency, winding-up and analogous events).</li> <li>(iii) If the Offeror were to be obliged to increase the amounts payable in respect of any Existing Bonds due to any new tax regulation, the Offeror may redeem the New Bonds.</li> </ul> <p>The Existing Bonds constitute direct, unconditional, unsubordinated and (subject to the negative pledge provisions) unsecured obligations of the Offeror and rank and will at all times rank <i>pari passu</i>, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Offeror, subject to legal exemptions.</p> <p>The Existing Bonds are issued in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code and cannot be physically delivered. The New Bonds are in principal amounts of EUR 1,000 each.</p>

*New material fact*

The information contained in this Prospectus is established on the date of the Prospectus. Any new material fact, error or misstatement relating to the information contained in this Prospectus which (i) may influence the assessment of the Exchange Offer (for the purposes of Article 17 of the Public Takeover Law) and (i) occurs or arises between the approval of the Prospectus and the final closing of the Acceptance Period will be documented by a supplement to the Prospectus that shall be approved by the FSMA and published in a manner similar to the Prospectus.

## **RISK FACTORS**

*The Offeror believes that the factors described below represent risks inherent in participating in the Exchange Offer and investing in the New Bonds and the Offeror. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision. In addition, the investors should pay attention to the fact that the statements regarding the risks of participating to the Exchange Offer are based on the information known at the date of the setting up of this Prospectus which means that other unknown or unpredictable risks that may have an adverse effect on the Offeror, its business or financial situation, may exist. The potential investor may lose all or parts of the value of the New Bonds received in exchange of the Existing Bonds of the Exchange Offer.*

### **1 Factors which are material for the purpose of assessing the market risks associated with the Exchange Offer and the New Bonds**

*The Offeror believes that the following factors may affect its ability to fulfill its obligations under the Exchange Offer and the New Bonds. All of these factors are contingencies which may or may not occur and the Offeror is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Offeror believes may be material for the purpose of assessing the market risks associated with the Exchange Offer and New Bonds are also described below.*

#### **1.1 Risks related to the maturity of the New Bonds (2023)**

The Existing Bonds are due in November 2014, i.e. before the term of syndicated credit facility dated 14 December 2009 as amended and restated on 30 November 2010 and on 7 October 2011 and several bonds which will mature in 2015 and 2016 (see below section 2.1 of the risk factors, “The UCB Group’s inability to manage its sources of funding may adversely affect its business, financial condition and results of operations”). Similarly the bank financings of EUR 150 million and EUR 100 million granted by the European Investment Bank to UCB Lux S.A., Luxembourg subsidiary of the Offeror, pursuant to credit agreements dated 9 May 2012 and 15 April 2013 respectively will mature in 2019 and 2020 respectively. The New Bonds will mature in 2023.

The financing of UCB Group is centralised at the level of the Offeror and its Luxembourg subsidiary, UCB Lux S.A..

There is no certainty that the facilities above mentioned or amounts received from the issues of bonds remain available to UCB after 2015-2016. There is no intention to modify the centralised financing structure. Even though, no utilisation is outstanding under the syndicated credit facility dated 14 December 2009 as amended and restated on 30 November 2010 and on 7 October 2011, if the Offeror does not manage to renew or replace these facilities or bonds in 2015-2016 or renegotiates them at less favourable terms than the existing facilities or bonds, its ability to fulfill its financial liabilities under the New Bonds may be compromised.

#### **1.2 New Bonds may not be a suitable investment for all investors**

Each potential participant in the Exchange Offer, 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 New Bonds, the merits and risks of participating to the Exchange Offer and investing in the New Bonds 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 New Bonds and the impact the New Bonds 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 New Bonds, including where its currency is not euro;
- (iv) understand thoroughly the terms of the New Bonds 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 participate in the Exchange Offer and invest in the New Bonds unless it has the expertise (either alone or with a financial adviser) to evaluate the New Bonds and the impact the investment will have on the potential investor's overall investment portfolio.

### **1.3 There is no active trading market for the New Bonds**

Application has been made for the New Bonds to be admitted to trading on the regulated market of NYSE Euronext Brussels. However, the New Bonds are new securities which may not be widely distributed and for which there is currently no active trading market. If the New Bonds are traded after their issue, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Offeror. There is no assurance that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for these New Bonds. Therefore, Investors may not be able to sell their New Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the trading value of New Bonds. In the event that put options are exercised in case of a change of control, or in case the Offeror exercises its call option in respect of part of the New Bonds, in each case in accordance with the terms and conditions of the New Bonds, liquidity will be reduced for the remaining New Bonds.

If the New Bonds are no longer listed or traded on a stock exchange or regulated market, they may be traded on trading systems governed by the laws and regulations in force from time to time (e.g. multilateral trading systems or "MTF") or in other trading systems (e.g. bilateral systems, or equivalent trading systems). Even if the New Bonds are listed and/or admitted to trading, this will not necessarily result in greater liquidity.

### **1.4 Uncertainty as to the market for Existing Bonds not exchanged**

Although the Existing Bonds that are not tendered or accepted in the Exchange Offer for exchange will continue to be listed on the regulated market of the Luxembourg Stock Exchange, the trading market for the Existing Bonds that remain outstanding following such completion may be significantly more limited. Such remaining Existing Bonds may command a lower price than comparable securities with greater market liquidity. A reduced market value and liquidity may also make the trading price of such remaining Existing Bonds more volatile.

As a result, the market price for Existing Bonds that remain outstanding after the completion of the Exchange Offer may be adversely affected as a result of the Exchange Offer. Neither the Offeror nor the Global Coordinator or any Dealer Manager has any duty to make a market in any such remaining Existing Bonds. The Offeror has no obligation to purchase the Existing Bonds (other than pursuant to the Exchange Offer) and if it does decide to make any such purchase, is under no obligation to do so by any date.

## **1.5 Responsibility for complying with the procedures of the Exchange Offer**

Holders of Existing Bonds must comply with all of the procedures for offering Existing Bonds for exchange. None of the Offeror, any Dealer Manager, or the Centralising Agent or any person who controls, or is a director, officer, employee, agent or affiliate of, any such person, assumes any responsibility for informing any holder of Existing Bonds of irregularities with respect to such holder's participation in the Exchange Offer (reference is made in this respect to what is set out in Section 3 (*Terms of the Exchange Offer*) of this Exchange Offer Prospectus, and in particular in paragraphs 3(e)(*Acceptance Period*), 3(f) (*Cancellation of Acceptance*) and 3(i) (*Acceptance of the Exchange Offer, investor representation and miscellaneous terms of the Exchange Offer*)).

## **1.6 Reduction**

If the number of Existing Bonds tendered for exchange in the Exchange Offer is greater than 250,000, investors may end up in a situation where part only of the Existing Bonds for which they have accepted the Exchange Offer will be exchanged against New Bonds (see Section (*Reduction*) of "*Terms of the Exchange Offer*"). In this situation, one or more allocation key(s) may be applied, which will be determined by the Dealer Managers and the Issuer after the closing of the Acceptance Period based on the following principles (i) any reduction of the Existing Bonds tendered will be performed on a proportional basis with an allocation of a whole number of New Bonds, (ii) the same allocation key will be used regardless of the financial institution through which an investor holds its Existing Bonds (iii) the Issuer and the Dealer Managers may decide to apply the proportional reduction only to investors that tendered a number of Existing Bonds that exceeds a number (the "**Minimum Threshold**").

If that is the case, investors who tendered Existing Bonds in the Exchange Offer for a number that does not reach the Minimum Threshold, will consequently benefit from the Exchange Offer for all the Existing Bonds tendered with no proportional reduction. Investors will be unaware of the final allocation formula at the time they will accept the Exchange Offer. Investors who tendered Existing Bonds in the Exchange Offer for a number exceeding the Minimum Threshold will receive a number of New Bonds equal to the higher of (i) the Minimum Threshold and (ii) the number of Existing Bonds tendered reduced using the allocation key. As a consequence of such pro-rata, it may be that, after the Delivery Date for the New Bonds, an investor will hold both Existing Bonds and New Bonds.

## **1.7 Other purchases of Existing Bonds**

The Global Coordinator and the Dealer Managers may, to the extent permitted by applicable law, acquire (from time to time both during and after the Exchange Offer) Existing Bonds other than pursuant to the Exchange Offer, including on the market or by way of private arrangements, tender offers, exchange offers or otherwise. Such purchases may be on such terms and at such prices as the Global Coordinator and the Dealer Managers, as the case may be, may determine, on terms more or less favourable than those contemplated by the Exchange Offer.

The Offeror may only acquire Existing Bonds other than pursuant to the Exchange Offer if it complies with articles 15 and 45 of the Royal Decree of 27 April 2007 on public takeover bids.

## **1.8 The New Bonds may be redeemed prior to maturity**

The Offeror may redeem the New Bonds in the following circumstances:

- (i) Subject to approval by the shareholders' meeting of the Offeror, each holder of New Bonds may require the Offeror to redeem the New Bonds held by it upon exercise by such holder of the New Bonds of its put option following a change of control (in case the Issuer is rated, the change of control put option may not be available if no rating downgrade occurs in the context of such change of



control). If the put option is exercised by holders of the New Bonds representing 85% or more of the aggregate principal amount of the New Bonds, the Offeror may redeem all New Bonds.

- (ii) If any event of default occurs and is continuing then any New Bond may, by notice in writing given by the bondholder to the Offeror, be declared immediately due and payable. The events of default applying to the New Bonds are usual for bonds of this nature (non-payment, breach of covenants, cross acceleration, enforcement proceedings, enforcement of security, insolvency, winding-up and analogous events).
- (iii) If the Offeror were to be obliged to increase the amounts payable in respect of any New Bonds due to any new tax regulation or a change in the application or official interpretation of any tax regulation, and if such increase cannot be avoided, the Offeror may redeem all of the New Bonds.
- (iv) The Offeror may at any time use its call option to redeem all or part of the New Bonds, prior to maturity.

In case of early repayment or redemption of the New Bonds, the early repayment or redemption amount shall not be lesser than the nominal value of the relevant New Bonds repaid or redeemed and the interest accrued. In case of early repayment further to an issuer's call described in paragraph (iv) above, this amount will be equal to the value of payments remaining due until the maturity date of the relevant New Bonds, discounted with a reference rate increased by 0.5% (with a minimum of 101% of the nominal value of the New Bonds and the interest accrued).

These early redemption options may impact the market value of the New Bonds. Indeed, there is a risk that the market value of the New Bonds will not increase significantly above the early redemption amount of the New Bonds.

## 1.9 The change of control put

A change of control put is specified in the terms and conditions of the New Bonds. Consequently, each holder of New Bonds (a "**Participating Bondholder**") will have the right to require the Offeror to repurchase all or any part of such holder's New Bonds at the put redemption amount upon the occurrence of a Change of Control and, if applicable, a rating downgrade in respect of the Offeror, in accordance with the terms and conditions. However, the change of control put is subject to the approval of the Offeror's shareholders. The approval of the change of control put is expected to be raised at the ordinary meeting of shareholders of the Offeror to be held in 2014. In the event that the shareholders do not approve the change of control put, such provision will not be effective.

In the event that such change of control put right is exercised by holders of at least 85% of the aggregate principal amount of the issue of the New Bonds, the Offeror may, at its option, redeem all (but not some only) of the New Bonds then outstanding pursuant to Condition 4(e)(i). However, Participating Bondholders should be aware that, in the event that (i) holders of 85% or more of the aggregate principal amount of the issue exercise their option under the terms and conditions of the New Bonds, but the Offeror does not elect to redeem the remaining outstanding New Bonds, or (ii) holders of a significant proportion, but less than 85% of the aggregate principal amount of the issue exercise their option under the terms and conditions of the New Bonds, New Bonds in respect of which the change of control put is not exercised may be illiquid and difficult to trade.

Potential investors should be aware that the change of control put can only be exercised in specified circumstances of a change of control as defined in the Conditions and, if applicable, a rating downgrade of the Offeror, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Offeror.

The holders of New Bonds deciding to exercise the change of control put have to do this through the bank or other financial intermediary (if any) through which they hold the New Bonds (the “**Financial Intermediary**”) and are advised to check when such Financial Intermediary would require the receipt of instructions and change of control put exercise notices in order to meet the deadlines for such exercise to be effective. The fees and/or costs, if any, of the relevant Financial Intermediary shall be borne by the relevant holders.

#### **1.10 Interest rate risks**

Investment in the New Bonds involves the risk that subsequent changes in market interest rates may adversely affect the value of the New Bonds.

#### **1.11 Market Value of the New Bonds**

The value of the New Bonds may be affected by the creditworthiness of the Offeror and a number of other factors, such as market interest and yield rates and the time remaining to the maturity date and more generally all economic, financial and political events in any country, including factors affecting capital markets generally and the market on which the New Bonds are traded. The price at which a Participating Bondholder will be able to sell the New Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

#### **1.12 Global Credit Market Conditions**

Potential investors should be aware of the prevailing and widely reported adverse global credit market conditions (which continue at the date hereof), whereby there is a general lack of liquidity in the secondary market for instruments similar to the New Bonds. The Offeror cannot predict when these circumstances will change and if and when they do there can be no assurance that the absence of liquidity for the New Bonds and instruments similar to the New Bonds will not return in the future.

#### **1.13 Modifications and waivers**

The Terms and Conditions of the New Bonds contain provisions for calling meetings of Participating Bondholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Participating Bondholders including Participating Bondholders who did not attend and vote at the relevant meeting and Participating Bondholders who voted in a manner contrary to the majority. In addition, modifications, waivers or authorisations of any breach or proposed breach of the agency agreement entered into between the Offeror and BNP Paribas Securities Services SCA, Brussels branch (the “**Agent**”) on 2 September 2013 (the “**Agency Agreement**”) and/or the clearing services agreement entered into between the Offeror, the Agent and the National Bank of Belgium (the “**Clearing Services Agreement**”) will be permitted if to do so could not reasonably be expected to be materially prejudicial to the interests of the Participating Bondholders or which in the Agent’s opinion is of a formal, minor or technical nature or is made to correct a manifest error to comply with mandatory provisions of law.

Furthermore, the Agency Agreement provides that, if authorised by the Offeror, a resolution in writing signed by or on behalf of Participating Bondholders of not less than 75% of the aggregate principal amount of the New Bonds shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Participating Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Participating Bondholders through the relevant clearing system(s).

#### **1.14 No Limitation on Issuing Further Debt**

The Offeror is not prohibited from issuing further debt or securities ranking *pari passu* with the New Bonds. The New Bonds do not limit the ability of the Offeror to incur indebtedness or issue securities.

### **1.15 EU Savings Tax Directive**

Under EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “**EU Savings Tax Directive**”), each Member State is required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent (within the meaning of the EU Savings Tax Directive – “**Paying Agent**”) within its jurisdiction to, or collected by such a Paying Agent for the benefit of, an individual resident or certain limited types of entities established in that other 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, deducting tax at rates of currently 35% (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 including Switzerland and certain territories (the “**non-EU Countries**”) have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State or a non-EU Country which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the EU Savings Tax Directive or any other European Union Directive implementing the conclusions of ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive, none of the Offeror, Agent or any other person would be obliged to pay additional amounts to the Bondholders or to otherwise compensate Bondholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

It has been publicly announced by the Luxembourg government that as from 1 January 2015 the withholding tax system will be replaced in Luxembourg by the exchange of information.

The European Commission has proposed certain amendments to the EU Savings Tax Directive which may, if implemented, amend or broaden the scope of the requirements described above. Investors who are in any doubt as to their position should consult their professional advisers.

### **1.16 Belgian Withholding Tax**

If the Offeror, 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 New Bonds, the Offeror, 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 Offeror will pay such additional amounts as may be necessary in order that the net payment received by each Bondholder in respect of the New Bonds, after withholding for any taxes imposed by tax authorities in the Kingdom of Belgium upon payments made by or on behalf of the Offeror in respect of the New Bonds, 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 New Bond in the circumstances defined in Condition 6 of the Terms and Conditions of the New Bonds.

### **1.17 Taxation**

Potential purchasers and sellers of the New Bonds 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 New Bonds 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 advisers’ advice on their individual taxation with

respect to the acquisition, sale and redemption of the New Bonds. 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.

### **1.18 Change of law**

The Terms and Conditions of the New Bonds are based on the laws of the Kingdom of Belgium 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 the laws of the Kingdom of Belgium, the official application, interpretation or the administrative practice after the date of this Prospectus.

### **1.19 Relationship with the Offeror**

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

### **1.20 Reliance on the procedures of the NBB Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the Offeror**

The New Bonds will be issued in dematerialised form and cannot be physically delivered. The New Bonds will be represented exclusively by book entries in the records of the NBB Clearing System.

Access to the NBB Clearing System, Euroclear and Clearstream, Luxembourg is available through their respective participants. NBB Clearing System participants include certain banks, stockbrokers (*beursvennootschappen/sociétés de bourse*), and Euroclear and Clearstream, Luxembourg.

Transfers of New Bonds will be effected between the participants in the NBB Clearing System, Euroclear or/and Clearstream, Luxembourg in accordance with the rules and operating procedures of the relevant clearing systems and any other Financial Intermediaries through which investors hold their New Bonds.

The Offeror and the Agent will have no responsibility for the proper performance by the NBB Clearing System, Euroclear and Clearstream, Luxembourg or the relevant participants of their obligations under their respective rules and operating procedures.

A Participating Bondholder must rely on the procedures of the NBB Clearing System, Euroclear and Clearstream, Luxembourg to receive payments under the New Bonds. The Offeror will have no responsibility or liability for the records relating to, or payments made in respect of, the New Bonds within the NBB Clearing System, Euroclear and Clearstream, Luxembourg. In addition, the Offeror will be discharged from its payment obligations under the New Bonds by the payment made to the NBB of each amount paid.

### **1.21 No segregation by the Agent of amounts received in respect of the New Bonds**

**For any payment to be made to the holders of New Bonds, the Agent will debit the relevant account of the Offeror and will use these funds to pay holders of New Bonds. The obligations of the Offeror under the New Bonds will be satisfied by the payment to the Agent of any amount due under the New Bonds.**

**The Agency Agreement stipulates that the Agent will pay, simultaneously, upon receipt of any amount due in respect of the New Bonds from the Offeror, such amount to holders of the New Bonds, directly or through the NBB. However, similarly to the amount received under the Existing Bonds, there is no obligation for the Agent to segregate the amounts he will receive in**

**respect of the New Bonds and in the event that the Agent is subject to bankruptcy proceedings, at any time that he holds such amounts, the holders of the New Bonds will have no right against the Offeror in respect of such amount and will be obliged to claim these amounts to the Agent, in accordance with the Belgian law on bankruptcy.**

### **1.22 Exchange rate risks and exchange controls.**

The Offeror will pay principal and interest on the New Bonds 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 the Euro would decrease (1) the Investor's Currency-equivalent yield on the New Bonds, (2) the Investor's Currency equivalent value of the principal payable on the New Bonds and (3) the Investor's Currency equivalent market value of the New Bonds.

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. This risk could be worsened by any reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro.

### **1.23 Potential Conflicts of Interest.**

The Offeror 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 New Bonds and which could be deemed to be adverse to the interests of the Participating Bondholders.

The Dealer Managers might have conflicts of interests which could have an adverse effect to the interests of the Participating Bondholders.

Potential investors should be aware that the Offeror is involved in a general business relation or/and in specific transactions (including without limitation, long or short term financing facilities) with the Agent or/and each of the Dealer Managers (and their respective affiliates, if any) and that they might have conflicts of interests which could have an adverse effect to the interests of the Participating Bondholders. The terms of such specific transactions may be more favourable to the Dealer Managers than the terms of the New Bonds. If any Dealer Manager (or any of their respective affiliates, if any) is a creditor of the Offeror, it has no obligation whatsoever to take into account the interests of the holders of the New Bonds in acting as such creditor. Potential investors should also be aware that the Agent and each of the Dealer Managers (and their respective affiliates, if any) may hold from time to time debt securities, shares or/and other financial instruments of the Offeror.

### **1.24 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) New Bonds are legal investments for it, (2) New Bonds can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any New Bonds. The investors should consult their legal advisers to determine the appropriate treatment of New Bonds under any applicable risk-based capital or similar rules.

## 2 Factors that may affect the Offeror’s ability to fulfill its obligations under or in connection with the Exchange Offer and the New Bonds

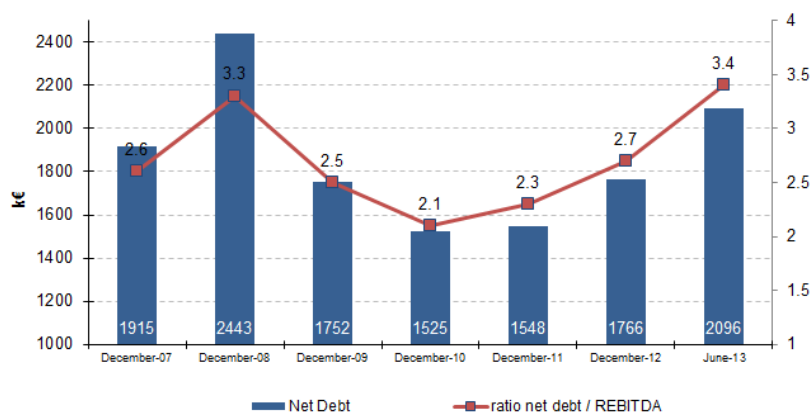
The following risk factors are mainly linked to the Offeror taken as a whole (the “UCB Group”) as opposed to the Offeror taken individually. However, considering the position of the Offeror in the UCB Group, the Offeror considers these risk factors relevant for itself.

### 2.1 The UCB Group’s inability to manage its sources of funding may adversely affect its business, financial condition and results of operation.

On 30 June 2013, the Offeror reported a net debt of EUR 2,096 million versus recurring EBITDA (earnings before interest, tax, depreciation and amortisation) over the first six months of the year of EUR 319 million.

Over the last six years, the net debt and the ratio net debt / recurring EBITDA evolved as set out in the following graph:

<i>Ratio net debt/REBITDA</i>	2.6	3.3	2.5	2.1	2.3	2.7	3.4
<i>Net Debt</i>	1915	2443	1752	1525	1548	1766	2096
	<i>Dec-07</i>	<i>Dec-08</i>	<i>Dec-09</i>	<i>Dec-10</i>	<i>Dec-11</i>	<i>Dec-12</i>	<i>Jun-13</i>



The ratio net debt / recurring EBITDA as at 30 June 2013 is 3.35x (calculated over the previous 12 months). This number excludes the perpetual subordinated unsecured bonds (EUR 300 million) and share swaps (EUR 191.8 million) (in accordance with IFRS).

The net debt of EUR 2,096 million, an increase of EUR 330 million compared to EUR 1,766 million as per end December 2012, mainly relates to the dividend payment on the 2012 results (EUR 186 million) and the dividend paid related to the perpetual subordinated bond (EUR 23 million) and the further investment in intangible and tangible assets (EUR 173 million), partly off-set by the underlying net profitability.

The sources of funding of the UCB Group primarily consist of a EUR 1 billion committed syndicated credit facility the term of which has been extended until 2016 and other committed and non-committed bilateral credit facilities, and bonds.

At the date of this Prospectus, no moneys were borrowed under the EUR 1 billion committed syndicated credit facility and EUR 100 million was borrowed under various other committed and uncommitted credit facilities.

At the date of this Prospectus, the following bonds were outstanding:

- EUR 750 million of Existing Bonds (fair value as per 30 June 2013: EUR 814,095,208.33);
- EUR 430 million senior unsecured convertible bonds, with a coupon of 4.5%, due October 2015 (fair value as per 30 June 2013: EUR 533,984,750.00);
- EUR 500 million senior unsecured bonds, with a coupon of 5.75%, due December 2016 (fair value as per 30 June 2013: EUR 563,181,944.44);
- EUR 300 million perpetual subordinated unsecured bonds, with a coupon of 7.75% (fair value as per 30 June 2013: EUR 326,123,666.67); and
- EUR 250 million senior unsecured bonds, with a coupon of 3.75%, due March 2020 (fair value as per 30 June 2013: EUR 256,056,458.33).

