Base Prospectus dated 6 March 2013

UCB SA

(incorporated with limited liability in Belgium)
as Issuer and as Guarantor of the Notes issued by

UCB LUX S.A.

(incorporated with limited liability in Luxembourg)
as Issuer

EUR 3,000,000,000
Euro Medium Term Note Programme
Due from one month from the date of original issue

Under the Euro Medium Term Note Programme (the "**Programme**") described in this base 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**") and UCB Lux S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg having its registered office at 12, rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-105.267 ("**UCB Lux**", together with UCB, the "**Issuers**" and each individually, the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The Notes issued by UCB Lux ("**UCB Lux Notes**") will be unconditionally and irrevocably guaranteed as to payments of principal, premium (if any) and interest (if any) by UCB (in such capacity, the "**Guarantor**") pursuant to a guarantee (the "**Guarantee**"). The aggregate nominal amount of Notes outstanding will not at any time exceed EUR 3,000,000,000 (or the equivalent in other currencies).

The English version of this Prospectus has been approved as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended by Directive 2010/73/EU (the "**Prospectus Directive**") on 6 March 2013 by the Financial Services and Markets Authority (the "**FSMA**") in its capacity as competent authority under the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market (as amended from time to time, the "**Belgian Prospectus Act**"). The approval by the FSMA does not imply any appraisal of the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuers. The whole of this Prospectus has been translated into French. In the event of any discrepancy between the English and the French version of this Prospectus, the English version shall prevail. The Issuers assume responsibility for the consistency between the English version and the French versions of this Prospectus.

Application has been made to NYSE Euronext Brussels for the Notes issued under the Programme to be admitted to trading on NYSE Euronext Brussels' regulated market for a period of 12 months from the date of the publication of this Prospectus. References in this Prospectus to Notes being "listed" (and all related references) shall mean that such Notes have been admitted 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**"). However, unlisted Notes or Notes listed on another market may also be issued pursuant to the Programme. The relevant Final Terms in respect of the issue of any Notes will specify whether or not such Notes will be listed on NYSE Euronext Brussels or on another market.

Notes will be in such denomination(s) as may be specified in the relevant Final Terms, save that the minimum denomination of each Note will be EUR 1,000, and if the Notes are denominated in a currency other than euro, the equivalent amount in such currency at the issue date, or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant specified currency.

Each Series (as defined in "General Description of the Programme – Method of Issue") of Notes issued by UCB ("**UCB Notes**") will only be issued in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code. UCB Notes will be represented by a 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**").

Each Series (as defined in "General Description of the Programme – Method of Issue") of UCB Lux Notes will be issued in bearer form and will be represented on issue by a temporary global note in bearer form (each a "**temporary Global Note**") or a permanent global note in bearer form (each a "**permanent Global Note**"). If the Global Notes are stated in the applicable Final Terms to be issued in new global note ("**NGN**") form, the Global Notes will be delivered on or prior to the original issue date of the relevant Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Global notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**") will be deposited on the issue date of the relevant Tranche with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**").

The provisions governing the exchange of interests in Global Notes for other Global Notes and definitive Notes are described in "Summary of Provisions Relating to the UCB Lux Notes while in Global Form".

None of the Issuers are rated. The Programme is unrated.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus.

Arranger

BNP PARIBAS

Dealers

Banca IMI	ING
BofA Merrill Lynch	KBC Bank NV
Barclays	Mitsubishi UFJ Securities
BNP PARIBAS	Mizuho Securities
BNP Paribas Fortis	Santander Global Banking & Markets
Commerzbank	SMBC Nikko
Crédit Agricole CIB	Société Générale Corporate & Investment Banking
DNB Bank	The Royal Bank of Scotland

*This Prospectus comprises two base prospectuses for the purposes of Article 5.4 of the Prospectus Directive and for the purpose of giving information with regard to the Issuers and their subsidiaries taken as a whole (the "**UCB Group**") and the Notes which, according to the particular nature of each Issuer, the Guarantor and the Notes, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of such Issuer and the Guarantor. The English version of this Prospectus has been approved as a base prospectus for the purposes of Article 5.4 of the Prospectus Directive on 6 March 2013 by the FSMA in its capacity as competent authority under the Belgian Prospectus Act.*

Each Issuer (with respect to itself) and the Guarantor (with respect to itself and jointly and severally with UCB Lux) accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of each Issuer (with respect to itself) and the Guarantor (with respect to itself and jointly and severally with UCB Lux) (each having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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 issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Guarantor or any of the Dealers or the Arranger (as defined in "General Description of the Programme"). Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuers or the Guarantor 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 Issuers or the Guarantor since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme 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.

In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive, the minimum specified denomination shall be EUR 1,000 (or its equivalent in any other currency as at the date of issue of the Notes).

The distribution of this Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus may come are required by the Issuers, the Guarantor, the Dealers and the Arranger to inform themselves about and to observe any such restriction. The Notes have not been and will not be registered under the United States Securities Act of 1933 (the "Securities Act") and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons. Furthermore, this Prospectus prepared in connection with the Notes has not been submitted to the clearance procedures of the French *Autorité des marchés financiers*. For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".

This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuers, the Guarantor or the Dealers to subscribe for, or purchase, any Notes. In addition, unless specifically

indicated to the contrary in the applicable Final Terms and subject to the section of this Prospectus entitled "Non-exempt Offer of Notes in the European Economic Area", no action has been taken by the Issuers, the Guarantor, the Arranger or the Dealers which is intended to permit a public offering of any Notes or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Prospectus or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuers, the Guarantor, or the issue and offering of the Notes. The Arranger and each Dealer 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 Issuers, the Guarantor, the Arranger or the Dealers that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuers or the Guarantor during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

In connection with the issue of any Tranche (as defined in "General Description of the Programme – Method of Issue"), the Dealer or Dealers (if any) named as the stabilising manager(s) (the "Stabilising Manager(s)") (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "U.S.$", "USD" and "$" are to the lawful currency of the United States, to "£" are to the lawful currency of the United Kingdom, to "EUR", "Euro", "euro" and "€" are to the legal currency of the member states of the European Union that adopt the single currency in accordance with the Treaty of Lisbon amending the Treaty on European Union and the Treaty establishing the European Community (signed at Lisbon on 13 December 2007), as amended from time to time, references to "PRC" are to the People's Republic of China and references to "CNY", "RMB" and "Renminbi" are to the lawful currency of the People's Republic of China.

In compliance with the requirements of NYSE Euronext Brussels, this Prospectus is and, in the case of Notes listed on the regulated market of NYSE Euronext Brussels, the relevant Final Terms will be, available on the website of NYSE Euronext Brussels (www.nyse.com).

NON-EXEMPT OFFER OF NOTES IN THE EUROPEAN ECONOMIC AREA

Certain Tranches of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) may, subject as provided below, be offered in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to in this Prospectus as a "**Non-exempt Offer**".

None of the relevant Issuer, the Guarantor or any Dealer has authorised, nor do they authorise, the making of any Non-exempt Offer of the Notes in circumstances in which an obligation arises for the relevant Issuer, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

In the context of any Non-exempt Offer of Notes, each Issuer (with respect to itself) and the Guarantor (with respect to itself and jointly and severally with UCB Lux) accepts responsibility, in each Member State for which it has given its consent referred to herein, for the content of the Prospectus and the applicable Final Terms in relation to any person (an "**Investor**") to whom an offer of any Notes is made by any financial intermediary to whom the relevant Issuer and, if applicable, the Guarantor has given its consent to use the Prospectus and the applicable Final Terms (an "**Authorised Offeror**"), where the offer is made in compliance with all conditions attached to the giving of the consent. Such consent and conditions are described below under "*Consent*" and "*Common conditions to consent*". None of the relevant Issuer, the Guarantor or any Dealer has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such Non-exempt Offer.

Save as provided below, none of the relevant Issuer, the Guarantor or any Dealer has authorised the making of any Non-exempt Offer and the relevant Issuer has not consented to the use of this Prospectus and the applicable Final Terms by any other person in connection with any Non-exempt Offer of Notes. Any Non-exempt Offer made without the consent of the relevant Issuer is unauthorised and none of the relevant Issuer, the Guarantor or any Dealer accepts any responsibility or liability for the actions of the persons making any such unauthorised offer. If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Prospectus in the context of the Non-exempt Offer and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Prospectus and/or who is responsible for its contents it should take legal advice.

Consent

Subject to the conditions set out below under "*Common conditions to consent*":

(A) the Issuers consent to the use of this Prospectus (including the applicable Final Terms, and as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of the Notes by the relevant Dealer and by:

(i) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms; and

(ii) any financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the UCB Group's website (*www.ucb.com*) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer,

in each case for so long as they are authorised to make such offers under the Markets in Financial Instruments Directive; and

(B) if (and only if) Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*", the relevant Issuer hereby offers to grant its consent to the use of this Prospectus (including the applicable Final Terms, and as supplemented as at the relevant time, if applicable) in connection with a Non-exempt Offer of Notes by (i) any of the Dealers and Managers listed in the applicable Final Terms under paragraph 7 of Part B and (ii) by any financial intermediary which satisfies the following conditions:

(i) it is authorised to make such offers under the Markets in Financial Instruments Directive; and

(ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets completed with the relevant information):

"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the ***Notes****") described in the Final Terms dated [insert date] (the* ***Final Terms****") published by [UCB SA/UCB Lux S.A.] (the* ***Issuer****"). We hereby accept the offer by the Issuer of its consent to our use of the Prospectus (as defined in the Final Terms) in connection with the offer of the Notes (the* ***Non-exempt Offer****") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Prospectus, and we are using the Prospectus in connection with the Non-exempt Offer accordingly."*

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

(I) will, and it agrees, represents, warrants and undertakes for the benefit of the relevant Issuer, if applicable, the Guarantor and the relevant Dealer that it will, at all times in connection with the relevant Non-exempt Offer:

(a) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor, and will immediately inform the relevant Issuer, if applicable, the Guarantor, and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;

(b) comply with the restrictions set out under "*Subscription and Sale*" in this Prospectus which would apply as if it were a Dealer;

(c) ensure that any fee (and any other commissions or benefits of any kind) received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;

(d) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;

(e) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in

circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(f) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the relevant Issuer, if applicable, the Guarantor, and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the relevant Issuer, if applicable, the Guarantor, and/or the relevant Dealer;

(g) ensure that no holder of Notes or potential Investor in the Notes shall become an indirect or direct client of the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;

(h) co-operate with the relevant Issuer, if applicable, the Guarantor, and the relevant Dealer in providing such information (including, without limitation, documents and records maintained pursuant to paragraph (f) above) upon written request from the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer as is available to such financial intermediary or which is within its power and control from time to time, together with such further assistance as is reasonably requested by the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer:

(i) in connection with any request or investigation by any regulator in relation to the Notes, the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer; and/or

(ii) in connection with any complaints received by the relevant Issuer, if applicable, the Guarantor, and/or the relevant Dealer relating to the relevant Issuer, if applicable, the Guarantor, and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or

(iii) which the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer fully to comply within its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

(i) during the Offer Period specified in the applicable Final Terms: (i) (x) not sell the Notes in Belgium to private individuals and/or to investors other than qualified investors (as defined in the Belgian Prospectus Act as amended from time to time) at any price other than the Issue Price specified in the applicable Final Terms and (y) sell the Notes in any jurisdiction other than Belgium (if applicable) at a price being in compliance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies; (ii) not sell the Notes otherwise than for settlement on the Issue Date specified in the relevant Final Terms; (iii) not appoint any sub-distributors (unless otherwise agreed with the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (except in compliance with all applicable laws, rules and regulations); and (v) comply

with such other rules of conduct as may be reasonably required and specified by the relevant Dealer;

(j) either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests such financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution - only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;

(k) ensure that it does not, directly or indirectly, cause the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer to breach any Rule or subject the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(l) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Non-exempt Offer as specified in the applicable Final Terms;

(m) make available to each potential Investor in the Notes the Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the relevant Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Prospectus; and

(n) if it conveys or publishes any communication (other than the Prospectus or any other materials provided to such financial intermediary by or on behalf of the relevant Issuer for the purposes of the relevant Non-exempt Offer) in connection with the relevant Non-exempt Offer, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that such financial intermediary has provided such communication independently of the relevant Issuer, that such financial intermediary is solely responsible for such communication and that neither the relevant Issuer, if applicable, the Guarantor, nor the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the relevant Issuer as issuer of the relevant Notes on the basis set out in the Prospectus;

(II) agrees and undertakes to indemnify each of the relevant Issuer, if applicable, the Guarantor, and the relevant Dealer (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the relevant Issuer, if applicable, the Guarantor, or the relevant Dealer; and

(III) agrees and accepts that:

(a) the contract between the relevant Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the relevant Issuer's offer to use the Prospectus with its consent in connection with the relevant Non-exempt Offer (the "**Authorised Offeror Contract**"), and any non- contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, Belgian law; and

(b) the courts of Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) and accordingly submits to the exclusive jurisdiction of the Belgian courts.

Any financial intermediary falling within sub-paragraph (B) above who wishes to use this Prospectus in connection with a Non-exempt Offer is required, for the duration of the relevant Offer Period, to publish on its website the statement (duly completed) specified at paragraph (B)(ii) above.

Common conditions to consent

The conditions to the relevant Issuer's consent are (in addition to the conditions described in paragraph (B) above if Part B of the applicable Final Terms specifies "*General Consent*" as "*Applicable*") that such consent:

(a) is only valid in respect of the relevant Tranche of Notes;

(b) is only valid during the Offer Period specified in the applicable Final Terms;

(c) only extends to the use of this Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in Belgium, Luxembourg and/or any other jurisdiction specified in the applicable Final Terms; and

(d) the consent is subject to any other conditions set out in Part B of the applicable Final Terms.

ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN A NON-EXEMPT OFFER FROM AN AUTHORISED OFFEROR OTHER THAN THE RELEVANT ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS, ALL FIXED IN COMPLIANCE WITH ALL APPLICABLE LAWS, RULES AND REGULATIONS. THE RELEVANT ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NEITHER THE RELEVANT ISSUER, NOR THE GUARANTOR, NOR ANY DEALER (EXCEPT WHERE SUCH DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

Non-exempt Offers: Issue Price and Offer Price

Notes to be offered pursuant to a Non-exempt Offer will be issued by the relevant Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the relevant Issuer in consultation with the relevant Dealer at the time of the relevant Non-exempt Offer and will depend, amongst

other things, on the interest rate applicable to the Notes and prevailing market conditions at that time. The offer price of such Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor, but in compliance with the Authorised Offeror Terms regarding such price. The relevant Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the audited annual consolidated financial statements of UCB for the financial years ended 31 December 2011 and 31 December 2012, drawn up in accordance with International Financial Reporting Standards as adopted for use in the European Union together in each case with the audit report thereon and the press releases issued by UCB 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. Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

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

The table below sets out the relevant page references for the audited annual consolidated financial statements for the financial years ended 31 December 2011 and 31 December 2012, respectively, as set out in UCB's Annual Report.

UCB 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.

Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Prospectus.

The audited consolidated financial statements of UCB for the financial year ended 31 December 2012 remain subject to approval by the general meeting of shareholders of UCB scheduled to be held on 25 April 2013.

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

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

	UCB Annual Report 2011

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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

PROSPECTUS SUPPLEMENT

If at any time, the relevant Issuer and/or, if applicable, the Guarantor shall be required to prepare a prospectus supplement pursuant to Article 34 of the Belgian Prospectus Act, the relevant Issuer and/or, if applicable, the Guarantor will prepare and make available an appropriate supplement to this Prospectus which, in respect of any subsequent issue of Notes to be listed on NYSE Euronext Brussels' regulated market or the Luxembourg Stock Exchange's regulated market shall constitute a prospectus supplement as required by Article 34 of the Belgian Prospectus Act.

Each of the Issuers and the Guarantor has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuers and the Guarantor, and the rights attaching to the Notes, the Issuers shall prepare an amendment or supplement to this Prospectus or publish a replacement Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

Where a prospectus relates to an offer of Notes to the public, investors who have already agreed to purchase or subscribe for the Notes before the supplement is published shall have the right, exercisable within two working days after the publication of the supplement, to withdraw their acceptance, provided that the new factor, mistake or inaccuracy triggering the preparation of the supplement arose before the final closing of the offer and the delivery of the Notes. That period may be extended by the Issuer. The final date of the right of withdrawal shall be stated in the supplement.

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SUMMARY OF THE PROGRAMME

Summaries are made up of disclosure requirements known as "Elements". These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary relating to Notes of a denomination of less than EUR 100,000 to be issued by UCB SA or UCB Lux S.A. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the nature of the notes or the Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary and marked as "Not applicable".

Element	Disclosure requirement	Disclosure
Section A – Introduction and warnings		
A.1	**Warning**	This summary is provided for the purposes of the issue by UCB SA ("**UCB**") or by UCB Lux S.A. ("**UCB Lux**" and together with UCB, the "**Issuers**") of Notes of a denomination of less than EUR 100,000. Investors in Notes of a denomination equal or greater than EUR 100,000 should not rely on this summary in any way, and the Issuers accept no liability to such investors. This summary must be read as an introduction to the base prospectus dated 6 March 2013 (the "**Prospectus**"). Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole, including any documents incorporated by reference and the applicable Final Terms, by the investor. 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. Civil liability attaches only to those persons who have tabled the summary, including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Notes.
A.2	**Consent**	Subject to the conditions set out below, the relevant Issuer consents to the use of this Prospectus in connection with a Non-exempt Offer (as defined below) of Notes by any financial intermediary whose name is specified in the applicable Final Terms or whose name is published on the UCB Group's website (*www.ucb.com*) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer after the date of the applicable Final Terms, and any financial intermediary which is authorised to make such offers under any applicable legislation implementing Directive 2004/39/EC (the "**Markets in Financial Instruments Directive**") and publishes on its website the following statement (with the information in square

Element	Disclosure requirement	Disclosure
		brackets being completed with the relevant information): *"We, [insert legal name of financial intermediary], refer to the [insert title of relevant Notes] (the **Notes**)" described in the Final Terms dated [insert date] (the "**Final Terms**") published by [UCB SA/UCB Lux S.A.] (the "**Issuer**"). We hereby accept the offer by the Issuer of its consent to our use of the Prospectus (as defined in the Final Terms) in connection with the offer of the Notes (the "**Non-exempt Offer**") in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Prospectus, and we are using the Prospectus in connection with the Non-exempt Offer accordingly.]"* A "**Non-exempt Offer**" of Notes is an offer of Notes (other than pursuant to Article 3(2) of the Prospectus Directive) during the Offer Period specified below. Those persons to whom the relevant Issuer gives its consent in accordance with the foregoing provisions are the "**Authorised Offerors**" for such Non-exempt Offer. *Offer Period*: The relevant Issuer's consent referred to above is given for Non-exempt Offers of Notes during the period specified in the relevant Final Terms (the "**Offer Period**"). *Conditions to consent*: The conditions to the relevant Issuer's consent (in addition to the conditions referred to above) are that such consent (a) is only valid in respect of the relevant Tranche of Notes; (b) is only valid during the Offer Period; and (c) only extends to the use of this Prospectus to make Non-exempt Offers of the relevant Tranche of Notes in Belgium, Luxembourg and/or any other jurisdiction specified in the applicable Final Terms. **An investor intending to acquire or acquiring any Notes in a Non-exempt Offer from an Authorised Offeror other than the relevant Issuer will do so, and offers and sales of such Notes to an investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price, allocations, expenses and settlement arrangements. The investor must look to the relevant Authorised Offeror at the time of such offer for the provision of such information and the Authorised Offeror will be solely responsible for such information.**
Section B – Issuer		
B.1	**The legal and commercial name of the Issuers:**	UCB UCB Lux
	Guarantor of Notes issued by UCB Lux	UCB
B.2	**The domicile and**	UCB is a limited liability company ("*naamloze*

Element	Disclosure requirement	Disclosure
	legal form of the Issuer, the legislation under which the Issuers operate and their country of incorporation:	*vennootschap*"/"*société anonyme*"), incorporated in Belgium and subject to the laws of Belgium. UCB has its registered office at Allée de la Recherche 60, B-1070 Brussels, Belgium and is registered with the Crossroads Bank for Enterprises under number 0403.053.608. UCB Lux is a public limited liability company ("société anonyme"), incorporated in Luxembourg and subject to the laws of Luxembourg. UCB Lux has its registered seat at 12, rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-105.267.
B.4b	**A description of any known trends affecting the Issuers and the industries in which they operates:**	Pharmaceutical products are primarily subject to increasing competition. New products are introduced in the market which may be safer or more effective than existing products. If there is generic competition, the competitors may sell their products at substantially lower prices. Also pharmaceutical products are subject to increasing pricing pressures as a consequence of regulatory initiatives, including initiatives resulting from global economic conditions and sovereign austerity measures. There are no other known trends, uncertainties, demands or commitments that are reasonably likely to have a material effect on the Issuers' prospects for their current financial year.
B.5	**Description of the Issuers' Group and the Issuers' position within the UCB Group:**	The Guarantor 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. UCB Lux is wholly owned by UCB. 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.

Element	Disclosure requirement	Disclosure		
		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 3 as well as lifecycle management with respect to Cimzia®, Vimpat® and Neupro®. 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. Employing approximately 9 050 people (end of 2012) and operating in more than forty countries, UCB generated revenues of €3.4 billion in 2012 with underlying profitability (recurring EBITDA) reaching €655 million. UCB SA is the holding company of the UCB Group and UCB Lux is directly owned and controlled by UCB.		
B.9	**Profit forecast or estimate:**	Not Applicable. The Issuers have not made any profit forecasts or estimates.		
B.10	**Qualifications in the Auditors' report:**	Not Applicable. Neither the auditors of UCB nor the auditors of UCB Lux have qualified their audit reports to the UCB Annual Reports 2012 and 2011 or to the UCB Lux financial statements.		
B.12	**Key financial data:**	Summary of UCB Group's financial data (Consolidated figures – EUR millions) based on 2011 and 2012 UCB's Annual Reports:		
		Income statement		
		Consolidated figures – €million	***Actual 2012***	***Actual 2011***
		Continuing operations		
		Net sales	3,070	2,876
		Royalty income & fees	168	187
		Other revenue	224	183
		Revenue	**3,462**	**3,246**

Element	Disclosure requirement	Disclosure		
		Cost of sale	-1,084	-1,013
		Gross profit	**2,378**	**2,233**
		Marketing and selling expenses	-875	-837
		Research and development expenses	-890	-778
		General and administrative expenses	-198	-191
		Other operating income/expenses (-)	0	12
		Operating profit before impairment, restructuring and other income and expenses	**415**	**439**
		Impairment of non-financial assets	-10	-39
		Restructuring expenses	-40	-27
		Other income and expenses	24	-25
		Operating profit	**389**	**348**
		Financial income	86	90
		Financing costs	-233	-205
		Profit / loss (-) before income taxes	**242**	**233**
		Income tax expense (-) / credit	-7	-9
		Profit / loss (-) from continuing operations	235	224
		Discontinued operations		
		Profit / loss (-) from discontinued operations	**17**	**14**
		Profit	**252**	**238**
		Attributable to:		
		Equity holders of UCB S.A.	256	238
		Non-controlling interest	-4	0
		Basic earnings per share (€)		

Element	Disclosure requirement	Disclosure		
		from continuing operations	1.34	1.26
		from discontinued operations	0.09	0.08
		Total basic earnings per share	**1.43**	**1.34**
		Diluted earnings per share (€)		
		from continuing operations	1.33	1.26
		from discontinued operations	0.08	0.07
		Total diluted earnings per share	**1.41**	**1.32**
		Consolidated balance sheet summary		
		Consolidated figures – €million	**2012 31 December**	**2011 31 December**
		Non-current assets	7,538	7,470
		Current assets	1,822	1,706
		Total assets	**9,360**	**9,176**
		Equity	4,593	4,701
		Non-current liabilities	2 959	2,863
		Current liabilities	1,808	1,612
		Total liabilities	**4,767**	**4,475**
		Total equity and liabilities	**9,360**	**9,176**
		There has been no significant change in the financial or trading position of UCB or of the UCB Group since 31 December 2012 and no material adverse change in the prospects of UCB or of the UCB Group since 31 December 2012.		
		Summary of UCB Lux's financial data (Consolidated figures – EUR thousands) based on 2011 and 2012 UCB Lux's financial statements:		
		Income statement		
		€thousands	***Actual 2012***	***Actual 2011***
		Administrative expenses	(796)	(603)
		Dividend Income	33 277	95 745
		Interest and similar income	373 805	404 702
		Interest and similar expenses	(194 971)	(216 009)

Element	Disclosure requirement	Disclosure		
		Realised exchange gain/(losses)	(66 213)	527
		Unrealised exchange gain/(losses)	73 494	26 456
		Other financial income/(expense)	65 758	55
		Impairment of Loan Granted	-	(651 000)
		Operating result	**284 354**	**(340 127)**
		Profit/loss before income taxes	**284 354**	**(340 127)**
		Income tax	(11.894)	184 979
		Profit/loss for the year	**272 460**	**(155 148)**
		Other comprehensive income		
		Hedge accounting and revaluation of financial instruments	1 865	(203)
		Total other comprehensive income	**1 865**	**(203)**
		Total comprehensive income/loss	**274 325**	**(155 351)**
		Balance sheet summary		
		€thousands	**2012 31 December**	**2011 31 December**
		Non-current assets	9 506 751	9 486 248
		Current assets	1 570 194	2 010 397
		Total assets	**11 076 945**	**11 496 645**
		Equity	4 051 323	4 076 795
		Non-current liabilities	5 931 772	5 799 779
		Current liabilities	1 093 850	1 620 071
		Total liabilities	**7 025 622**	**7 419 850**
		Total equity and liabilities	**11 076 945**	**11 496 645**
		There has been no significant change in the financial or trading position of UCB Lux since 31 December 2012 and no material adverse change in the prospects of UCB Lux since 31 December 2012.		

Element	Disclosure requirement	Disclosure
B.13	**Recent material events particular to the Issuers' solvency:**	Not Applicable. There are no recent events particular to the Issuers which are to a material extent relevant to the evaluation of the Issuers' solvency.
B.14	**Extent to which the Issuers are dependent upon other entities within the UCB Group:**	For a description of the Group, please see B5 "Description of the Issuers' Group and the Issuers' position within the UCB Group". As the Issuers' activities are operated at group scale and both Issuers maintain intragroup commercial and contractual relationships, both Issuers are dependent on other entities of the UCB Group. Such intra-group relationships primarily concern holding positions and related intra-group dividend payments in case of UCB, and intra-group loan and deposits and related interest payments as well as intra-group foreign exchange and interest rate hedging transactions in case of UCB Lux.
B.15	**Principal activities of the Issuers:**	The UCB Group is a global biopharmaceutical company, headquartered in Brussels. The UCB Group develops and markets human pharmaceutical products for the treatment of severe central nervous system (CNS) and immunology disorders.
B.16	**Extent to which the Issuers are directly or indirectly owned or controlled:**	UCB'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. As at 31 December 2012, 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 40.81 per cent. of the share capital of UCB. UCB Lux is directly owned and controlled by UCB.
B.17	**Credit ratings assigned to the Issuers or their debt securities:**	Not applicable.
B.18	**The Guarantee**	The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by UCB Lux in accordance with the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and rank and will at all times rank equally with all other existing and future unsecured and unsubordinated obligations of the Guarantor, 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.
B.19	**Legal/Commercial name of the Guarantor**	UCB

Element	Disclosure requirement	Disclosure
Section C – Securities		
C.1	**Type and class of the Notes:**	Up to EUR 3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time pursuant to the Euro Medium Term Note Programme arranged by BNP Paribas. The Dealers are: Banca IMI S.p.A. Banco Santander, S.A Barclays Bank PLC BNP Paribas BNP Paribas Fortis SA/NV Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank DNB Bank ASA ING Bank N.V. Belgian Branch ING Belgium N.V./S.A. KBC Bank NV Merrill Lynch International Mitsubishi UFJ Securities International plc Mizuho International plc SMBC Nikko Capital Markets Limited Société Générale The Royal Bank of Scotland plc The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches. The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer 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 relevant Issuer, 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. The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other

Element	Disclosure requirement	Disclosure
		than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**"). Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. The Notes issued by UCB will be issued in dematerialised form and cleared through the clearing system operated by the National Bank of Belgium ("**NBB"**) or any successor thereto (the "**NBB Clearing System**"). Each such Note will be represented by book entries in the name of its owner or holder, or the owner's or holder's intermediary, in a securities account maintained by the NBB Clearing System or by a participant in the NBB Clearing System which has been approved as an account holder. The Noteholders will not be entitled to exchange such Notes into notes in bearer form. The Notes issued by UCB Lux will be issued in bearer form and will be cleared through Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and, in relation to any Tranche, such other clearing system as may be agreed between UCB Lux, the Fiscal Agent and the relevant Dealer. The Notes will constitute unsubordinated and unsecured obligations of the Issuers.
C.2	**Currencies:**	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuers and the relevant Dealer(s). To the extent Notes issued by UCB are concerned, the NBB Clearing System exclusively clears securities denominated in any currency the Euro foreign exchange reference rate of which is published by the European Central Bank.
C.5	**A description of any restrictions on the free transferability of the Notes:**	The following selling restrictions apply: The United States, the Public Offer Selling Restriction under the Prospectus Directive, the United Kingdom, Belgium, Italy, France, Japan, Hong Kong, Taiwan and the People's Republic of China. The Issuers are Category 2 for the purposes of Regulation S under the Securities Act, as amended. The Notes will be issued in compliance with U.S. Treas.

Element	Disclosure requirement	Disclosure
		Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.
C.8	**Description of the rights attached to the Notes:**	***Specified Denominations:*** Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) the minimum denomination of each Note admitted to trading on a European Economic Area exchange and/or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive will be EUR 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuers in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the United Kingdom Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies). ***Negative pledge:*** The Notes will contain a negative pledge clause. As a general rule, so long as any Note remains outstanding, the relevant Issuer and, if applicable, the Guarantor shall not, and shall ensure that none of the Material Subsidiaries as defined in the Terms and Conditions of the Notes will, create or having outstanding a Security Interest upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues to secure 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

Element	Disclosure requirement	Disclosure
		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. ***Cross acceleration:*** The Notes will contain a cross-acceleration clause. A Note may be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment if (i) any other present or future indebtedness of the relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, 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 relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, 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 relevant Issuer, the Guarantor 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 relevant Issuer, the Guarantor 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 €30,000,000 or its equivalent. ***Other events of defaults:*** In addition to a cross acceleration clause, the Notes will contain other events of defaults usual for programmes of this nature (non-payment, breach of covenants, enforcement proceedings, enforcement of security, insolvency, winding-up, invalidity of the Guarantee, UCB Lux ceasing to be a subsidiary of UCB and analogous events) . ***Withholding tax:*** All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes imposed by Belgium (in the case of payments by UCB) and Luxembourg (in the case of payments by UCB Lux) unless the withholding is required by law. In such event, the relevant Issuer or the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholder of such amounts

Element	Disclosure requirement	Disclosure
		as would have been received by it had no such withholding been required, subject to certain exceptions. ***Governing law:*** Belgian
C.9	**Interest, maturity and redemption provisions, yield and representative of the Noteholders:**	***Interest rates and interest periods*** The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms. ***Fixed Rate Notes:*** Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms. ***Floating Rate Notes:*** Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms. ***Zero Coupon Notes:*** Zero Coupon Notes (as defined in "Terms and Conditions of the Notes") may be issued at their nominal amount or at a discount to it and will not bear interest. ***Maturities:*** Subject to compliance with all relevant laws, regulations and directives, any maturity of more than one month . ***Redemption:*** The relevant Final Terms will specify the basis for calculating the redemption amounts payable. ***Optional Redemption:*** The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption. ***Early Redemption:***

Element	Disclosure requirement	Disclosure
		Except as provided in "– Optional Redemption" above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. ***Indication of Gross Actuarial Yield:*** The gross actuarial yield in respect of each issue of Fixed Rate Notes will be calculated on the basis of the Issue Price using the following formula: $P = \frac{C}{r}(1-(1+r)^{-n}) + A(1+r)^{-n}$ Where: P is the Issue Price of the Notes; C is the Interest Amount; A is the principal amount of Notes due on redemption; n is time to maturity in years; and r is the yield. Yield is not an indication of future price. ***Belgian Domiciliary and Paying Agent in respect of UCB Notes:*** BNP Paribas Securities Services SCA, Brussels Branch ***Fiscal Agent in respect of UCB Lux Notes:*** BNP Paribas Securities Services, Luxembourg branch
C.10	**Derivative component in interest payments:**	Not Applicable. Notes issued under the Programme do not contain any derivative components
C.11	**Listing and Admission to Trading:**	Application has been made to NYSE Euronext Brussels for Notes issued under the Programme to be admitted to NYSE Euronext Brussels' regulated market. As specified in the relevant Final Terms, a Series of Notes may be unlisted or listed on another market.
Section D – Summary Risk Factors		
D.2	**Key information on the key risks that are specific to the Issuers:**	The key risk factors relating to the Issuers are set out in the section "Risk Factors" of this Prospectus. These key risks are the following: • The loss of patent protection or other exclusivity or ineffective patent protection for marketed products may result in loss of sales to competing products • Failure to develop new products and production technologies will have a negative impact on the competitive position of the UCB Group • The UCB Group depends in the near term on a small number of products which may also be subject to competitive forces • There are risks associated with the technical and clinical development of products of the UCB Group

Element	Disclosure requirement	Disclosure
		• There are risks associated with the international business of the UCB Group • 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 is dependent on third-party manufacturers and suppliers • The UCB Group is dependent on research and development partners and commercial partners • 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 • Products, including products in development, cannot be marketed unless the UCB Group obtains and maintains regulatory approval • The UCB Group may not obtain acceptable price and reimbursement for its products • The UCB Group faces certain litigation risks, which may adversely affect the business • The UCB Group relies on its key personnel • Existing insurance coverage may turn out to be inadequate • Environmental liabilities and compliance costs may have a significant negative effect on operating results of the UCB Group • The impact of the global economic conditions on the UCB Group may affect future results • The UCB Group's inability to diversify its sources of funding may adversely affect its business, financial condition and results of operations • Insufficient generation of cash flow may result in unavailability of funding • UCB Group may be required to increase contributions to its pension plans • Certain of the UCB Group's products are subject to seasonal demand variation • 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 is exposed to risk of changes in tax legislation and the interpretation of such legislation in the jurisdictions in which it operates

Element	Disclosure requirement	Disclosure
		• Risk related to the fact that UCB is a holding company with relatively small operating income and is hence largely dependent on distributions made by its subsidiaries of the UCB Group
D.3	**Key information on the key risks that are specific to the Notes:**	The key risk factors relating to the Notes are set out in the section "Risk Factors" of this Prospectus. These key risks are the following: • Notes may not be a suitable investment for all investors • There is no active trading market for the Notes • Impact of fees, commissions and/or inducements on the issue price and/or offer price • The Notes may be redeemed prior to maturity • Risks related to the structure of a particular issue of Notes, such as in case of conversion of applicable rate from fixed to floating and inversely or in case of issuance at a substantial discount or premium • Circumstances of exercise and potential consequences of the Change of Control Put • Interest rate risks • Market Value of the Notes • Global Credit Market Conditions • Modifications and waivers by meetings of Noteholders • EU Savings Directive • No Limitation on Issuing Further Debt • Belgian Withholding Tax • Taxation • Change of law • Notices and payments by the relevant Issuer • Reliance on the procedures of the NBB Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the relevant Issuer • Exchange rate risks and exchange controls • Potential Conflicts of Interest • Credit ratings, if any, may not reflect all risks • Legal investment considerations may restrict certain investments • UCB Lux Notes where denominations involve integral multiples • The Calculation Agent, if any, does not assume any fiduciary or other obligations to the Noteholders and, in particular, is not

Element	Disclosure requirement	Disclosure
		obliged to make determinations which protect or further their interests • Risks related to Notes denominated in Renminbi
Section E – Offer		
E.2b	**Reasons for the offer and use of proceeds:**	The net proceeds from the issue of each Tranche of Notes will be applied by the relevant Issuer for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. ***Issue specific summary:*** Reasons for the offer: [●] Use of proceeds: [●]
E.3	**Terms and Conditions of the Offer:**	The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the relevant Dealers at the time of issue and specified in the applicable Final Terms. An investor intending to acquire or acquiring any Notes in an offer made other than pursuant to Article 3(2) of the Prospectus Directive in a Member State of the European Economic Area which has implemented the Prospectus Directive from an offeror other than the relevant Issuer will do so, and offers and sales of such Notes to an investor by such offeror will be made, in accordance with any terms and other arrangements in place between such offeror and such investor including as to price, allocations, expenses and settlement arrangements. The investor must look to the relevant authorised offeror for the provision of such information and the authorised offeror will be responsible for such information. Neither Issuer has any responsibility or liability to an investor in respect of such information.
E.4	**Interests of natural and legal persons involved in the issue of the Notes:**	The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its respective affiliates in the ordinary course of business.
E.7	**Estimated expenses charged to the investor by the Issuers or the offeror:**	The relevant Final Terms will specify any estimated expenses charged to the investor by the Issuers or the offeror Expenses may be chargeable to Investors by an Authorised Offeror in accordance with any contractual arrangements agreed between the Investor and an Authorised Offeror at the time of the relevant offer; these are beyond the control of the Issuer and are not set by the Issuer. Investors are invited to inform themselves on the costs and fees that will be charged by the relevant Authorised Offeror in relation to the subscription of Notes.

RISK FACTORS

The Issuers and the Guarantor believe that the following factors may affect their ability to fulfill their obligations under the Notes issued under the Programme. All of these factors are contingencies which may or may not occur and neither the Issuers nor the Guarantor are in a position to express a view on the likelihood of any such contingency occurring.

Factors which the Issuers and the Guarantor believe may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuers and the Guarantor believe that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the Issuers or the Guarantor may be unable to pay interest, principal or other amounts on or in connection with any Notes for other reasons and the Issuers and the Guarantor do not represent that the statements below regarding the risks of holding any Notes are exhaustive. 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.