The issuance of these bonds was initially related to the refinancing of the outstanding portion under the EUR 4 billion syndicated credit facility which was entered into on 20 October 2006 in connection with the acquisition of Schwarz Pharma AG. To date, this credit facility has been fully repaid and is terminated. In addition, in order to simplify the issue of future bonds, the Offeror has launched a EUR 3 billion EMTN program in March 2013. The amount of the EMTN program is justified by the fact that the EUR 2 billion debt will need to be rolled over in the future (potentially more than once). The bonds with a coupon of 3.75% due March 2020 for EUR 250 million have been issued under this program.

Also, banking financings of EUR 150 million and EUR 100 million have been granted by the European Investment Bank to UCB Lux S.A., Luxembourg subsidiary of the Offeror, pursuant to credit agreements dated 9 May 2012 and 15 April 2013 respectively and will mature in 2019 and 2020 respectively.

If the Exchange Offer is successful, the maturity profile representing the main borrowings of the UCB Group as per 30 June 2013 would change as follows:

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	beyond
Belgian Commercial Paper	121											
Société Régionale d'Investissement de Wallonie		24										
Senior unsecured Belgian retail bonds		500						250			250	
Senior unsecured convertible bonds			430									
Senior unsecured bonds				500								
Perpetual subordinated unsecured bonds <sup>1</sup>				300								
European Investment Bank loan							150	100				

<sup>1</sup> The perpetual subordinated unsecured bonds are redeemable, at the option of the issuer, on 18 March 2016 (First Call Date)

There is no certainty of these instruments remaining to be available to the UCB Group in the future. Also, in the event that the UCB Group breaches any of its covenants or any other material term of its credit facilities and/or outstanding bonds, this could have a significant impact on the business of the UCB Group. At present the Offeror is not subject to any financial covenants as part of its EUR 1,000 million committed syndicated credit facility, due to mature in 2016. However, it may have to enter into new credit facilities and/or bonds, or renegotiate the terms of the bonds and of the credit facilities upon or prior to their respective maturities on terms which may not be commercially desirable or inferior compared to current conditions. Furthermore, financial- or non-financial covenants might potentially be introduced in new or existing agreements and may potentially have a significant impact on the business of the UCB Group. In addition, the financial position in terms of capital structure, leverage or cash flow of the UCB Group at the time of refinancing may result in unavailability of adequate sources of funding. Either outcome may have a material adverse effect on the UCB Group's business and results of operations.

The Offeror has reduced its liquidity risk by contracting the existing facilities with different credit institutions with which it maintains active relationships, such facilities including the syndicated credit facility up to EUR 1,000 million due in 2016 and other bilateral long term credit facilities.

The Offeror is exposed to an increase of interest rates that may trigger an increase of its financial expenses. The interest expense on portions of the financial indebtedness of the Offeror has however been fixed, either through contracting fixed rate financial indebtedness, or by contracting derivatives with a maturity up to 2017. As 30 June 2013, the ratio of such fixed rate indebtedness, excluding the EUR 300 million perpetual subordinated unsecured bonds and of the EUR 191.8 million share swaps (which are not considered as financial indebtedness for the purpose of the calculation of the leverage ratio in accordance with IFRS), compared to the nominal value of the relevant net financial liabilities, was 92% before hedging operations and 63% post hedging operations. The Offeror is monitoring its hedging strategy on a regular basis which may lead to increasing or decreasing hedge tenors or fixed rate indebtedness.

## **2.2 Insufficient generation of cash flow may result in unavailability of funding**

UCB Group's ability to pay principal and interest on the New Bonds and on its other debt depends on its future operating performance. Future operating performance is subject to market conditions and business factors that often are beyond UCB Group's control. If UCB Group's cash flows and capital resources are insufficient to allow it to make scheduled payments on its debt, it may have to reduce or delay research and development, sell assets, seek additional capital or debt or restructure or refinance its debt. UCB Group cannot assure that such measures would satisfy its scheduled debt service obligations. At present the Offeror is not subject to any financial covenants as part of its debt agreements. However, certain of its existing debt agreements may be amended and require to maintain specified financial ratios and meet specific financial tests. UCB Group's failure to comply with these covenants could result in an event of default that, if not cured or waived, could result in the Offeror being required to repay these borrowings before their due date. If the Offeror were unable to make this repayment or otherwise refinance these borrowings, its lenders could foreclose on its assets. If the Offeror were unable to refinance these borrowings on favourable terms, its business could be adversely impacted.

## **2.3 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 UCB Group has introduced normally provide substantial 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 generally 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.

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).

<b>Marketed Products</b>	<b>EU</b>	<b>U.S.</b>	<b>Japan</b>
Neupro® ( <i>rotigotine; patch</i> ) .....	February 2021 <sup>1</sup>	March 2021 <sup>1</sup>	March 2019
Vimpat® ( <i>lacosamide; API</i> ) .....	March 2022	2022 <sup>(1)</sup>	March 2017
Cimzia® ( <i>certolizumab; API</i> ) .....	October 2024 <sup>1</sup>	February 2024 <sup>1</sup>	June 2021

<sup>1</sup> Including extensions where applied for or already granted.

Even if the UCB Group succeeds in obtaining patents covering its products, 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 exclusivity for its products. Patent litigation and other challenges to the patents of the UCB Group are costly and unpredictable and may deprive the UCB Group of exclusivity for a patented product. In some cases, third party patents may prevent the UCB 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, for which the active ingredient is a New Chemical Entity (“NCE”), by attacking the validity or enforceability of a patent, or by developing a formulation of the product that does not infringe the patent (often via so-called ANDA filings and resulting litigation). For such NCE products enjoying five years of data exclusivity generic drug manufacturers may file for approval after the fourth year of exclusivity which is now the case for Vimpat®, Neupro® and Toviaz®. To date, ANDAs have been filed by generic companies for Vimpat® and Toviaz®. UCB is defending its patent rights. If a generic manufacturer succeeds in invalidating a patent protecting one of the products of the UCB Group, or succeeds in developing a non-infringing formulation, that product could be exposed to generic competition before the expected expiration date of the patent. 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 UCB 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 a patent related to the active ingredient per se in a product, the product at most would normally only be 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. Typically loss of exclusivity will lead to loss of sales and/or price reductions hence reducing profits of the UCB Group. 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% more than 12 months after the loss of such protection. In Europe, Keppra® lost data exclusivity in September 2010 and generic products entered the market as from March 2011.

The 2009 report on the pharmaceutical sector by the European Commission has led to increased scrutiny of the pharmaceutical sector under antitrust law, including increased monitoring of settlement arrangements between originators and generic drug companies. The report also called 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 investigation, this could have a material adverse effect on the UCB Group's business.

The UCB Group also is currently assessing and will carefully monitor the potential impact on the organisation of the key areas of healthcare reform in the U.S. For example, it is likely that the Federal Trade Commission ("FTC") will re-introduce legislation seeking authority to bring enforcement actions against parties who settle patent infringement claims related to the sale of drug products in particular 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 or where originators agree not to introduce authorised generics. The Supreme Court of the United States has decided to hear an appeal in its current term addressing whether such settlements presumptively violate United States antitrust laws. 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 healthcare 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. However PPACA is anticipated to increase the number of insured beginning in 2014. Finally, PPACA provides a regulatory approval pathway for follow-on biologics which currently includes a period of market exclusivity of twelve years for originators; however, how this pathway will operate in practice still 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 proposed reducing the period of data exclusivity for innovative biologics manufacturers to 7 years. Such a reduction faces stiff opposition from industry trade groups and would have to be approved by US Congress to take effect. Answers to these outstanding questions will help determine the timing and impact of the introduction of follow-on biologics. Despite the questions and concerns, the net impact of PPACA may not be understood fully until it has been operating for some time. It remains to be seen whether the 113<sup>th</sup> US Congress will attempt to modify the PPACA in a manner which could impact the business of the UCB Group.

In 2011, the America Invents Act ("AIA") introduced changes to U.S. patent law. Major changes include a shift from a first-to-invent system to a first-inventor-to-file system; foreign public use and offers for sale to be considered prior art; introduction of a defence to infringement based on prior commercial use for all inventions as well as prior secret use; introduction of post-grant review proceedings; substitution of *inter partes* review for *inter partes* re-examination; ability to request supplemental examination of a patent including by the patent owner; and introduction of derivation proceedings. Other measures have been

introduced by the United States Patent and Trademark Office to implement the AIA and to accelerate the examination and grant of patents. The true impact of the AIA will only become clear some time after all provisions have come into force in March 2013 and applications and patents based on those changes have worked their way through the administrative and judicial systems, which will take several years. These changes may have an impact on future strategies that the Offeror undertakes with respect to intellectual property matters.

In the European Community there have also been significant legislative developments. The European Parliament recently voted in favour of a package of legislation creating a unitary patent and a new European patent court system to hear validity and infringement disputes. This EU patent package is anticipated to come into force in January 2014, and will create a unitary patent with uniform effect in all participating European member states. Whilst the overall goal of these legislative developments is to improve the protection and enforcement of intellectual property the specific impact on the pharmaceutical industry remains to be seen.

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 UCB Group could suffer.

#### **2.4 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. Although products may appear to be promising in development phase, it is possible that such products do not reach the market because further research and (pre-) clinical testing might show that these products are ineffective, or not efficacious or have harmful side effects. Because of the lengthy development process, technological challenges and intense competition, there is also a risk that any of the products which the UCB Group is currently developing will not show the required efficacy and safety, will not be approved by the relevant authorities, or will not be marketable on time. Changes in legislation affecting clinical development or subsequent commercialisation, such as for example changes in exclusivity related legislation, could also have a material adverse effect on the value of a development project. Furthermore, products which are launched might subsequently experience safety issues, deviations during the manufacturing process or other such problems. Commercialisation may also be precluded for economical reasons such as high manufacturing costs or for legal reasons such as (potential) infringements of proprietary rights of others. 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 and/or marketing of 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 Biopharma Development Solutions. In the event that either of these UCB Groups is not productive, this may have a negative impact on the pipeline of products being developed. Further, the success of UCB NewMedicines™ and Biopharma Development Solutions are in part reliant on the success of their various partnerships. Lack of performance by the UCB Group or such partnerships may have a negative impact on 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 UCB 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 potential sales. Missing out on such potential 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. Furthermore, if a product to be developed by the UCB Group fails to meet the pre-specified endpoints in phase III tests, any ongoing study in connection with such product might be terminated and such termination could have an impact of the share price of the Offeror and, consequently, on the value of the New Bonds.

## **2.5 The UCB Group depends in the near term on a small number of products which are subject to intense 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®. While these and other products have largely reached the end of their patent-protected timeframe, they remain important for the financial condition of the UCB Group. Current key products for the UCB Group include Cimzia®, Vimpat® and Neupro® and the continuing sales volume of these products significantly depends on their patent protection but also on other factors such as regulatory approvals, regulation of pricing, product liability, sales and marketing strategies, investments and competition. A significant decrease in the sales of any of these products could have a material adverse impact on the cash flow, prospects and results of operations of the UCB Group.

The products of the UCB Group are also subject to intense competition from other products in the market. When new products are introduced in the market, competition will further increase. New products from competitors can be safer or more effective than the products of the UCB Group. If there is generic competition, the competitors may sell their products at substantially lower prices. The UCB Group can also not 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 UCB 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 or have been very recently approved. If the UCB Group is not able to maintain its competitive position, this might negatively affect the UCB Group's business, financial position and prospects.

If any of the UCB Group's major products were to become subject to 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, access to managed care contracts in the US, 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 UCB 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 or indications for products including for already launched products such as Cimzia®, Neupro® and Vimpat®.

## **2.6 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 remains high until 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.

As such, the Offeror is awaiting results of clinical trials such as Phase III results in PMO (Post-Menopausal Osteoporosis) with the sclerostin antibody romosozumab and Phase III results with Epratuzumab, a CD22 antibody, in SLE (Systemic Lupus Erythematosus) patients. Furthermore, UCB started in December 2010 the additional Phase III study for brivaracetam as add-on therapy in partial onset seizures and its first results are expected in H2 2014. It cannot be excluded that some clinical trials incur delays which affect the products' value or even fail to reach their endpoints, so that these clinical trials cannot support a marketing authorisation.

The UCB Group has entered into long-term development agreements with various pharmaceutical, clinical trial operators and private equity companies. Such collaboration agreements include milestone payments which are dependent on successful clinical development or on meeting specified sales targets. On 31 December 2012, the maximum amount that would be paid out if all milestones are achieved but excluding variable royalty payments based on unit sales, on an undiscounted and non-risk adjusted basis, amounted to EUR 862 million. Whilst the private equity partners carry out the clinical trials essentially at their risk, failure of the clinical trials would deprive the UCB Group of new indications to add to the labels of Vimpat® and Cimzia®. In the case of Brivaracetam, the molecule would not receive marketing authorisation if the currently ongoing clinical trial should fail.

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;
- delay in recruitment of eligible patients;
- 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 directive 2001/20/EC of 4 April 2001 on the approximation of the laws, regulations and administrative provisions of the Member States

relating to the implementation of good clinical practice in the conduct of clinical trials on medicinal products for human use).

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 commercialise such drug candidate. If one or more of the clinical trials of the UCB Group for a drug candidate is delayed, the UCB Group will be unable to meet the UCB 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.

## **2.7 There are specific risks associated with developing, testing, manufacturing and commercialising biologic medical products.**

The process of inventing, developing, manufacturing, registering and marketing biologic medical products such as therapeutic antibodies is highly uncertain, costly and unpredictable.

The production process is also highly complex. It requires innovative technologies and is subject to rigorous quality, purity and strength controls. In case of difficulties with or minor differences in the procedures applied the affected batch of the biologic may not be used. Issues may occur not only during the manufacturing process but also whilst testing, labelling, packaging, storage and shipping, or at any other step of the supply chain. Changes to the process may require (pre-) clinical testing to spot any changes in the purity, quality or strength of the products.

The ingredients necessary to produce biologic medical products are derived from living beings, bacteria or plants and cannot be produced synthetically. Given the limited availability of the materials and often high demand for biologics, the manufacturing of biologics is very expensive. Access to and supply of tissue samples, bacteria, cell lines and other biological materials is limited and may be restricted following government regulations. Insufficient access to such materials can make it difficult or even impossible to conduct research and may increase the manufacturing and development costs.

The different stages of production, development and commercialisation of biological products are also subject to regulation by various regulatory bodies. The regulatory framework for such products is often even more complex and extensive than for other pharmaceuticals.

Notwithstanding all precautionary measures and the numerous quality and purity checks and tests applied, the use of biologics might not have the prescribed effect and might result in infections, allergic reactions and other unwanted effects, leading to the recall of products, a number of liability claims or even closure of facilities due to possible contamination, all of which may result in significant costs being incurred.

The uncertainties and risks surrounding the development, testing, manufacturing and marketing of biologics may have a materially adverse effect on the business and financial position of the UCB Group.

## **2.8 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 number of different risks for the UCB Group, such as currency fluctuations, currency controls and a variety and multiplicity of political and economic conditions and regulatory regimes in the countries where entities of the UCB 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 protection, and procedures and actions affecting approval, production, import and export licensing, pricing restrictions, reimbursement policies and marketing of products.

The UCB Group notes in this respect that certain emerging markets, in particular India, have in the recent past refused to grant patent protection to a product developed by a Western pharmaceutical company, and have obliged another company to grant a compulsory licence to a producer of generic pharmaceuticals. In case such tendency would persist or become more widespread, this would potentially have an impact on the approach of the UCB Group to the relevant emerging markets. In case a product of the UCB Group would become the subject of such decision, this would be likely to affect the revenue or profit potential of such product for the UCB Group.

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.

Also the unstable situation or destruction in certain regions due to amongst others terrorism acts, social and political unrest, wars or natural disasters such as hurricanes, earthquakes or fire, might have an impact on the business, financial and political position of the UCB Group.

Business practices in different countries differ. Several countries have issued legislation to curb business practices, also affecting business outside their home country such as the FCPA or the UK bribery act. Failure to comply with those pieces of legislation as well as with laws and regulations governing business in certain emerging countries, can expose the UCB Group to important reputational and financial risk.

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

The UCB Group currently has a significant amount of its assets and liabilities, income and expenses outside the Eurozone, 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, either directly or indirectly. The instruments purchased to hedge transaction exposures are primarily denominated in U.S. dollars, Pounds Sterling, Japanese Yen and Swiss Francs. UCB Group financial risk management policy is to hedge for a period of minimum 6 and maximum 26 months of anticipated cash flows primarily derived from sales, royalties or out-licensing revenues provided that no natural hedges exist. Since the financial statements of the UCB Group are prepared in Euro, the foreign currency transactions of the UCB Group and the financial statement items of its foreign operations that are included in the financial statements of the UCB 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 UCB 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. While the main financial borrowings of the UCB Group consist of euro denominated fixed rate borrowings it is the UCB Group's current policy to maintain around half of its net debt in U.S. dollars. The UCB Group deploys certain financial risk management techniques to achieve the above mentioned net debt currency composition and 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 enter into fixed-rate or floating rate investments and borrowings in certain currencies, either directly or through such investments and borrowings in combination with derivative financial instruments, such as forwards, interest rate swaps, swap options and currency swaps. Notwithstanding the UCB Group's efforts to

foresee and mitigate the effects of changes in economic conditions, the UCB Group cannot predict with certainty changes in currency and interest rates, inflation or other related factors affecting its business.

Figures relating to the market risks may be found in note 4 (pages 73 to 78) of the the annual report of the Offeror for the financial year ended 31 December 2012.

Furthermore, a worsening of the Eurozone sovereign debt crisis may lead to the reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro. The departure or risk of departure from the Euro by one or more Eurozone countries and/or the abandonment of the Euro as a currency could have major negative effects on both existing contractual relations and the fulfilment of obligations by the UCB Group and/or customers of the UCB Group, which would have a significant negative impact on the activity, operating results and capital and financial position of the UCB Group.

#### **2.10 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 its products and important ingredients or components of its 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 UCB 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. Current supply conditions moreover impact cost of goods sold as well as inventory levels of key products, such as Cimzia®.

Reallocation of manufacturing capacity may require the sourcing of third party suppliers of Active Pharmaceutical Ingredient (“API”) for Keppra® in order to meet market demand as of mid-2015. There is a low risk that a suitable third party API supplier will not be in place by the end of 2014.

#### **2.11 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 Biopharma Development Solutions. 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 partnerships to either divest some of its non-core products, such as oncology therapies, or license in products, such as in Parkinson’s disease, and is therefore now reliant on the operational and financial ability of the partners to progress such products to ensure that the partnership 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 UCB Group the opportunity to launch and maximise 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 entered into long-term development agreements with various pharmaceutical, clinical trial operators and private equity companies. Such collaboration agreements include milestone payments which are dependent on successful clinical development or on meeting specified sales targets. On 31 December 2012, the maximum amount that



would be paid out if all milestones are achieved but excluding variable royalty payments based on unit sales, on an undiscounted and non-risk adjusted basis, amounted to EUR 862 million. Whilst the private equity partners carry out the clinical trials essentially at their risk, failure of the clinical trials would deprive the UCB Group of new indications to add to the label of Vimpat® and Cimzia®. In the case of Brivaracetam, the molecule could not receive marketing authorisation if the currently ongoing clinical trial would fail. Existing and future commercial partnerships with third parties, such as Amgen Inc, Willex AG and Biotie Therapies Corp, are of material importance for the UCB 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 cannot 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 UCB 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 UCB Group.

**2.12 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 UCB Group's profitability if the UCB 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.

**2.13 Products, including products in development or new indications for existing products, 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 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, or new indications for existing products, it will not be able to market any of those products, respectively not be able to market such indication, unless and until it has obtained the required regulatory approvals in each jurisdiction where it proposes to market the new products, respectively the new indication. Once obtained, the UCB Group must maintain these market authorisations as long as it plans to market its products in each jurisdiction where approval is required. The failure of the UCB

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, respectively marketing the new indication, in that jurisdiction until approval is obtained. The UCB Group will not be able to realise revenues for those new products, respectively the new indication, in any jurisdiction where it does not have approval.

#### **2.14 Certain developments after regulatory approval has been obtained can impose significant financial and business risks on the UCB Group.**

There are a number of events after regulatory approval has been obtained which might lead to a decrease in demand for the UCB Group's products.

Regulatory authorities in most jurisdictions impose requirements for reporting of adverse events and other safety issues associated with approved products and maintain systems for review of the risks and benefits of marketed products, which can lead to changes in labelling, restrictions on permitted usage, requirements for additional nonclinical or clinical studies, or suspension or revocation of marketing authorisations. Authorities in many major markets (including the United States, European Union, Japan, and others) are in regular communication with their counterparts in other major jurisdictions, so that regulatory responses to safety issues in one jurisdiction may lead to similar measures elsewhere in the world. Failure to maintain required systems for safety reporting and related regulatory requirements can also lead to imposition of substantial criminal and civil penalties.

Regulatory authorities also maintain requirements for compliance with good manufacturing practice to assure the quality of medical products, and they inspect manufacturing facilities to enforce these requirements. Failure to comply with manufacturing quality requirements can lead to product recalls, suspension or revocation of authorisations, civil or criminal enforcement actions, or other measures that can interrupt supply, lead to withdrawal of products from the market, and result in the imposition of severe penalties. Authorities in major jurisdictions communicate inspectional findings and enforcement actions to one another, and they may coordinate such actions so that recalls or supply interruptions in one market may lead to similar results elsewhere.

Regulatory requirements relating to the safety, effectiveness, and quality of medical products can change over time, so that products and manufacturing processes which were formerly considered to be compliant may no longer be acceptable.

Governments, health insurers, and other entities that pay for medical products under health care systems increasingly demand evidence of cost-effectiveness and conduct health technology assessments, and they may refuse to reimburse or restrict payment for products that are not deemed cost-effective in comparison to other products on the market.

Standards imposed by governments might change. The public expectations as to safety, efficacy, costs and production can shift. Products might be recalled or marketing approval can be withdrawn leading to increased costs but also negative publicity and a potential decrease in the popularity of the products and the UCB Group.

The regulating authorities and consumers have recently increased their focus on safety. The authorities may require additional reviews, research or testing or even re-review the products that have already been granted approval. Increased attention to the outcomes of clinical trials lead to an increased uncertainty as to the market reactions. These matters often result in product and consumer protection liability claims and increased governmental actions in relation to the development, production, labelling and marketing activities.

Promotion and advertising of medical products are subject to strict regulatory controls in most jurisdictions and penalties for noncompliance can be severe. In some jurisdictions (e.g., the United States) noncompliance can lead to exclusion from or debarment as a supplier to publicly funded health care programs.

In some jurisdictions, failure to comply with regulatory requirements relating to the safety, effectiveness, quality, promotion of medical products can expose manufacturers to significant risk of litigation and penalties under consumer protection laws and similar measures in addition to penalties under regulatory legislation.

### **2.15 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. If actual prices and reimbursement levels realised by the products of the UCB 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, widespread budget shortfalls among the states, and concerns about the federal deficit. 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 Medicaid, revises payments made under Medicare prescription drug coverage, Medicare Advantage and Medicaid fee-for-service arrangement, and imposes new fees on manufacturers of branded prescription drug products, based on their market share of sales to or reimbursed by certain U.S. government health programs. PPACA establishes mechanisms that may have the effect of limiting access to particular therapies and/or discouraging bringing particular therapies to market (e.g., comparative effectiveness research). PPACA is anticipated to increase the number of insured beginning in 2014 – thereby potentially increasing the number of Americans with access to the products of 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 governmental price controls and access restrictions, it would have a significant adverse impact on the UCB Group's business. In addition, managed care organisations, as well as Medicaid and other U.S. federal and state government agencies, continue to seek price discounts and other concessions on the UCB 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.