*The following factors mainly relate to the Guarantor and its subsidiaries taken as a whole (the "**UCB Group**"), as opposed to the Issuers taken individually. However, due to the Issuers' positions in the UCB Group as described in Part 4 "Current Organisational Structure" of the Section "Description of UCB" of this Prospectus, the Issuers believe these risk factors are equally relevant to them.*

Factors that may affect the Issuers' and the Guarantor's ability to fulfil their obligations under or in connection with Notes issued under the Programme

1 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.

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®. 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 per cent. 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 113th 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 UCB 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 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 3 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 Issuers and, consequently, on the value of the Notes.

3 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®.

4 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, UCB 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. 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.

5 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.

6 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.

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.

7 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.

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.

8 The UCB Group is dependent on third-party manufacturers and suppliers.

The UCB Group relies upon third-party manufacturers and suppliers with regard to some of their products and important ingredients or components of their products and, like all pharmaceutical companies, may continue to look for other third party manufacturers and suppliers for other products. Given the specialist nature of the industry, there are certain products for which only one supplier exists. The UCB Group cannot be certain that it will be able to enter into satisfactory agreements with third-party manufacturers and/or suppliers or that they will continue to serve as reliable partners. Further, the limited number of suppliers may cause escalation in the cost of supply of certain key products, which would damage the revenue streams of the UCB Group. The failure of the 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.

9 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, Wilex 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.

10 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.

11 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.

12 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 labeling, 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 form 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.

13 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.

14 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. UCB 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 UCB" 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, UCB regularly updates its outside auditors on all material litigation and government investigations.

15 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.

16 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.

17 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.

18 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, UCB 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.

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

The sources of funding of the UCB Group primarily consist of a EUR 1.0 billion committed syndicated credit facility due to mature in 2016 and other committed and non-committed bilateral credit facilities, and bonds. As at end of December 2012, no moneys were borrowed under the EUR 1.0 billion committed syndicated credit facility and EUR 51 million was borrowed under various other committed and uncommitted credit facilities. As at end of December 2012, the following bonds were outstanding:

- EUR 750 million senior unsecured bonds, with a coupon of 5.75%, due November 2014
- 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%

The issuance of these bonds was primarily 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.

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 UCB is not subject to any financial covenants as part of its EUR 1.0 billion 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 of existing agreements, which could 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.

20 Insufficient generation of cash flow may result in unavailability of funding

UCB Group's ability to pay principal and interest on the Notes 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 UCB 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 UCB being required to repay these borrowings before their due date. If UCB were unable to make this repayment or otherwise refinance these borrowings, its lenders could foreclose on its assets. If UCB were unable to refinance these borrowings on favourable terms, its business could be adversely impacted.

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.

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.

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.

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.

25 Risk related to the fact that UCB 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 Issuer is a holding company whose primary activity is the holding and managing of participations in the UCB Group. UCB's main source of cash inflow comes from the operating activities of the UCB Group. Accordingly, UCB's ability to meet its financial obligations under the Notes will largely depend on the cash flows from the UCB Group and the dividends paid by its subsidiaries. If in the future UCB 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 Notes may be impaired.

Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme

1 Notes may not be a suitable investment for all Investors.

Each potential Investor in any Notes 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 Notes, the merits and risks of investing in the Notes 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 Notes and the impact the Notes 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 Notes, including where the currency for principal or interest payments is different from the potential Investor's currency;

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

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

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

2 There is no active trading market for the Notes.

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market. If the Notes are traded after their initial issuance, 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 relevant Issuer. 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 the Notes. Therefore, Investors may not be able to sell their Notes 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 market value of Notes. In the event that the put options are exercised in accordance with Condition 6(e) of the Terms and Conditions of the Notes, liquidity will be reduced for the remaining Notes.

The relevant Issuer may, but is not obliged to, list an issue of Notes on a stock exchange or regulated market. If Notes are not listed or traded on any stock exchange or regulated market, pricing information for the relevant Notes may be more difficult to obtain and the liquidity of such Notes may be adversely affected, and therefore the price of the Notes could be affected by their limited liquidity.

If Notes are not 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). In the event that trading in such Notes takes place outside any such stock exchange, regulated market or trading systems, the manner in which the price of such Notes is determined may be less transparent and the liquidity of such Notes may be adversely affected. Investors should note that the relevant Issuer does not grant any warranty to Noteholders as to the methodologies used to determine the price of Notes which are traded outside a trading system, however, where the relevant Issuer or any of its affiliates determines the price of such Notes, it will take into account the market parameters applicable at such time in accordance with applicable provisions of law. Even if Notes are listed and/or admitted to trading, this will not necessarily result in greater liquidity.

3 Impact of fees, commissions and/or inducements on the issue price and/or offer price.

Investors should note that the issue price and/or offer price of any issue of Notes may include subscription fees, placement fees, direction fees, structuring fees and/or other additional costs. Any such fees may not be taken into account for the purposes of determining the price of such Notes on the secondary market and could result in a difference between the original issue price and/or offer price, the theoretical value of such Notes, and/or the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of Notes, particularly immediately following the offer and the issue date relating to such Notes, where any such fees and/or costs may be deducted from the price at which such Notes can be sold by the initial investor in the secondary market.

4 The Notes may be redeemed prior to maturity.

In the event (i) of the occurrence of an event of default or (ii) that the relevant Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Kingdom of Belgium, or any political subdivision thereof or any authority therein or thereof having power to tax, the Notes may be redeemed in accordance with the Conditions.

If an Issuer Call is specified in the relevant Final Terms as being applicable, the relevant Issuer may also redeem all or parts of the Notes of the relevant Series, prior to Maturity, in whole or in part, in accordance with Condition 6(d).

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

5 Risks related to the structure of a particular issue of Notes.

A number of Notes that may be issued under the Programme have features which contain particular risks for potential Investors. Set out below is a description of the most common such features.

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the relevant Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Furthermore, the market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

6 The Change of Control Put.

If a Change of Control Put is specified in the relevant Final Terms as being applicable, each holder of Notes of the relevant Series will have the right to require the relevant Issuer to repurchase all or any part of such holder's Notes at the Put Redemption Amount upon the occurrence of a Change of Control and, if applicable, a Rating Downgrade in respect of UCB, in accordance with the Conditions. However, the Change of Control Put is subject to the approval of UCB's shareholders. The approval of the Change of Control Put is expected to be raised at the extraordinary meeting of shareholders of UCB to be held on 25 April 2013. In the event that the shareholders do not approve the Change of Control Put as detailed in Condition 6(e)(i), such provision will not be effective.

In the event that such Change of Control Put right is exercised by holders of at least 85 per cent. of the aggregate principal amount of the relevant Series, the relevant Issuer may, at its option, redeem all (but not some only) of the Notes then outstanding pursuant to Condition 6(e)(i). However, Noteholders should be aware that, in the event that (i) holders of 85 per cent. or more of the aggregate principal amount of the

relevant Series exercise their option under Condition 6(e)(i), but the relevant Issuer does not elect to redeem the remaining outstanding Notes, or (ii) holders of a significant proportion, but less than 85 per cent. of the aggregate principal amount of the relevant Series exercise their option under Condition 6(e)(i), Notes 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 relevant Issuer, which may not cover all situations where a change of control may occur or where successive changes of control occur in relation to the Issuer.

Beneficial holders of Notes deciding to exercise the Change of Control have to do this through the bank or other financial intermediary (if any) through which they hold the Notes (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.

7 Interest rate risks.

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

8 Market Value of the Notes.

The value of the Notes may be affected by the creditworthiness of the relevant Issuer and a number of additional 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 stock exchanges on which the Notes are traded. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

9 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 Notes. The relevant Issuer cannot predict when these circumstances will change and if and when they do there can be no assurance that conditions of general market illiquidity for the Notes and instruments similar to the Notes will not return in the future.

10 Modifications and waivers.

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. In addition, modifications, waivers or authorisations of any breach or proposed breach of or any failure to comply with, the Belgian Domiciliary and Paying Agency Agreement, Agency Agreement and/or 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 Noteholders or which in the Belgian Domiciliary and Paying Agent's or Paying 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 Belgian Domiciliary and Paying Agency Agreement provides that, if authorised by UCB, a resolution in writing signed by or on behalf of UCB Noteholders of not less than 75 per cent. of the aggregate principal amount of the relevant UCB Notes shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of UCB Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the relevant clearing system(s).

11 No Limitation on Issuing Further Debt.

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

12 EU Savings Directive.

Under the European Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**", see also "**Taxation**"), member states of the European Economic Union (the "**Member States**" and each a "**Member State**") are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State or to 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 (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings 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. If a payment were to be made or collected through a paying agent established in any state which applies the withholding tax system and an amount of, or in respect of, tax were to be withheld from that payment, none of the relevant Issuer, the Guarantor, the Belgian Domiciliary and Paying Agent, the Fiscal Agent or any other person would be obliged to pay additional amounts to the Noteholders or to otherwise compensate Noteholders for the reductions in the amounts that they will receive as a result of the imposition of such withholding tax.

13 Belgian Withholding Tax.

If UCB, UCB Lux, the NBB, the Belgian Domiciliary and Paying 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 Notes, UCB, UCB Lux, the NBB, the Belgian Domiciliary and Paying 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 relevant Issuer (failing whom the Guarantor, in the case of UCB Lux Notes) will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in the Tax Jurisdiction (as defined in Condition 8) upon payments made by or on behalf of the relevant Issuer in respect of the Notes, 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 Note in the circumstances defined in Condition 8 of the Terms and Conditions of the Notes.

14 Taxation.

Potential purchasers and sellers of the Notes 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 Notes 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 Notes. 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.

15 Change of law.

The Terms and Conditions of the Notes 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.

16 Relationship with the relevant Issuer.

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

17 Reliance on the procedures of the NBB Clearing System, Euroclear and Clearstream, Luxembourg for transfer, payment and communication with the relevant Issuer.

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

The UCB Lux Notes will be issued in bearer form and will be represented on issue by a temporary global note in bearer form or a permanent global note in bearer form.

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

Transfers of interests in the Notes 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 Notes.

The relevant Issuer, the Belgian Domiciliary and Paying Agent, the Fiscal Agent and the Paying 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 Noteholder must rely on the procedures of the NBB Clearing System, Euroclear and Clearstream, Luxembourg to receive payments under the Notes. The relevant Issuer will have no responsibility or liability for the records relating to, or payments made in respect of, the Notes within the NBB Clearing System, Euroclear and Clearstream, Luxembourg.

18 Exchange rate risks and exchange controls.

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency and the Guarantor will make any payments under the Guarantee in the Specified Currency. 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 the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency 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 Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

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 worsen by any reintroduction of national currencies in one or more Eurozone countries or, in particularly dire circumstances, the abandonment of the Euro.

19 Potential Conflicts of Interest.

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

The Arranger and the Dealers might have conflicts of interests which could have an adverse effect to the interests of the Noteholders.

Potential Investors should be aware that the relevant Issuer is involved in a general business relation or/and in specific transactions (including without limitation, long or short term financing facilities) with the Arranger, the Calculation Agent, if any, or/and each of the Dealers (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 Noteholders. Potential Investors should also be aware that the Arranger, the Calculation Agent, if any, and each of the Dealers (and their respective affiliates, if any) may hold from time to time debt securities, shares or/and other financial instruments of the Issuers.

20 Credit ratings, if any, may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the Regulation (EC) No 1060/2009 on credit rating agencies, as amended (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has

not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the applicable Final Terms.

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

22 UCB Lux Notes where denominations involve integral multiples: definitive Notes.

In relation to any issue of UCB Lux Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such UCB Lux Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive UCB Lux Note in respect of such holding (should definitive UCB Lux Notes be printed) and would need to purchase a principal amount of UCB Lux Notes such that its holding amounts to a Specified Denomination.

If definitive UCB Lux Notes are issued, holders should be aware that definitive UCB Lux Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

23 The Calculation Agent, if any, does not assume any fiduciary or other obligations to the Noteholders and, in particular, is not obliged to make determinations which protect or further their interests.

If a Calculation Agent is specified and appointed in the relevant Final Terms, it will act in accordance with the Conditions in good faith and endeavour at all times to make its determinations in a commercially reasonable manner. However, Noteholders should be aware that the Calculation Agent, if any, does not assume any fiduciary or other obligations to the Noteholders and, in particular, is not obliged to make determinations which protect or further the interests of the Noteholders.

If relevant, the Calculation Agent may rely on any information to which it should properly have regard that is reasonably believed by it to be genuine and to have been originated by the proper parties. The Calculation Agent shall not be liable for the consequences to any person (including Noteholders) of any errors or omissions in (i) the calculation by the Calculation Agent of any amount due in respect of the Notes or (ii) any determination made by the Calculation Agent in relation to the Notes or interests. Without prejudice to the generality of the foregoing, the Calculation Agent shall not be liable for the consequences to any person (including Noteholders) of any such errors or omissions arising as a result of (i) any information provided to the Calculation Agent proving to have been incorrect or incomplete or (ii) any relevant information not being provided to the Calculation Agent on a timely basis. However, in each case the relevant Issuer shall remain liable towards the Noteholders and the Calculation Agent may not exclude its liability for the consequences to any person of any error or omissions due to its gross negligence or wilful misconduct.

24 Risks related to Notes denominated in Renminbi.

Notes denominated in RMB ("**RMB Notes**") may be issued under the Programme. RMB Notes are subject to particular risks:

Renminbi is not freely convertible; there are significant restrictions on remittance of Renminbi into and outside the PRC

Renminbi is not freely convertible at present. The PRC government continues to regulate conversion between Renminbi and foreign currencies, including the Hong Kong dollar, despite the significant reduction over the years by the PRC government of control over routine foreign exchange transactions under current accounts. Participating banks in Hong Kong have been permitted to engage in the settlement of RMB trade transactions under a pilot scheme introduced in July 2009. This represents a current account activity. The pilot scheme was extended in August 2011 to cover all provinces and cities in the PRC and to make RMB trade and other current account item settlement available in all countries worldwide. New PRC regulations were promulgated in October 2011, liberalising the control over the remittance of Renminbi into the PRC for settlement of capital account items. However, restrictions still apply to the remittance of offshore Renminbi into the PRC in certain circumstances.

There is no assurance that the PRC government will continue to gradually liberalise the control over crossborder RMB remittances in the future, that the pilot scheme introduced in July 2009 will not be discontinued or that new PRC regulations will not be promulgated in the future which have the effect of restricting or eliminating the remittance of Renminbi into or outside the PRC.

UCB Lux Noteholders may be required to provide certifications and other information (including Renminbi account information) in order to be allowed to receive payments in Renminbi in accordance with the Renminbi clearing and settlement system for participating banks in Hong Kong.

There is only limited availability of Renminbi outside the PRC, which may affect the liquidity of RMB Notes and the ability of UCB Lux and UCB to source Renminbi outside the PRC to service such RMB Notes and payments of principal and interest may be made in another currency in certain circumstances.

As a result of the restrictions by the PRC Government on cross-border Renminbi fund flows, the availability of Renminbi outside of the PRC is limited. Since February 2004, in accordance with arrangements between the PRC Central Government and the Hong Kong government, licensed banks in Hong Kong may offer limited Renminbi-denominated banking services to Hong Kong residents and specified business customers. The People's Bank of China ("**PBoC**"), the central bank of China, has also established a Renminbi clearing and settlement system for participating banks in Hong Kong. On 19 July, 2010, further amendments were made to the Settlement Agreement on the Clearing of RMB Business (the "**Settlement Agreement**") between the PBoC and Bank of China (Hong Kong) Limited (the "**RMB Clearing Bank**") to further expand the scope of RMB business for participating banks in Hong Kong. Pursuant to the revised arrangements, all corporations are allowed to open RMB accounts in Hong Kong; there is no longer any limit on the ability of corporations to convert RMB; and there will no longer be any restriction on the transfer of RMB funds between different accounts in Hong Kong.

However, the current size of Renminbi-denominated financial assets outside the PRC is limited. In addition, participating banks are also required by the Hong Kong Monetary Authority to maintain a total amount of Renminbi (in the form of cash and its settlement account balance with the RMB Clearing Bank) of no less than 25 per cent. of their Renminbi deposits, which further limits the availability of Renminbi that participating banks can utilise for conversion services for their customers. Renminbi business participating banks do not have direct Renminbi liquidity support from PBoC. The RMB Clearing Bank only has access to

onshore liquidity support from PBoC to square open positions of participating banks for limited types of transactions, including open positions resulting from conversion services for corporations relating to cross-border trade settlement and for individual customers of up to RMB20,000 per person per day.

The RMB Clearing Bank is not obliged to square for participating banks any open positions resulting from other foreign exchange transactions or conversion services and the participating banks will need to source Renminbi from the offshore market to square such open positions.

Although it is expected that the offshore Renminbi market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the Settlement Agreement will not be terminated or amended in the future which will have the effect of restricting availability of Renminbi offshore. The limited availability of Renminbi outside the PRC may affect the liquidity of RMB Notes. To the extent UCB Lux and/or UCB is required to source Renminbi in the offshore market to service its RMB Notes, there is no assurance that UCB Lux and/or UCB will be able to source such Renminbi on satisfactory terms, if at all. If it becomes impossible to convert Renminbi to/from another freely convertible currency, or to transfer Renminbi between accounts in Hong Kong, or if the general Renminbi exchange market in Hong Kong becomes illiquid, or any Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended, UCB Lux may make payments in another currency designated as the Relevant Currency in the applicable Final Terms using the prevailing spot rate of exchange.

Investment in RMB Notes is subject to exchange rate risks

The value of Renminbi against the US dollar and other foreign currencies fluctuates and is affected by changes in the PRC and international political and economic conditions and by many other factors. Save as disclosed in the Conditions, all payments of interest and principal will be made with respect to RMB Notes in Renminbi. As a result, the value of these Renminbi payments in US dollar or other applicable foreign currency terms may vary with the prevailing exchange rates in the marketplace. If the value of Renminbi depreciates against the US dollar or other foreign currencies, the value of investment in US dollar or other applicable foreign currency terms will decline.

Payments in respect of RMB Notes will only be made to investors in the manner specified in such RMB Notes

All payments to investors in respect of RMB Notes will be made solely by transfer to a Renminbi bank account maintained in Hong Kong in accordance with prevailing rules and procedures of Euroclear, Clearstream, Luxembourg, or any other permitted Clearing System.

Other than as provided in Condition 7, neither UCB Lux nor UCB can be required to make payment by any other means (including in any other currency or in bank notes, by cheque or draft or by transfer to a bank account in the PRC).

GENERAL DESCRIPTION OF THE PROGRAMME

This overview is provided for the purposes of the issue by the Issuers of Notes of a denomination equal or more than EUR 100,000. This general description must be read as an introduction to this Prospectus. Any decision to invest in the Notes should be based on a consideration of the Prospectus as a whole by the investor.

Issuers:	UCB SA ("**UCB**") UCB Lux S.A. ("**UCB Lux**")
Guarantor:	UCB (in such capacity, the "**Guarantor**") in respect of Notes issued by UCB Lux ("**UCB Lux Notes**").
Description:	Euro Medium Term Note Programme
Size:	Up to EUR 3,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
Arranger:	BNP Paribas
Dealers:	Banca IMI S.p.A. Banco Santander, S.A Barclays Bank PLC BNP Paribas BNP Paribas Fortis SA/NV Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank DNB Bank ASA ING Bank N.V. Belgian Branch ING Belgium N.V./S.A. KBC Bank NV Merrill Lynch International Mitsubishi UFJ Securities International plc Mizuho International plc SMBC Nikko Capital Markets Limited Société Générale The Royal Bank of Scotland plc The Issuers may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Prospectus to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

Fiscal Agent in respect of UCB Lux Notes:	BNP Paribas Securities Services, Luxembourg branch Any Notes issued by UCB Lux ("**UCB Lux Notes**") will be issued pursuant to and with the benefit of an agency agreement dated 6 March 2013 between UCB Lux, UCB, BNP Paribas Securities Services, Luxembourg branch as fiscal agent and the other agents named in it (the "**Agency Agreement**"), and not pursuant to or with the benefit of the Belgian domiciliary and paying agency agreement dated 6 March 2013 between UCB and BNP Paribas Securities Services SCA, Brussels Branch (the "**Belgian Domiciliary and Paying Agency Agreement**").
Belgian Domiciliary and Paying Agent in respect of UCB Notes:	BNP Paribas Securities Services SCA, Brussels Branch Any Notes issued by UCB ("**UCB Notes**") will be issued pursuant to and with the benefit of the Belgian Domiciliary and Paying Agency Agreement and not pursuant to or with the benefit of the Agency Agreement (as defined above).
Method of Issue:	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a "**Series**") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "**Tranche**") on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the "**Final Terms**").
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount.
Form of Notes:	UCB Notes will be in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code. UCB Notes will be represented by a 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**"). UCB Lux Notes will be issued in bearer form.
Clearing Systems:	UCB Notes will be cleared through the NBB System. UCB Lux Notes will be cleared through Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and, in relation to any Tranche, such other clearing system as may be agreed between UCB Lux, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Notes:	UCB Notes will be credited to the accounts held with the NBB System by Euroclear, Clearstream, Luxembourg, other NBB

	System participants and their participants. In respect of UCB Lux Notes, on or before the issue date for each Tranche, (i) if the relevant Global Note is a NGN, the relevant Global Note will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg, or (ii) if the relevant Global Note is a CGN, the relevant Global Note representing the relevant Notes may (or, in the case of Notes listed on the Luxembourg Stock Exchange, shall) be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes relating to Notes that are not listed may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, UCB Notes may be issued in euro, U.S. dollars, Japanese yen, Swiss francs, Sterling and in any other currency the Euro foreign exchange reference rate of which is published by the European Central Bank agreed between UCB and the relevant Dealers. Subject to compliance with all relevant laws, regulations and directives, UCB Lux Notes may be issued in euro, U.S. dollars, Japanese yen, Swiss francs, Sterling, Renminbi and in any other currency agreed between UCB Lux and the relevant Dealers.
Maturities:	Subject to compliance with all relevant laws, regulations and directives, any maturity of more than one month.
Specified Denomination:	The Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) the minimum denomination of each Note admitted to trading on a European Economic Area exchange and/or offered to the public in an EEA State in circumstances which require the publication of a prospectus under the Prospectus Directive will be EUR 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the United Kingdom Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies).

Fixed Rate Notes:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate Notes:	Floating Rate Notes will bear interest determined separately for each Series as follows: (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or (ii) by reference to LIBOR or EURIBOR as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.
Zero Coupon Notes:	Zero Coupon Notes (as defined in "Terms and Conditions of the Notes") may be issued at their nominal amount or at a discount to it and will not bear interest.
Interest Periods and Interest Rates:	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the relevant Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the United Kingdom Financial Services and Markets Act 2000 must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Early Redemption:	Except as provided in "Optional Redemption" above, Notes will be redeemable at the option of the relevant Issuer prior to maturity only for tax reasons. See "Terms and Conditions of the Notes – Redemption, Purchase and Options".
Status of Notes:	The Notes and the Guarantee will constitute unsubordinated and unsecured obligations of the Issuers and the Guarantor, respectively as described in "Terms and Conditions of the Notes – Status".

Negative Pledge:	The Notes will contain a negative pledge as described in Condition 4. As a general rule, so long as any Note remains outstanding, the relevant Issuer and, if applicable, the Guarantor shall not, and shall ensure that none of the Material Subsidiaries will create or have outstanding a Security Interest upon or with respect to the whole or any part of its present or future business, undertaking, assets or revenues to secure 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.
Cross Acceleration:	The Notes will contain a cross-acceleration clause as described in Condition 10. A Note may be declared immediately due and repayable at its principal amount together with accrued interest (if any) to the date of payment if (i) any other present or future indebtedness of the relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, 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 relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, 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 relevant Issuer, the Guarantor 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 relevant Issuer, the Guarantor 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 €30,000,000 or its equivalent.
Other events of default:	In addition to a cross acceleration clause, the Notes will contain other events of defaults usual for programmes of this nature and described in Condition 10.
Ratings:	None of the Issuers are rated. The Programme is unrated.
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes imposed by Belgium (in the case of payments by UCB) or Luxembourg (in the case of payments by UCB Lux), as the case may be, unless the withholding is required by law. In such event, the relevant Issuer or the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholder of such amounts as would have been received by it had no such withholding been required, subject to certain exceptions, all as described in "Terms and Conditions of the Notes – Taxation".
Governing Law:	Belgian.
Listing and Admission to Trading:	Application has been made for the Notes issued under the Programme to be admitted to trading on NYSE Euronext Brussels or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.
Selling Restrictions:	The United States, the Public Offer Selling Restriction under the Prospectus Directive (in respect of Notes having a specified denomination of less than EUR 100,000 or its equivalent in any other currency as at the date of issue of the Notes), the United Kingdom, Belgium, Italy, France, Japan, Hong Kong, Taiwan and the People's Republic of China. See "Subscription and Sale". The relevant Issuer and the Guarantor are Category 2 for the purposes of Regulation S under the Securities Act, as amended. The Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions (the "**Conditions**") that, subject to completion in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to (i) the Notes in definitive bearer form (if any) issued in exchange for the Global Note(s) representing each Series, and (ii) the Notes in dematerialised form. In the case of Notes in definitive bearer form, the full text of these Conditions together with the provisions of Part A of the relevant Final Terms shall be endorsed on such bearer Notes. In the case of Notes in dematerialised form, the text of the Conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant provisions of Part A of the Final Terms. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms. References in the Conditions to "**Notes**" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. References in the Conditions to "**UCB Notes**" are to Notes issued by UCB SA, a société anonyme, organised under the laws of Belgium, having its registered office at 60, Allée de la Recherche, B-1070 Brussels and registered with the RPM Brussels under number 0403.053.608 ("**UCB**") and references to "**UCB Lux Notes**" are to Notes issued by UCB Lux S.A., a société anonyme, organised under the laws of the Grand Duchy of Luxembourg, having its registered office at 12, rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg Register of Commerce and Companies under number B-105.267 ("**UCB Lux**").*

The UCB Notes are issued by UCB pursuant to a Belgian domiciliary and paying agency agreement dated 6 March 2013 (as amended and supplemented from time to time, the "**Belgian Domiciliary and Paying Agency Agreement**"), between UCB and BNP Paribas Securities Services SCA, Brussels Branch as domiciliary and paying agent and a clearing services agreement dated 6 March 2013 (as amended and supplemented from time to time, the "**Clearing Services Agreement**") between UCB, the National Bank of Belgium (the "**NBB**") and the Belgian Domiciliary and Paying Agent. The Belgian domiciliary and paying agent and the calculation agent(s) for the time being (if any) are referred to below as the "**Belgian Domiciliary and Paying Agent**" and the "**Calculation Agent(s)**", respectively, which expressions include any successor appointed from time to time in connection with the UCB Notes.

The UCB Lux Notes are issued by UCB Lux (together with UCB, the "**Issuers**" and each individually, the "**Issuer**") pursuant to an agency agreement dated 6 March 2013 (as amended and supplemented from time to time, the "**Agency Agreement**"), between UCB Lux, UCB, BNP Paribas Securities Services, Luxembourg branch as fiscal agent and the other agents named in it. The fiscal agent, the paying agents, the transfer agents and the calculation agent(s) for the time being (if any) (other than the Belgian Domiciliary and Paying Agent) are referred to below as the "**Fiscal Agent**", the "**Paying Agents**" (which expression shall include the Fiscal Agent), the "**Transfer Agents**" and the "**Calculation Agent(s)**", respectively, which expressions include any successor appointed from time to time in connection with the UCB Lux Notes. The UCB Lux Notes have the benefit of a guarantee declaration (the "**Guarantee**") made on 6 March 2013 by UCB (the "**Guarantor**"). The UCB Lux Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest bearing UCB Lux Notes in bearer form and, where applicable in case of such UCB Lux Notes, talons for further coupons (the "**Talons**") (the "**Couponholders**") relating to UCB Lux Notes in bearer form are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

The Noteholders (as defined below) are deemed to have notice of all of the provisions of the Belgian Domiciliary and Paying Agency Agreement, the Clearing Services Agreement, the Agency Agreement and the Guarantee applicable to them.

Copies of the Belgian Domiciliary and Paying Agency Agreement and the Clearing Services Agreement are available for inspection at the specified offices of the Belgian Domiciliary and Paying Agent.

Copies of the Agency Agreement and of the Guarantee are available for inspection at the specified offices of each of the Paying Agents and the Transfer Agents.

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

References herein to the "**relevant Issuer**" shall be references to whichever of UCB or UCB Lux as is specified as the Issuer in the relevant Final Terms. In the case of Notes issued by UCB, references in these Conditions to "Guarantor" and "Guarantee", and related expressions, are not applicable.

References herein to the "**Notes**" shall be references to the Notes of this Series.

References herein to the "**relevant Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on or incorporated by reference into the Notes.

1 Form, Denomination and Title

The Notes are Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes or a combination of any of the foregoing, depending upon the Interest and Redemption/Payment Basis shown in the relevant Final Terms.

(a) **Form:**

The UCB Notes are issued in dematerialised form in accordance with Articles 468 et seq. of the Belgian Companies Code and cannot be physically delivered. The UCB Notes 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 Noteholders will not be entitled to exchange the UCB Notes into notes in bearer form. No definitive bearer certificates will be delivered. The UCB Notes 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. Noteholders, unless they are participants, will not hold UCB Notes 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 UCB Lux Notes are issued in bearer form. Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable.

(b) **Denomination:**

The denomination(s) of the Notes will be specified in the relevant Final Terms.

(c) **Title:**

(i) Title to the UCB Notes is evidenced by book entries in the Noteholder's securities account with the NBB or with an approved participant or sub-participant of the NBB Clearing System as referred to under paragraph (a) to above. 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 UCB Notes shall for all

purposes be treated by UCB and the Belgian Domiciliary and Paying Agent as the holder of such nominal amount of UCB Notes, and the expressions "**UCB Noteholders**" and "**holders of UCB Notes**" and related expressions shall be construed accordingly.

(ii) Title to the UCB Lux Notes and the Coupons and Talons shall pass by delivery. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder. In these Conditions, "**UCB Lux Noteholders**" means the bearer of any UCB Lux Note, and "**holders of UCB Lux Notes**" (in relation to a Note, Coupon or Talon) means the bearer of any UCB Lux Note, Coupon or Talon.

"**Person**" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality.

(iii) In these Conditions, "**Noteholder**" and "**holder of Notes**" mean a UCB Noteholder or a UCB Lux Noteholder, as the case may be, "**Noteholders**" and "**holders of Notes**" mean UCB Noteholders and UCB Lux Noteholders and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Status of the Notes and the Guarantee

(a) **Status of the Notes:** The Notes and (if applicable) the Coupons relating to them constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the relevant Issuer 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 relevant Issuer, 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.

(b) **Status of the Guarantee granted in connection with the UCB Lux Notes:** The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by UCB Lux in accordance with the Guarantee. The obligations of the Guarantor under the Guarantee constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 4) unsecured obligations of the Guarantor and rank and will at all times rank equally with all other existing and future unsecured and unsubordinated obligations of the Guarantor, 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.

3 No Exchange of UCB Lux Notes

UCB Lux Notes of one Specified Denomination may not be exchanged for UCB Lux Notes of another Specified Denomination.

4 Negative Pledge

(a) **Restriction:** So long as any Note remains outstanding, neither the relevant Issuer nor the Guarantor will, and each of the relevant Issuer and the Guarantor 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 Notes 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 Noteholders, 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 Notes as aforesaid) where such Security Interest is in respect of a company or other entity becoming a Subsidiary of the relevant Issuer and/or the Guarantor, as applicable, after the relevant Issue Date of the first Tranche of the Notes and where such Security Interest exists at the time that company or other entity becomes a Subsidiary of the relevant Issuer and/or the Guarantor, as applicable (provided that such Security Interest was not created or assumed in contemplation of such company or other entity becoming a Subsidiary of the relevant Issuer and/or the Guarantor, as applicable, 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) in the case of UCB Notes only, 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 per cent. of the consolidated EBITDA of the Group, or has turnover representing more than 7.5 per cent. 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 the relevant Issuer, the Guarantor and the Noteholders.

"**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 per cent. 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.

5 Interest and other Calculations

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

"**Business Day**" means:

(i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or

(ii) in the case of euro, a day on which the NBB Clearing System and the TARGET System are operating (a "**TARGET Business Day**") and/or

(iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks or foreign exchange markets in Hong Kong are open for general business and settlement of Renminbi payments in Hong Kong and/or

(iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(i) if "**Actual/ Actual**" or "**Actual/Actual – ISDA**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)

(ii) if "**Actual/365 (Fixed)**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365

(iii) if "**Actual/360**" is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30

(vi) if "**30E/360 (ISDA)**" is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times Y2-Y1)] + [30 \times (M2-M1)] + (D2-D1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

(vii) if "**Actual/Actual-ICMA**" is specified in the relevant Final Terms,

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

"**Determination Period**" means the period from and including a Determination Date in any year to but excluding the next Determination Date and

"**Determination Date**" means the date specified as such in the relevant Final Terms or, if none is so specified, the Interest Payment Date

"**Euro-zone**" means the region comprised of member states of the European Union that adopt, as legal currency, the single currency in accordance with the Treaty establishing the European Community, as amended from time to time

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

"**Interest Amount**" means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Final Terms, shall mean the Fixed Coupon Amount or Broken Amount (as specified in the relevant Final Terms) specified in the relevant Final Terms as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Final Terms

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Renminbi or (iii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Renminbi.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement 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

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Final Terms

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms

"**Rate of Interest**" means the rate of interest payable from time to time in respect of these Notes and that is either specified or calculated in accordance with the provisions in the relevant Final Terms and these Conditions

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms

"**Reference Rate**" means the rate specified as such in the relevant Final Terms.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms

"**Specified Currency**" means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the Notes are denominated

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

(b) **Interest on Fixed Rate Notes:** Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the

Rate of Interest, such interest being payable in arrears on each Interest Payment Date, except as otherwise provided in the relevant Final Terms. The amount of interest payable shall be determined in accordance with Condition 5(g).

(c) **Interest on Floating Rate Notes:**

(i) *Interest Payment Dates:* Each Floating Rate Note bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrears on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(g). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, "**Interest Payment Date**" shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(i) the Floating Rate Option is as specified in the relevant Final Terms

(ii) the Designated Maturity is a period specified in the relevant Final Terms and

(iii) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(i) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Final Terms.

(ii) If the Relevant Screen Page is not available or if sub-paragraph (i)(1) above applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (i)(2) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent;

(iii) If paragraph (ii) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately

11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the relevant Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period); and

(iv) If the Reference Rate is specified as being EURIBOR and (A) EURIBOR (or any successor thereto) ceases to exist and (B) the Rate of Interest for any Interest Accrual Period cannot be determined in accordance with sub-paragraphs (i), (ii) or (iii) above, any reference to EURIBOR should be deemed to be a reference to LIBOR.

(d) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).

(e) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8). For the avoidance of doubt, there will not be any compounding of Interest.

(f) **Margin, Maximum/Minimum Rates of Interest and Redemption Amounts and Rounding**:

(i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of

(y), calculated in accordance with Condition 5(b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to paragraph (ii) below;

(ii) If any Maximum or Minimum Rate of Interest or Redemption Amount is specified hereon or in the relevant Final Terms, then any Rate of Interest or Redemption Amount shall be subject to such maximum or minimum, as the case may be;

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes "unit" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(g) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Final Terms, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(h) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts:** The Calculation Agent shall, as soon as practicable on each Interest Determination Date, or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount to be notified to each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. If the Notes are listed on the Luxembourg Stock Exchange or on NYSE Euronext Brussels, the aggregate nominal amount, if any, of Notes outstanding after an early redemption of Notes pursuant to Condition 6(b) (*Early Redemption*), Condition 6(d) *(Redemption at the Option of the relevant Issuer - Issuer Call)* or Condition 6(e) (*Redemption at the Option of Noteholders)* shall be communicated by (or on behalf of) the relevant Issuer to the

Luxembourg Stock Exchange or NYSE Euronext Brussels, as the case may be. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii) (*Business Day Convention*), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10 (*Events of Default*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(i) **Calculation Agent:** The Issuers shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the "Calculation Agent" shall be construed as each Calculation Agent performing its respective duties under these Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the relevant Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) **Final Redemption:**

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided in the relevant Final Terms, is its nominal amount).

(b) **Early Redemption:**

(i) Zero Coupon Notes:

(A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified in the relevant Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date of the first Tranche of the Notes) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Final Terms.

(ii) Other Notes: The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.

(c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note) on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) (*Early Redemption*) above) (together with interest accrued to the date fixed for redemption), if

(i) the relevant Issuer or, in respect of the UCB Lux Notes, if the Guarantee were called, the Guarantor has or will become obliged to pay additional amounts as provided or referred to in Condition 8 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of, in relation to UCB Notes, Belgium or, in relation to UCB Lux Notes, the Grand Duchy of Luxembourg (in the case of a payment by the Issuer) or Belgium (in the case of a payment by the Guarantor), or in each case 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 first Tranche of the Notes, and

(ii) such obligation cannot be avoided by the relevant Issuer or the Guarantor, 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 relevant Issuer (or the Guarantor, as the case may be) would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due. Before the publication of any notice of redemption pursuant to this Condition 6(c), the relevant Issuer shall deliver to the Belgian Domiciliary and Paying Agent (in the case of UCB Notes) or the Fiscal Agent (in the case of UCB Lux Notes), a certificate signed by two directors of the relevant Issuer (or the Guarantor, as the case may be) stating that the relevant Issuer (or the Guarantor, as the case may be) is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer (or the Guarantor, as the case may be) so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the

effect that the relevant Issuer (or the Guarantor, as the case may be) 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 any Issuer (or the Guarantor, as the case may be) under this Condition 6(c) (*Redemption for Taxation Reasons*) shall operate as a waiver.