### **2.16 The UCB Group faces certain litigation risks and compliance costs, 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 UCB 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 liability, 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. Material legal proceedings concerning UCB Group products may also impact on the UCB Group's reputation and, consequently, its business, results of operations or financial condition. The Offeror is also actively managing all litigation and claims relating to its products including ANDA patent litigation, product-related litigations in the U.S. and elsewhere, commercial disputes as well as various state governmental actions concerning promotional practices and pricing practices.

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.

Furthermore, stricter safety and health laws and enforcement policies could result in substantial costs and liabilities to the UCB Group. Compliance with these laws could result in significant capital expenditures as well as other costs and liabilities, thereby adversely affecting the UCB Group's business, results of operations or financial condition.

Separately, the UCB Group has made (such as recently in Brazil) and will continue to consider acquisition opportunities within the pharmaceutical industry. While the UCB 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 Part 16, "Legal Proceedings" of Section "Description of the Offeror" of this Prospectus, for a description of litigations in which companies of the UCB Group are involved. While it is not possible to predict with certainty the outcome of any litigation or government investigations, the Offeror regularly updates its outside auditors on all material litigation and government investigations.

### **2.17 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 UCB 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 UCB Group will not be able to recruit new key personnel in the future.

### **2.18 Existing insurance coverage may turn out to be inadequate or not available.**

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 UCB

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 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 UCB 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 UCB Group against costs, expenses, fees and damages due to potential 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 UCB Group could exceed its total assets and the UCB 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 UCB Group could result in significant capital expenditures and expenses, as well as liabilities, thereby harming the business and operating results of the UCB Group.

The UCB Group will continue to look for the most efficient ways to mitigate its risks, but it cannot guarantee that insurance coverage can be obtained for all products and in case it has been obtained that it would sufficiently cover all potential product liabilities of the UCB Group.

## **2.19 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 UCB 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 UCB 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 UCB Group.

#### **2.20 The impact of the global economic conditions and potential austerity measures on the UCB Group may affect future results and financial position.**

The activity, operating results and capital and financial position (including the liquidity position) of the UCB Group may be materially adversely impacted by negative global or regional economic conditions. Such negative economic conditions may include adverse conditions in global financial markets and the austerity measures imposed by sovereign authorities resulting in reduced prices for products of the UCB Group. Such negative economic conditions may also include increased delay or default of payments by the debtors of the UCB Group or non-availability of credit insurance for debtors or markets for which such credit insurance coverage would be pursued by the UCB Group. As at the end of December 2012, the Offeror recorded EUR 835 million of receivables of which EUR 669 million are trade receivables. Furthermore, adverse conditions in global financial markets may include illiquid credit markets, increased volatility in equity markets, foreign currency rates and interest rates.

#### **2.21 UCB Group may be required to increase contributions to its pension plans**

UCB Group's funded pension plans have assets, mainly consisting of investments in equities and bonds. The value of these assets as well as the present value of the future payment commitments are subject to market volatility. If UCB Group is required to make increased contributions to its pension plans either because of adverse financial market developments, underfunding or because of more stringent regulations applicable to such pension plans, cash flows available for other purposes including research and development may be significantly reduced. This could in turn adversely impact UCB Group's business and results of operations.

#### **2.22 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 UCB Group.

#### **2.23 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 UCB 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.

The UCB Group has no control over the content of the information provided on third party and social media platforms. This could trigger reputational risks for the UCB Group.

#### **2.24 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 UCB Group. Revisions to tax legislation or to its interpretation may also affect the UCB Group's results in the future, as well as transfer pricing regulations and documentation requirements governing all transactions between related parties.

In addition, any tax authority may initiate a review of the UCB Group's compliance with its tax regime and/or with transfer pricing regulations 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, Greece, India, the US 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 UCB 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 UCB Group.

#### **2.25 Risk related to the fact that the Offeror is a holding company with relatively small operating income and is hence largely dependent on distributions made by its subsidiaries of the UCB Group**

The Offeror is a holding company whose primary activity is the holding and managing of participations in the UCB Group. The Offeror's main source of cash inflow comes from the operating activities of the UCB Group. Accordingly, the Offeror's ability to meet its financial obligations under the New Bonds will largely depend on the cash flows from the UCB Group and the dividends paid by its subsidiaries. If in the future the Offeror is unable to ensure the continued transfer of dividends or other income to it from these subsidiaries, its ability to meet its financial obligations under the New Bonds may be impaired.

## TERMS OF THE EXCHANGE OFFER

### 1 Context

#### Purposes of the Exchange Offer

The purpose of the Exchange Offer is to refinance part of the Existing Bonds that mature on 27 November 2014 by the issue of New Bonds due 2 October 2023 at current favorable market conditions. Except for the payment by the Offeror of the accrued interest under the Existing Bonds, the Exchange Offer will not generate any cash flow payments to the holders of the Existing Bonds and the Existing Bonds that will be delivered pursuant to the Exchange Offer will be immediately cancelled.

The Offeror has decided to limit the number of Existing Bonds that may be tendered in the Exchange Offer to 250,000 (to split the maturity profile of the Existing Bonds).

The Offeror has decided to issue New Bonds with a 10 years tenor to mirror the long term business cycle and financing needs of the Offeror.

#### Decision to proceed to the Exchange Offer

The board of directors of the Offeror have decided, in accordance with the provisions of the Royal decree dated 27 April 2007 on public takeover bid (the “**Public Takeover Royal Decree**”) and law of 1 April 2007 on public takeover bids (the “**Public Takeover Law**”), to launch the Exchange Offer.

The board of directors of the Offeror has approved the response memorandum (*mémoire en réponse / memorie van antwoord*) required pursuant to Article 27 of the Public Takeover Royal Decree. This response memorandum is included in Annex 1 to this Prospectus.

The Offeror does not hold any Existing Bond as of the date of this Prospectus and has not acquired any Existing Bond in the last twelve months preceding the date of this Prospectus.

### 2 Regular nature of the Exchange Offer

#### (a) Decision

The decision to launch the Exchange Offer has been taken by the board of directors of the Offeror on 25 April 2013.

#### (b) Conditions provided by Article 3 of the Royal Decree Public Takeover

In accordance with Article 3 of the Royal Decree Public Takeover, the Offeror confirms that:

- pursuant to the resolution of the board of directors dated 25 April 2013, the Offeror has decided to issue New Bonds up to the number of the Existing Bonds delivered to the Exchange Offer and in a maximum amount of EUR 250,000,000.
- the Exchange Offer, as well as its terms and conditions, are consistent with the provisions of the Royal Decree and the Public Takeover Law;
- the Offeror undertakes to proceed to the Exchange Offer until its end, to the extent such process is under its control; and
- the receipt of acceptances and payments of the price are effected by ING Belgium SA/NV as centralising agent (the “**Centralising Agent**”).



### **3 Content and terms of the Exchange Offer**

#### **(a) Subject of the Exchange Offer**

The Offeror acts simultaneously as offeror and company for the purposes of the Public Takeover Law.

The Exchange Offer relates to 250,000 of the 750,000 Existing Bonds. The terms and conditions of the Existing Bonds are provided in the section “Terms and Conditions of the Existing Bonds” of this Prospectus.

The decision to participate to the Exchange Offer belongs solely to the holders of Existing Bonds. Any Existing Bond that will not be delivered to the Exchange Offer will remain listed on the Luxembourg Stock Exchange’s regulated market. The Offeror will not be in a position to launch any forced redemption of the Existing Bonds.

#### **(b) Significant differences between the terms and conditions of the Existing Bonds and the terms and conditions of the New Bonds**

Taken as a whole, the terms and conditions applicable to the New Bonds are rather similar to those applicable to the Existing Bonds. However, in addition of the differences relating to pricing, maturity and listing place, the terms and conditions of the New Bonds include certain differences with the terms and conditions of the Existing Bonds.

The significant differences between the terms and conditions applicable to the Existing Bonds and to the New Bonds are the following :

- (i) The New Bonds are due 2 October 2023 as opposed to the Existing Bonds due 27 November 2014.
- (ii) The term of the New Bonds is ten years as opposed to the term of the Existing Bonds which was five years from the issue date.
- (iii) The (gross) yield for the New Bonds is 5.125% per year due 2 October of each year, as opposed to the (gross) yield of 5,75% per year, due on 27 November of each year for the Existing Bonds.
- (iv) The New Bonds will be admitted to trading on NYSE Euronext Brussels’ regulated market as opposed to the Existing Bonds which have been admitted to trading on the regulated market of the Luxembourg Stock Exchange.
- (v) The Offeror benefits from a call option to redeem all or parts of the New Bonds whereas such option did not exist under the Existing Bonds.
- (vi) The cross default provision applicable to the New Bonds is not applicable in case of acceleration in respect of other debts challenged in good faith by the Offeror or the relevant subsidiary. This exclusion was not applicable for the Existing Bonds.
- (vii) The incapability to face intra-group payments does not constitute an event of default under the terms and conditions applicable to the New Bonds whereas it was under the terms and conditions applicable to the Existing Bonds.

**(c) Consideration and its justification**

**(i) Consideration**

In return for the Existing Bonds, the Offeror provides New Bonds. For one Existing Bond delivered, one New Bond is provided.

The terms and conditions of the New Bonds are provided in the section “Terms and Conditions of the New Bonds” of this Prospectus.

Application has been made to NYSE Euronext Brussels for the New Bonds to be admitted to trading on NYSE Euronext Brussels’ regulated market.

The interests accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer (being EUR 48.68 per Existing Bond) will be paid on 2 October 2013.

**(ii) Price Justification**

Holders of Existing Bonds who tender their Existing Bonds in the Exchange Offer will receive, in exchange of each Existing Bond at 100% of its nominal value, a New Bond at 100% of its nominal value. The New Bonds have an interest rate higher than the expected rate in the market for new ordinary bonds of ten years that would be issued by the Offeror outside the Exchange Offer. This difference compensates the unrealised gain of Existing Bonds (equal to the positive difference between 100% and the reference market price) and offers a premium to incentivise holders of Existing Bonds to participate to the Exchange Offer.

The interest rate of the New Bonds will consist of three elements: (i) the expected market yield of a new 10-year bond issued at par by UCB, (ii) the transfer and spreading of the unrealized gain of the Existing Bonds (corresponding to the positive difference between the current market price of the Existing Bonds and 100%), and (iii) a premium to incentivize the holders of Existing Bonds to tender their Existing Bonds in the Exchange Offer.

(i) The gross yield for a new 10-year bond issued at par by UCB is evaluated by the Offeror at 4.461% in the current market environment. This yield encompasses the reference rate for the same period (2.195%), plus a 2.266% "spread" reflecting the credit risk of the Offeror, as assessed by the Offeror. The reference rate used in the market is the mid-swap rate. The credit risk "spread" is assessed on the basis of several criteria that include company size, balance sheet structure, the company's business, the quality of its assets and the duration of the bond.

(ii) The unrealized gain is the difference between the reference market price of the Existing Bond (104.47% on 30 August 2013) and 100%, i.e. 4.47%. The reference market price of the Existing Bonds is the mid-market price of the Existing Bonds calculated by Bloomberg Finance L.P. on over the counter (OTC) transactions (the Bloomberg mid-market price of the Existing Bonds is available with the following Bloomberg ticker: UCBBB 5 ¾ 11/27/14 Corp). Bloomberg calculates a real time composite of respectively the bid and ask prices for Existing Bonds bid and asked by market participants on OTC markets, balanced by the volume of Existing Bonds so bid and asked on such markets. The reference price calculated by Bloomberg may therefore vary from the trading price of the Existing Bonds as it appears on the Luxembourg Stock Exchange as such price does not include such a real-time and composite valuation. As of 30 August 2013, the trading price of the Existing Bonds on the Luxembourg Stock Exchange amounts to 104.3% (the trading price of the Existing

Bonds on the Luxembourg Stock Exchange is available at the following internet address:

<https://www.bourse.lu/instrument/bond/summary?cdVal=155964&cdTypeVal=OBL>).

The report and spreading of this unrealized gain over the 10 year life of the New Bond results in an increase of the gross yield by 0.564% per annum (4.47% being the present value of 0.564% over 10 years at a discount factor of 4.461%, being the expected market yield of a new 10-year bond issued at par by UCB calculated in (i)).

- (iii) The premium offered to incentivize holders to tender their Existing Bonds in the Exchange Offer was set at 0.10%. The level of this premium is at the discretion of the Offeror.

Holders of Existing Bonds that are exchanged in the proposed Exchange Offer will receive New Bonds with a nominal value of 100% and a yield of 5.125% per annum (gross), corresponding to the addition of three foregoing elements, 4.461% + 0.564% + 0.1%.

The net present value of the cash-flows of this Exchange Offer until the maturity of the New Bonds amounts to EUR 1,101.32 for each bond of EUR 1,000 (calculated on the basis of a yield of 4.461%). In the theoretical situation where the investor would sell an Existing Bond at its current reference market price (as indicated under (ii) above) and would then subscribe to a new 10-year bond issued at par by UCB in the current market environment (as indicated under (i) above), the net present value of the cash-flows until maturity would amount to EUR 1,093.28 for each bond of EUR 1,000. The difference is EUR 8.04 (gross) in favor of the holders of Existing Bonds that are exchanged in the Exchange Offer.

The participation of the holders of Existing Bonds to the Exchange Offer will allow them to extend for 9 years their exposure to UCB. The New Bonds will expire in 2023, i.e. 9 years after the Existing Bonds (see risk factor 20 “Risk relating to the term of the New Bonds (2023)”).

**(d) Conditions of the Exchange Offer**

The effective settlement of the Exchange Offer is not subject to any condition.

**(e) Acceptance period**

From 4 September 2013 until (and including) 18 September 2013 (4 p.m. CET) (the “**Acceptance Period**”).

The Offeror has no intention to reopen the Exchange Offer after such date.

**(f) Cancellation of acceptance**

A holder of Existing Bonds that has accepted the Exchange Offer may cancel its acceptance until the end of the Acceptance Period. The cancellation of the acceptance of the Exchange Offer should be communicated through the financial intermediary with whom such holder holds Existing Bonds prior to the end of the Acceptance Period.

**(g) Reductions**

In case acceptance forms are delivered in respect of more than 250,000 Existing Bonds, one or more allocation key(s) may be applied. As a result, the investors may find that only part of the Existing Bonds for which they accepted the Exchange Offer are exchanged for New Bonds (with the remaining Existing Bonds continuing to be held by the relevant investor on its securities account).

The precise allocation key will be determined after the closing of the Acceptance Period based on the following principles: (i) any reduction of the Existing Bonds tendered will be performed on a proportional basis with an allocation of a whole number of New Bonds; (ii) the same allocation key will be used regardless of the financial institution through which an investor holds its Existing Bonds; and (iii) the Offeror and the Dealer Managers may decide to apply the proportional reduction only to investors that tendered a number of Existing Bonds that exceeds a number (the "**Minimum Threshold**"). If that is the case, investors who tendered Existing Bonds in the Exchange Offer for a number that does not reach the Minimum Threshold, will consequently benefit from the Exchange Offer for all the Existing Bonds tendered with no proportional reduction. Investors who tendered Existing Bonds in the Exchange Offer for a number exceeding the Minimum Threshold will receive a number of New Bonds equal to the higher of (i) the Minimum Threshold and (ii) the number of Existing Bonds tendered reduced using the allocation key.

The results of the Exchange Offer and the final allocation key will be published on or around 21 September 2013.

**(h) Exchange Offer and distribution restrictions**

This Prospectus does not constitute an offer to purchase, sell, transfer or assign by any means (or a solicitation from anyone to this end or an offer to the public of securities in any form whatsoever) on any territory where its publication, disclosure, lecture or communication by any means or any reliance on its content would be illegal or subject to the approval and authorisation of, or filing with, any authority or entity, or in which such an offer or solicitation is prohibited, or to any person located on a territory where it is illegal to make such an offer or solicitation.

The distribution of this Prospectus, the offer to tender the Existing Bonds in exchange for the New Bonds and the offering or sale of the New Bonds in certain jurisdictions (other than the Kingdom of Belgium) may be restricted by law. No action has been or will be taken in any jurisdiction other than the Kingdom of Belgium in relation to the Exchange Offer that would permit a public offering of securities. The offer to tender the Existing Bonds in exchange for the New Bonds. The Exchange Offer is not addressed to any person that is not located in Belgium, save to the extent such person is a "qualified investor" for the purposes of Article 3(2)(a) of the Prospectus Directive as implemented in the Relevant Member State in which such person is located and it authorized to accept the offer in such Relevant Member State.

Neither this Prospectus nor any other information or publicity may be provided to the public on a territory other than the territory of the Kingdom of Belgium where registration, approval or any other obligation is or will be applicable in connection with takeover bids on securities (or a solicitation by anyone to this end) and may not be distributed in the European Economic Area (other than on the territory of the Kingdom of Belgium) to persons who are not "qualified investors" for the purposes of Article 3(2)(a) of the Prospectus Directive, Canada, Japan and the United States.

Any breach of these restrictions may constitute a breach of financial regulations applicable in the member states of the European Economic Area, Canada, Japan, the United States or any other country. Neither the Offeror nor any Dealer Manager nor the Centralising Agent shall be held liable for any breach of these restrictions by third parties.

Any person that has access to this Prospectus should obtain information on these restrictions and, if applicable, comply with such restrictions.

**(i) Acceptance of the Exchange Offer, investor representation and miscellaneous terms of the Exchange Offer**

*Acceptance of the Exchange Offer*

In order to accept the Exchange Offer, a holder of Existing Bonds should deliver the acceptance form provided to it by the financial intermediary with which it holds the relevant Existing Bond (the "**Relevant Depository Intermediary**") duly filled and executed to such Relevant Depository Intermediary between 4 September 2013 until 18 September 2013 (4 p.m. CET). The Relevant Depository Intermediary with whom such acceptance form is filed may be the Centralising Agent, one of the Dealer Managers or any other financial institutions. Such Relevant Depository Intermediary may, in accordance with the terms and conditions governing the account on which the relevant Existing Bonds are held, block such accounts, as a consequence of which such Existing Bonds may no longer be transferred (other than in the context of the settlement of the Exchange Offer).

Each Relevant Depository Intermediary and each Dealer Manager will communicate to the Centralising Agent the number of Existing Bonds tendered through its institution, before 18 September 2013 (4 p.m. CET). The Centralising Agent will consequently determine the total amount of Existing Bonds tendered at the closing of the Acceptance Period.

In case the Relevant Depository Intermediary is not the Centralising Agent or a Dealer Manager, such holder shall require information about the costs charged by these other financial institutions. These institutions must, in each case, adapt to the terms of this Prospectus. Any cost potentially invoiced by financial intermediaries other than the Centralising Agent or any Dealer Manager will be borne by the holders of Existing Bonds and will not be paid by the Offeror.

*Acknowledgment and Representations*

By submitting an acceptance form to the Centralising Agent, the relevant holder of Existing Bonds shall be deemed to agree, and acknowledge, represent, warrant and undertake to the Offeror, the Centralising Agent and the Dealer Managers the following at the date of submission of such acceptance form and the Delivery Date :

- (i) either (a) (i) it is the beneficial owner of the Existing Bonds being tendered to the Exchange Offer and (ii) it is located outside the United States and is participating in the relevant Exchange Offer from outside the United States and it is not a US person or (b) (i) it is acting on behalf of the beneficial owner of the Existing Bonds being tendered to the Exchange Offer on a non-discretionary basis and has been duly authorised to so act and (ii) such beneficial owner has confirmed to it that it is located outside the United States and is participating in the relevant Exchange Offer from outside the United States and it is not a US person; and
- (ii) either (a) it is located in a member state in the European Economic Area other than Belgium and it is a qualified investor for the purpose of Article 3(2)(a) of the Prospectus Directive; or (b) it is located in Belgium.

If such holder is unable to make any such agreement or acknowledgement or give any such representation, warranty or undertaking, such holder should contact the Centralising Agent immediately.

*Indivis, beneficial rights and pledge*

If the Existing Bonds belong to two or more owners indivis, the acceptance form shall be executed by each of them. The forms that relate to Existing Bonds that are subject to beneficial rights (*usufruit*) shall be executed by both the bare owner and the beneficial owner. The forms relating to pledged

Existing Bonds shall be executed by the owner and the pledgee who shall expressly confirm that it releases its pledge on the relevant Existing Bonds.

*Increase in consideration*

If the Offeror increases the consideration provided under the Exchange Offer, such increase shall benefit to any holder of Existing Bonds that has delivered its Existing Bonds prior to the increase.

*Counteroffer*

In case of regular and favourable counter-offer, the holders of Existing Bonds that has delivered its Existing Bonds prior to the counter-offer will no longer be bound by such delivery.

**(j) Information for Relevant Depository Intermediaries**

Relevant Depository Intermediaries may contact the Centralising Agent if they require more information on the settlement of the Exchange Offer, and are required to comply with the instructions of the Centralising Agent in this respect. None of the Offeror, any Dealer Manager, or the Centralising Agent or any person who controls, or is a director, officer, employee, agent or affiliate of, any such person, assumes any responsibility for the actions or omissions of any Relevant Depository Intermediary.

In order to allow the Centralising Agent to apply the same allocation key to all investors Relevant Depository Intermediaries are required to provide the Centralising Agent with a line-by-line overview of the acceptances received.

Relevant Depository Intermediaries are invited to verify whether any person holding Existing Bonds through them who wishes to accept the Exchange Offer is entitled to do so pursuant to paragraph (h) (Exchange Offer and distribution restrictions) above.

**(k) Publication of the final allocation formula and the results**

In accordance with Article 32 of the Royal Decree, the results of the Exchange Offer will be published on or around 21 September 2013.

**(l) Delivery of the New Bonds**

The delivery of the New Bonds will occur within 10 business days from the publication of the results of the Exchange Offer (the “**Delivery Date**”). Unless a notice to the contrary is published in the press, the Delivery Date will be 2 October 2013.

The Relevant Depository Intermediaries will transfer the Existing Bonds for which the acceptance form is accepted in accordance with paragraph (g)(*Reduction*) above to the Centralising Agent by transfer to a securities account opened in the books of the National Bank of Belgium in the name of the Centralising Agent. The Agent will deliver the New Bonds to the Centralising Agent in exchange for the Existing Bonds tendered on the Delivery Date. The New Bonds will then be transferred on the accounts of the participants to the Exchange Offer through their financial institution.

The interests accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer (being EUR 48.68 per Existing Bond) will also be payable on the Delivery Date by UCB through the financial institution where the Existing Bonds have been deposited or by credit on the account referred to in the acceptance form.

The New Bonds will be issued on the Delivery Date.

**(m) Fees, costs and expenses**

The costs and expenses relating to the structuring of the Exchange Offer and issue of the New Bonds will be borne by the Offeror. These costs and expenses cover essentially legal and administrative fees, the FSMA fees, legal publications, prospectus printing costs, fees of counsels and fees of the Dealer Managers. They do not include the amount of the par value of the New Bonds.

The Global Coordinator will, for the account of the Dealer Managers and other Relevant Depository Intermediaries, receive, as consideration for their services in relation to the Exchange Offer, a fee of 1.75% of the aggregate principal amount of Existing Bonds exchanged in the Exchange Offer. Such fee will be borne by the Offeror.

A fee equal to 0.25% of the aggregate principal amount of the Existing Bonds exchanged through a Relevant Depository Intermediary will be paid to such Relevant Depository Intermediary. Such fee will be paid by the Global Coordinator by reassigning part of the abovementioned fee paid by the Offeror.

The Global Coordinator will reassign to the financial institution from which it receives the Existing Bonds to be exchanged, a fee in an amount equal to 0.25% of the aggregate principal amount of the Existing Bonds received from such financial institution and exchanged in the Exchange Offer. Such financial institution should in turn reassign part of such fee to the financial institution for which the relevant Existing Bonds are held by it (if any) in an amount equal to 0.25% of the aggregate principal amount of the Existing Bonds received from such financial institution and exchanged in the Exchange Offer, with the ultimate beneficiary of such fee being the Relevant Depository Intermediary with which the end investor holds the relevant Existing Bonds. The Offeror and the Centralising Agent will not take any steps to ensure such payment, nor assume any liability in case of failure by any Relevant Depository Intermediary to pay or receive any fees from other financial intermediaries or Relevant Depository Intermediaries.