(d) **Redemption at the Option of the relevant Issuer (Issuer Call):**

(i) **Issuer Call**: If Issuer Call is specified in the relevant Final Terms, the relevant Issuer may, having given:

(A) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 14; and

(B) not less than 15 days before the giving of the notice referred to in (a) above, notice to the Belgian Domiciliary and Paying Agent (in the case of UCB Notes) or the Fiscal Agent (in the case of UCB Lux Notes),

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or, if so provided in the relevant Final Terms, some only of the Notes then outstanding on any Optional Redemption Date (as specified in the relevant Final Terms) and at the Optional Redemption Amount(s) together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the relevant Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed ("**Redeemed Notes**") (i) in respect of the UCB Lux Notes, shall be identified by the serial numbers of the Bearer Notes, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements and (ii) in the case of UCB Notes, will be selected in accordance with the rules of the NBB Clearing System, in each case not more than 30 days prior to the date fixed for redemption. In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

(ii) In this Condition 6(d), "**Optional Redemption Amount(s)**" means (A) the outstanding principal amount of the Notes per Calculation Amount to be redeemed or such higher amount as may be specified in the relevant Final Terms (the "**Floor**") or (B) if higher, the sum, as determined by the Calculation Agent, of the present values of the remaining scheduled payments of principal and interest on the Notes 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 the Optional Redemption Margin specified in the relevant Final Terms, where:

"**CA Selected Bond**" means a government security or securities (which, if the Specified Currency is euro, will be Belgium's *obligations linéaires - lineaire obligaties* (OLOs) or German *Bundesobligationen* traded in the secondary markets, as specified in the relevant Final Terms) selected by the Calculation Agent as having an actual or intrapolated maturity comparable to the remaining term of the Notes 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 Notes;

"**Calculation Agent**" means a leading investment, merchant or commercial bank appointed by the relevant Issuer for the purposes of calculating the Optional Redemption Amount, and notified to the Noteholders in accordance with Condition14;

"**Reference Bond**" means (A) if CA Selected Bond is specified in the relevant Final Terms, the relevant CA Selected Bond or (B) if CA Selected Bond is not specified in the relevant Final Terms, the security specified in the relevant Final Terms;

"**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 the Quotation Time specified in the relevant Final Terms on the Reference Rate Determination Day specified in the relevant Final Terms;

"**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 relevant Issuer; 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 Reference Rate Determination Day specified in the relevant Final Terms.

(e) **Redemption at the Option of Noteholders:**

(i) Upon a Change of Control (Change of Control Put)

(A) **Definitions:** In this Condition 6(e), unless the context otherwise requires, the following defined terms shall have the meanings set out below:

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 per cent. 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 6(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 Noteholders as required by Condition 6(e)(i)(C).

"**Change of Control Put Date**" has the meaning provided in Condition 6(e)(i)(B).

"**Change of Control Put Exercise Notice**" has the meaning provided in Condition 6(e)(i)(B).

"**Change of Control Resolutions**" has the meaning provided in Condition 6(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 relevant Issue 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 both as specified in the relevant Final Terms of such Note and rounding, if necessary, the resultant figure to nearest minimum sub-unit of euro (half of such unit being rounded downwards).

"**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.

(B) If Change of Control Put is specified in the relevant Final Terms, 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 Note will have the right to require the relevant Issuer to redeem that Note 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 UCB Notes, the holder of the relevant Note must (i) deliver or cause to be delivered to the Belgian Domiciliary and Paying Agent a certificate issued by the relevant recognised account holders (*teneurs de comptes agréés*) certifying that the relevant UCB Note is held to its order or under its control and blocked by it or transfer the relevant UCB Note to the Belgian Domiciliary and Paying Agent and (ii) complete and deliver to, or deposit with the bank or other financial intermediary through which it holds the Notes (the "**Financial Intermediary**") for further delivery to, UCB with a copy to the Belgian Domiciliary and Paying Agent a duly completed and signed notice of exercise in the form for the time being currently obtainable from the Belgian Domiciliary and Paying Agent (a "**UCB Change of Control Put Exercise Notice**"), at any time during the Change of Control Put Exercise Period.

To exercise such right in relation to UCB Lux Notes, the holder of the relevant Note must (i) deposit the relevant Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office and (ii) complete and deliver to, or deposit with its Financial Intermediary for further delivery to the Paying Agent at its specified office a duly completed and signed notice of exercise in the form for the time being currently obtainable from the specified office of the Paying Agent (a "**UCB Lux Change of Control Put Exercise Notice**"), at any time during the Change of Control Put Exercise Period.

References herein to a "**Change of Control Put Exercise Notice**" shall be references to a UCB Change of Control Put Exercise Notice or to a UCB Lux Change of Control Put Exercise Notice, as the context requires.

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 Note shall be made by transfer to an account denominated in the currency of the relevant Note 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 Noteholder in the relevant Change of Control Put Exercise Notice.

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

Noteholders should note that the exercise by any of them of the option set out in Condition 6(e)(i) will only be effective under Belgian law if, prior to the earliest of (a) UCB being notified by the Belgian Financial Services and Market Authority of a formal filing of a proposed offer to the shareholders of UCB or (b) the occurrence of the Change of Control, (i) the Change of Control Resolutions have been approved by the Shareholders of UCB 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 6(e)(i)(B). There can be no assurance that such approval will be granted at such meeting.

If, as a result of this Condition 6(e)(i), holders of the Notes submit Change of Control Put Exercise Notices in respect of at least 85 per cent. of the aggregate principal amount of the Notes for the time being outstanding, the relevant Issuer may, having given not less than 15 nor more than 30 days notice to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes then outstanding at the Early Redemption Amount. Payment in respect of any such Note shall be made as specified above.

(C) Change of Control Notice

Within 5 Brussels business days following an Early Redemption Event, the relevant Issuer shall give notice thereof to the Noteholders in accordance with Condition 14 (a "**Change of Control Notice**"). The Change of Control Notice shall contain a statement informing Noteholders of their entitlement to exercise their rights to require redemption of their Notes pursuant to Condition 6(e)(i).

The Change of Control Notice shall also specify:

(i) to the fullest extent permitted by applicable law, all information material to Noteholders 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 Belgian Domiciliary and Paying Agent and the Paying 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 Noteholders 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 a Change of Control Resolution Approval Deadline is specified in the relevant Final Terms and by that Change of Control Resolution Approval Deadline:

(i) the Change of Control Resolutions are not passed, approved or adopted at a General Meeting of the Shareholders of UCB; 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 Change of Control Resolution Approval Deadline, the rate of interest payable on the Notes shall be increased by the Change of Control Step-Up Margin per annum specified in the relevant Final Terms.

"**Change of Control Resolutions**" means one or more resolutions duly passed, approved or adopted at a General Meeting of Shareholders of UCB approving the provisions of Condition 6(e)(i).

(ii) Other Put Options (Investor Put)

If Investor Put is specified in the relevant Final Terms, the relevant Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the relevant Issuer (or such other notice period as may be specified hereon or in the relevant Final Terms) redeem such Note on the Optional Redemption Date(s) at its Optional Redemption Amount together with interest accrued to the date fixed for redemption.

To exercise such option the Noteholder must (i) in relation to UCB Notes, deliver or cause to deliver to the Belgian Domiciliary and Paying Agent a certificate issued by the relevant recognised account holders (*teneurs de comptes agréés*) certifying that the relevant UCB Note is held to its order or under its control and blocked by it or transfer the relevant UCB Note to the Belgian Domiciliary and Paying Agent and deposit with the Belgian Domiciliary and Paying Agent a duly completed option exercise notice ("**UCB Exercise Notice**") in the form obtainable from the Belgian Domiciliary and Paying Agent in which the UCB Noteholder must specify a bank account to which payment is to be made under this Condition and (ii) in relation to UCB Lux Notes, deposit the relevant Note (together with all unmatured Coupons and unexchanged Talons) with any Paying Agent at its specified office, together with a duly completed option exercise notice ("**UCB Lux Exercise Notice**") in the form obtainable from any Paying Agent within the notice period. No UCB Lux Note so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of UCB Lux.

(f) **Purchases**: The relevant Issuer and (if applicable) the Guarantor may at any time purchase Notes in the open market or otherwise at any price.

(g) **Cancellation**: All Notes purchased by or on behalf of the relevant Issuer may be cancelled, held, reissued or resold at the option of the relevant Issuer and (if applicable) the Guarantor.

7 Payments and Talons

(a) Payments under the UCB Notes

(i) *Payments in euro*: All payments in euro of principal or interest owing under the UCB Notes shall be made through the Belgian Domiciliary and Paying Agent and the NBB Clearing System in accordance with the NBB Clearing System Regulations and the Clearing Services Agreement. The payment obligations of UCB under the UCB Notes will be discharged by payment to the NBB in respect of each amount so paid.

(ii) *Payment in other currencies*: All payments in any currency other than euro of principal or interest owing under the UCB Notes shall be made through the Belgian Domiciliary and Paying Agent and Euroclear and /or Clearstream, Luxembourg (in accordance with the rules thereof, and in accordance with the NBB Clearing System Regulations and the Clearing Services Agreement).

(b) Payments under the UCB Lux Notes

(i) *Payments:* Payments of principal and interest in respect of UCB Lux Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Notes (in the case of all payments of principal and, in the case of interest, as specified in Condition 7(b)(iii)(E)) or Coupons (in the case of interest, save as specified in Condition 7(b)(iii)(E)), as the case may be, at the specified office of any Paying Agent outside the United States:

(A) in the case of a currency other than Renminbi, in the relevant currency by transfer to an account denominated in such currency with a Bank where "**Bank**" means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System.

(B) in the case of Renminbi, all payments will be made solely by credit to a Renminbi account maintained by the payee with a bank in Hong Kong in accordance with applicable laws, regulations and guidelines issued from time to time (including all applicable laws and regulations with respect to the settlement of Renminbi in Hong Kong).

(ii) *Payments in the United States*: Notwithstanding the foregoing, if any UCB Lux Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(iii) *Unmatured Coupons and unexchanged Talons*:

(A) Upon the due date for redemption of UCB Lux Notes which comprise Fixed Rate Notes, those Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(B) Upon the due date for redemption of any UCB Lux Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(C) Upon the due date for redemption of any UCB Lux Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(D) Where any UCB Lux Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of that Note is presented for redemption

without all unmatured Coupons, and where any UCB Lux Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(E) If the due date for redemption of any UCB Lux Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note.

(iv) *Talons:* On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any UCB Lux Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).

(c) **Payment subject to fiscal laws**: All payments in respect of the Notes will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8. No commissions or expenses shall be charged by the Belgian Domiciliary and Paying Agent or the Paying Agent, as the case may be, to the Noteholders in respect of such payments.

(d) **Appointment of Agents**: The Belgian Domiciliary and Paying Agent, the Fiscal Agent, the Paying Agent, the Transfer Agent and the Calculation Agent act solely as agent of each Issuer and do not assume any obligations towards or relationship of agency with any of the Noteholders. The relevant Issuer reserves the right at any time to vary or terminate the appointment of the Belgian Domiciliary and Paying Agent, the Fiscal Agent, the Paying Agent, the Transfer Agent and the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided however, that the Issuers shall at all times maintain (i) in the case of UCB Notes, a Belgian Domiciliary and Paying Agent in the NBB Clearing System, (ii) in the case of UCB Notes, a Fiscal Agent, (iii) one or more calculation agent(s) where the Conditions so require, (iv) Paying Agents having specified offices in at least two major European cities, (v) such other agents as may be required by any other stock exchange on which the Notes may be listed and (vi) a Paying Agent in Luxembourg so long as the Notes are listed on the Luxembourg Stock Exchange, and such other agents as may be required by any other stock exchange on which the Notes may be listed and a, to the extent possible, Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000. Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(e) **Non-Business Days:** If any date for payment in respect of any Note is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 7(e), "**business day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation (in the case of any UCB Lux Notes in definitive form only), in such jurisdictions as shall be specified as "Financial Centres" in the relevant Final Terms and:

(i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or

(ii) (in the case of a payment in euro) which is a TARGET Business Day or

(iii) (in the case of a payment in Renminbi) on which commercial banks and foreign exchange markets are open for general business and settlement of Renminbi payments in Hong Kong.

(f) **Payment of Relevant Currency Equivalent:** Notwithstanding all other provisions in these Conditions, if by reason of Inconvertibility, Non-transferability or Illiquidity, the relevant Issuer or the Guarantor is not able, or it would be impracticable for it, to satisfy payments due under the Notes (or the Guarantee, as the case may be) in Renminbi in Hong Kong, the relevant Issuer shall, on giving not less than five and not more than 30 days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment in the Relevant Currency on the due date for payment at the Relevant Currency Equivalent of any such Renminbi denominated amount.

In such event, payments of the Relevant Currency Equivalent of the relevant amounts due under the Notes (or the Guarantee) shall be made in accordance with Condition 7(a)(i) or Condition 7(b), as applicable.

In this Condition 7(f):

"**Governmental Authority**" means any de facto or de jure government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong;

"**Illiquidity**" means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the relevant Issuer (or the Guarantor, as the case may be) cannot obtain sufficient Renminbi in order to satisfy its obligation to make a payment under the Notes (or the Guarantee) as determined by the relevant Issuer (or the Guarantor, as the case may be) acting in good faith and in a commercially reasonable manner following consultation with two independent investment banks of international repute active in the Renminbi exchange market in Hong Kong;

"**Inconvertibility**" means the occurrence of any event that makes it impossible for the relevant Issuer (or the Guarantor, as the case may be) to convert any amount due in respect of the Notes (or the Guarantee) into Renminbi on any payment date in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer, the Guarantor and/or any of their respective affiliates to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, the Guarantor and/or their respective affiliates due to an event beyond its or their control, to comply with such law, rule or regulation);

"**Non-transferability**" means the occurrence of any event that makes it impossible for the relevant Issuer (or the Guarantor, as the case may be) to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong (including where the Renminbi clearing and settlement system for participating banks in Hong Kong is disrupted or suspended), other than where such impossibility is due solely to the failure of the Issuer, the Guarantor and/or any of their respective affiliates to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after the Issue Date of the first Tranche of the relevant Series and it is impossible for the Issuer, the Guarantor and/or their respective affiliates due to an event beyond its or their control, to comply with such law, rule or regulation);

"**Rate Calculation Business Day**" means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and the principal financial centre of the Relevant Currency (which is, in the case of euro, a day on which the TARGET System is operating);

"**Rate Calculation Date**" means the day which is two Rate Calculation Business Days before the due date of the relevant payment under the Notes or Coupons (or the Guarantee);

"**Relevant Currency**" means the currency specified in the Final Terms;

"**Relevant Currency Equivalent**" means the Renminbi amount converted into the Relevant Currency using the Spot Rate for the relevant Rate Calculation Date; and

"**Spot Rate**", for a Rate Calculation Date, means the spot rate between Renminbi and the Relevant Currency, as determined by the Calculation Agent (or if none has been appointed, an agent appointed by the relevant Issuer or the Guarantor for this purpose) at or around 11.00 a.m. (Hong Kong time) on such date in good faith and in a reasonable commercial manner; and if a spot rate is not readily available, the Calculation Agent or such agent appointed under this Condition 7(f) may determine the rate taking into consideration all available information which the Calculation Agent or such agent deems relevant, including pricing information obtained from the Renminbi non-deliverable exchange market in Hong Kong or elsewhere and the PRC domestic foreign exchange market.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 7(f) by the Calculation Agent or such agent appointed under this Condition 7(f), will (in the absence of manifest error) be conclusive and binding on the Issuer, the Agents and all holders of the Notes.

The Calculation Agent or such agent appointed under this Condition 7(f) shall not be responsible or liable to the Issuer, the Guarantor or any holders of the Notes for any determination of any Spot Rate in accordance with this Condition 7(f).

8 Taxation

All payments of principal and interest by or on behalf of an Issuer and/or by the Guarantor in respect of the Notes, the Coupons (where applicable) or under the Guarantee 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 Tax Jurisdiction or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as shall result in receipt by the Noteholders and the Couponholders (where applicable) 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 Note or Coupon:

(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 Note or Coupon by reason of his having some connection with the Tax Jurisdiction other than by reason of (a) the mere holding of or (b) the receipt of principal, interest or other amount in respect of the Note or Coupon; 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 Note is presented for payment; or

(c) **Payment to non Eligible Investors in respect of UCB Notes**: in the case of UCB Notes only, to, or to a third party on behalf of, a holder who on the date of acquisition of such UCB Note, was not an

Eligible Investor or who was an Eligible Investor on the date of acquisition of such UCB Note but, for reasons within the UCB Noteholder's control, either ceased to be an Eligible Investor or, at any relevant time on or after the date of acquisition of such UCB Note, 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) **Presentation more than 30 days after the Relevant Date**: in the case of UCB Lux Notes only, presented for payment more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on presenting it for payment on the thirtieth such day; or

(e) **Payment to individuals**: where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC 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; or,

(f) **Payment by another Paying Agent:** in the case of UCB Lux Notes only, presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the European Union.

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 UCB Notes in an exempt account in the NBB Clearing System.

As used in this Condition, "**Tax Jurisdiction**" means, in respect of payments by UCB (whether as the relevant Issuer or the Guarantor), the Kingdom of Belgium and, in respect of payments by UCB Lux, the Grand Duchy of Luxembourg.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon, 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 Noteholders that, upon further presentation of the Note or Coupon 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 Notes, all Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 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 5 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.

9 Prescription

Claims against the Issuers and the Guarantor for payment in respect of the Notes and (if applicable) the Coupons 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 Notes)) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Events of Default

If any of the following events (each an "**Event of Default**") occurs and is continuing then any Note may, by notice in writing given by the Noteholder to (i) in the case of UCB Notes, UCB at its registered office with a copy to the

Belgian Domiciliary and Paying Agent at its specified office or (ii) in the case of UCB Lux Notes, UCB Lux at its registered office and with a copy to the Fiscal 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 Belgian Domiciliary and Paying Agent or the Fiscal Agent, as applicable:

(a) **Non-Payment**: the relevant Issuer fails to pay the principal of or premium or interest on any of the Notes when due and, in respect of the UCB Lux Notes, the Guarantor defaults in any payment when due under the Guarantee and in each case 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 relevant Issuer or, in the case of UCB Lux Notes, the Guarantor does not perform or comply with any one or more of its other covenants, agreements or undertakings in the Notes, the Belgian Domiciliary and Paying Agency Agreement, the Agency Agreement or, in the case of UCB Lux Notes, the Guarantee, as the case may be 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 Noteholder to (i) in the case of UCB Notes, UCB at its registered office or (ii) in the case of UCB Lux Notes, the Fiscal Agent at its specified office; or

(c) **Cross-Acceleration**: (i) any other present or future indebtedness of the relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, 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 relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, 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 relevant Issuer, the Guarantor 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 relevant Issuer, the Guarantor 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 €30,000,000 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 relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, any Material Subsidiary having an aggregate value of at least €30,000,000 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 relevant Issuer or, in the case of UCB Lux Notes, the Guarantor or, in each case, any Material Subsidiary in respect of any of its property or assets for an amount at the relevant time of at least €30,000,000 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 relevant Issuer or any Material Subsidiary or, in the case of UCB Lux Notes, the Guarantor 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 relevant Issuer or the relevant Material Subsidiary or, in the case of UCB Lux Notes, the Guarantor; or

(g) **Winding-up**: an order is made or an effective resolution passed for the winding-up or dissolution of the relevant Issuer or any Material Subsidiary or, in the case of UCB Lux Notes, the Guarantor (other than a solvent liquidation or reorganisation of any Material Subsidiary other than UCB Lux), or the relevant Issuer or any Material Subsidiary or, in the case of UCB Lux Notes, the Guarantor 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 Noteholders 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 relevant Issuer, the Guarantor or another of their Subsidiaries; or

(h) **Guarantee:** in the case of UCB Lux Notes only, the Guarantee is not (or is claimed by the Issuer or the Guarantor not to be) in full force and effect; or

(i) **UCB Lux**: in the case of UCB Lux Notes only, UCB Lux ceases to be a subsidiary wholly owned and controlled, directly or indirectly, by UCB; or

(j) **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 (i).