No fee will be charged to the holder of Existing Bonds participating to the Exchange Offer who holds the relevant Existing Bonds through the Centralising Agent or any Dealer Manager. The holders of Existing Bonds that will deliver their Existing Bonds through Relevant Depository Intermediaries other than the Centralising Agent or any Dealer Manager should request information on fees chargeable by such Relevant Depository Intermediary. Any such fees will be borne by the relevant holder of Existing Bonds and will not be reimbursed by the Offeror.

**(n) Tax aspects**

Upon the exchange of Existing Bonds for New Bonds, bondholders will neither be subject to Belgian withholding (except in relation to the accrued interest – see below) nor to the Belgian stock exchange tax.

The payment of interest accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer will be subject to the same Belgian withholding tax and income tax treatment as that described below for interest payments on New Bonds.

All payments by or on behalf of the Offeror of interest on the New Bonds are in principle subject to the 25% Belgian withholding tax on the gross amount of the interest. However, payments of interest and principal under the New Bonds by or on behalf of the Offeror may be made without deduction of withholding tax in respect of the New Bonds if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors in an exempt securities account, i.e. an X 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.

Further details on the tax treatment applying to the New Bonds are provided in the section “Belgian tax treatment of the New Bonds” of this Prospectus.

## 4 Belgian tax treatment of the New Bonds

### (a) Belgian taxation

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the New Bonds and is of a general nature. It does not purport to be a complete analysis of tax considerations relating to the New Bonds whether in Belgium or elsewhere.

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 New Bonds under the laws of their countries of citizenship, residence, ordinary residence or domicile. This description is for general information only and does not purport to be comprehensive.

#### (i) *Certain tax aspects of exchanging Existing Bonds for New Bonds and of the payment of accrued interest on the Existing Bonds*

Upon the exchange of Existing Bonds for New Bonds, bondholders will neither be subject to Belgian withholding tax (except in relation to the accrued interest – see below) nor to the Belgian stock exchange tax.

The payment of interest accrued since 27 November 2012 on the Existing Bonds delivered to the Exchange Offer will be subject to the same Belgian withholding tax and income tax treatment as that described below for interest payments on New Bonds.

#### (ii) *Belgian Withholding Tax*

All payments by or on behalf of the Offeror of interest on the New Bonds are in principle subject to the 25% Belgian withholding tax on the gross amount of the interest. In this regard, “interest” means the periodic interest income, any amount paid by the Offeror in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the New Bonds between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the New Bonds by or on behalf of the Offeror may be made without deduction of withholding tax in respect of the New Bonds 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 New Bonds through the X/N System enables Eligible Investors to receive the gross interest income on their New Bonds and to transfer the New Bonds on a gross basis.

Participants to the X/N system must enter the New Bonds 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 the Bonds are not invested in the course of their professional activity in Belgium, as referred to 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.

Participants to the X/N System must keep the New Bonds which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an “**N Account**”). In such instance all payments of interest are subject to the 25% withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of New Bonds between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax :

- A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of New Bonds between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of New Bonds, 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 bonds in an X Account during the preceding calendar year.

These identification requirements do not apply to New Bonds 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 New Bonds in such account.

(iii) *Belgian tax on income and capital gains*

*Belgian resident individuals*

For natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (*Personenbelasting / Impôt des personnes physiques*) and who hold the New Bonds as a private investment, payment of the 25% withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*précompte mobilier libératoire / bevrijdende roerende voorheffing*). This means that they do not have to declare the interest obtained on the New Bonds in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare the interest in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax of 25% plus local surcharges (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, the withholding tax retained by the NBB may be credited.

Capital gains realised on the sale of the New Bonds are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless and to the extent the capital gains qualify as interest (as defined in the section "Belgian Withholding Tax"). Capital losses realised upon the disposal of the New Bonds held as non-professional investment are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the New Bonds as a private investment.

*Belgian resident companies*

For Belgian resident companies subject to the Belgian Corporate Income Tax (*Vennootschapsbelasting / impôt des sociétés*), interest payments on the New Bonds and capital gains realised upon the sale of the New Bonds are taxable at the ordinary corporate income tax rate of in principle 33.99%. Capital losses realised upon the sale of the New Bonds are in principle tax deductible.

*Belgian legal entities*

Belgian legal entities subject to the Belgian legal entities tax (*rechtspersonenbelasting / impôt des personnes morales*) which do not qualify as Eligible Investors (as defined in the section "Belgian Withholding Tax") are subject to a withholding tax of 25% on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (as defined in the section “Belgian Withholding Tax”) and are therefore eligible to hold their Bonds in an X account and which consequently have received gross interest income are required to declare and pay the 25% Belgian withholding tax to the tax authorities themselves.

Capital gains realised on the sale of the New Bonds are in principle tax exempt, unless and to the extent the capital gains qualify as interest (as defined in the section “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

#### *Organisations for Financing Pensions*

Interest derived by OFP bondholders on the New Bonds and capital gains realised on the New Bonds will be exempt from Belgian Corporate Income Tax. Subject to certain conditions, any Belgian withholding tax levied on the interest will be fully creditable against any corporate income tax due and any excess amount will in principle be refundable.

#### *Belgian non-residents*

Bondholders who are not residents of Belgium for Belgian tax purposes and who are not holding the New Bonds through their permanent establishment in Belgium, and do not invest the Bonds in the course of their Belgian activity will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the New Bonds provided that they qualify as Eligible Investors and that they hold their New Bonds in an X Account.

#### *(iv) 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 New Bonds on the secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09% with a maximum amount of Euro 650 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, 2° of the Code of various duties and taxes (*Code des droits et taxes divers / Wetboek diverse rechten en taksen*).

#### **(b) EU Savings Tax Directive**

The EU has adopted on 3 June 2003 the EC Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the “**EU Savings Tax Directive**”). The EU Savings Tax Directive requires Member States to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a paying agent (within the meaning of the EU Savings Tax Directive – “**Paying Agent**”) established within its jurisdiction to, or collected by such a Paying Agent for the benefit of, an individual resident or certain limited types of entities established in another Member State (the “**Disclosure of Information Method**”), except that Austria and Luxembourg will instead impose a withholding system (a “**Source Tax**”) for a transitional period (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld) unless during such period they elect otherwise.

It has been publicly announced by the Luxembourg government that as from 1 January 2015 the withholding tax system will be replaced in Luxembourg by the exchange of information.

The European Commission has proposed certain amendments to the EU Savings Tax Directive, which may, if implemented, amend or broaden the scope of the requirements described above. A number of third countries and territories including Switzerland have adopted similar measures to the EU Savings Tax Directive.

Prospective holders of New Bonds who are in any doubt as to their position should consult their own tax advisers.

*Application of the EU Savings Tax Directive to individuals not resident in Belgium*

Interest paid or collected through Belgium on the New Bonds and falling under the scope of application of the EU Savings Tax Directive are subject to the Disclosure of Information Method. Accordingly, a Belgian paying agent within the meaning of the EU Savings Tax Directive will exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the EU Savings Tax Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the associated and dependant territories. Residual entities (in the meaning of the EU Savings Tax Directive) are subject to a specific regime. The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment. The exchange of information cannot be avoided by the submission of a certificate.

*Application of the EU Savings Tax Directive to individuals resident in Belgium*

An individual resident in Belgium will be subject to the provisions of the EU Savings Tax Directive, if he receives interest payments from a paying agent (within the meaning of the EU Savings Tax Directive) established in another EU member state, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint-Maarten and Sint-Eustatius (former Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, the Cayman Islands, Anguilla or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excess amount will be reimbursed, provided it amounts to at least EUR 2.5.

**(c) The proposed financial transactions tax ("FTT")**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States").

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the New Bonds (including secondary market transactions) in certain circumstances. The issuance and subscription of New Bonds should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the New Bonds where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional Member States may decide to participate. Prospective holders of the New Bonds are advised to seek their own professional advice in relation to the FTT.

## TERMS AND CONDITIONS OF THE EXISTING BONDS

*The following is the text of the terms and conditions applying to the Existing Bonds as contained in the prospectus dated 23 October 2009 documenting the issue of the Existing Bonds (save for the paragraphs in italics that shall be read as complementary information).*

*The definitions contained in this Section "Terms and Conditions of the Existing Bonds" are only relevant for the purposes of this Section and do not apply to the rest of this Prospectus.*

The issue of the 5.75% fixed rate Bonds due 27 November 2014 for an expected amount of minimum EUR 150 million (the "**Bonds**", which expression shall, in these Conditions unless otherwise indicated, include any Further Bonds) was (save in respect of any Further Bonds) authorised by a unanimous written resolution of the board of directors of UCB S.A. (the "**Issuer**") passed on 15 October 2009. The Bonds are issued subject to and with the benefit of a domiciliary agency agreement to be entered into between the Issuer and Fortis Bank SA/NV acting as domiciliary agent (the "**Agent**"), which expression shall include any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**"). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Warandberg 3 Montagne du Parc, 1000 Brussels. The Bondholders are bound by and deemed to have notice of all the provisions of the Agency Agreement applicable to them.

*Although initially estimated at EUR 150,000,000, the Existing Bonds have been issued for EUR 750,000,000.*

References herein to "Conditions" are, unless the context otherwise requires, to the numbered paragraphs below.

### 1 Form, Denomination, Title and Status

#### (a) Form, Denomination and Title

The Bonds are issued in dematerialised form in accordance with Article 468 of the Belgian Code of Companies (*Wetboek van Vennootschappen / Code des Sociétés*) and cannot be physically delivered. The Bonds will be exclusively 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 Bonds 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 Bonds through Euroclear and Clearstream, Luxembourg, or other participants in the NBB System. The Bonds 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 Bonds will pass by account transfer. The Bonds may not be exchanged for bonds in bearer form.

If at any time the Bonds are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply mutatis mutandis to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an "**Alternative Clearing System**").

The Bonds are in principal amounts of €1,000 each (the "**Specified Denomination**").

(b) **Status**

The Bonds constitute direct, unconditional, unsubordinated and (subject to Condition 2) unsecured obligations of the Issuer and rank and will at all times rank *pari passu* and rateably, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, save for such obligations that may be preferred by provisions of law that are mandatory and of general application.

## 2 **Negative Pledge**

So long as any Bond remains outstanding, the Issuer will not, and will ensure that none of its Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each, a “**Security Interest**”), upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the Bonds either (i) the same or substantially the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an Extraordinary Resolution of the Bondholders, save that a Material Subsidiary of the Issuer may have outstanding a Security Interest in respect of Relevant Indebtedness and/or guarantees or indemnities given by it in respect of Relevant Indebtedness of any other person (without the obligation to provide a Security Interest or guarantee or indemnity or other arrangement in respect of the Bonds as aforesaid) where such Security Interest is in respect of a company or other entity becoming a Subsidiary of the Issuer after the Closing Date and where such Security Interest exists at the time that company or other entity becomes a Subsidiary of the Issuer (provided that such Security Interest was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Issuer and that the principal amount of such Relevant Indebtedness is not subsequently increased).

## 3 **Definitions**

In these Conditions, unless otherwise provided:

“**Alternative Clearing System**” has the meaning provided in Condition 1 (a).

“**Bondholder**” means, in respect of any Bond, the person entitled thereto in accordance with the NBB System Regulations.

“**Brussels Business Day**” means a day (other than a Saturday or Sunday) on which banks are open in Brussels.

“**Calculation Agent**” has the meaning provided in Condition 5 (c) (i).

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% 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);

“**Change of Control Notice**” has the meaning provided in Condition 5(c)(ii).

“**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 Put Exercise Period**” means the period commencing on the date of an Early Redemption Event and ending 60 calendar days following the Early Redemption Event, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to Bondholders as required by Condition 5(c)(ii).

“**Change of Control Put Date**” has the meaning provided in Condition 5(c)(i).

“**Change of Control Put Exercise Notice**” has the meaning provided in Condition 5(c)(i).

“**Change of Control Resolutions**” has the meaning provided in Condition 5(c)(iii).

“**Clearstream, Luxembourg**” means Clearstream Banking, société anonyme.

“**Closing Date**” means 27 November 2009.

“**Early Redemption Event**” has the meaning provided in Condition 5(c)(i).

“**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.

“**Event of Default**” has the meaning provided in Condition 8.

“**Excepted Person**” means Financière de Tubize S.A., either by itself or acting together with (i) Schwarz Vermögensverwaltung GmbH, KBC Bank NV, Degroof Corporate Finance S.A. and Imofig S.A., Levimmo S.A., Compar Finance S.A., Pharmahold S.A. and/or Cosylva S.A. and/or (ii) any person or persons controlled by Financière de Tubize S.A. or any of the persons listed under (i) above.

“**Extraordinary Resolution**” has the meaning provided in the Agency Agreement.

“**Final Maturity Date**” means 27 November 2014.

“**Further Bonds**” means any further Bonds issued pursuant to Condition 13 and consolidated and forming a single series with the then outstanding Bonds.

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

“**indebtedness for or in respect of moneys borrowed or raised**” means any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of (i) money borrowed, (ii) liabilities under or in respect of any acceptance or acceptance credit or (iii) any notes, bonds, debentures, debenture stock, loan capital, loan stock, certificates of deposit, commercial paper or other securities or instruments offered, issued or distributed whether by way of public offer, private placing, acquisition consideration or otherwise and whether issued for cash or in whole or in part for a consideration other than cash.



**“Interest Payment Date”** has the meaning provided in Condition 4(a).

**“Interest Period”** has the meaning provided in Condition 4(a).

**“Long Stop Date”** means 31 December 2009.

**“Material Subsidiary”** means:

- (i) each Specified Entity;
- (ii) any Subsidiary which (on an unconsolidated basis and ignoring intra-group items) has earnings before interest, tax, depreciation and amortisation (calculated on the same basis as the consolidated EBITDA of the Group) representing more than 7.5% of the consolidated EBITDA of the Group, or has turnover representing more than 7.5% of turnover of the Group, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of the Issuer, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of the Issuer relate for the purpose of applying each of the foregoing tests, the reference to the Issuer’s latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors for the time being after consultation with the Issuer; and
- (iii) any Subsidiary to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (ii) above.

A certificate signed by two of the directors of the Issuer on behalf of the Issuer that in their opinion (acting in good faith and making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error or error proven, be conclusive and binding on the Issuer and the Bondholders. Such certificate shall be based on a report of the auditors of the Issuer as to proper extraction of the figures used by the directors of the Issuer in determining the Material Subsidiaries of the Issuer and the mathematical accuracy of the calculation.

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

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).

**“Put Redemption Amount”** has the meaning provided in Condition 5 (c)(i).

**“Rating Agencies”** shall mean 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.

**“Rating Downgrade”** means any downgrade of the rating of the Issuer by a Rating Agency.

**“Relevant Date”** means, in respect of any Bond, whichever is the later of:

- (i) the date on which payment in respect of it first becomes due; and
- (ii) if any amount of the money payable is improperly withheld or refused the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given by the Issuer to the Bondholders in accordance with Condition 12 that such payment will be made, provided that such payment is in fact made as provided in these Conditions.

“**Relevant Indebtedness**” means any present or future indebtedness (whether being principal, premium, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other similar debt instruments, whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market.

“**Securities**” means any securities including, without limitation, Ordinary Shares, or options, warrants or other rights to subscribe for or purchase or acquire Ordinary Shares.

“**Security Interest**” has the meaning provided in Condition 2.

“**Shareholders**” means the holders of Ordinary Shares.

“**Specified Denomination**” has the meaning provided in Condition 1 (a).

“**Specified Entity**” means each of UCB SP GmbH, FIN UCB SA, UCB Lux S.A., UCB, Inc., UCB Japan Company Ltd., UCB Farchin SA, Celltech Ltd, UCB Pharma Ltd., UCB Pharco Inc., UCB Coprom L.P. and UCB Manufacturing, Inc.

“**Subsidiary**” means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50% 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.

“**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.

“**Taxes**” has the meaning provided in Condition 7.

References to any act or statute or any provision of any act or statute shall be deemed also to refer to any statutory modification or re-enactment thereof or any statutory instrument, order or regulation made thereunder or under such modification or re-enactment.

## 4 Interest

### (a) Interest Rate and Interest Payment Dates

Each Bond bears interest from (and including) the Closing Date at the rate of 5.75% per annum calculated by reference to its principal amount and such interest amount is payable annually in arrear in equal instalments on 27 November in each year (each an “**Interest Payment Date**”), commencing with the Interest Payment Date falling on 27 November 2010.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Closing Date) to (but excluding) the next following Interest Payment Date.

“**Interest Period**” means the period beginning on (and including) the Closing Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

**(b) Accrual of Interest**

Each Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate specified in Condition 4(a) (both before and after judgment) until the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant holder.

## **5 Redemption and Purchase**

**(a) Final Redemption**

Unless previously purchased and cancelled or redeemed as herein provided, the Bonds will be redeemed at their principal amount on the Final Maturity Date. The Bonds may only be redeemed at the option of the Issuer prior to the Final Maturity Date in accordance with Conditions 5(b) and 5(c).

**(b) Redemption for taxation reasons**

The Bonds may be redeemed at the option of the Issuer in whole, but not in part, at any time, on giving not less than 30 nor more than 60 days' notice to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable), at their principal amount, (together with interest accrued to the date fixed for redemption), if

- (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 7 as a result of any change in, or amendment to, the laws or regulations of the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Issue Date, and
- (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Bonds then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.

(c) **Redemption at the Option of Bondholders**

(i) *Upon a Change of Control*

In the event that :

- (A) a Change of Control occurs at the time the Issuer is not rated; *or*
- (B) a Change of Control occurs 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,

(each an "**Early Redemption Event**"), then:

the holder of each Bond will have the right to require the Issuer to redeem that Bond on the Change of Control Put Date at the Put Redemption Amount. To exercise such right, the holder of the relevant Bond must deliver to the Issuer with a copy to the specified office of the Agent a duly completed and signed notice of exercise in the form for the time being current obtainable from the specified office of the Agent (a "**Change of Control Put Exercise Notice**"), at any time during the Change of Control Put Exercise Period. The "**Change of Control Put Date**" shall be the fourteenth TARGET Business Day after the expiry of the Change of Control Put Exercise Period.

Payment in respect of any such Bond shall be made by transfer to a euro account maintained with a bank in a city in which banks have access to the TARGET System as specified by the relevant Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Issuer shall redeem all Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

[Bondholders should note that the exercise by any of them of the option set out in Condition 5(c)(i) will only be effective under Belgian law 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 has submitted the Change of Control Resolutions for approval at the general meeting of Shareholders of the Issuer scheduled to be held on 6 November 2009. Pursuant to Condition 9 (a) the Issuer has undertaken to file a copy of the resolution as aforesaid immediately thereafter. If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in Condition 5(c)(i). There can be no assurance that such approval will be granted at such meeting.][**If the Change of Control Resolutions are passed before the Closing Date, then the Bonds will be issued without the Optional Put – cf.(iii) below**].

If, as a result of this Condition 5 (c) (i), holders of the Bonds submit Change of Control Put Exercise Notices in respect of at least 85% of the aggregate principal amount of the Bonds for the time being outstanding, the Issuer may, having given not less than 15 nor more than 30 days notice to the Bondholders in accordance with Condition 12 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such Bond shall be made as specified above.

For the purposes of this Condition 5 (c):

**"Calculation Agent"** means Fortis Bank SA/NV or such other leading investment, merchant or commercial bank as may be appointed from time to time by the Issuer for purposes of calculating the Put Redemption Amount, and notified to the Bondholders in accordance with Condition 12;

**"Put Redemption Amount"** means an amount per Bond calculated by the Calculation Agent by multiplying the Redemption Rate by the Specified Denomination of such Bond and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards), and by adding any accrued but unpaid interest of such Bond to (but excluding) the relevant repayment date.

**"Redemption Rate"** means MIN (101%; Exp ( T x 0.7472014775% )), rounded down to the 9<sup>th</sup> decimal.

**"T"** means the time, expressed in decimals of a year, elapsed from (and including) the Closing Date until (and including) the relevant redemption date.

For the avoidance of any doubt, "Exp" means the exponential function meaning the function  $e^x$ , where e is the number (approximately 2.718) such that the function  $e^x$  equals its own derivative.

The Put Redemption Amount reflects a maximum yield of 0.75 points above the yield of the Bonds on the Issue Date up to the Maturity Date in accordance with the "Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier" (Royal decree of 26 May 1994 on the deduction of withholding tax) (the Royal Decree). The Royal Decree indeed requires that in relation to Bonds that can be traded on N accounts, if investors exercise a right to have the Bonds redeemed early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity, by more than 0.75 points.

(ii) *Change of Control Notice*

Within 5 Brussels Business Days following an Early Redemption Event, the Issuer shall give notice thereof to the Bondholders in accordance with Condition 12 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Bondholders of their entitlement to exercise their rights to require redemption of their Bonds pursuant to Condition 5(c)(i).

The Change of Control Notice shall also specify:

- (i) to the fullest extent permitted by applicable law, all information material to Bondholders concerning the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date;
- (iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to Bondholders or any other person for any loss arising from any failure by it to do so.

(iii) *If the Change of Control Resolutions are not passed*

If by not later than the Long Stop Date:

- (a) the Change of Control Resolutions are not passed, approved or adopted at a general meeting of the Shareholders of the Issuer; or
- (b) 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 rate of interest payable on the Bonds shall be increased by 0.50% per annum.

“**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 5(c)(i).

**(d) Purchase**

Subject to the requirements (if any) of any stock exchange on which the Bonds may be admitted to listing and trading at the relevant time and subject to compliance with applicable laws and regulations, the Issuer or any Subsidiary of the Issuer may at any time purchase any Bonds in the open market or otherwise at any price.

**(e) Cancellation**

All Bonds which are redeemed will be cancelled and may not be reissued or resold. Bonds purchased by the Issuer or any of its Subsidiaries may be held, reissued or resold at the option of the Issuer or relevant Subsidiary, or surrendered to the Agent for cancellation.

**(f) Multiple Notices**

If more than one notice of redemption is given pursuant to this Condition 5, the first of such notices to be given shall prevail.

## **6 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 Bonds shall be made through the Agent and the NBB System in accordance with the NBB System Regulations.

**(b) Payments**

Each payment in respect of the Bonds pursuant to Condition 6(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 and other applicable laws**

All payments in respect of the Bonds are subject in all cases to any applicable fiscal or other laws and regulations, without prejudice to the provisions of Condition 7.

**(d) Agents, etc.**

The Issuer reserves the right under the Agency Agreement at any time, with the prior written approval of the Agent, to vary or terminate the appointment of the Agent and appoint additional or other agents, provided that it will (i) maintain a principal paying agent, (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the X/N Clearing System and (iii) if required, appoint an additional paying agent, from time to time with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any other European Union Directive implementing the conclusions of the ECOFIN council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any change in Agent or its specified offices will promptly be given by the Issuer to the Bondholders in accordance with Condition 12.

**(e) No Charges**

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

**(f) Fractions**

When making payments to Bondholders, 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.

**(g) Non-business days**

If any date for payment in respect of the Bonds is not a business day, the holder shall not be entitled to payment until the next following business day unless it would thereby fall into the next calendar month in which event it shall be brought forward to the immediately preceding business day, nor to any interest or other sum in respect of such postponed or anticipated payment. For the purpose of calculating the interest amount payable under the Bonds, the Interest Payment Date shall not be adjusted. In this paragraph, "**business day**" means a day on which the Target System is operating.

## **7 Taxation**

All payments of principal and interest by or on behalf of the Issuer in respect of the Bonds shall be made 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 on behalf of the Kingdom of Belgium or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction of the Taxes is required by law. In that event the Issuer shall pay such additional amounts as will result in receipt by the Bondholders after such withholding or deduction 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 in respect of any Bond:

- (a) Other connection:** to a Bondholder who is liable to such Taxes in respect of such Bond by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Bond; or
- (b) Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the EC Council Directive 2003/48/EC of 3 June 2003

on taxation of savings income in the form of interest payments 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 Bondholder, who at the time of issue of the Bonds, 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 Bondholder who was such an eligible investor at the time of issue of the Bonds but, for reasons within the Bondholder's control, either ceased to be an eligible investor or, at any relevant time on or after the issue of the Bonds, 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 Bondholder who is liable to such Taxes because the Bonds were upon his/her request converted into registered Bonds and could no longer be cleared through the NBB System.