11 Meeting of Noteholders and Modifications

(a) **Meetings of Noteholders**:

(i) *Meeting of UCB Noteholders*: The Belgian Domiciliary and Paying Agency Agreement contains provisions for convening meetings of UCB Noteholders to consider matters affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of any of the Conditions applicable to the Notes. For the avoidance of doubt, any such modification shall always be subject to the assent of the Issuer. An "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with these Conditions and the Belgian Companies Code by a majority of at least 75 per cent. of the votes cast in accordance with Article 574 of the Belgian Companies Code.

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

Notes) 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 UCB Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

The Belgian Domiciliary and Paying Agency Agreement provides that, if authorised by the Issuer, a resolution in writing signed by or on behalf of holders of not less than 75 per cent. of the aggregate principal amount of the relevant UCB Notes shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of UCB Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders 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 Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(ii) *Meetings of UCB Lux Noteholders*: In the case of UCB Lux Notes, the Agency Agreement contains provisions for convening meetings of the UCB Lux Noteholders to consider any matter affecting their interests, including the sanctioning by a resolution passed at a meeting of UCB Lux Noteholders duly convened and held in accordance with these Conditions and the Agency Agreement by a majority of at least 75 per cent. of the votes cast (a "**Lux Extraordinary Resolution**") of a modification of any of these Conditions or any of the provisions of the Agency Agreement.

A meeting of the UCB Lux Noteholders may be convened by UCB Lux or the Guarantor and shall be convened by UCB Lux if required in writing by UCB Lux Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding UCB Lux Notes. The quorum at any such meeting for passing a Lux Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the UCB Lux Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing UCB Lux Noteholders whatever the nominal amount of the UCB Lux Notes so held or represented.

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

The Agency Agreement provides that, if authorised by UCB Lux, a resolution in writing signed by or on behalf of holders of not less than 75 per cent. of the aggregate principal amount of the relevant UCB Lux Notes shall for all purposes be as valid and effective as a Lux Extraordinary Resolution passed at a meeting of UCB Lux Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders 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 Noteholders.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.

(b) **Modifications**

(i) *Modifications of Belgian Domiciliary and Paying Agency Agreement*: UCB 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 Belgian Domiciliary and Paying 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 UCB Noteholders or which in the Belgian Domiciliary and Paying 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.

(ii) *Modification of Agency Agreement*: UCB Lux 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, if to do so could not reasonably be expected to be materially prejudicial to the interests of the UCB Lux Noteholders or which in the Paying 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.

12 Replacement of Bearer Notes, Coupons and Talons

If a Note, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Paying Agent in Luxembourg on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to UCB Lux on demand the amount payable by UCB Lux in respect of such Notes, Coupons or further Coupons) and otherwise as UCB Lux may require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes (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 notes to "Issue Date" shall be to the first issue date of the Notes) and so that the same shall be consolidated and form a single series with such Notes, and references in these Conditions to "Notes" shall be construed accordingly.

14 Notices

(a) **Notices to UCB Noteholders**: Notices to UCB Noteholders shall be valid if (i) published on the website of UCB, (ii) published through the usual newswires agency (or any of the usual newswires agencies) used by UCB 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 Noteholders via participants in the NBB Clearing System. UCB 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 Notes 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 UCB Noteholders**: Notices to be given by any holder of the UCB Notes shall be in writing and given by lodging the same with the Belgian Domiciliary and Paying Agent.

(c) **Notices to UCB Lux Noteholders**: Notices to the Noteholders shall be valid if published in a leading daily newspaper published in Luxembourg (which is expected to be *Luxemburger Wort*) and if and for

so long as any UCB Lux Notes are listed on NYSE Euronext Brussels, notices to holders of the UCB Lux Notes shall also be published either on the website of the NYSE Euronext Brussels or in a daily newspaper with general circulation in Belgium. If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. UCB Lux 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 Notes are listed for the time being. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made, as provided above. The costs relating to the publication of the notices to UCB Lux Noteholders shall be borne by UCB Lux.

(d) **Notices by UCB Lux Noteholders**: Notices to be given by any holder of the UCB Lux Notes shall be in writing and given by lodging the same with any Paying Agent.

15 Governing Law and Jurisdiction

(a) **Governing Law**: The Notes and any non-contractual obligations arising out of or in connection with the Notes and, in the case of UCB Lux Notes, the Guarantee are governed by, and shall be construed in accordance with, Belgian law. For the avoidance of doubt, Articles 86 to 94-8 of the Luxembourg Law on commercial companies of 10 August 1915, as amended, are specifically excluded in relation to UCB Lux.

(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 Notes and, accordingly, any legal action or proceedings arising out or in connection with the Notes ("**Proceedings**") may be brought in such courts, and the Noteholders, the Issuers and the Guarantor 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.

SUMMARY OF PROVISIONS RELATING TO THE UCB LUX NOTES WHILE IN GLOBAL FORM

1 Initial Issue of UCB Lux Notes

If the Global Notes are stated in the applicable Final Terms to be issued in NGN form, the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes with the Common Safekeeper does not necessarily mean that the UCB Lux Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

In respect of UCB Lux Notes, Global Notes which are issued in CGN form may be delivered on or prior to the original issue date of the Tranche to a Common Depositary.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a common depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"), Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of UCB Lux Notes equal to the nominal amount thereof for which it has subscribed and paid. If the Global Note is a NGN, the nominal amount of the UCB Lux Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of UCB Lux Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

UCB Lux Notes that are initially deposited with the Common Depositary may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, UCB Lux Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

2 Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other permitted clearing system ("**Alternative Clearing System**") as the holder of a UCB Lux Note represented by a Global Note must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by UCB Lux to the bearer of such Global Note and in relation to all other rights arising under the Global Notes, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against UCB Lux in respect of payments due on the UCB Lux Notes for so long as the UCB Lux Notes are represented by such Global Note and such obligations of UCB Lux will be discharged by payment to the bearer of such Global Note in respect of each amount so paid.

3 Exchange

3.1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(i) if the relevant Final Terms indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "Overview of the

Programme – Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below; and

(ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

3.2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under paragraph 3.3 below, in part for Definitive Notes:

(i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or

(ii) if an Event of Default (as defined in Condition 10) has occurred and is continuing, by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A UCB Lux Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive UCB Lux Note in respect of such holding and would need to purchase a principal amount of UCB Lux Notes such that it holds an amount equal to one or more Specified Denominations.

3.3 Partial Exchange of Permanent Global Notes

For so long as a permanent Global Note is held on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note will be exchangeable in part on one or more occasions for Definitive Notes if an Event of Default (as defined in Condition 10) has occurred and is continuing.

3.4 Delivery of UCB Lux Notes

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, UCB Lux will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes or if the Global Note is a NGN, UCB Lux will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system. In this Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons in respect of interest that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, UCB Lux

will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

3.5 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any UCB Lux Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

4 Amendment to Conditions

The temporary Global Notes and permanent Global Notes contain provisions that apply to the UCB Lux Notes that they represent, some of which modify the effect of the terms and conditions of the UCB Lux Notes set out in this Prospectus. The following is a summary of certain of those provisions:

4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of UCB Lux Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the UCB Lux Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the UCB Lux Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the UCB Lux Notes. Condition 7(d)(vi) and Condition 8(f) will apply to the Definitive Notes only. If the Global Note is a NGN, UCB Lux shall procure that details of each such payment shall be entered *pro rata* in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the UCB Lux Notes recorded in the records of the relevant clearing system and represented by the Global Note will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the obligations of UCB Lux in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(e) (*Non-Business Days*).

4.2 Prescription

Claims against the Issuer in respect of UCB Lux Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

4.3 Meetings

For the purposes of any quorum requirements of a meeting of UCB Lux Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the UCB Lux Notes.

4.4 Cancellation

Cancellation of any UCB Lux Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

4.5 Purchase

UCB Lux Notes represented by a permanent Global Note may only be purchased by UCB Lux, the Guarantor or any of their respective subsidiaries if they are purchased together with the rights to receive all future payments of interest thereon.

4.6 Issuer's Option

Any option of UCB Lux provided for in the Conditions of any UCB Lux Notes while such UCB Lux Notes are represented by a permanent Global Note shall be exercised by UCB Lux giving notice to the UCB Lux Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of UCB Lux Notes drawn in the case of a partial exercise of an option and accordingly no drawing of UCB Lux Notes shall be required. In the event that any option of UCB Lux is exercised in respect of some but not all of the UCB Lux Notes of any Series, the rights of accountholders with a clearing system in respect of the UCB Lux Notes will be governed by the standard procedures of Euroclear, and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other Alternative Clearing System (as the case may be).

4.7 UCB Lux Noteholders' Options

Any option of the UCB Lux Noteholders provided for in the Conditions of any UCB Lux Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of UCB Lux Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the UCB Lux Notes in respect of which the option has been exercised, and stating the nominal amount of UCB Lux Notes in respect of which the option is exercised and at the same time where the permanent Global Note is a CGN, presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN, UCB Lux shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the UCB Lux Notes recorded in those records will be reduced accordingly.

4.8 NGN nominal amount

Where the Global Note is a NGN, UCB Lux shall procure that any exchange, payment, cancellation, exercise of any option or any right under the UCB Lux Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the UCB Lux Notes represented by such Global Note shall be adjusted accordingly.

4.9 Notices

So long as any UCB Lux Notes are represented by a Global Note and such Global Note is held on behalf of a clearing system, notices to the holders of UCB Lux Notes of that Series may be given by

delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note, except that so long as the Notes are listed on the Luxembourg Stock Exchange's regulated market or the NYSE Euronext Brussels' regulated market and the rules of the relevant exchange so require, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or the website of NYSE Euronext Brussels (www.nyse.com), as applicable, or in a leading newspaper having general circulation in Luxembourg or in Belgium, as applicable.

USE OF PROCEEDS

The net proceeds from the issue of each Tranche of Notes will be applied by the relevant Issuer for general corporate purposes.

The general corporate purposes include, but are not limited to, (i) the refinancing of currently outstanding loans and other debt, (ii) the financing of UCB Group's investment programmes and (iii) financing that part of the funding needs that exceed free cash flow generation of UCB Group at any given point in time.

If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF UCB

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 Guarantor 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 marketing 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 3 as well as lifecycle management with respect to Cimzia®, Vimpat® and Neupro®.

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.

Employing approximately 9 050 people (end of 2012) and operating in more than forty countries, UCB generated revenues of €3.4 billion in 2012 with underlying profitability (recurring EBITDA) reaching €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 phtalates business was sold to Sisas (an Italian chemicals group), and in 2003 the methylamines business was also sold. The remainder of the chemical business was sold to Cytec Industries in February 2005. While development continued in the films business during the 1980s, overall the business was in decline and plants were closed in the UK, Belgium and Spain. The remainder of the films business was sold in September 2004 to a UK based consortium.

Since 2004, 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 Wilex 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 3 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

	Actual 2012	Actual 2011
	(€million)	
Continuing operations		
Net sales	3,070	2,876
Royalty income & fees	168	187
Other revenue	224	183
Revenue	**3,462**	**3,246**
Cost of sale	-1,084	-1,013
Gross profit	**2,378**	**2,233**
Marketing and selling expenses	-875	-837
Research and development expenses	-890	-778
General and administrative expenses	-198	-191
Other operating income/expenses (-)	0	12
Operating profit before impairment, restructuring and other income and expenses	**415**	**439**
Impairment of non-financial assets	-10	-39
Restructuring expenses	-40	-27
Other income and expenses	24	-25

	Actual 2012	Actual 2011
	(€million)	
Operating profit	**389**	**348**
Financial income	86	90
Financing costs	-233	-205
Profit / loss (-) before income taxes	**242**	**233**
Income tax expense (-) / credit	-7	-9
Profit / loss (-) from continuing operations	235	224
Discontinued operations		
Profit / loss (-) from discontinued operations	**17**	**14**
Profit	**252**	**238**
Attributable to:		
Equity holders of UCB S.A.	256	238
Non-controlling interest	-4	0
Basic earnings per share (€)		
from continuing operations	1.34	1.26
from discontinued operations	0.09	0.08
Total basic earnings per share	**1.43**	**1.34**
Diluted earnings per share (€)		
from continuing operations	1.33	1.26
from discontinued operations	0.08	0.07
Total diluted earnings per share	**1.41**	**1.32**

Consolidated balance sheet summary

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

Debt maturity profile

Summary of the maturity dates of the main financial borrowings of the UCB Group as outstanding as at 31 December 2012 expressed in notional amounts.

	2013	2014	2015	2016	2017	2018	2019	2020-2025
Belgian Commercial Paper	86.5							
Other ST loans	46							
Société Régionale d'Investissement de Wallonie		24						
Belgian retail bond		750						
Convertible bond[1]			430					
Institutional eurobond				500				
European Investment Bank loan							150	
Banque Cantonale de Fribourg								40

[1] UCB issued a EUR 500 million convertible bond in 2009 of which EUR 70 million was purchased by UCB Lux in 2012.

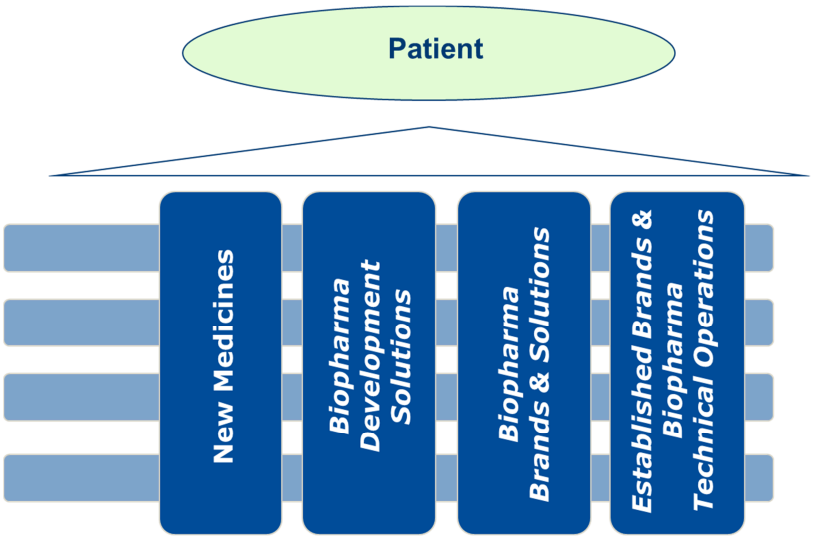
UCB issued EUR 300 million fixed-to-floating rate perpetual subordinated bonds in 2011 with an issuer first call date in 2016.

At present UCB is not subject to any financial covenants as part of its debt agreements.

4 Current Organisational Structure

UCB SA is the holding company of the UCB Group, with over 90 subsidiaries, the large majority of which are directly or indirectly wholly owned. A complete list of the subsidiaries of the UCB Group is incorporated in Part 20, "Associated Companies and Shareholdings" of this description of UCB.

UCB Group has recently adopted a new organizational model, the "Patient solutions organization", which centers around the four following units:



(a) UCB NewMedicines™

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

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

(b) Biopharma Development Solutions

'Biopharma Development Solutions' is responsible for managing compounds through the entire value chain of the entire life of a compound, including being responsible for moving products from proof-of-concept through full clinical development efficiently and in close consultation with the regulatory authorities to secure marketing approvals for new drugs. Drug development in UCB involves many functions across UCB, both within and external to Biopharma Development Solutions. It is organised around empowered project teams responsible for pipeline projects, from candidate selection to the market, through the various life cycle management activities which seek to maximise patient benefit and the economic value of a molecule. These teams take time to understand and consider the disease, its effect on patients and the science behind it. Each project team brings multiple disciplines to the task and continues its work on a drug well beyond its clinical development phase. UCB believes that the key to success in drug development resides in empowering the project teams to ensure that decisions are taken promptly and are implemented in the optimal manner. Adherence to this concept has given UCB a track record of success in drug development, resulting in numerous regulatory approvals around the world. This broad expertise produces informed and directed activity around the development of a new product. With a detailed understanding of a disease, its underlying mechanisms and its impact on the patient, UCB is better able to target its therapies at patients to address needs that are currently unmet.

(c) Biopharma Brands & Solutions

'Biopharma Brands & Solutions' is responsible for managing UCB's key on-patent products ("Major Products"), being Cimzia©, Vimpat© and Neupro©. A detailed description of the Major Products of UCB Group is incorporated in Part 6, "Business Divisions / Core Therapeutic Areas" of this description of UCB.

(d) Established Brands & Biopharma Technical Operations

'Established Brands & Biopharma Technical Operations' is responsible for managing UCB's important off-patent product portfolio, including Keppra© and Primary Care Products. In addition this team also manages all Biopharma Technical Operations. A detailed description of Keppra©, Primary Care Products and Manufacturing and supply of raw materials of UCB Group is incorporated in Part 6, "Business Divisions / Core Therapeutic Areas" of this description of UCB.

5 Key Strengths and Strategies of UCB

Key strengths of UCB

UCB has a history of developing effective and commercially successful products, such as Keppra® and Zyrtec®. Key strengths of the UCB Group include:

(a) Strong product range

UCB is focused on developing and commercialising a range of new products in the CNS and immunology areas. The current product range includes: Cimzia®, which is launched in more than 30 countries for the treatment of rheumatoid arthritis and which is also approved in Brazil, Chile, Russia, the U.S. and Switzerland as a treatment for Crohn's disease. Vimpat®, which is available to patients in more than 30 countries for the treatment of adjunctive epilepsy. Neupro® has been newly launched in the U.S. in July 2012 and is available in more than 30 countries for the treatment of Parkinson's disease; it is also available in Austria, Germany, Ireland, Spain, South Korea, Switzerland, the UK and the US for the treatment of restless legs syndrome.

(b) Focus on developing a pipeline of products

UCB is committed to developing a pipeline of a new generation of therapies offering breakthrough innovation to patients with severe diseases primarily in CNS and immunology disorders. With eight different molecular entities for 14 different programs and indications in the disease areas of CNS and immunology, UCB has a solid clinical development pipeline.

(c) Commitment to research and development of new products

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

(d) Global footprint

With operations in more than 40 countries and the top 20 pharmaceutical markets, UCB has fully integrated operations in the world's more established pharmaceutical markets, including North America, Japan, Germany, France, Italy, the UK and Spain, as well as a growing presence in markets such as China, Brazil and Russia.

(e) Leading role in developing epilepsy treatments

UCB has a trusted heritage within, and proven commitment to, the epilepsy community, with Keppra® (levetiracetam) providing significant relief for many patients. The UCB Group continues to develop new products in this area, with Vimpat® (lacosamide) now available in more than 30 countries. Further epilepsy (sub)indications are under development for Vimpat®. A new compound, brivaracetam, is also under clinical develop for epilepsy. In addition, UCB is developing from its strong presence in epilepsy into additional neurological indications such as movement and sleep disorders, building on its reputation in the field of neurology.

(f) Experienced scientific and management teams

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

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

(a) Successful commercialisation and launch of new products

UCB is focused on achieving commercial success for its newer products including Cimzia® (in the U.S. and the EU), Vimpat® (U.S. and EU), Neupro (in the EU and U.S.), Keppra®XR (in the U.S.), E Keppra® and Xyzal® (both in Japan). Near-term, future potential product launches include Neupro® in Japan (with partner Otsuka Pharmaceuticals) and Cimzia® in Japan (with partner Astellas).

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

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

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

(c) Focus on development of the pipeline

The strategic split of the research and development functions between UCB NewMedicines™ and Biopharma Development Solutions is designed to allow better allocation of resources between the development of molecules to clinical proof-of-concept and bringing such concepts through to the delivery of products to the market, and ensuring optimal management of their life cycle. UCB is committed to maintaining its focus on the development of new products in CNS and immunology, and resources continue to be allocated accordingly. UCB NewMedicines™ and Biopharma Development Solutions are highly networked with the external world to access novel technologies, collaborators and services, with several drug discovery alliances and numerous university partnerships. At present,

Biopharma Development Solutions is focusing on a pipeline which includes a novel treatment for systemic lupus erythematosus, bone loss disorders and a new form of treatment for epilepsy in the form of brivaretecam, in addition to pursuing further (sub)indications for existing products such as Cimzia®, Vimpat® and Neupro®. Recent new entries to the clinical development pipeline include: CDP7657 (anti-CD40L) which has potential for systemic lupus erythematosus (SLE). Olokizumab/CDP6038 (anti-IL 6) which was being developed for the treatment of rheumatoid arthritis is not going to be developed further by UCB. In September 2012, UCB announced top-line phase 2 results for olokizumab in rheumatoid arthritis. This study met its primary endpoint of demonstrating a significant reduction in the disease activity score at week 12. However, the current data do not suggest sufficient differentiation potential versus tocilizumab. UCB is now exploring appropriate options for olokizumab, including partnering.

(d) Optimising the life cycle of products

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

6 Business Divisions/Core Therapeutic Areas

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

(e) Central Nervous System

Summary

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

Epilepsy is the most common serious brain disorder, affecting about 50 million people worldwide. In the seven major markets, more than 6 million people suffer from epilepsy. For the treatment of epilepsy, currently UCB offers Keppra®, Keppra®XR and Vimpat® and is developing *brivaracetam*.

Parkinson’s disease is a chronic, progressive movement disorder; an estimated 4 million people around the world have Parkinson's disease. In the seven major markets, more than 3 million people are affected. Neupro® is available to treat early stage and advanced Parkinson’s disease in more than 30 countries. Ongoing monitoring of in-market product revealed a deviation from the approved product specification and crystal formulation in some batches, UCB recalled Neupro® from the U.S. market in March 2008. UCB worked with the European authorities (EMA) and developed a cold-chain storage and distribution system under which Neupro® was restored to full commercialisation in the EU in June 2009. The U.S. FDA requested a new formulation of the patch; UCB aimed to make the patch available to U.S. patients during 2012. In April 2012, the FDA approved UCB's new room-temperature-stable formulation of the Parkinson's patch for the treatment of signs and symptoms of early and advanced stage idiopathic Parkinson’s disease and moderate-to-severe primary restless legs syndrome. UCB launched Neupro in the U.S. in July 2012.

Restless legs syndrome is a chronic neurological disorder that is characterised by uncomfortable burning, tingling, gnawing and pulling sensations in the legs, leading to an irresistible urge to move one's legs. The prevalence of restless legs syndrome was approximately 54 million sufferers in the seven major markets. Neupro® is approved to treat the symptoms of moderate-to-severe idiopathic restless legs syndrome in adults in the EU and the U.S.

The CNS development pipeline of UCB includes, among others, *brivaracetam* for the treatment of epilepsy, Neupro® for the treatment of restless legs syndrome and Parkinson's disease in Japan and Vimpat® to treat epilepsy, in Japan/Asia and LATAM (Brazil being the largest market) (monotherapy indication in the U.S. and EU for the treatment of partial onset seizures, paediatric adjunctive therapy and adjunctive treatment of primary generalised tonic-clonic seizures).

Strategy/Trend

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

Major Products

Vimpat® (*lacosamide*)

In September 2008, Vimpat® was approved in Europe as adjunctive therapy for the treatment of partial-onset seizures with or without secondary generalisation in patients with epilepsy aged 16 years and older. In the U.S., the FDA approved Vimpat® in October 2008 as an add-on therapy for the treatment of partial-onset seizures in people with epilepsy aged 17 years and older. Vimpat® is available across all major markets in multiple formulations (tablets, oral solution, and IV) as well as multiple presentations, including the recently launched unit dose, further differentiating the product from many competitors in the market and driving trial and adoption across the various market settings (e.g. community based prescribers, hospitals, and long-term care institutions).

In 2010, Vimpat® reached net sales of €133 million with more than 108 000 patients exposed to the product. In 2011, Vimpat® generated net sales of €218 million with more than 171 000 patients prescribed since launch. Available in more than 30 countries, including Europe and in the U.S., as an add-on therapy for the treatment of partial-onset seizures, Vimpat® continues to gain market share and is financially outperforming the historic launch of treatments such as Keppra® and Lamictal (lamotragine) from GSK.

Neupro® (*rotigotine transdermal system*)

The Parkinson's patch, Neupro®, was launched in 2007 for the treatment of the signs and symptoms of early-stage idiopathic Parkinson's disease. UCB recalled Neupro® from the U.S. market in March 2008, after ongoing monitoring revealed a deviation from the approved product specification and crystal formulation in some batches. In April 2012, the FDA approved UCB's new room-temperature-stable formulation of the Parkinson's patch for the treatment to treat the signs and symptoms of early and advanced stage idiopathic Parkinson's disease and moderate-to-severe primary restless legs syndrome. UCB launched Neupro in the U.S. in July 2012.

In Europe, Neupro® is indicated for the treatment of the signs and symptoms of early-stage idiopathic Parkinson's disease as monotherapy, or in combination with levodopa over the course of the disease,

through to late stages as well as for the treatment of restless leg syndrome. A complete cold-chain storage and distribution system successfully implemented by September 2008 has helped control the crystal formation issue and allowed existing patients to continue their therapy. In June 2009 this storage and distribution system was approved by the EU and Neupro® became available again to all patients, including to new patients, in Europe. In August 2012, the new room-temperature-stable formulation of the patch was also approved by the EMA for the EU.

UCB and Otsuka Pharmaceutical jointly develop and commercialise Neupro in Japan. Neupro has received marketing authorisation from Japanese authorities in December 2012.

In 2010, Neupro® had net sales of €82 million, with more than 73 000 patients being treated with the drug. In 2011, Neupro® reached net sales of €95 million with more than 100 000 patients prescribed.

Keppra® (*levetiracetam*)

Despite having lost patent exclusivity in the U.S. and EU, Keppra® is still one of the core products of UCB, indicated for the treatment of certain types of epilepsy. During its period of patent protection it was a key product, with a leading market share in terms of revenue in all key markets. U.S. patent protection for Keppra® expired in November 2008. Exclusivity protection for Keppra® expired in the European Union in September 2010. In Japan, UCB and its partner Otsuka Pharmaceutical successfully launched E Keppra® in September 2010 for adjunctive therapy in partial-onset seizures in adults with epilepsy. E Keppra® enjoys local data exclusivity until July 2018. In 2011, the Keppra® franchise, reached net sales of €966 million. In 2012, the Keppra® franchise reached net sales of €838 million.

Clinical Product Pipeline

Brivaracetam is an anti-epileptic product in development, for which headline Phase 3 efficacy and safety data were seen in April 2009. One efficacy trial and the safety trial met their primary endpoints, but a second efficacy study did not meet its primary endpoint. UCB started in December 2010 the additional Phase 3 study for *brivaracetam* as add-on therapy in partial onset seizures and its first results are expected in H2 2014. A Phase 3 development programme for Vimpat® as monotherapy in partial-onset seizures in the U.S. met its primary endpoint. UCB plans to submit these data as part of its supplemental New Drug Application for lacosamide to the US Food & Drug Administration ("**FDA**"), which is planned in the second half of 2013. A Phase 3 development programme for Vimpat® as monotherapy in partial-onset seizures commenced in the EU at the end of 2010. The Vimpat® Phase 3 trial in primary generalised tonic-clonic seizures is scheduled to start in the first quarter of 2013. The Vimpat® phase 3 program for paediatric adjunctive epilepsy is planned to start in the first half of 2013.

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

(f) Immunology

Summary

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

UCB has a long history of scientific and commercial presence in this field, primarily through its discovery of several generations of anti-histamines for the treatment of allergic rhinitis and chronic

idiopathic urticaria. UCB streamlined its operations to focus on specialist immunology products with a focus on Crohn's disease and rheumatoid arthritis, among others. More recently, pipeline products are targeting disorders such as systemic lupus erythematosus (SLE) and bone loss disorders.

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

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

Bone loss disorders are characterised by a loss of bone density and quality. For osteoporosis, a skeletal disorder, it is estimated that this condition affects 64 million patients in the seven major markets. After a successful phase 2 trial in postmenopausal osteoporosis, a phase 3 trial has started in 2012.

Systemic lupus erythematosus (SLE) is an autoimmune disease of unknown cause causing inflammation and damage to various body tissues. SLE attacks cells and tissue in the body, resulting in inflammation and tissue damage. Symptoms can be mild or serious, and while there is no known cure it can be treated effectively. It is estimated that this condition affects 0.6 million patients in the seven major markets. After a successful phase 2 trial in SLE, a phase 3 trial has started in 2012.

Strategy/Trend

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

Major Products

Cimzia® (*certolizumab pegol*)

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

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

In 2011, Cimzia® for Crohn's disease (CD) and rheumatoid arthritis (RA) reached net sales of €312 million and in 2012 net sales of €467 million.

January 2012, UCB and Astellas announced an agreement to jointly develop and commercialise Cimzia® in Japan. Cimzia® has received marketing authorisation from the Japanese authorities in December 2012.

Product Pipeline

A number of indications are being developed for Cimzia®. In early 2013, UCB has submitted two regulatory filings with the FDA and with the European Medicines Agency (EMA) to extend the marketing authorization for Cimzia® (certolizumab pegol) for the treatment of adult patients with active psoriatic arthritis (PsA) and for adult patients with active axial spondyloarthritis (axSpA). The

regulatory filings for two new indications for certolizumab pegol are now under review by the US FDA and EMA. A clinical study (phase 3) for juvenile idiopathic arthritis is being planned for 2013.

Epratuzumab, licensed from Immunomedics Inc., is in development for the treatment of systemic lupus erythematosus, a chronic autoimmune disease in which the immune system attacks cells and tissues in the body, resulting in inflammation and tissue damage. The course of the disease is highly variable and may flare up sporadically. The cause is unknown. A phase 3 program for *epratuzumab* in systemic lupus erythematosus (SLE) started as planned at the end of 2010.

UCB is also developing products for the treatment of bone loss disorders and osteoporosis. The collaboration with its partner Amgen Inc. to develop romosozumab/CDP7851 ("sclerostin-antibody") is progressing well. The phase 3 program for romosozumab in post-menopausal osteoporosis (PMO) started in April 2012. Another phase 2 trial using the same drug candidate was ongoing in fracture healing; however, UCB and Amgen Inc. have decided not to pursue a phase 3 clinical trial program for CDP7851/AMG785 (*romosozumab*) in acceleration of fracture healing based on the evaluation of available Phase 2 results from accelerated fracture healing studies and general regulatory guidance on fracture healing programmes.

A phase 2b program for olokizumab/CDP6038 (anti-IL 6) being developed for the treatment of moderate to severe rheumatoid arthritis (RA) reported headline results in September 2012. This study met its primary endpoint of demonstrating a significant reduction in the disease activity score at week 12. However, the current data do not suggest sufficient differentiation potential versus tocilizumab. UCB will not progress the program internally into phase 3, and is now exploring options for olokizumab including partnering.

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

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

(g) Primary Care Products

UCB continues to develop and market certain specialist products with which it can be competitive without incurring high distribution and sales costs. With this in mind, although UCB no longer focuses on allergy, anti-histamine and other primary care products as described below and has exited primary care markets in the U.S., certain European countries and Japan, these products continue to produce significant revenue and profitability for UCB.

Zyrtec® (cetirizine)

Zyrtec® is an antihistamine used to treat the symptoms of seasonal allergic rhinitis, perennial allergic rhinitis and chronic idiopathic urticaria. While Zyrtec® had been a key product in establishing and sustaining UCB, patent protection in the U.S. expired in December 2007. In 2010, Zyrtec®, (including Zyrtec®-D/Cirrus®) had net sales of €229 million. In 2011, net sales reached €260 million, of which € 159 million were in Japan.

Xyzal® *levocetirizine*

Xyzal® is an allergy treatment indicated for the symptomatic treatment of allergic rhinitis, including persistent allergic rhinitis and urticaria in adults and children over six months. In Europe, Xyzal® was first launched in Germany and the UK in 2001 and is now available across the EU. Xyzal® continues to perform well, however registration of various generic versions of *levocetirizine* and successful

attacks in certain countries on the patent covering its key indications is likely to result in further decline in net sales. Xyzal® in Japan was licensed in full to GlaxoSmithKline K.K. in 2008 and launched by GSK in December 2010.

In 2010, Xyzal® reached net sales of €115 million. In 2011, Xyzal® reached net sales of €108 million.

Other

There are a number of other products which are part of UCB's portfolio, including (but not limited to) Venlafaxine XR, to treat major depressive and social anxiety disorders, Tussionex™ (hydrocodone polistirex and chlorpheniramine polistirex), Nootropil® (piracetam), for cognitive disorders and vertigo, Omeprazole, a generic product for hyperacidity disease, and Metadate™ CD (methylphenidate HCI), for attention deficit and hyperactivity disorder. Patent protection for all these products has expired. It is likely that there will be continuous decline of net sales of these products.

(h) Manufacturing and supply of raw materials

The products of UCB are manufactured by a combination of internal manufacturing and outsourced manufacturing. Like all pharmaceutical companies, the UCB Group is always examining ways of furthering the outsourcing capabilities of manufacturing and/or supply. Both the active pharmaceutical ingredient ("API") manufacturing and pharmaceutical manufacturing have been outsourced in part. Internal API manufacturing is located in Braine l'Alleud (Belgium), Shannon (Ireland), Bulle (Switzerland) and Zhuhai (China). Pharmaceutical operations and packaging for most of the products of UCB takes place in various manufacturing sites located in Braine l'Alleud (Belgium), Rochester (United States), Bulle (Switzerland), Saitama (Japan) and Zhuhai (China). The manufacturing sites in Rochester and Bulle and most of the site in Braine l'Alleud are owned by UCB; two buildings for research and development purposes in Braine l'Alleud are leased, together with the UCB Group headquarters in Brussels. In 2010, the pharmaceutical production and packaging on Monheim (Germany), Pianezza (Italy) and Zwickau (Germany) were sold to Aesica Pharmaceuticals GmbH and Aesica Pharmaceuticals Srl. UCB regularly reviews the sourcing of its products and will continue to do so in the foreseeable future.

The manufacturing of Cimzia® has been outsourced to toll manufacturers. Currently, Cimzia® is manufactured by Sandoz GmbH pursuant to the terms of a development and manufacturing agreement between Celltech Group plc and Sandoz GmbH, formerly Biochemie GmbH, with Vetter Pharma-Fertigung GmbH & Co.KG manufacturing and supplying Cimzia® pre-filled syringes. The manufacturing of Cimzia® is also outsourced to Lonza Limited and a production site, owned by UCB is under construction in Bulle (Switzerland) and is expected to be operational in 2015/2017. For a more detailed description of the manufacturing agreements with Sandoz GmbH and Lonza Limited see Part 15 "Key Contracts and Partnerships" of this description of UCB.

The API for Neupro® is manufactured by Cambrex Karlskoga AB and soon internally as well (by UCB Shannon in 2014). LTS Lohmann Therapie-Systeme AG supplies the patches. The packaging of the product takes place at Aesica and LTS (two contractors). The API for Vimpat® is manufactured at Chemtech Leuna GmbH (Germany) and Siegfried (Switzerland) (and soon internally at Braine in 2014)) and is finished in-house and by Aesica in Germany. Keppra® is manufactured at three different locations, one of which is outsourced. Products licensed to UCB by its commercial partners, such as Xyrem® from Jazz Pharmaceuticals, are manufactured by the respective licensor and subsequently supplied to the UCB Group.

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

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

With respect to its supply chain, UCB relies on forecasts from its commercial operations which are converted into supply, manufacturing and purchasing plans. The UCB Group uses various suppliers for the raw materials required to manufacture its products. These raw materials are mainly solvents or other readily available raw materials. UCB does not depend on a single supplier or site for any of its key raw materials, except with respect to Cimzia® for which the PEG component is produced and supplied by Nektar AL Corporation. Internal manufacturing of PEG will be established in Braine by 2015. For a more detailed description of the supply agreements of UCB see Part 15 "Key Contracts and Partnerships" of this description of UCB.

(i) Markets and Distribution

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

7 Geographic Segments/Principal Markets

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

UCB currently has sales and marketing affiliates as well as manufacturing plants in North America, Europe and Asia. In the financial year 2011, North America represented 33 per cent., Europe represented 49 per cent., Japan 7 per cent., Asia 6 per cent. and the rest of the world represented 5 per cent. of the total net sales. The seven countries with the largest pharmaceutical markets in the world (United States, Japan, Germany, France, Italy, United Kingdom and Spain) account for approx. 70 per cent. of the total net sales of UCB and constitute the core of the business activities of the UCB Group, from a revenue and profitability standpoint.

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

The following table sets forth the net sales of the UCB Group by core product and region in the financial years ending 31 December 2011 and 31 December 2012:

NET SALES FOR MAIN PRODUCTS BY REGION

	2012	2011
	(€ million)	
North America		
Core products		
Cimzia®	321	226
Vimpat®	251	158
Neupro®	15	0
Other products		
Keppra® (including Keppra® XR)	236	228
venlafaxine XR	39	47
Tussionex™	34	44
Other products	275	240
Net Sales North America	1,171	943
Europe		
Core products		
Cimzia®	133	81
Vimpat®	76	57
Neupro®	114	94
Other products		
Zyrtec® (including Cirrus™)	57	61
Keppra®	451	630
Xyzal®	48	64
Nootropil®	33	38
Other products	363	378
Net Sales Europe	1,275	1,403
Rest of World		
Core products		
Cimzia®	13	5
Vimpat®	7	3
Neupro®	4	2
Other products		
Zyrtec® (including Cirrus™)	184	191
Keppra®	152	108

	2012	2011
	(€ million)	
Xyzal®	80	43
Nootropil®	30	31
Other products	158	132
Net Sales Rest of World	628	515
Unallocated	-4	15
Total Net Sales	3,070	2,876

Revenue in 2012 increased by 7% to € 3 462 million. Net sales went up by 7% due to the solid performance of the three core products Cimzia®, Vimpat® and Neupro®, strong Keppra® sales in Europe, partially offset by the generic competition to the mature product portfolio.