## 8 Events of Default

If any of the following events (each an “**Event of Default**”) occurs and is continuing then any Bond may, by notice in writing given to the Issuer at its registered office with a copy to the Agent at its specified office by the holder, be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Agent:

- (a) **Non-Payment:** the Issuer fails to pay the principal of or premium or interest on any of the Bonds when due and such failure continues for a period of 7 days in the case of principal or premium and 14 days in the case of interest; or
- (b) **Breach of Other Covenants, Agreements or Undertakings:** the Issuer does not perform or comply with any one or more of its other covenants, agreements or undertakings in the Bonds or the Agency Agreement which default is incapable of remedy or, if capable of remedy, is not remedied within 20 Brussels Business Days after notice of such default shall have been given to the Issuer by any Bondholder; or
- (c) **Cross-Acceleration:** (i) any other present or future indebtedness of the Issuer or any of its Material Subsidiaries for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any event of default (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or within five Brussels Business Days of becoming due if a longer grace period is not applicable or (iii) the Issuer or any of its Material Subsidiaries fails to pay when due or, as the case may be, within any applicable grace period or within five Brussels Business Days if a longer grace period is not applicable, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, provided that the aggregate amount of the relevant indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in this paragraph (c) have occurred equals or exceeds EUR 30 million or its equivalent; or
- (d) **Enforcement Proceedings:** a distress, attachment or execution is levied, enforced or sued out on or against any of the property, assets or revenues of the Issuer or any of its Material Subsidiaries having an aggregate value of at least EUR 30 million or its equivalent and is not discharged or stayed within 45 Brussels Business Days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer or any of its Material Subsidiaries in respect of any of its property or assets



for an amount at the relevant time of at least EUR 30 million or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or

- (f) Insolvency: the Issuer or any of its Material Subsidiaries is judicially determined or formally admitted to be insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or, a material part of (or of a particular type of) its debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or any particular debt, in each case which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) the debts of the Issuer or any of its Material Subsidiaries; or
- (g) Winding-up: an order is made or an effective resolution passed for the winding-up or dissolution of the Issuer or any of its Material Subsidiaries other than a solvent liquidation or reorganisation of any Material Subsidiary, or the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a Resolution of the Bondholders, or (ii) in the case of a Material Subsidiary, whereby the undertaking and assets of the Material Subsidiary are transferred to or otherwise vested in the Issuer or another of its Subsidiaries; or
- (h) Analogous Events: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (c) to (g).

## 9 Undertakings

The Issuer

- (a) (i) has submitted the Change of Control Resolutions for approval at the general meeting of Shareholders of the Issuer scheduled to be held on 6 November 2009 and (ii) has undertaken to, immediately following approval of such resolutions, file a copy thereof with the Clerk of the Commercial Court of Brussels (*greffe du tribunal de commerce/griffie van de rechtbank van koophandel*); and
- (b) will procure that the Issuer shall not become domiciled or resident in or subject generally to the taxing authority of any jurisdiction (other than Belgium).

## 10 Prescription

Claims against the Issuer for payment in respect of the Bonds shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 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 Bonds shall be prescribed and become void unless made within 10 years following the due date for payment thereof.

## 11 Meetings of Bondholders, Modification and Waiver

- (a) Meetings of Bondholders

The Agency Agreement contains provisions for convening meetings of Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of these Conditions.

All meetings of Bondholders 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 Bondholders upon the request in writing of Bondholders holding not less than one-tenth of the aggregate principal amount of the outstanding Bonds. 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 Bondholders 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 Bondholders 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 Bonds form a quorum: (i) proposal to change any date fixed for payment of principal or interest in respect of the Bonds, to reduce the amount of principal or interest payable on any date in respect of the Bonds or to alter the method of calculating the amount of any payment in respect of the Bonds on redemption or maturity or the date for any such payment; (ii) proposal to effect the exchange, conversion or substitution of the Bonds for, or the conversion of the Bonds into, shares, bonds or other obligations or securities of the Issuer or any other person or body corporate formed or to be formed; (iii) proposal to change the currency in which amounts due in respect of the Bonds are payable; (iv) proposal to change the quorum required at any meeting of Bondholders or the majority required to pass an Extraordinary Resolution.

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

The Agency Agreement provides that a resolution in writing signed by or on behalf of all Bondholders shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Bondholders 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 Bondholders.

**(b) Modification and Waiver**

The Agent may agree, without the consent of the Bondholders, to any modification of the provisions of the Agency Agreement or any agreement supplemental to the Agency Agreement either (i) 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 Bondholders.

**(c) Meetings of Shareholders and Right to Information**

The Bondholders 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 Bondholders who attend any general meeting of shareholders shall be entitled only to a consultative vote.

## 12 Notices

Notices to the Bondholders shall be valid (i) if delivered by or on behalf of the Issuer to the Clearing System for communication by it to the Clearing System Participants and (ii) if published in two leading newspapers having general circulation in the Kingdom of Belgium (which are expected to be *L'Echo* and *De Tijd*). Any such notice shall be deemed to have been given on the latest day of (i) seven days after its delivery to the Clearing System and (ii) the publication of the latest newspaper containing such notice.

So long as the Bonds are listed on the Luxembourg Stock Exchange and the rules of that exchange so require, all notices regarding the Bonds shall also be 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 Bonds 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.

In addition to the above communications and publications, with respect to notices for a meeting of Bondholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Company Code, by an announcement to be inserted at least fifteen days prior to the meeting, in the Belgian Official Gazette (*Moniteur belge – Belgisch Staatsblad*) and in a newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice.

## 13 Further Issues

The Issuer may from time to time without the consent of the Bondholders create and issue further notes, bonds or debentures either having the same terms and conditions in all respects as the outstanding notes, bonds or debentures of any series (including the Bonds) 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 outstanding notes, bonds or debentures of any series (including the Bonds) 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 Bondholders.

## 14 Governing Law and Jurisdiction

### (a) Governing Law

The Agency Agreement and the Bonds and any non-contractual obligations arising out of or in connection with the Bonds are governed by, and shall be construed in accordance with, Belgian law.

### (b) Jurisdiction

The courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and the Bonds and accordingly any legal action or proceedings arising out of or in connection with the Agency Agreement or the Bonds (“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. These submissions are made for the benefit each of the Bondholders 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).

## TERMS AND CONDITIONS OF THE NEW BONDS

*The following is the text of the terms and conditions (the “Conditions”) applying to the New Bonds.*

*The issue of the 5.125% fixed rate Bonds due 2 October 2023 (the “Maturity Date”) for a maximum amount of EUR 250 million (the “New Bonds”, which expression shall, in these Conditions unless otherwise indicated, include any further Bonds issued pursuant to Condition 10 and consolidated and forming a single series with the then outstanding Bonds (the “Further New Bonds”)) was (save in respect of any Further New Bonds) authorised by a resolution of the board of directors of UCB S.A. (the “Offeror”) passed on 25 April 2013. The delivery of the New Bonds will occur within 10 days (other than a Saturday or Sunday) on which banks are open in Brussels (“Brussels Business Days”) from the publication of the results of the Exchange Offer (the “Delivery Date”). The New Bonds are issued subject to and with the benefit of a domiciliary agency agreement dated 2 September 2013 entered into between the Offeror and BNP Paribas Securities Services SCA, Brussels branch acting as domiciliary agent (the “Agent”), which expression shall include any successor as Agent under the Agency Agreement) (such agreement as amended and/or supplemented and/or restated from time to time, the “Agency Agreement”) and a clearing services agreement to be dated on or about the Delivery Date between UCB, the National Bank of Belgium (the “NBB”) and the Agent (such agreement as amended and/or supplemented and/or restated from time to time from time to time, the “Clearing Services Agreement”). The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement. Copies of the Agency Agreement and the Clearing Services Agreement are available for inspection during normal business hours at the specified office of the Agent. The specified office of the Agent is at Boulevard Louis Schmidt 2, B-1040 Brussels Belgium. The New Bondholders are bound by and deemed to have notice of all the provisions of the Agency Agreement and the Clearing Services Agreement applicable to them. Summaries of the provisions of the Agency Agreement and the Clearing Services Agreement that are relevant to the New Bondholders are reflected in this Prospectus.*

*References herein to “Conditions” are, unless the context otherwise requires, to the numbered paragraphs below.*

### 1 Form, Denomination and Title

#### (a) Form, Denomination and Title

The New Bonds are issued in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code and cannot be physically delivered. The New Bonds are accepted for clearance through the clearing system operated by the NBB or any successor thereto (the “NBB Clearing System”), and are accordingly subject to the applicable 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 clearing 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 Clearing System Regulations”). The New Bondholders will not be entitled to exchange the New Bonds into bonds in bearer form. No definitive bearer certificates will be delivered. The New Bonds will be represented by book entries in the records of the NBB Clearing System itself or participants or sub-participants in such system approved by the Belgian Financial Services and Markets Authority. The NBB Clearing System maintains securities accounts in the name of authorised participants only. Such participants include Euroclear and Clearstream, Luxembourg. New Bondholders, unless they are participants, will not hold New Bonds directly with the operator of the NBB Clearing System but will hold them in a securities account through a financial institution which is a participant in the NBB Clearing System or which holds them through another financial institution which is such a participant.

The New Bonds are in principal amounts of EUR 1,000 each (the “Specified Denomination”).

Title to the New Bonds is evidenced by book entries in the Bondholder's securities account with the NBB or with an approved participant or sub-participant of the NBB Clearing System. The person who is for the time being shown in the records of the NBB Clearing System or of an approved participant or sub-participant of the NBB Clearing System as the holder of a particular nominal amount of New Bonds shall for all purposes be treated by UCB and the Agent as the holder of such nominal amount of New Bonds, and the expressions "New Bondholders" and "holders of New Bonds" and related expressions shall be construed accordingly.

**(b) Status**

The New Bonds constitute direct, unconditional, unsubordinated and (without prejudice to the negative pledge clause) unsecured obligations of the Offeror and rank and will at all times rank *pari passu*, without any preference among themselves, and equally with all other existing and future unsecured and unsubordinated obligations of the Offeror, subject to legal exceptions.

## 2 Negative Pledge

- (a) Restriction:** So long as any New Bond remains outstanding, the Offeror will not, and will ensure that none of the Material Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each, a "**Security Interest**"), upon or with respect to the whole or any part of its present and future business, undertaking, assets or revenues to secure any Relevant Indebtedness, or to secure any guarantee or indemnity in respect of any Relevant Indebtedness, without at the same time or prior thereto according to the New Bonds either (i) the same or substantially the same security as is created or subsisting to secure any such Relevant Indebtedness, guarantee or indemnity or (ii) such other security as shall be approved by an extraordinary resolution of the New Bondholders, save that a Material Subsidiary may have outstanding a Security Interest in respect of Relevant Indebtedness and/or guarantees or indemnities given by it in respect of Relevant Indebtedness of any other person (without the obligation to provide a Security Interest or guarantee or indemnity or other arrangement in respect of the New Bonds as aforesaid) where such Security Interest is in respect of a company or other entity becoming a Subsidiary of the Offeror after the Delivery Date of the New Bonds and where such Security Interest exists at the time that company or other entity becomes a Subsidiary of the Offeror (provided that such Security Interest was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the Offeror and that the principal amount of such Relevant Indebtedness is not subsequently increased).

- (b)** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

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

"**Material Subsidiary**" means:

- (i) UCB Lux S.A.;
- (ii) any Subsidiary which (on an unconsolidated basis and ignoring intra-group items) has earnings before interest, tax, depreciation and amortisation ("**EBITDA**") (calculated on the same basis as the consolidated EBITDA of the Group) representing more than 7.5% of the consolidated EBITDA of the Group, or has turnover representing more than 7.5% of turnover of the Group, all as calculated respectively by reference to the latest financial statements (consolidated or, as the case may be, unconsolidated) of the Subsidiary and the then latest audited consolidated financial statements of UCB, provided that in the case of a Subsidiary acquired after the end of the financial period to which the then latest audited consolidated financial statements of UCB

relate for the purpose of applying each of the foregoing tests, the reference to UCB's latest audited consolidated financial statements shall be deemed to be a reference to such financial statements as if such Subsidiary had been shown therein by reference to its then latest relevant financial statements, adjusted as deemed appropriate by the auditors for the time being after consultation with UCB; and

- (iii) any Subsidiary to which is transferred all or substantially all of the business, undertaking and assets of another Subsidiary which immediately prior to such transfer is a Material Subsidiary, whereupon (a) in the case of a transfer by a Material Subsidiary, the transferor Material Subsidiary shall immediately cease to be a Material Subsidiary and (b) the transferee Subsidiary shall immediately become a Material Subsidiary, provided that on or after the date on which the relevant financial statements for the financial period current at the date of such transfer are published, whether such transferor Subsidiary or such transferee Subsidiary is or is not a Material Subsidiary shall be determined pursuant to the provisions of sub-paragraph (ii) above.

A certificate signed by two of the directors of UCB on behalf of UCB that in their opinion (acting in good faith and making such adjustments (if any) as they shall deem appropriate) a Subsidiary is or is not or was or was not at any particular time or during any particular period a Material Subsidiary shall, in the absence of manifest error or error proven, be conclusive and binding on UCB and the New Bondholders.

**“Relevant Indebtedness”** means any present or future indebtedness (whether being principal, premium, interest or other amounts), in the form of or evidenced by notes, bonds, debentures, loan stock or other transferable debt securities (*titres de créance négociables sur le marché des capitaux/schuldinstrumenten die op de kapitaalmarkt verhandelbaar zijn* in the sense of Article 2, 31°, b) of the Belgian law of 2 August 2002 on the supervision of the financial sector and on the financial services), whether issued for cash or in whole or in part for a consideration other than cash, and which are, or are capable of being, quoted, listed or ordinarily dealt in or traded on any stock exchange, over-the-counter or other securities market.

**“Subsidiary”** means, at any particular time, a company or other entity which is then directly or indirectly controlled, or more than 50% of whose issued share capital (or equivalent) is then beneficially owned by UCB and/or one or more of its 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.

### 3 Interest

#### (a) Interest Rate and Interest Payment Dates

Each New Bonds bears interest on its outstanding nominal amount from the Delivery Date at the rate of 5.125% per annum calculated by reference to its principal amount and such interest amount is payable annually in arrear in equal instalments on 2 October each year (each an **“Interest Payment Date”**), commencing with the Interest Payment Date falling 2 October 2014.

When interest is required to be calculated in respect of any period which is shorter than an Interest Period, it shall be calculated on the basis of (i) the actual number of days in the relevant period from (and including) the first day of such period to (but excluding) the date on which it falls due divided by (ii) the actual number of days from (and including) the immediately preceding Interest Payment Date (or, if none, the Delivery Date) to (but excluding) the next following Interest Payment Date.

“**Interest Period**” means the period beginning on (and including) the Delivery Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(b) **Accrual of Interest**

Each New Bond will cease to bear interest from and including its due date for redemption or repayment thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event interest will continue to accrue at the rate specified in Condition 3(a) (both before and after judgment) until the day on which all sums due in respect of such New Bond up to that day are received by or on behalf of the relevant holder.

#### 4 **Redemption and Purchase**

(a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each New Bond shall be finally redeemed on the Maturity Date at its nominal amount.

(b) **Early Redemption:** The early redemption amount payable in respect of any New Bond upon redemption of such New Bond pursuant to Condition 4(c) or upon it becoming due and payable as provided in Condition 8 (the “**Early Redemption Amount**”), shall be the nominal amount of the relevant New Bond and the accrued interest of the relevant New Bonds.

(c) **Redemption for Taxation Reasons:** The New Bonds may be redeemed at the option of the Offeror in whole, but not in part, on any Interest Payment Date on giving not less than 30 nor more than 60 days’ notice to the New Bondholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 4(b) (*Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if

- (i) the Offeror has or will become obliged to pay additional amounts as provided or referred to in Condition 6 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of Belgium or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the New Bonds, and
- (ii) such obligation cannot be avoided by the Offeror, as the case may be taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Offeror would be obliged to pay such additional amounts were a payment in respect of the New Bonds then due. Before the publication of any notice of redemption pursuant to this Condition 4(c), the Offeror shall deliver to the Agent a certificate signed by two directors of the Offeror stating that the Offeror is entitled to effect such redemption and setting forth a statement of facts showing that the conditions to the right of the Offeror so to redeem have occurred, and an opinion of independent legal advisers of recognised standing confirming that the Offeror has or will become obliged to pay such additional amounts as a result of such change or amendment.

No failure to exercise, nor any delay in exercising, any right by the Offeror under this Condition 4(c) (*Redemption for Taxation Reasons*) shall operate as a waiver.

- (d) **Redemption at the Option of the Offeror (Issuer Call):** The Offeror may, having given:
- (i) not less than 15 nor more than 30 days' notice to the New Bondholders in accordance with Condition 11; and
  - (ii) not less than 15 days before the giving of the notice referred to in (i) above, notice to the Agent, (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the New Bonds then outstanding on any Brussels Business Day between the Delivery Date and the Maturity Date (the "**Optional Redemption Date**") and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. In the case of a partial redemption of New Bonds, the New Bonds to be redeemed ("**Redeemed New Bonds**") will be selected by lot not more than 30 days prior to the date fixed for redemption.

In this Condition 4(d), "**Optional Redemption Amount(s)**" means (A) 101% of the nominal value of the New Bonds or (B) if higher, the sum, as determined by the Agent, of the present values of the remaining scheduled payments of principal and interest on the New Bonds to be redeemed (not including any portion of such payments of interest accrued to the date of redemption) discounted to the relevant Optional Redemption Date on an annual basis (based on the actual number of days elapsed) at the Reference Rate plus 0.5%, where:

"**Calculation Agent**" means a leading investment, merchant or commercial bank appointed by the Offeror for the purposes of calculating the Optional Redemption Amount, and notified to the New Bondholders in accordance with Condition 11;

"**Reference Bond**" means Belgium's *obligations linéaires - lineaire obligaties* (OLOs) traded in the secondary markets) selected by the Calculation Agent as having an actual or intrapolated maturity comparable to the remaining term of the New Bonds to be redeemed 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 remaining term of such New Bonds;

"**Reference Bond Price**" means (i) the average of five Reference Market Maker Quotations for the relevant Optional Redemption Date, after excluding the highest and lowest Reference Market Maker Quotations, (ii) if the Calculation Agent obtains fewer than five, but more than one, such Reference Market Maker Quotations, the average of all such quotations, or (iii) if only one such Reference Market Maker Quotation is obtained, the amount of the Reference Market Maker Quotation so obtained;

"**Reference Market Maker Quotations**" means, with respect to each Reference Market Maker and any Optional Redemption Date, the average, as determined by the Calculation Agent, of the bid and asked prices for the Reference Bond (expressed in each case as a percentage of its principal amount) quoted in writing to the Calculation Agent at 11 a.m. CET on second Brussels Business Day preceding the date on which notice of the exercise of the Issuer Call is given by the Offeror to the New Bondholders in accordance with Condition 4 (d) (i) (A);

"**Reference Market Makers**" means five brokers or market makers of securities such as the Reference Bond selected by the Calculation Agent or such other five persons operating in the market for securities such as the Reference Bond as are selected by the Calculation Agent in consultation with the Offeror; and

"**Reference Rate**" means, with respect to any Optional Redemption Date, the rate per annum equal to the equivalent yield to maturity of the Reference Bond, calculated using a price for the



Reference Bond (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Optional Redemption Date. The Reference Rate will be calculated on the second day (other than a Saturday or Sunday) on which the TARGET System is operating for the settlement of payments in euro preceding the date on which notice of the exercise of the Issuer Call is given by the Offeror to the New Bondholders in accordance with Condition 4 (d)(i).

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

(e) **Redemption at the Option of New Bondholders:**

Upon a Change of Control (Change of Control Put)

(A) **Definitions:** In this Condition 4(e), unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Calculation Amount**” means EUR 1,000.

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 UCB 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 UCB so that it has the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of UCB, 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);

“**Change of Control Notice**” has the meaning provided in Condition 4(e)(i)(C).

“**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 Put Exercise Period**” means the period commencing on the date of an Early Redemption Event and ending 60 calendar days following the Early Redemption Event, or, if later, 60 calendar days following the date on which a Change of Control Notice is given to New Bondholders as required by Condition 4(e)(i)(C).

“**Change of Control Put Date**” has the meaning provided in Condition 4(e)(i)(B).

“**Change of Control Put Exercise Notice**” has the meaning provided in Condition 4(e)(i)(B).

“**Change of Control Resolutions**” has the meaning provided in Condition 4(e)(i)(D).

“**Excepted Person**” means Financière de Tubize S.A., either by itself or acting together with (i) Schwarz Vermögensverwaltung GmbH, (ii) any shareholder of UCB with whom, as per the Delivery Date, Financière de Tubize S.A has declared acting in concert separately in accordance with article 1, §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.

“**Investment Grade**” means if the relevant rating is provided by Standard & Poor’s and/or Fitch, a rating of BBB- or higher or, if the relevant rating is provided by Moody’s, a rating of Baa3 or higher.

“**Ordinary Shares**” means fully paid ordinary shares in the capital of UCB currently with no-par value.

“**Put Redemption Amount**” means an amount per Calculation Amount calculated by multiplying the Put Redemption Rate by the Calculation Amount and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards).

*The Put Redemption Amount reflects a yield of maximum 0.75 points above the yield of the New Bonds on the Issue Date up to the Maturity Date in accordance with the "Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier" (Royal decree of 26 May 1994 on the deduction of withholding tax) (the Royal Decree). The Royal Decree indeed requires that in relation to bonds that can be traded on N accounts, if investors exercise a right to have the Bonds redeemed early, the actuarial return cannot exceed the actuarial return of the Bonds upon the issue up to the final maturity, by more than 0.75 points.*

“**Put Redemption Rate**” means  $\text{MIN} (101\%; 100\% \times \text{Exp} (T \times 0.74720148386))$ , rounded down to the 9th decimal, where:

- (a) “**Exp**” means the exponential function meaning the function  $e^x$ , where  $e$  is the number (approximately 2.718) such that the function  $e^x$  equals its own derivative; and
- (b) “**T**” means the time, expressed in decimals of a year, elapsed from (and including) the Delivery Date until (and including) the Early Redemption Event

“**Rating Agencies**” shall mean Standard & Poor’s Credit Market Services Europe Limited (“**Standard & Poor’s**”), Fitch Ratings Limited (“**Fitch**”) or Moody’s Investors Service Limited (“**Moody’s**”), and their respective affiliates, successors and assigns.

“**Rating Downgrade**” means any downgrade of the rating of UCB by a Rating Agency to below Investment Grade.

“**Shareholders**” means the holders of Ordinary Shares.

“**Stop Date**” means 30 May 2014.

**(B) In the event that:**

- (i) a Change of Control occurs at the time UCB is not rated or has a lower rating than Investment Grade; *or*
- (ii) a Change of Control occurs at the time UCB benefits from an Investment Grade rating, and within the Change of Control Period, a Rating Downgrade occurs which is expressed by the relevant Rating Agency to be in whole or in part related to that Change of Control,

(each an “**Early Redemption Event**”), then:

the holder of each New Bonds will have the right to require the Offeror to redeem that New Bond on the Change of Control Put Date at the Put Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Change of Control Put Date.

To exercise such right in relation to New Bonds, the holder of the relevant New Bond must (i) deliver or cause to be delivered to the Agent a certificate issued by the relevant recognised account holders (*teneurs de comptes agréés*) certifying that the relevant New Bond is held to its order or under its control and blocked by it or transfer the New Bond to the Agent and (ii) complete and deliver to, or deposit with the bank or other financial intermediary through which it holds the New Bonds (the “**Financial Intermediary**”) for further delivery to, UCB with a copy to the Agent a duly completed and signed notice of exercise in the form for the time being currently obtainable from the Agent (a “**Change of Control Put Exercise Notice**”), at any time during the Change of Control Put Exercise Period.

The “**Change of Control Put Date**” shall be the fourteenth Brussels Business Day after the expiry of the Change of Control Put Exercise Period.

Payment in respect of any such New Bond shall be made by transfer to an account denominated euro maintained by the payee with a bank in the principal financial centre of the country of such currency or, in the case of euro, in a city in which banks have access to the TARGET System as specified by the relevant New Bondholder in the relevant Change of Control Put Exercise Notice.

A Change of Control Put Exercise Notice, once delivered, shall be irrevocable and the Offeror shall redeem all New Bonds the subject of Change of Control Put Exercise Notices delivered as aforesaid on the Change of Control Put Date.

*New Bondholders should note that the exercise by any of them of the option set out in Condition 4(e)(i) will only be effective under Belgian law if, prior to the earliest of (a) the Offeror being notified by the Belgian Financial Services and Market Authority of a formal filing of a proposed offer to the shareholders of the Offeror or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of the Offeror 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). If a Change of Control occurs prior to such approval and filing, holders will not be entitled to exercise the option set out in Condition 4(e)(i)(B). There can be no assurance that such approval will be granted at such meeting.*

If, as a result of this Condition 4(e)(i), holders of the New Bonds submit Change of Control Put Exercise Notices in respect of at least 85% of the aggregate principal amount of the New Bonds for the time being outstanding, the Offeror may, having given not less than 15 nor more than 30 days notice to the New Bondholders in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the New Bonds then outstanding at the Put Redemption Amount. Payment in respect of any such New Bond shall be made as specified above.

**(C) Change of Control Notice**

Within 5 Brussels Business Days following an Early Redemption Event, the Offeror shall give notice thereof to the New Bondholders in accordance with Condition 11 (a “**Change of Control Notice**”). The Change of Control Notice shall contain a statement informing New Bondholders of their entitlement to exercise their rights to require redemption of their New Bonds pursuant to Condition 4(e)(i).

The Change of Control Notice shall also specify:

- (i) to the fullest extent permitted by applicable law, all information material to New Bondholders concerning the Change of Control;
- (ii) the last day of the Change of Control Put Exercise Period;
- (iii) the Change of Control Put Date;
- (iv) the Put Redemption Amount.

The Agent shall not be required to monitor or take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred or may occur and will not be responsible or liable to New Bondholders or any other person for any loss arising from any failure by it to do so.

**(D) If the Change of Control Resolutions are not passed**

If on the Stop Date:

- (i) the Change of Control Resolutions have not been passed, approved or adopted at a General Meeting of the Shareholders of the Offeror; 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 Stop Date, the rate of interest payable on the New Bonds shall be increased by 0.5%

“**Change of Control Resolutions**” means one or more resolutions duly passed, approved or adopted at a General Meeting of Shareholders of the Offeror approving the provisions of Condition 4(e)(i).

- (f) **Purchases:** The Offeror may at any time purchase New Bonds in the open market or otherwise at any price.
- (g) **Cancellation:** All New Bonds purchased by or on behalf of the Offeror may be cancelled, held or resold at the option of the Offeror.

## 5 Payments

- (a) **General:** All payments in euro of principal or interest owing under the New Bonds shall be made through the Agent and the NBB Clearing System in accordance with the NBB Clearing System Regulations and the Clearing Services Agreement. The payment obligations of the Offeror under the New Bonds will be discharged by payment to the NBB in respect of each amount so paid.
- (b) **Payment subject to fiscal laws:** All payments in respect of the New Bonds will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 6. No commissions or expenses shall be charged by the Agent to the New Bondholders in respect of such payments.
- (c) **Appointment of Agents:** The Agent acts solely as agent of the Offeror and does not assume any obligations towards or relationship of agency with any of the New Bondholders. The Offeror reserves the right at any time to vary or terminate the appointment of the Agent and to appoint additional or other Agents, provided however, that the Offeror shall at all times (i) maintain a principal paying agent and (ii) maintain a domiciliary agent and the domiciliary agent will at all times be a participant in the NBB Clearing System. Notice of any such change or any change of any specified office shall promptly be given to the New Bondholders.
- (d) **Non-Business Days:** If any date for payment in respect of any New Bond is not a Brussels Business Day, the holder shall not be entitled to payment until the next following Brussels Business Day nor to any interest or other sum in respect of such postponed payment.

## 6 Taxation

All payments of principal and interest by or on behalf of the Offeror in respect of the New Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Offeror shall pay such additional amounts as shall result in receipt by the New Bondholders 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 New Bond:

- (a) **Other connection:** to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such New Bond by reason of his having some connection with the Kingdom of Belgium other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the New Bond; or
- (b) **Lawful avoidance of withholding:** to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non residence or other similar claim for exemption to any tax authority in the place where the relevant New Bond is presented for payment; or

- (c) **Payment to non Eligible Investors:** to, or to a third party on behalf of, a holder who on the date of acquisition of a New Bond, was not an Eligible Investor or who was an Eligible Investor on the date of acquisition of such New Bond but, for reasons within the New Bondholder's control, either ceased to be an Eligible Investor or, at any relevant time on or after the date of acquisition of such New Bond, 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) **Payment to individuals:** where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 or any law implementing or complying with, or introduced as a result of or in order to conform to, such Directive or any agreement between the EU and any other country or territory providing for similar measures,

As used in this Condition, "**Eligible Investor**" means those entities which are referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax and which hold the New Bonds in an exempt account in the NBB Clearing System.

As used in these Conditions, "**Relevant Date**" in respect of any New Bond, means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the New Bondholders that, upon further presentation of the New Bond being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the New Bonds, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts that may be payable under this Condition.

## 7 Prescription

Claims against the Offeror for payment in respect of the New Bonds shall be prescribed and become void unless made within ten (10) years (in the case of principal (or any other amount (other than interest) payable in respect of the New Bonds)) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 8 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing then any New Bond may, by notice in writing given by the New Bondholder to the Offeror at its registered office with a copy to the Agent at its specified office, be declared immediately due and repayable at its Early Redemption Amount together with accrued interest (if any) to the date of payment, without further formality unless such event shall have been remedied prior to the receipt of such notice by the Agent, as applicable:

- (a) **Non-Payment:** the Offeror fails to pay the principal of or premium or interest on any of the New Bonds when due and such failure continues for a period of 7 days in the case of principal or premium and 14 days in the case of interest; or
- (b) **Breach of Other Covenants, Agreements or Undertakings:** the Offeror does not perform or comply with any one or more of its other covenants, agreements or undertakings in the New Bonds or the

Agency Agreement, which default is incapable of remedy or, if capable of remedy, is not remedied within 20 Brussels Business Days after notice of such default shall have been given by any New Bondholder to the Offeror at its registered office; or

- (c) **Cross-Acceleration:** (i) any other present or future indebtedness of the Offeror or any Material Subsidiary for or in respect of moneys borrowed becomes due and payable prior to its stated maturity by reason of the occurrence of an event of default (howsoever described) thereunder, or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or within five Brussels Business Days of becoming due if a longer grace period is not applicable or (iii) the Offeror or any Material Subsidiary fails to pay when due or, as the case may be, within any applicable grace period or within five Brussels Business Days if a longer grace period is not applicable, any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed, (unless in any such case external legal advisers to the Offeror or the relevant Material Subsidiary, as the case may be, of recognised standing have advised that such indebtedness or other amount is not due and payable, and the Offeror or the relevant Material Subsidiary, as the case may be, is contesting such point in good faith), provided that the aggregate amount of the relevant financial indebtedness, guarantees and indemnities in respect of which one or more of the events mentioned above in foregoing clauses (i), (ii) and (iii) have occurred equals or exceeds EUR 30 million or its equivalent; or
- (d) **Enforcement Proceedings:** a distress, attachment or execution is levied, enforced or sued out on or against any of the property, assets or revenues of the Offeror or any Material Subsidiary having an aggregate value of at least EUR 30 million or its equivalent and is not discharged or stayed within 45 Brussels Business Days; or
- (e) **Security Enforced:** any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Offeror or any Material Subsidiary in respect of any of its property or assets for an amount at the relevant time of at least EUR 30 million or its equivalent becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person); or
- (f) **Insolvency:** the Offeror or any Material Subsidiary is judicially determined or formally admitted to be insolvent or bankrupt or (other than in respect of any debts owed to another member of the Group) is unable to pay its debts as they fall due, stops, suspends or announces its intention to stop or suspend payment of all or a material part of (or of a particular type of) such debts or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) such debts (or any particular debt, in each case which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is declared or comes into effect in respect of all or any part of (or of a particular type of) such debts of the Offeror or the relevant Material Subsidiary; or
- (g) **Winding-up:** an order is made or an effective resolution passed for the winding-up or dissolution of the Offeror or any Material Subsidiary or (other than a solvent liquidation or reorganisation of any Material Subsidiary), or the Offeror or any Material Subsidiary ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms approved by a resolution of the New Bondholders or (ii) in the case of a Material Subsidiary, whereby the undertakings and assets of the Material Subsidiary are transferred to or otherwise vested in the Offeror or another of its Subsidiaries; or

- (h) **Analogous Events:** any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (c) to (g).

## 9 Meeting of New Bondholders and Modifications

(a) **Meetings of New Bondholders:**

The Agency Agreement contains provisions for convening meetings of New Bondholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions applicable to the New Bonds. For the avoidance of doubt, any such modification shall always be subject to the assent of the Offeror. An “**Extraordinary Resolution**” means a resolution passed at a meeting of New Bondholders duly convened and held in accordance with these Conditions and the Belgian Companies Code by a majority of at least 75% of the votes cast in accordance with Article 574 of the Belgian Companies Code.

All meetings of New Bondholders will be held in accordance with the Belgian Company Code with respect to bondholders meetings. Such a meeting may be convened by the board of directors of the Offeror or its auditors and shall be convened by the Offeror upon the request in writing of New Bondholders holding not less than one fifth of the aggregate principal amount of the outstanding New Bonds. A meeting of New Bondholders will be entitled to exercise the powers set out in Article 568 of the Belgian Companies Code and generally (subject to the assent of the Offeror) to modify or waive any provision of the Conditions applicable to the New Bonds (including any proposal (i) to modify the maturity of the New Bonds or the dates on which interest is payable in respect of the New Bonds, (ii) to reduce or cancel the principal amount of, or interest on, the New Bonds or (iii) to change the currency of payment of the New Bonds) in accordance with the quorum and majority requirements set out in Article 574 of the Belgian Companies Code, and if required thereunder subject to validation by the court of appeal.

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

The Agency Agreement provides that, if authorised by the Offeror, a resolution in writing signed by or on behalf of holders of not less than 75% of the aggregate principal amount of the New Bonds shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of New Bondholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the New Bondholders through the relevant clearing system(s). 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 New Bondholders.

- (b) **Modifications of the Agency Agreement:** The Offeror shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement and/or the Clearing Services Agreement, if to do so could not reasonably be expected to be materially prejudicial to the interests of the New Bondholders or which in the Agent’s opinion is of a formal, minor or technical nature or is made to correct a manifest error to comply with mandatory provisions of law.

## 10 Further Issues

The Offeror may from time to time without the consent of the New Bondholders create and issue further bonds having the same terms and conditions as the New Bonds (or the same in all respects save for the amount and date of the first payment of interest thereon) (so that, for the avoidance of doubt, references in the



conditions of such bonds to “Delivery Date” shall be to the first issue date of the New Bonds) and so that the same shall be consolidated and form a single series with such New Bonds, and references in these Conditions to “New Bonds” shall be construed accordingly.

## 11 Notices

- (a) **Notices to New Bondholders:** Notices to be given to any New Bondholder shall be valid if (i) published on the website of the Offeror, (ii) published through the usual newswires agency (or any of the usual newswires agencies) used by the Offeror to discharge its ongoing information duties pursuant to the Royal Decree of 14 November 2007 and (iii) delivered to the National Bank of Belgium for communication to the New Bondholders via participants in the NBB Clearing System. The Offeror shall also ensure that all notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the New Bonds are listed for the time being. Any notice shall be deemed to have been given on the date of the first publication.
- (b) **Notices by New Bondholders:** Notices to be given by any holder of the New Bonds shall be in writing and given by lodging the same with the Agent.

## 12 Governing Law and Jurisdiction

- (a) **Governing Law:** The New Bonds and any non-contractual obligations arising out of or in connection with the New Bonds are governed by, and shall be construed in accordance with, Belgian law.
- (b) **Jurisdiction:** The Courts of Brussels (Belgium) are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the New Bonds and, accordingly, any legal action or proceedings arising out of or in connection with the New Bonds (“**Proceedings**”) may be brought in such courts, and the New Bondholder and the Offeror irrevocably submit to the jurisdiction of such courts and waive 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.

## DESCRIPTION OF THE OFFEROR

### 1 Overview of UCB 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 Crossroads Bank for Enterprises under enterprise number (“*ondernemingsnummer*”/“*numéro d’entreprise*”) VAT-BE 0403.053.608 RLP Brussels. UCB was incorporated on 26 May 1925. UCB’s Ordinary Shares have been listed on the Belgian Stock Exchange (now NYSE Euronext Brussels) since incorporation.

The Offeror and its subsidiaries taken as a whole (the “**UCB Group**”) constitute 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 UCB Group differentiates itself by focusing on a patient-driven approach offering treatments for a range of severe CNS and immunology disorders, including epilepsy, Parkinson’s disease, restless leg syndrome, Crohn’s disease and rheumatoid arthritis. The UCB Group has further indications under clinical development such as systemic lupus erythematosus (SLE or “lupus”) and postmenopausal osteoporosis (PMO). In selected markets, the UCB Group also has a successful primary care business and it is dedicated to optimising its value. The organisation has streamlined itself in the past years with a strong focus on severe disease in CNS and immunology, providing a basis for competitiveness.

The key marketed products of UCB are Vimpat®, Neupro® and Keppra® for CNS diseases. For immunology, the key marketed product is Cimzia®. In 2012, other significant marketed products include Zyrtec®, Xyzal®, omeprazole and Metadate™CD. Under the name E Keppra®, Keppra® is being marketed in Japan with the partner Otsuka pharmaceuticals with market exclusivity until 2018.

UCB is seeking to supplement its current marketed products by a research and development pipeline focusing on the following CNS diseases: epilepsy and Parkinson’s disease. Research and development is also carried out in the following immunology disorders: rheumatoid arthritis and other arthritis indications, systemic lupus erythematosus, bone loss disorders and other autoimmune diseases. UCB 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 UCB has two Centres of Excellence which are located in Slough (United Kingdom) and Braine-l’Alleud (Belgium). UCB’s expenses in research and development was 26% of its revenue in 2012 (24% in 2011) which is a reflection of higher R&D expenses due to late stage pipeline progressing in Phase III as well as lifecycle management with respect to Cimzia®, Vimpat® and Neupro®.

In addition, UCB has taken capital commitments with respect to the construction of a biological pilot and a biological plant. Further details on these commitments may be found in note 39.2 (page 113) of the annual report of the Offeror for the financial year ended 31 December 2012.

The principal geographic markets of the UCB Group as of 31 December 2012 were: Europe with 43% of net sales, North America with 37% of net sales, Japan with 8% of net sales, Asia with 6% of net sales and the other international markets contributing the remaining 6% of net sales of the UCB Group.

The following table sets forth the net sales amount by product for the years 2011 and 2012:

€million	Actual		Variance	
	2012	2011	Actual rates	Constant rates
<b>Core products</b>				
Cimzia®	467	312	50%	41%
Vimpat®	334	218	53%	44%
Neupro®	133	95	40%	38%
<b>Other products</b>				
Keppra® (including Keppra® XR)	838	966	-13%	-16%
Zyrtec® (including Zyrtec-D®/Cirrus®)	249	260	-4%	-8%
Xyzal®	128	108	19%	17%
<i>omeprazole</i>	79	76	4%	-3%
Metadate™ CD	65	62	5%	-3%
Nootropil®	63	69	-9%	-8%
Other	714	710	0%	-3%
<b>Total net sales</b>	<b>3 070</b>	<b>2 876</b>	<b>7%</b>	<b>2%</b>

Employing approximately 9 050 people (end of 2012) and operating in more than forty countries, UCB generated revenues of EUR 3.4 billion in 2012 with underlying profitability (recurring EBITDA) reaching EUR 655 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**”), UCB’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 phthalates 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, UCB has focused primarily on biopharmaceutical activities, with the acquisition of British Celltech in 2004 (which gave UCB access to leading anti-body research, Cimzia® and romosozumab), the divestiture of non-pharma business in 2005 and the acquisition for German Schwarz Pharma in 2006 (which added leading neurology development, Vimpat®, Neupro® and Toviaz® to UCB) strengthening the medium-term pipeline of products in development, as well as expanding the current product portfolio. Romosozumab is being developed in collaboration with Amgen Inc.

In 2009, UCB divested certain of its non-core products in non-strategic emerging markets to GSK. During 2009 and 2010 UCB continued to focus its core activities on bio-pharmaceutical activities in CNS and immunology disorders. In 2009, UCB entered into a strategic alliance with Willex AG, Munich/Germany to develop UCB's preclinical oncology portfolio.

In 2010, Synosia (now Finnish Biotie Therapies, after its acquisition of Synosia in February 2011) granted UCB exclusive worldwide rights to tozadenant, an adenosine A2a antagonist (SYN-115) for the treatment of Parkinson's disease. Following a press release by Biotie, the phase 2b study met its primary endpoint as well as demonstrated efficacy across multiple secondary endpoints. UCB and Biotie Therapies announced in February 2013 that UCB has licensed worldwide exclusive rights to Biotie's tozadenant (SYN115), a selective inhibitor of the adenosine 2a receptor, in development for the treatment of Parkinson's disease. As a result, Biotie will receive a one-time fee payment of USD 20 million from UCB. In addition, the parties have amended their original licence agreement, such that Biotie will now conduct phase III development of tozadenant in return for additional payments from UCB relating to defined development, regulatory and commercialisation milestones.

In 2010, Aesica announced the acquisition of UCB's manufacturing businesses in Germany and Italy. This partnership is part of UCB's strategy to optimise its manufacturing network while securing the long-term supply of our products and a long-term future for the sites' employees. This acquisition was completed in March 2011.

UCB and its partner in Japan, Otsuka Pharmaceutical Co., Ltd. agreed to focus their collaboration on the therapeutic area of Central Nervous System (CNS) disorders. Currently, Otsuka is UCB's partner in Japan for E Keppra® for the treatment of epilepsy and Neupro® for the treatment of Parkinson's disease and rest-less-legs-syndrome.

In November 2011, UCB and PAREXEL and PRA entered into strategic partnerships to drive UCB's operational clinical development activities. The agreements are effective for all of UCB's new clinical development study programs on a global basis. These partnerships represent long-term commitments to an outsourcing model focused on maximising the effectiveness of each participant's resources in clinical development.

Early 2012, UCB and Astellas agreed to co-develop and co-promote Cimzia® for rheumatoid arthritis in Japan.

Also in 2012, UCB enhanced its global footprint by acquiring a majority stake in the Brazilian pharmaceutical company now renamed Meizler UCB Biopharma SA.

### 3 Selected Financial Highlights – Capital Structure Highlights

Summary of UCB Group Financial Data (Consolidated figures – *EUR millions*) based on 2011 and 2012 UCB's Annual Reports:

#### Income Statement

	<b>Actual 2012</b>	<b>Actual 2011</b>
	<i>(EUR million)</i>	
<b>Continuing operations</b>		
Net sales	3,070	2,876
Royalty income & fees	168	187
Other revenue	224	183
<b>Revenue</b>	<b>3,462</b>	<b>3,246</b>
Cost of sale	-1,084	-1,013
<b>Gross profit</b>	<b>2,378</b>	<b>2,233</b>
Marketing and selling expenses	-875	-837
Research and development expenses	-890	-778
General and administrative expenses	-198	-191
Other operating income/expenses (-)	0	12
<b>Operating profit before impairment, restructuring and other income and expenses</b>	<b>415</b>	<b>439</b>
Impairment of non-financial assets	-10	-39
Restructuring expenses	-40	-27
Other income and expenses	24	-25
<b>Operating profit</b>	<b>389</b>	<b>348</b>
Financial income	86	90
Financing costs	-233	-205
<b>Profit / loss (-) before income taxes</b>	<b>242</b>	<b>233</b>
Income tax expense (-) / credit	-7	-9
Profit / loss (-) from continuing operations	235	224
<b>Discontinued operations</b>		
<b>Profit / loss (-) from discontinued operations</b>	<b>17</b>	<b>14</b>
<b>Profit</b>	<b>252</b>	<b>238</b>
<b>Attributable to:</b>		
Equity holders of UCB S.A.	256	238
Non-controlling interest	-4	0
<b>Basic earnings per share (EUR )</b>		
from continuing operations	1.34	1.26

	<b>Actual 2012</b>	<b>Actual 2011</b>
	<i>(EUR million)</i>	
from discontinued operations	0.09	0.08
<b>Total basic earnings per share</b>	<b>1.43</b>	<b>1.34</b>
<b>Diluted earnings per share (EUR )</b>		
from continuing operations	1.33	1.26
from discontinued operations	0.08	0.07
<b>Total diluted earnings per share</b>	<b>1.41</b>	<b>1.32</b>

### Consolidated statement of financial position summary

	<b>2012</b>	<b>2011</b>
	<b>31 December</b>	<b>31 December</b>
	<i>(EUR million)</i>	
Non-current assets	7,538	7,470
Current assets	1,822	1,706
<b>Total assets</b>	<b>9,360</b>	<b>9,176</b>
Equity	4,593	4,701
Non-current liabilities	2 959	2,863
Current liabilities	1,808	1,612
<b>Total liabilities</b>	<b>4,767</b>	<b>4,475</b>
<b>Total equity and liabilities</b>	<b>9,360</b>	<b>9,176</b>

The results for the exercise ended 31 December 2011 have been updated following the early adoption by the UCB group of amendment in respect of IAS 19 as revised in June 2011 and approved by the European Union in June 2012.

Summary of UCB Group Financial Data (Consolidated figures – EUR millions) based on the half-year financial report 2012 and 2013:

### Income Statement

	<b>2013 Reviewed</b>	<b>2012 Restated</b>
	<i>(EUR million)</i>	
<b>Continuing operations</b>		
Net sales	1,466	1,527

	<b>2013 Reviewed</b>	<b>2012 Restated</b>
	<i>(EUR million)</i>	
Royalty income & fees	85	83
Other revenue	106	95
<b>Revenue</b>	<b>1,657</b>	<b>1,706</b>
Cost of sale	-522	-523
<b>Gross profit</b>	<b>1,135</b>	<b>1,183</b>
Marketing and selling expenses	-413	-440
Research and development expenses	-424	-405
General and administrative expenses	-107	-94
Other operating income/expenses (-)	3	-3
<b>Operating profit before impairment, restructuring and other income and expenses</b>	<b>194</b>	<b>241</b>
Impairment of non-financial assets	-8	-1
Restructuring expenses	-11	-12
Other income and expenses	0	-1
<b>Operating profit</b>	<b>175</b>	<b>227</b>
Financial income	32	37
Financing costs	-101	-113
<b>Profit / loss (-) before income taxes</b>	<b>106</b>	<b>151</b>
Income tax expense (-) / credit	-22	-16
<b>Profit / loss (-) from continuing operations</b>	<b>84</b>	<b>135</b>
<b>Discontinued operations</b>		
Profit / loss (-) from discontinued operations	<b>3</b>	<b>2</b>
<b>Profit for the period</b>	<b>87</b>	<b>137</b>
<b>Attributable to:</b>		
Equity holders of UCB S.A.	92	137
Non-controlling interest	-5	0
<b>Basic earnings per share (EUR )</b>		
from continuing operations	0.49	0.76
from discontinued operations	0.01	0.01
<b>Total basic earnings per share</b>	<b>0.51</b>	<b>0.77</b>
<b>Diluted earnings per share (EUR )</b>		
from continuing operations	0.50	0.70
from discontinued operations	0.01	0.01
<b>Total diluted earnings per share</b>	<b>0.51</b>	<b>0.71</b>

## Consolidated statement of financial position summary

	<b>30 June 2013</b>	<b>31 December</b>
	<b>Reviewed</b>	<b>2012 Restated</b>
	<i>(EUR million)</i>	
Non-current assets	7,595	7,535
Current assets	1,963	1,822
<b>Total assets</b>	<b>9,558</b>	<b>9,357</b>
Equity	4,497	4,593
Non-current liabilities	3,256	2,956
Current liabilities	1,805	1,808
<b>Total liabilities</b>	<b>5,061</b>	<b>4,764</b>
<b>Total equity and liabilities</b>	<b>9,558</b>	<b>9,357</b>

**There has been no significant change in the financial or trading position of the Offeror since 30 June 2013 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2012, except for the results on 30 June 2013 as set forth in the half-year financial report 2013 (which is incorporated by reference – see “Documents incorporated by reference”).**

### **Debt maturity profile**

**On 30 June 2013, the Offeror reported a net debt of EUR 2,096 million versus recurring EBITDA (earnings before interest, tax, depreciation and amortisation) over the first six months of the year of EUR 319 million.**

**The ratio net debt / recurring EBITDA as at 30 June 2013 is 3.35x (calculated over the previous 12 months). This number excludes the perpetual subordinated unsecured bonds (EUR 300 million) and share swaps (EUR 191.8 million) (in accordance with IFRS).**

The net debt of EUR 2,096 million, an increase of EUR 330 million compared to EUR 1,766 million as per end December 2012, mainly relates to the dividend payment on the 2012 results (EUR 186 million) and the dividend paid related to the perpetual subordinated bond (EUR 23 million) and the further investment in intangible and tangible assets (EUR 173 million), partly off-set by the underlying net profitability. The sources of funding of the UCB Group primarily consist of a EUR 1 billion committed syndicated credit facility due to mature in 2016 and other committed and non-committed bilateral credit facilities, and bonds. At the date of this Prospectus, no moneys were borrowed under the EUR 1 billion committed syndicated credit facility and EUR 100 million was borrowed under various other committed and uncommitted credit facilities. In addition, in order to simplify the issuance of future obligations, the Offeror has launched a EUR 3 billion EMTN program of bonds issuance in March 2013. The amount of the EMTN program is justified by the fact that the EUR 2 billion debt will need to be rolled over in the future (potentially more than once).

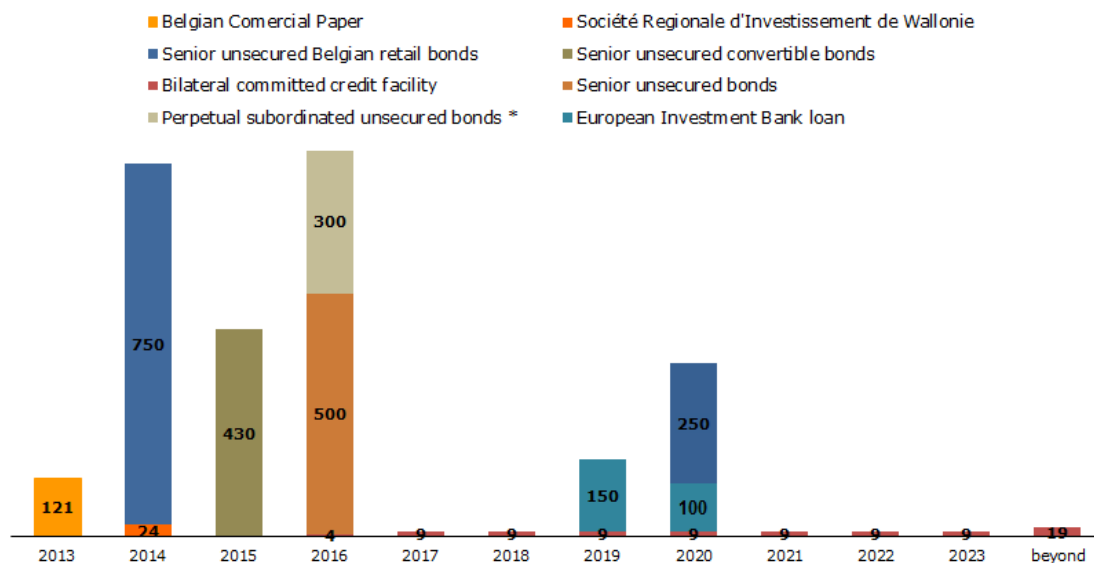


Summary of the maturity dates of the main financial borrowings of the UCB Group as outstanding at the date of this Prospectus expressed in notional amounts.

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	beyond
Belgian Commercial Paper	121											
Société Régionale d'Investissement de Wallonie		24										
Senior unsecured Belgian retail bonds		750						250				
Senior unsecured convertible bonds			430									
Senior unsecured bonds				500								
Perpetual subordinated unsecured bonds				300								
European Investment Bank loan							150	100				
Bilateral committed credit facility				4	9	9	9	9	9	9	9	19

UCB issued EUR 300 million fixed-to-floating rate perpetual subordinated bonds in 2011 with an issuer first call date in 2016.

As of 30 June 2013, the debt maturity profile of the Offeror may be represented as follows:



As of 30 June 2013, UCB has no financial covenants under the financial or bond documentation.

The net debt of the UCB Group has increased with EUR 218 million during 2012, from EUR 1,548 million as of end of December 2011 to EUR 1,766 million as of end December 2012.

### Share swap transactions

As per end of June 2013, the Offeror had the following share swap transactions outstanding:

UCB SA and UCB Fipar SA have sold 4,3 million shares in the first half of 2013 at a weighted average price of EUR 44,61 with a commitment to repurchase them on 9 March 2014 for a total amount of EUR 191,804,680 (subject to an early termination option for UCB SA):

#### UCB SA

For 9 March 2014, UCB SA buys 1,8 million shares at EUR 45.0648, i.e. EUR 81,116,640.

For 9 March 2014, UCB SA buys 500,000 shares at EUR 45.0648, i.e. EUR 22,532,400.

For 9 March 2014, UCB SA buys 400,000 shares at EUR 40.1299, i.e. EUR 16,051,960.

#### UCB Fipar SA

For 9 March 2014, UCB Fipar SA buys 1,6 million shares at EUR 45.0648, i.e. EUR 72,103,680.

## 4 Intellectual Property

In order to fortify its position and to offer to its patients treatments which are able to improve their health and quality of life, UCB continually strives to develop new products and new technologies and to expend significant efforts and funds on research, development and manufacturing. UCB has obtained intellectual property through internal efforts, acquisitions and as a consequence of various research and development collaborations. UCB has granted from time to time, and may continue to grant, licenses to third parties to use certain patents and know-how of the UCB Group. UCB 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 Part 15 “Key Contracts and Partnerships” of this description of UCB). The production technologies of UCB typically incorporate specialised proprietary know-how. To preserve and enhance the value of its investments and assets, UCB relies, inter alia, on the protection offered by 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, UCB 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, inter alia:

- 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 UCB’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 (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.

UCB currently has approximately 438 active patent families, including those licensed in, comprising approximately 3,442 granted patents and 1,691 pending patent applications. Although patents are important to the business of UCB, the UCB Group believes that no single patent (or group of related patents) is material to the UCB Group’s business as a whole. However, UCB 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 addition, the United States provides for extensions of patent term for delays in the examination of patent applications. In accordance with its product life-cycle management policy, UCB 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 certain 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).

<b>Marketed Products</b>	<b>EU</b>	<b>U.S.</b>	<b>Japan</b>
Neupro® ( <i>rotigotine; patch</i> ) .....	February 2021 <sup>1</sup>	March 2021 <sup>1</sup>	March 2019
Vimpat® ( <i>lacosamide; API</i> ).....	March 2022	2022 <sup>(1)</sup>	March 2017
Cimzia® ( <i>certolizumab; API</i> ) .....	October 2024 <sup>1</sup>	February 2024 <sup>1</sup>	June 2021

<sup>1</sup> Including extensions where applied for or already granted.

#### *Products in Development*

The UCB Group’s key products in development have basic patent protection with extension of 10 years or longer from their projected introduction dates in the core markets of the UCB 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. However, see Part 16, “Legal Proceedings” of this Section of this Prospectus, for a description of patent-related litigation in which companies of the UCB Group are involved and see Risk Factor 1 concerning the risk of anticipated litigation from ANDA filings concerning Vimpat and Neupro.

#### **(b) Trademarks**

The following table sets forth the best-known trademarks of the UCB Group which have been registered on behalf of the UCB 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 UCB Group does not believe that a single trademark in its portfolio is material to the business of the UCB Group as a whole.

## 5 Key Contracts and Partnerships

### (a) License and Distribution Agreements

#### *Astellas Pharma Inc.*

Astellas Pharma Inc. (“Astellas”) and UCB entered into an agreement in January 2012 to jointly develop and commercialise Cimzia® for rheumatoid arthritis (RA) in Japan. Under this agreement, UCB will manufacture and supply the product for commercialisation. Astellas will manage the distribution exclusively, and both Astellas and UCB will jointly develop and commercialise Cimzia® in Japan. Under the terms of the agreement, UCB received an initial cash payment and UCB is also eligible to receive clinical and regulatory milestones as well as commercial milestones.

#### *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 commercialisation 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%

#### *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 commercialisation 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 authorisation 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 PEGylated 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 UCB Group’s PEGylated antibody fragments.

#### *Novartis Pharma GmbH*

In May 2007, Novartis Pharma GmbH (“Novartis”) and the UCB Group entered into a 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.

In January 2012, Otsuka Pharmaceutical Co., Ltd. and UCB announced that the companies have agreed to focus their collaboration on the therapeutic area of Central Nervous System (CNS) disorders and to discontinue their collaboration in immunology. The companies ended their co-development and co-promotion agreement for Cimzia® in Japan followed by an agreed upon transition period.

*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.

*Harvard University*

In February 2011, UCB concluded an innovative research collaboration agreement with Harvard University. UCB brings its expertise on antibody generation and medicinal chemistry into the alliance and provides up to \$13 million, including potential milestones, to fund specific innovative research projects led by Harvard scientists. The collaboration focuses on Central Nervous System (CNS) and immunology, two key research domains for UCB. This collaborative alliance will advance on-going Harvard research projects along the drug development pathway and therefore creates a unique drug discovery bridge between industry and academia, with Harvard scientists continuing their research that holds potential for the development of new therapeutic modalities in clinical medicine.

*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 was amended by the parties in December 2011 to resolve certain issues, and remains in force unless terminated by the UCB Group ceasing to develop or commercialise epratuzumab.

*Katholieke Universiteit Leuven*

UCB and the Katholieke Universiteit Leuven (K.U.Leuven) concluded a collaborative research agreement in April 2011 in the field of immunology. Within this framework, researchers from both organisations will work together closely in an attempt to develop therapies for patients with serious immunological disorders. The initial term of the agreement is for a period of three years and it can be extended by UCB.

*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.



#### *Nodality, Inc.*

In February 2012, UCB and Nodality, Inc. announced a strategic collaboration utilising Nodality's proprietary Single Cell Network Profiling (SCNP) technology to assist the development of several UCB compounds. The agreement establishes a multi-year collaborative investigation focusing initially on immunology disorders. Based on information generated using Nodality's technology, the agreement also gives UCB the option to engage Nodality to develop companion diagnostics for UCB's compounds. The terms of the agreement include an upfront payment, R&D funding, and success-based milestones if all applicable development, regulatory and commercialisation milestones are achieved. In addition, Nodality may be eligible for royalties on future diagnostic sales.

#### *Oxford University*

UCB and Oxford University agreed in March 2012 to collaborate on cutting-edge pharmaceutical research projects, enabling scientists from industry and academia to work together to develop innovative medicines to treat serious diseases in immunology and neurology. The Oxford-UCB partnership will be funded by a contribution of £3.6 million from UCB and will run over 3 years. A steering committee of UCB and Oxford University representatives will oversee the collaboration via regular meetings to scope out and monitor new projects. Between five and 10 projects will be selected for investigation over the course of the three-year agreement.

#### *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 into long-term development agreements with various pharmaceutical, clinical trial operators and private equity companies. Such collaboration agreements include milestone payments which are dependent on successful clinical development or on meeting specified sales targets. On 31 December 2012, the maximum amount that would be paid out if all milestones are achieved but excluding variable royalty payments based on unit sales, on an undiscounted and non-risk adjusted basis, amounted to EUR 862 million.

### **(c) Manufacturing and Supply Agreements**

#### *Aesica*

In December 2010, UCB entered into a long-term strategic partnership with Aesica, a leading pharmaceutical manufacturer, to secure supply for existing UCB products. Aesica acquired UCB manufacturing businesses in Germany and Italy. The agreement is part of UCB's strategy to optimise its manufacturing network in line with the evolution of its portfolio and includes the manufacturing sites of Monheim and Zwickau in Germany and Pianezza in Italy.

#### *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.

#### *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.

### **(d) Partnerships**

- *Amgen Inc.:* A partnership aimed at the research, development and commercialisation of romosozumab, an antibody which works against sclerostin, a protein discovered by UCB, for the treatment of bone diseases and disorders such as post menopausal osteoporosis.
- *Astra Zeneca do Brasil Ltd :* UCB and Astra Zeneca do Brasil Ltd have entered into a partnership relating to the registration and commercialisation of Cimzia® in Brazil, which allows Astra Zeneca do Brasil Ltd to be the exclusive distributor of Cimzia® in Brazil, with UCB retaining the right to co-promotion of Cimzia® and any future line extensions.
- *Bioseek, Inc.:* UCB 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 UCB Group.
- *Emerald Biostructures Inc & biostructures:* UCB and deCODE are collaborating on the structure-based discovery of novel small molecule anti-inflammatory products.

- *Immunomedics Inc.:* Immunomedics Inc. has granted to UCB the exclusive worldwide rights to develop, market and sell *epratuzumab* for all non-cancerous human diseases including autoimmune disease indications.
- *Inogen Laboratories Pvt. Ltd.:* Inogen and UCB have agreed a multi-year collaboration to support the UCB Group's early projects (up to proof of concept) on chemical process, analytical and formulation development aspects.
- *King's College London:* UCB 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 UCB have a long-term supply agreement under which Lonza Limited manufactures PEGylated antibody fragment-based drugs for the UCB Group.
- *Neuroalliance-Biopharma Initiative:* UCB Germany, 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:* UCB 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 Keppra® in Japan.
- *Proteros biostructures GmbH:* A research agreement has been reached between UCB and Proteros biostructures GmbH in relation to gene-to-structure based drug design for novel small molecule anti-inflammatory drugs.
- *Pfizer Inc.:* UCB 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 UCB's research labs in Belgium and UK.
- *Wilex AG:* UCB and Wilex AG have entered into a strategic partnership in which Wilex AG has acquired world-wide rights to develop the UCB Group's pre-clinical oncology portfolio. UCB has retained exclusive rights to re-purchase any part of the portfolio following completion of initial clinical feasibility studies. After the capital increase by Wilex AG in August 2012, UCB Pharma SA holds 14.47% of the Wilex AG shares.
- *Pfizer:* UCB and Pfizer 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 Biotie:* 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. In January 2011, Biotie Therapies acquired Synosia, thereby creating a leading Central Nervous System development company. SYN-118 did not show the expected results and was no longer be pursued. Following a press release by Biotie, phase II clinical development for the treatment of Parkinson's disease SYN-115 (tozadenant) met its primary endpoint as well as demonstrated efficacy across multiple

secondary endpoints. UCB and Biotie Therapies announced in February 2013 that UCB has licensed worldwide exclusive rights to Biotie's tozadenant (SYN115), a selective inhibitor of the adenosine 2a receptor, currently in development for the treatment of Parkinson's disease. As a result, Biotie will receive a one-time fee payment of USD 20 million from UCB. In addition, the parties have amended their original licence agreement, such that Biotie will now conduct phase III development of tozadenant in return for additional payments from UCB relating to defined development, regulatory and commercialisation milestones.

- UCN NewMedicines is also collaborating with leading universities, such as Harvard in the U.S., Oxford in the UK and Leuven in Belgium.

## 6 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, marketing and promotional issues, 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 UCB 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 UCB Group seeks to enforce its patent rights or where the UCB Group has been accused of infringing another company's patent rights, the UCB Group may sustain a loss of future revenue if the UCB 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's financial position, liquidity and results of operations.

### (a) Metoclopramide Cases (Reglan®)

As of June 17, there are 4,784 cases pending in the United States against Schwarz/UCB alleging injuries as a result of the use of Reglan and/or generic metoclopramide. Reglan has been sold in the U.S. market for more than 30 years and during the period from approximately 2002 to early 2008 Schwarz, which was acquired by UCB in late 2006, held the marketing authorization for Reglan in the United States.

In early 2008, UCB sold Reglan to Alavan. During the period of Schwarz's ownership of Reglan, the product had a market share in the mid to low single digits. The vast majority of metoclopramide use was from generic manufacturers. After the sale of Reglan to Alavan, the U.S. Food and Drug Administration ordered a black box warning for Reglan and its generic equivalents, emphasizing that the product should not be taken for more than 12 weeks. Most of the claimed injuries from Reglan and its generics equivalents involve use of the product for more than 12 weeks.

The 4,784 Reglan cases are located primarily in Philadelphia, Pennsylvania, Atlantic City, New Jersey and San Francisco, California. There are also several cases venued in Missouri and a few other cases are scattered around the United States.

There have been no trials to date in these cases. The first scheduled trial is for May 2014 in Atlantic City. Most of the activity in these cases has centered on the question of whether Schwarz and other branded manufacturers can be legally responsible as a matter of law for injuries caused by the ingestion of another manufacturers product (a generic product). This question has been resolved in Schwarz's favor in many but not all jurisdictions. We expect further clarification of this issue by the Courts in several jurisdictions over the next year. It is too early to predict with any confidence the outcome of these litigations.

**(b) AWP Litigation**

The State of Louisiana and the State of Utah, in separate cases, filed suits against a large number of 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. As of the date hereof, the UCB Group has not made any settlement payments and had not been assessed with any liability in these cases. The case in Louisiana has been scheduled for trial in 2014. No trial date has been set yet in the Utah case.

**(c) 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 5 June 2012, Celltech/UCB, the manufacturer of Ionamin®, a phentermine, had been dismissed from all but approximately 17 cases without any liability. Of those 17 cases, all are pending dismissal.

**(d) 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. UCB/Celltech Group entities had been named in approximately 130 vaccine cases (some with multiple claimants), filed in California, Illinois, Mississippi, Ohio and Texas. Of the 129 cases, 2 remain technically "active" (i.e., undismissed). 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.

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

In June 2011, following a United States Department of Justice investigation, UCB Inc. pleaded guilty to a misdemeanor violation of the United States Food, Drug and Cosmetic Act for off-label promotion of Keppra and paid US\$8.6 million and entered into a civil settlement with the United States and participating states in the amount of US\$25.8 million. As part of the resolution of these issues, UCB Inc. entered into a corporate integrity agreement (CIA) with the Office of Inspector General of the Department of Health and Human Services. The CIA provides for education and training initiatives, a disclosure program, monitoring and auditing procedures designed to avoid and promptly detect conduct similar to that which gave rise to this matter. UCB has expanded and continues to enhance its compliance program.

**(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 80 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) Metadate CD® Litigation**

In the US, the Company has initiated litigation for patent infringement against Mallinckrodt who filed an ANDA with paragraph IV certification of the FDA Orange Book listed patent asserting that the Company's patent was invalid or not infringed. The suit is presently in early discovery and trial is set for October 2013. Additional infringement suits relating to Metadate CD® may be filed by the Company in the future.

**(h) Apotex Inc. Patent Litigation**

Apotex Inc., a generic company, has filed a patent infringement suit against UCB Inc. and Kremers Urban Pharmaceuticals Inc. for sales of the Company's Univasc® and Uniretic® products and Kremer Urban's discontinued generic moexipril product. *A bench trial took place in late July 2013 and the Judge's decision is now awaited.*

**(i) Apotex Inc. Commercial Litigation**

Apotex Inc., a generic company based in Canada, has commenced a claim against the UCB Group (as the former owner of the UCB 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 UCB 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.

**(j) Appraisal procedure for judgment on adequate compensation and guaranteed 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 EUR 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. UCB Pharma GmbH, in its capacity as legal successor of UCB SP GmbH, as of January 2010 is party to those appraisal procedures. 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 Group's compliance with its tax regime and/or with transfer pricing regulations. There are several such reviews pending regarding the UCB Group in a range of jurisdictions such as Germany, the UK, Belgium, Spain, Greece, India, the US, and 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 UCB 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 EUR 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.

## 7 Management and Corporate Governance

### (a) Board of Directors

Pursuant to the BCC, 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 may also set up a management committee or an executive committee, the composition and powers of which it determines.

According to the law and the Articles, the members of the Board are appointed by the general meeting of shareholders of UCB (the "**General Meeting**") for a term of four 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.

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 UCB. 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, six 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 UCB, 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 UCB'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 UCB.

The Board meets whenever the interests of UCB so require or at the request of one or more Directors. In principle, the Board will meet at least seven times per year. In the majority of the cases, decisions are taken by consensus. In the event of a vote, 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 for itself certain powers, which include in particular the determination of UCB's mission, values and strategy, monitoring of the management, appointment and removal of members of the audit committee of UCB (the "**Audit Committee**"), the Governance, Nomination & Compensation Committee of UCB (the "**GNCC**") 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 UCB 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. The Charter is available on the website of UCB ([www.ucb.com](http://www.ucb.com)).

In accordance with the 2009 Code, UCB has adopted a dealing code (the "**Dealing Code**") applicable to its Directors, senior executives, key employees, their secretaries and assistants, all employees of UCB 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 UCB, 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 closed period). The Internal Code also establishes rules to set limitations in transactions by certain key employees of UCB. The code is available at the UCB website.

The Board of Directors of UCB is the governing body of UCB. The current Board is composed of 12 Directors. The Board appoints a chairman and one or more vice-chairmen among its members. The Board appointed Gerhard N. Mayr as its chairman in 2012 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:

<b>Name</b>	<b>Position</b>	<b>Year First Appointed at current specific position</b>	<b>Year First Appointed as Board member</b>	<b>Up for Election in</b>
Gerhard N. Mayr	Chairman of the Board	2012	2005	2015
Countess Evelyn du Monceau <sup>(3)</sup>	Vice Chair of the Board	2006	1984	2015
Roch Doliveux <sup>(1)</sup>	Executive Director	2004	2004	2017
Albrecht De Graeve <sup>(2)</sup>	Independent Director		2010	2017
Count Arnoud de Pret Roose de Calesberg <sup>(3)</sup>	Director		2005	2015
Harriet Edelman <sup>(2)</sup>	Independent Director		2012	2016
Dr Peter Fellner	Director		2005	2017
Charles-Antoine Janssen	Director		2012	2016
Dr Jean-Pierre Kinet <sup>(2)</sup>	Independent Director		2008	2015
Sir Tom McKillop <sup>(2)</sup>	Independent Director		2009	2016
Norman J-Ornstein <sup>(2)</sup>	Independent Director		2008	2015
Mrs Jean van Rijckevorsel	Director		1992	2015

Notes:

- (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 UCB.

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

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 UCB, there are no potential conflicts of interests between any duties to UCB of the members of the Board and their private interests and/or other duties. So far in 2013, there was no situation which required the application of the conflict rules provided for in Article 523 of the Belgian Companies Code.

**(b) 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 UCB 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 UCB (the “**Charter**”), the Executive Committee has responsibility for executing the strategy of UCB 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 Governance, Nomination and Compensation 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:

<b>Name</b>	<b>Position</b>
Roch Doliveux .....	Chief Executive Officer and Chairman of the Executive Committee
Fabrice Enderlin .....	Executive Vice President, Corporate Human Resources, Communication and Corporate Societal Responsibility
Ismail Kola.....	Executive Vice President and President UCB NewMedicines™
Iris Löw-Friedrich .....	Executive Vice-President, Biopharma Development Solutions and Chief Medical Officer
Mark McDade .....	Executive Vice President, Established Brands, Solutions and Supply
Anna Richo .....	Executive Vice President and General Counsel
Jean-Christophe Tellier .....	Executive Vice President, Biopharma Brands and Solutions
Detlef Thielgen .....	Executive Vice President and Chief Financial Officer

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

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 on average once or twice a month during 2012 and there were no transactions or contractual relationships in 2011 between UCB, including its related companies, and a member of the Executive Committee which could create a conflict of interests.

**(c) Corporate governance**

In accordance with principle 9 of the 2009 Code, UCB has established a Charter describing all main aspects of its corporate governance policy. This Charter is annually reviewed by the Board of Directors and last updated on 1 July 2013.

The Charter describes the main aspects of the corporate governance of UCB 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 UCB, on the UCB Group’s website ([www.ucb.com](http://www.ucb.com)). The Board approved the initial Charter on 28 October 2005 and the current version of the Charter was approved on 12 September 2012.

**(d) Audit Committee**

According to section 4.2.2 of the Charter, the Audit Committee is composed of three non-executive Directors who are independent from UCB’s management and two of which are independent as defined in Article 526ter of the BCC. The current members of the Audit Committee are Arnoud de Pret (chairman), Bert De Graeve and Gerhard Mayr. Bert De Graeve and Gerhard Mayr fulfill the independence criteria set by Article 526ter of the BCC. The Audit Committee meets at least four times a year, and met four times in 2012.

According to section 4.2.1 of the Charter, the Audit Committee assists the Board in its responsibility of monitoring the management of UCB 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 UCB. 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 UCB’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.

**(e) Governance, Nomination and Compensation Committee**

The Governance, Nomination and Compensation Committee (“**GNCC**”) is composed of three non-executive Directors who are all independent from management. A majority of the current members of the GNCC meets the independence criteria set by Article 526ter of the BCC, and all members have the competencies and expertise required in matters of remuneration policies as requested by Article 526quater of the BCC. The GNCC meets at least twice a year.

The duties and responsibilities of the GNCC are determined by the Board. According to section 4.3.1 of the Charter, the GNCC ensures that the appointment and re-election process is organised objectively and proportionally. Additionally, it proposes the remuneration policy for non-executive Directors and executive managers, and proposes the compensation programmes for executive managers. The GNCC makes recommendations to the Board. Only the Board, however, has the power of decision.

The duties of the GNCC include, among others, submitting to the Board proposals for appointment, renewal or resignation of members of the Board and the Executive Committee, making recommendations in relation to remuneration of the member of the Board, proposing overall remuneration and any other fixed or variable allowances allocated to members of the Executive Committee, approving changes in the system of remuneration for UCB's senior executives and reviewing the status of Corporate Governance and the Charter.

The chairman of the GNCC consults the chairman of the Executive Committee for conducting the regular assessment process of the Board and for reporting the results to the Board.

The GNCC 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 GNCC's secretary for the meetings. It is also advised by external experts when this is deemed useful by the GNCC.

**(f) Scientific Committee**

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

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

The Scientific Committee assists the Board when reviewing the quality of UCB R&D science and its competitive standing. It assesses the strategy proposed by UCB 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 UCB, to provide scientific appraisal and strategic input as to the best way for UCB 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 UCB's research activities and strategic orientation.

## **8 Principal Shareholders**

As at the date of 1 July 2013, the share capital of UCB amounted to EUR 550,281,456 and consisted of 183,427,152 Ordinary Shares of no-par value. The Ordinary Shares are listed on Eurolist by NYSE Euronext, Brussels. They have been fully paid up.

The present major shareholders of UCB are, as at the date of 25 July 2013:

		<b>Current</b>	<b>Voting</b>	<b>Date of latest declaration in compliance with the law of 2 May 2007</b>
	<b>Capital (EUR )</b>	<b>550,281,456</b>		
	<b>Ordinary Shares</b>	<b>183,427,152</b>		
1.	Financière de Tubize S.A. (Tubize)	66,370,000	36.18%	1 March 2012
2.	UCB SA			
	Shares	286,740	0.16%	25 July 2013
	Assimilated financial instruments (options)	6,146,638	3.35%	9 May 2013
	Assimilated financial instruments (other)	2,500,000	1.36%	25 July 2013
	Total	8,933,378	4.87%	
3.	UCB Fipar S.A.			
	Shares	335,569	0.18%	25 July 2013
	Assimilated financial instruments	1,800,000	0.98%	1 July 2013
	Total	2,135,569	1.16%	
4.	Schwarz Vermögensverwaltung GmbH	2,471,404	1.35%	1 March 2012
	<b>Tubize + UCB SA + UCB Fipar SA + Schwarz</b>	<b>79,910,351</b>	<b>43.57%</b>	
5.	The Capital Group Companies	13,737,874	7.49%	24 July 2013
6.	Vanguard Health Care Fund	9,345,949	5.10%	12 June 2013

Financière de Tubize S.A. (hereinafter “**Tubize**”) has declared acting in concert with Schwarz Vermögensverwaltung GmbH & Co. KG (hereinafter “**Schwarz**”).

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

Certain UCB Shares held by Schwarz are subject to a first offer right in favour of Tubize. Schwarz and Tubize have further agreed that prior to each General Meeting of UCB they shall consult with each other with respect to the agenda of the General Meeting and the proposed decisions. Schwarz and Tubize 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, Tubize shall have a casting vote. At the relevant General Meeting, Schwarz and Tubize shall cast their votes in accordance with the decisions taken during the pre-General Meeting consultation.

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

## 9 Associated Companies and Shareholdings

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

<b>Company name</b>	<b>Registered office</b>	<b>Percentage Voting rights at shareholders meeting</b>
Celltech Group Ltd.....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	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 Europe Ltd. ....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Celltech Pharma Ireland .....	United Drug House, Magna Drive Magna Business Park, Park city West Road, Dublin 24, Ireland	100
Celltech Pharma 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
Evans Healthcare Ltd .....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Fin. UCB SA.....	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. ....	1209 Orange Street, Wilmington,	100

<b>Company name</b>	<b>Registered office</b>	<b>Percentage Voting rights at shareholders meeting</b>
	Delaware 19801, U.S.A.	
International Medication Systems (UK) Ltd. ....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Korea UCB Co., Ltd.....	5th FL, Grace Tower, 127, Teheran-ro (Yeoksam – dong), Gangnam – gu 13911 Seoul, South Korea	100
Kremers Urban Pharmaceuticals Inc.....	251 E. Ohio Street, suite 1100, Indianapolis 46204, U.S.A.	100
KUdCo Ireland Ltd .....	Shannon Industrial Estate, Shannon, County Clare, Ireland	100
Medeva Holdings B.V (in liquidation).....	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 S.A. ....	ZI de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
Meizler UCB Biopharma S.A.....	Alameda Araguaia, 3833 – Tamboré, Barueri 06455-000, Sao Paulo, Brasil	51
Melusin Ilac ve Maddeleri Pazarlama TLS.....	Rüzgarilibaçe, Cumhuriyet Caddesi Gerçekler Sitesi B Blok Kat:6 Kavacık/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
Sanol GmbH.....	Alfred-Nobel Strasse, 10, 40789, Monheim am Rhein, Germany	100
UCB Pharma GmbH .....	Alfred-Nobel Strasse, 10, 40789, Monheim am Rhein, Germany	100
Sifar S.A.....	Allée de la Recherche 60, 1070 Brussels, Belgium	100
Société Financière UCB S.A.....	12, rue Eugène Ruppert, 2453 Luxembourg, Luxembourg	100
UCB A.E. ....	63, Agiou Dimitriou Street, 17456	100

<b>Company name</b>	<b>Registered office</b>	<b>Percentage Voting rights at shareholders meeting</b>
	Alimos, Greece	
UCB Australia Pty. Ltd. ....	Level 1, 1155 Malvern Road — 3144 Malvern, Victoria, 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.....	The Corporation Trust Company Corporation Trust Center 1209 Orane 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 407, Oakville, ON L6H5R7, 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.....	Z de Planchy Chemin de Croix Blanche 10, 1630 Bulle, Switzerland	100
UCB Pharma Brasil Ltda.....	Rue Sete de Setembro n° 67, sala 301, Rio de Janeiro, 20050-005, 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 GmbH.....	Alfred-Nobel Strasse, 10, 40789, Monheim am Rhein, Germany	100
UCB Holdings Inc.....	1209, Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB Hungary Ltd. ....	Obuda Gate Building, Arpád Fejedelem útja 26-28, 1023, Budapest, Hungary	100
UCB Inc .....	1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB India Private Ltd. ....	504 Peninsula Towers, Peninsula	100



<b>Company name</b>	<b>Registered office</b>	<b>Percentage Voting rights at shareholders , meeting</b>
	Corporate Park, Ganpatrao Kadam Marg, Lower Parel, 400013 Mumbai, India	
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. ....	Shinjuku Grand Tower, 8-17-1 Nishi-Shinjuku, 160-0023 Shinjuku-ku, Japan	100
UCB Lux S.A. ....	12, rue Eugène Ruppert, 2453 Luxembourg, Luxembourg	100
UCB Manufacturing Ireland Ltd. ....	Shannon Industrial Estate, Shannon, County Clare, Ireland	100
UCB Manufacturing Inc. ....	The Corporation Trust Company Corporation Trust Center 1209 Orange Street, Wilmington, Delaware 19801, U.S.A.	100
UCB Nordic AS. ....	Arne Jacobsen Alle 15, 2300 Copenhagen, Denmark	100
UCB Pharco Inc. ....	300 Delaware Avenue Suite 1297, Wilmington Delaware, 19801, U.S.A.	100
UCB Pharma AB .....	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 Pharma AS .....	Rüzgarlibaçe, Cumhuriyet Caddesi Gerçekler Sitesi B-Blok, Kat: 6 Kavacik, Beykoz, 34805, Istanbul, Turkey	100
UCB Pharma A.S. ....	Grini Naeringspark, 8b, Osteras 1361, Baerum, Norway	100
UCB Pharma B.V. ....	Lage Mosten 33, 4822 NK Breda, The Netherlands	100
UCB Pharma Gesellschaft m.b.H. ....	Geiselbergstrasse 17-19, 1110 Wien, Austria	100

<b>Company name</b>	<b>Registered office</b>	<b>Percentage Voting rights at shareholders meeting</b>
UCB Pharma (H.K.) Ltd.....	Room 1501-08 Millenium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, China	100
UCB (Pharma) Ireland Ltd.....	United Drug House Magna Drive, Magna Business Park, City West Road, Dublin 24, Ireland	100
UCB Pharma LLC .....	5 Shturvalnaya str. Bldg 1, Moscow 125364, Russia	100
UCB Pharma Logistics LLC.....	Perevedenovsky pereulok, 13, building 21, Moscow 105082, Russia	100
UCB Pharma Ltd.....	208 Bath Road, Slough, Berkshire, SLI 3WE, U.K.	100
UCB Pharma Oy Finland .....	Itsehallintokuja 6, 2600 Espoo, Finland	100
UCB Pharma (Produtos Farmaceuticos) Lda .....	Rua Victor Camâra Ed. D. Ameliã, piso 0, sala A2, Quinta da Fonte, 2770-229 Paço de Arcos, Portugal	100
UCB Pharma Romania S.R.L.....	40-44 Banu Antonache, 4th fl., district 1, 11665 Bucharest, Romania	100
UCB Pharma S.A (Spain).....	Paseo de la Castellana, 141 Planta 15, 28046 Madrid, Spain	100
UCB Pharma S.A. (Belgium).....	Allée de la Recherche, 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 Milano, Italy	100
UCB Pharma Sp.z.o.o.....	Ul. Kruczkowskiego, 8, 00-380 Warszawa, Poland	100
UCB s.r.o.....	Thamova, 13, 186 00 Praha 8, Czech Republic	100
UCB S.C.A.....	12 rue Eugène Rupert, 2453 Luxembourg, Luxembourg	100
UCB Technologies Inc .....	C T Corporation System 111 Eight Ave, New York, 10011 New York, USA	100
UCB Trading (Shanghai) Co. Ltd. ....	Suite 2802 Raffles City Shanghai Office Tower, 268 Tibet Road Central, Shanghai, 200001, China	100

<b>Company name</b>	<b>Registered office</b>	<b>Percentage Voting rights at shareholders meeting</b>
UCB Watford Ltd. ....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Uni Mediflex Private Ltd. ....	504 Peninsula Towers, Peninsula Corporate Park, Ganpatrao Kadam Marg, Lower Parel, 400013 Mumbai, India	100
Upstate Pharma LLC.....	111 Eight Ave, 10011 New York, U.S.A.	100
Vedim Sp.zo.o. ....	Ul. Kruczkowskiego, 8, 00-380 Warszawa, 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
Schwarz Pharma Zhuhai Company Ltd.....	Block A. Changsa Industrial Zone. Qianshan District, Zhuhai, Guangdong Province, 519070 China	100

## 10 Description of the shares and articles of association

### (a) Formation, legal and commercial name, financial year

UCB'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 SA on 15 December 1970. UCB is currently registered as a limited liability company organised under Belgian law (*société anonyme/naamloze vennootschap*) registered with the Belgian Crossroads Bank for Enterprises under number 0403,053,608. The registered offices of UCB SA are located at 60 Allée de la Recherche, 1070 Brussels, Belgium. UCB's legal name is "UCB SA". UCB'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 UCB, as set forth in article 4 of the Articles, is unlimited.

UCB'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.

**(b) 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.

**(c) Share capital and shares**

As at the date of 1 July 2013, the share capital of UCB amounted to EUR 550,281,456 and consisted of 183,427,152 Ordinary Shares of no-par value. The Ordinary Shares are admitted for listing and trading on Eurolist by Euronext Brussels.

For information on UCB's authority to issue the Bonds, see the section "*General Information*" of this Prospectus.

**(d) 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.

**(e) Currency**

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

**(f) Voting rights attached to the ordinary shares**

Each shareholder in UCB is entitled to one vote per Ordinary Share. Shareholders may vote by proxy, subject to the rules described below in Section (g), "*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%, 5%, 7.5%, 10%, 15%, 20% and any further multiple of 5% of the total number of voting rights attached to the outstanding financial instruments of UCB on the date of the relevant shareholders' meeting, in the event that the relevant shareholder has not notified UCB and the FSMA 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 FSMA.

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

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

- the approval of the annual accounts of UCB;
- the appointment and dismissal of Directors and the statutory auditor of UCB;
- 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 UCB; 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.

**(g) 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 UCB. 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 UCB'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 30 days before the General Meetings, in both the Belgian Official Gazette ("*Moniteur Belge*" / "*Belgisch Staatsblad*"), a Belgian newspaper and in media as may reasonably be relied upon for the effective dissemination of information to the public throughout the European Economic Area, ensuring fast access to the information on a non-discriminatory basis.

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 (providing it has the same agenda).

Registered shareholders, registered holders or owners of subscription rights, holders of registered certificates issued by UCB, Directors and auditors shall be notified by letter 30 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.

Shareholders are admitted to the general meeting and may exercise their voting rights if they have recorded their shares on the fourteenth day preceding the general meeting, at midnight (Belgian time),

either by registration of the shares in the shareholders' register of registered shares or by registration in the accounts of an authorised custody account keeper or clearing institution or by delivering the bearer shares to a financial intermediary, regardless of the number of shares their own on the date of the general meeting.

Shareholders shall notify their wish to attend the General Meeting at the latest on the sixth calendar day preceding the date of the General Meeting.

Any shareholder can be represented at the General Meeting by a proxy of its choice.

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% of the votes cast include, amongst others:

- amendments to the Articles other than mentioned below and the decision to grant financial assistance (75% of the votes cast at a meeting with an attendance quorum of 50% 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 UCB's corporate purpose under the Articles and the decision to acquire (or to be granted a pledge on) UCB's own shares or profit shares, for other purposes than distribution to its personnel (80% of the votes cast at a meeting with an attendance quorum of 50% of the share capital).

**(h) Changes in UCB's share capital**

Pursuant to the BCC and the Articles, UCB may increase or decrease its share capital upon the approval of 75% of the votes cast at a General Meeting where at least 50% 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.

**(i) Authorised capital**

UCB does not have any authorised capital.

**(j) 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. See below point (k) for a description of the outstanding convertible bonds issued by UCB in 2009.

On 27 October 2009, UCB issued EUR 750 million 5.75% fixed rate Bonds due 2014, EUR 750 million of which remained outstanding on 30 June 2013. On 10 December 2009, UCB issued EUR 500 million 5.75% fixed rate Bonds due 2016, EUR 500 million of which remained outstanding on 30 June 2013. On 18 March 2011, UCB issued EUR 300 million 7.75% perpetual subordinated Bonds due 2016, EUR 300 million of which remained outstanding on 30 June 2013. On 26 March 2013, UCB issued EUR 250 million 3.75% fixed rate Bonds due 2020, EUR 250 million of which remained outstanding on 30 June 2013.

**(k) 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%, or any multiple of 5%, 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 FSMA 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% 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%, 7.5%, 10% and subsequently for each additional 5% 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.

**(l) Convertible securities**

On 30 September 2009, UCB successfully completed the offering of EUR 500 million senior unsecured convertible bonds due 2015. 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% of their principal amount and have a coupon of 4.5% 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 was set at a premium of 35% 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, 12,904,558 new shares would be issued.

On 26 April 2012 UCB Lux S.A., a wholly owned subsidiary of UCB SA, also purchased EUR 70 million in principal amount of the Bonds.

Other than the convertible bonds described above and the options described under Part 6 "*Management and Corporate Governance*", UCB has no securities outstanding which, upon conversion or exercise, may lead to an increase of the Ordinary Shares outstanding.

**(m) Treasury shares held by UCB**

Under Belgian company law, UCB 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% of the votes cast at a meeting with an attendance quorum of at least 50% of the share capital of UCB. UCB together with its subsidiaries are not allowed to acquire more than 20% of its share capital.

As of 1 July 2013, UCB Fipar S.A., an affiliate indirectly controlled by UCB, held a total of 336,769 Ordinary Shares and 1,800,000 assimilated financial instruments, together representing 1.16% of the total number of Ordinary Shares.

As of 1 July 2013, UCB S.A. held a total of 308,763 Ordinary Shares, 6,146, 638 options and 2,500,000 other assimilated financial instruments, together representing 4.88% of the total number of Ordinary Shares.

The Ordinary Shares were acquired by UCB Fipar S.A. and UCB S.A. primarily in order to cover the exercise of stock options granted to persons of the UCB Group holding management functions.

**(n) Outstanding acquisition rights and undertakings to increase capital**

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

**(o) Dividend policy of UCB**

All shares carry an equal right to dividends. UCB 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 UCB, 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 UCB is no longer under an obligation to pay such dividends. If, with respect to bearer shares, UCB 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.

**(p) 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% of the share capital, and that 75% 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.

## GENERAL INFORMATION

- (1) Except as disclosed in Section “Description of the Offeror” (Heading “Legal Proceedings”) of this Prospectus, neither the Issuer nor any of their subsidiaries is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers 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 Issuers or the UCB Group.
- (2) Except as disclosed in the Prospectus, there are no material contracts entered into other than in the ordinary course of the Issuers’ business, which could result in any member of the UCB Group being under an obligation or entitlement that is material to the Issuers’ to meet its obligations to bondholders in respect of the New Bonds being issued.
- (3) 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 from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.
- (4) No credit rating has been assigned to the Issuer or its debt securities (including the Existing Bonds and the New Bonds) at the request or with the cooperation of the Issuer.

## ANNEX

### 1. Response memorandum (*mémoire en réponse / memorie van antwoord*) of the Board of Directors of the Offeror.

#### UNCONDITIONAL PUBLIC EXCHANGE OFFER

by

**UCB SA**

*(incorporated with limited liability in Belgium)*

on

**250,000 5.75 per cent. fixed rate bonds due 27 November 2014**

issued by it on 27 November 2009

in exchange for

**5.125 per cent. fixed rate bonds due 2 October 2023**

to be issued by UCB SA on 2 October 2013

#### RESPONSE MEMORANDUM (*MÉMOIRE EN RÉPONSE / MEMORIE VAN ANTWOORD*) OF THE BOARD OF DIRECTORS OF UCB SA

**3 September 2013**

### 1 Introduction

#### 1.1 The Exchange Offer

UCB SA (« **UCB** ») launches a public exchange offer on 250,000 bonds of the 750,000 5.75 per cent fixed rate bonds (ISIN Code: BE6000431112) issued on 27 November 2009 due 27 November 2014 (the «**Existing Bonds**») (the «**Exchange Offer** »).

UCB issues in return 5.125 per cent fixed rate bonds (ISIN Code: BE0002200666) this year due 2 October 2023 (the «**New Bonds**»). One New Bond will be delivered against delivery of one Existing Bond.

#### 1.2 Decision of the Board of Directors

The launch of the Exchange Offer has been approved during the meeting of the board of directors of UCB held on 25 April 2013, whereby the board of directors also gave the authority to any member of the Executive Committee, the Secretary General and Mr. Adriaan van der Toorn to finalise and approve the terms of the documentation and any other related or ancillary documents required in the framework of the Exchange Offer, including this response memorandum (the « **Memorandum** »).

During the meeting of the board of directors of UCB held on 30 July 2013, a guidance note was distributed whereby each member of the board was required to fill in a form to confirm whether it held position in the Existing Bonds and, if it held Existing Bonds, its intention with respect to the proposed Exchange Offer.

This Memorandum has been completed in accordance with the above delegation of powers on the basis of the information communicated by the members of the board through the above mentioned forms, subject to the approval of the Belgian Financial Services and Markets Authority (the « **FSMA** »).

### **1.3 Approval by the FSMA**

The Memorandum has been approved on 3 September 2013 by the FSMA in accordance with Articles 18 and 28 of the law of 1 April 2007 on public takeover bids (the « **Law** »). The approval by the FSMA does not imply any appraisal of the appropriateness or the merits of the Exchange Offer.

### **1.4 Responsibility**

UCB SA, a company incorporated with limited liability in Belgium, having its registered office at Allée de la Recherche 60, B-1070 Brussels, represented by its board of directors, bear the responsibility of the information contained in the Memorandum and declares that, having taken all reasonable measures to this end, the information contained in this Memorandum complies, to its best knowledge, with the facts and does not omit anything likely to affect the import of such information.

### **1.5 Significant new facts**

The information contained in this Memorandum is established on the date of the Memorandum. Any significant new fact, or any error or substantial inaccuracy related to the information contained in this Memorandum affecting this Exchange Offer (in the meaning of article 30 of the Law) and which occurs or is known between the approval of this Memorandum and the final closing of the acceptance period of the Exchange Offer, will be subject to a supplement to this Memorandum which should be approved by the FSMA and published pursuant to the same rules as the ones applicable to this Memorandum.

## **2 Declaration of intention**

On the date of this Memorandum, the members of the board of directors of UCB make the following representations:

- Mr. G. Mayr, independent director and chairman of the board of directors, does not hold any Existing Bond;
- Countess E. du Monceau, director and vice-chairman of the board of directors, does not hold any Existing Bond;
- Dr. R. Doliveux, executive director, does not hold any Existing Bond;
- Baron A. De Graeve, independent director, does not hold any Existing Bond;
- Count A. de Pret, director, does not hold any Existing Bond;
- Mrs. H. Edelman, independent director, does not hold any Existing Bond;
- Dr. P. Fellner, director, does not hold any Existing Bond;
- Baron C.-A. Janssen, director, does not hold any Existing Bond;
- Prof. J.-P. Kinet, independent director, does not hold any Existing Bond;
- Sir T. McKillop, independent director, does not hold any Existing Bond;
- Mr. N. J. Ornstein, independent director, does not hold any Existing Bond;
- Mrs. B. van Rijckevorsel, director, does not hold any Existing Bond.

**On behalf of the board of directors of UCB, Messrs. Adriaan van der Toorn and Xavier Michel**

**Registered Office of the Offeror**

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