Cimzia® (certolizumab pegol) for Crohn's disease (CD) and rheumatoid arthritis (RA), reached net sales of €467 million (+50%). This performance was driven by North America net sales up by 42% to EUR 321 million, while net sales in Europe increased by 63% to EUR 133 million. The anti-epileptic drug, Vimpat® (lacosamide) reached net sales of EUR 334 million (+53%) with net sales in North America of EUR 251 million (+58%) and EUR 76 million (+33%) in Europe. The Neupro® (rotigotine) patch for Parkinson's and RLS had net sales increasing by 40% to EUR 133 million.

The anti-epileptic drug Keppra® (levetiracetam) reached net sales of EUR 838 million which is 13% lower than last year. Zyrtec® (cetirizine), for allergy, had lower net sales of 4% to EUR 249 million. Xyzal® (levocetirizine), for allergy, reached net sales of EUR 128 million (+19%). Tussionex™ (hydrocodone polistirex and chlorpheniramine polistirex) made net sales of EUR 34 million due to generic competition. Metadate™ CD (methylphenidate HCI), for attention deficit and hyperactivity disorder, achieved net sales of EUR 65 million (+5%).

8 Research and Development

(a) Introduction

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

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

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

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

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

(e) two main development teams located at Monheim (Germany) and Raleigh RTP (US

(f) a focus on molecules in development for the treatment of epilepsy, Parkinson's disease, restless legs syndrome, Crohn's disease, rheumatoid arthritis and other inflammatory arthritic diseases,

bone loss diseases, systemic lupus erythematosus, psoriasis and other severe CNS and autoimmune diseases; and

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

(b) Discovery Technologies

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

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

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

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

NCE Technologies

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

NBE Technologies

UCB proprietary Antibody Discovery Technology enables the UCB Group to isolate rare, high-affinity, functionally-active antibodies with speed and precision, reducing the time it takes to identify these antibodies from six months to approximately eight weeks. This licensed technology has enabled UCB to identify such antibodies and to develop them for specific requirements from a wide range of species. UCB is constantly endeavouring to improve its Antibody Discovery and Development platforms by developing novel antibody fragment structures which prolong the duration of action of the biological molecule once administered, leading to a further edge by enabling it to prolong the therapeutic activity of the fragment of antibody, leading to less frequent, more convenient dosing.

(c) Therapeutic Focus: Research Areas

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

Central Nervous System

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

UCB established a leading scientific platform for the therapy and treatment of epilepsy with the development and production of Keppra®, followed by the approval of Vimpat® in 2008. UCB is continuing to develop new molecules for the treatment of epilepsy, with first Phase 3 results with *brivaracetam* in the indication 'Partial Onset Seizures' for adults with epilepsy expected in H2 2014. *Brivaracetam* is a broad-spectrum anti-epileptic product in development which has a distinct pharmacological profile that distinguishes it from other currently available treatment options, demonstrating a 10-fold higher affinity for synaptic vesicle protein 2A (SV2A) than Keppra®. The clinical significance of these findings is not known. *Brivaracetam* also demonstrated inhibitory activity at neuronal voltage-dependent sodium channels whose abnormal function is understood to contribute to electrical discharges associated with seizures. These differences may be important for the antiepileptic activity of *brivaracetam*, its clinical efficacy and its tolerability. *Brivaracetam* is protected by a composition of matter patent until at least 2021.

Vimpat® continues to be developed as a monotherapy for epilepsy (indication: Partial Onset Seizures) in the U.S., where the Phase 3 study met its primary endpoint demonstrating that the exit rate for patients on lacosamide (400 mg/day) was significantly lower than the historical control. UCB plans to submit these data as part of its supplemental New Drug Application for lacosamide to the FDA, which is planned in the second half of 2013. A monotherapy study designed to fulfil the regulatory requirements of the European Medicines Agency was initiated in 2010 and results are expected in Q4 2014. Vimpat® is also in development as an adjunctive epilepsy therapy for primary generalised tonic-clonic seizures. Phase 3 in this indication is planned to be initiated in 2013. Vimpat® is also being tested in the U.S. for paediatric use in partial-onset seizures, with a Phase 3 to start in 2013. Finally, in November 2012, UCB started a new phase 3 clinical trial of Vimpat® in Asia as adjunctive therapy in adult patients with partial-onset seizures. Initial results from this phase 3 study are expected in the first half of 2015.

UCB and Biotie Therapies also announced 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 3 development of *tozadenant* in return for additional payments from UCB relating to defined development, regulatory and commercialisation milestones.

Immunology

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

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

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

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

A treatment for systemic lupus erythematosus, epratuzumab (humanised anti-CD22 antibody), started the Phase 3 in December 2010 with key results expected in 2014. UCB is responsible for the global development of epratuzumab in autoimmune diseases as part of the license agreement in place between the molecule's originator, Immunomedics Inc., a U.S. based biotechnology company, and UCB.

UCB is also developing in collaboration with Amgen Inc. romosozumab/CDP7851 (anti-sclerostin monoclonal antibody), an anabolic therapy for bone loss disorders. Following encouraging phase 2 results, UCB and Amgen Inc. initiated in 2012 a Phase 3 program in postmenopausal osteoporosis, which is expected to report first results by the end of 2015. A phase 2 study in fracture healing had been initiated but UCB and Amgen Inc. have decided to not pursue a phase 3 clinical programme for CDP7851/AMG785 (romosozumab) in acceleration of fracture healing.

In addition, UCB's CDP7657 (antiCD40L, in collaboration with Biogen Idec) is in Phase 1 for the treatment of systemic lupus erythematosus.

Expanding its pipeline, UCB also initiated a phase 1 study to assess the new mechanism of action UCB4940, as a new option for the treatment of immunological diseases.

(d) Clinical Development Pipeline

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

Product	**Indication**	**Phase 1**	**Phase 2**	**Phase 3**	**Regulatory Status**
CNS					
Neupro® (*rotigotine*)	Advanced Parkinson's disease (U.S.)				approved and launched 2012
Neupro® (*rotigotine*)	Restless leg syndrome (U.S.)				approved and launched 2012
Neupro® (*rotigotine*)	Parkinson's disease (Japan)				approved on 25 December 2012

Neupro® (*rotigotine*)	Restless leg syndrome (Japan)				approved on 25 December 2012
brivaracetam	Epilepsy – adjunctive therapy			First results H2 2014	
Vimpat® (*lacosamide*)	Epilepsy – monotherapy (U.S.)			Positive results announced on 5/3/2013	FDA submission expected for H2 2013
Vimpat® (*lacosamide*)	Epilepsy – monotherapy (EU)			First results Q4 2014	
Vimpat® (*lacosamide*)	Epilepsy – paediatric adj. therapy			To start H1 2013	
Vimpat® (*lacosamide*)	Epilepsy – adj. therapy PGTCS			To start Q1 2013	
Vimpat® (*lacosamide*)	Adjunctive therapy (partial-onset seizures) Asia			First results H1 2015	
Tozadenant	Parkinson's disease			First results H1 2015	
Immunology					
Cimzia® (*certolizumab pegol*)	Rheumatoid arthritis (Japan)				approved on 25 December 2012
Cimzia® (*certolizumab pegol*)	Psoriatic arthitis				filing February 2013
Cimzia® (*certolizumab pegol*)	axial spondyloarthis				filing February 2013
Cimzia® (*certolizumab pegol*)	Juvenile idiopathic arthitis			First results H2 2014	
eprazatuzumab	Systemic lupus erythematosus (SLE)			First results H1 2014	
romosozumab	Post-menopausal osteoporosis			First results end 2015	
CDP7657 (*anti-CD40L*)	SLE				

UCB4940	Immunology				

(e) Research Sites

UCB has structured its drug discovery capabilities into two Centres of Excellence, each focusing on specific therapeutic areas. These include: immunology (Slough, United Kingdom) and CNS disorders (Braine l'Alleud, Belgium). At the site in Slough, UCB also established its "UCB NewMedicines™ Centre for Collaborative Research" which concentrates on NBE technologies for immunology. The UCB Biologics Research and Development Centre is located in the UK, providing a state of the art facility for the discovery and early development of antibodies. In Belgium, UCB has also invested in a pilot biotechnology plant with the support of the Walloon regional government. The plant was opened in September 2012; the new plant is currently undergoing a validation phase, which is being carried out alongside the regulatory authorities, and it will become fully operational during the course of 2013.

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

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. It is UCB's aim to expand its global drug development activities, including in Asia. These partnerships represent long-term commitments to an outsourcing model focused on maximising the effectiveness of each participant's resources in clinical development. The strategic partnerships with PAREXEL and PRA will improve efficiency and cost effectiveness, as well as increase opportunity for innovation, collaboration, and the continuous improvement of quality and services – helping UCB to deliver new medicines to patients worldwide. PAREXEL and PRA will essentially become integrated parts of UCB's development teams.

(f) Partnerships

UCB has a strategy of partnering to complement its skills and to maximise the potential of its products.

The UCB Group currently has a range of partnerships, including more than 80 research partnerships with a variety of academic institutions and a number of industrial partnerships and collaborations. These partnerships range from research collaborations to joint discovery, development and commercialisation agreements and commercial partnerships with a wide range of small to large companies. For a more detailed description of the research partnerships see Part 15, "Key Contracts and Partnerships" of this description of UCB.

(g) Investment in research and development

UCB intends to maintain its record of significant investment in research and development though both UCB NewMedicines™ and Biopharma Development Solutions in the future, both by way of direct investment and partnership opportunities.

9 Investments

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

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

1n 2012, the new pilot biotechnology plant at its Braine-L'Alleud site in Belgium was inaugurated. The entire biotechnology pilot plant will focus on developing UCB's molecules in the research and clinical trial phases. The new plant is currently undergoing a validation phase, which is being carried out alongside the regulatory authorities, and it will become fully operational during the course of 2013.

UCB has initiated a project to build in-house biotech microbial manufacturing capacity in Bulle, Switzerland to secure commercial demand for its core product Cimzia® (certoluzimab pegol). The first phase of the new manufacturing unit should be operational in 2015 and a potential second phase may be operation in 2017, and requires an estimated investment of EUR 250 million in total.

10 Employees

On 31 December 2012 the UCB Group employed a total of 9,048 individuals. The geographic breakdown of employees as at 31 December 2012 is set out below.

Geographic Area	Number of Employees
France, Germany, Italy, Spain and United Kingdom	1,726
Belgium	1,950
Other EU	610
Asia-Pacific-Australia	1,670
North America	2,036
Rest of the World	1,056
Total	9,048

11 Competition

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

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

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

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

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

Certain of the products of UCB face substantial competition from products developed, manufactured and marketed by large pharmaceutical companies which may have greater clinical, research, regulatory, manufacturing, sales, marketing, financial and human resources than the UCB Group. Such competitive pressures can prevent UCB's products from becoming established and achieving optimal market penetration.

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

12 Intellectual Property

In order to fortify its position and to offer to its patients treatments which are able to improve their health and qualify 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).

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

[1] 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.

13 Governmental Regulation

The business activities of the UCB Group are subject to significant governmental regulation. A system of marketing authorisations ensures that all medicinal products are assessed by a competent authority to ensure compliance with contemporary requirements of safety, quality and efficacy. The distribution and marketing of its products is subject to supervision and control by various competent authorities and its manufacturing must comply with applicable health, safety and environmental regulations. Applicable regulations are typically of a national scope, although within the EU a considerable degree of harmonisation exists. The European Union has created a common regulatory framework that applies in every EU member state (and that sometimes allows EU member states to adopt more detailed and more stringent regulations), and has indirect harmonising effects in certain other European countries. Review and approval of medicinal products such as those generated at the UCB Group is handled by the EMA in a centralised procedure which, in the event of a positive outcome, results in approval for the product in all EU countries. In the United States such regulatory review is handled by the FDA.

(a) Product approval

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

Development of New Products

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

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

Clinical testing prior to filing for a marketing license is usually done in three phases ("Phase I, II and III"). This clinical development program can eventually be followed by a Phase IV study programme

which is performed after marketing approval has been obtained. The size and the duration of clinical trials depend very much on the targeted disease. Typically, several hundred to several thousand patients have to be treated successfully under the highly controlled conditions of clinical trials before the sponsoring pharmaceutical company can apply for marketing authorisation. The duration of trials, production of Investigational Medicinal Products ("IMP") and the vast amount of data that must be collected and evaluated makes clinical testing the most time-consuming and expensive part of new drug development.

Marketing Approval for New Products

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

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

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

In the EU, the authorities are expected to carry out the scientific and medical review of a marketing authorisation application within 210 days following receipt of a complete application. For certain high-priority products which are submitted for review under the centralised procedure at the EMA, the time period may be reduced to 150 days. These time periods do not include delays during which the sponsoring company has to respond to numerous detailed questions regarding the product raised by the authorities. Average review times in the EU are 14-16 months.

In the United States, the FDA is expected to take action on an application for a non-priority drug within 10 months of filing the registration dossier. At the end of the review cycle, FDA may approve the application or issue a complete response letter, which sets out reasons why the application has not been approved and identifies information needed to correct deficiencies. For priority drugs, the expected review time is six months, although the FDA often fails to meet that deadline. Average total review times in the U.S. are 18-21 months.

The EU, US and the Japan have agreed on a series of guidance documents to harmonise many aspects of the drug testing process and the content of marketing applications through the work of the International Conference on Harmonization ("**ICH**"). There is, however, no procedure for mutual recognition of approval decisions among the ICH member countries, and participating countries often reach different decisions on specific issues relating to the approval of drug products.

Once the EMA, the FDA or the regulatory agency in another country have approved the marketing application, the new pharmaceutical drug becomes available for sale in the relevant jurisdiction. The marketing authorisation may be granted for an unlimited term or be subject to renewal. In the

European Union marketing approval is granted for an initial period of five years. Following the expiration of this five year period, the EMA will decide whether to renew the marketing approval for an indefinite term. In many countries approval is followed by intense and lengthy submissions to and negotiations with panels such as pricing and reimbursement authorities, health technology assessment bodies and committees granting approvals to formularies before the product can be made available for sale.

Pharmacovigilance

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

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

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

Marketing of Products

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

(b) Manufacturing

UCB maintains high standards of Quality Risk Management in the development, manufacture and control of medicinal products.

A system of manufacturing authorisations ensures that all medicinal products are manufactured or imported only by authorised manufacturers, whose activities are regularly inspected by the competent authorities, using Quality Risk Management principles. Manufacturing authorisations are required by all pharmaceutical manufacturers in the European Union whether the products are sold within or outside of the Union. In many jurisdictions, manufacturing facilities must hold government approvals, and they are subject to inspection in all jurisdictions. Manufacturing quality requirements apply not only to UCB Group facilities but also to contract manufacturers and certain other suppliers.

The manufacturing of UCB's medicinal products is performed in accordance with Good Manufacturing Practices ("**GMP**") to ensure products are consistently produced and controlled to the quality standards appropriate to their intended use and as required by the marketing authorisation or product specification. It is subject to extensive governmental regulations which address quality management, production and quality control.

(c) Pricing

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

Even though the UCB Group cannot predict with certainty the future governmental or private healthcare insurance interventions on the pricing and reimbursement of pharmaceutical products, such interventions may include the increase of price controls and restrictions in use, the inclusion of patent protected drugs in a fixed price system by therapeutic area and legislation permitting or requiring a pharmacist to substitute a prescribed pharmaceutical product with other versions thereof, including generic products. Many countries now employ some form of health technology assessment, which evaluates competing drug products in terms of their cost-effectiveness and other economic factors. These interventions could have significantly adverse consequences for the pharmaceutical industry, including the business activities of the UCB Group.

14 Health, Safety and Environmental Regulations

Although there is a significant process of harmonising health, safety and environmental regulations among the member states of the EU and in some cases globally, regulations vary across the countries in which the UCB Group operates. The UCB Group's goal is to be in compliance with all applicable health, safety and environmental requirements and to make sure it provides workplaces for employees that are safe. The UCB Group monitors and evaluates all environmental legal initiatives and laws regarding their potential impact on its current and past activities in order to develop and implement appropriate action plans in a timely and effective manner. The UCB Group expects that it will continue to be subject to stringent health, safety and environmental regulations. Although the UCB Group cannot predict future expenditures, it believes that current spending trends will continue.

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

- emissions into the air;
- discharges of waste water;
- incidental and other releases into the environment;

- generation, handling, storage, transportation, treatment and disposal of hazardous and non-hazardous materials; and
- construction and operation of facilities.

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

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

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

The UCB Group believes that it is in substantial compliance with applicable health, safety and environmental laws and regulations. The UCB Group is concerned about the health and safety of its employees and the protection of the public health and environment. While its compliance to health, safety and environmental laws and regulations has not adversely affected the competitive position or business of the UCB Group, it cannot predict the impact of possible future regulations.

15 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 per cent.

Harris FRC

In December 1999, Harris FRC and the UCB Group entered into a license agreement and a trademark license agreement. Under such agreements, the UCB Group has been granted exclusive rights for Vimpat® worldwide (excluding worldwide veterinary uses), and for the trademark Vimpat®, which were expanded in 2010 to include Japan. Concurrently, the parties also entered into a development agreement which expires with the last to expire licensed patent. The product is already launched by the UCB Group in numerous countries for certain epilepsy related indications. The license agreement expires concurrently with the expiry of the last to expire licensed patent. The trademark license agreement expires, on a country-by-country basis, 25 years after launch of the product.

Jazz Pharmaceuticals

In June 2006, Jazz Pharmaceuticals granted UCB Pharma Limited an exclusive license to distribute any of its products containing sodium oxybate as an active ingredient under the trademark Xyrem® in most European and certain other countries for the treatment of narcolepsy. In October 2006, the parties extended the license to additional countries and to the 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 PEGlyated antibody fragments, (ii) an agreement allowing Nektar to evaluate a UCB Group antibody; and (iii) an agreement to transfer the technology for the PEG manufacturing process to allow the UCB Group to manufacture PEG for three of the UCB Group's PEGlyated antibody fragments.

Novartis Pharma GmbH

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

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

Osmotica Pharmaceutical Corp.

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

Otsuka Pharmaceutical Company Limited

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

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

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

remains in force unless terminated by the UCB Group ceasing to develop or commercialise epratuzumab. Discussions have taken place over the last several months between the parties to resolve differences concerning certain aspects of the development program for epratuzumab, the product licensed from Immunomedics. These discussions are continuing in an attempt to resolve differences.

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.

Millennium Pharmaceuticals, Inc.

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

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.
- *Inogent Laboratories Pvt. Ltd.:* Inogent 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.
- *Neuroallianze-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 2 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 3 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.

16 Legal Proceedings

The companies of the UCB Group are involved in a number of legal proceedings. As a result of its global pharmaceutical operations, the companies of the UCB Group may in the ordinary course of their business become involved in proceedings relating to, for example, such matters as: product liability, commercial disputes, price reporting, 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®)

In December 2001, Wyeth sold certain rights associated with brand name Reglan® tablets to Schwarz Pharma, Inc., which Schwarz Pharma, Inc. thereafter manufactured and distributed until 2008. As of 25 October 2012, Schwarz Pharma, Inc. has been named as a defendant in 5,545 active metoclopramide cases in various jurisdictions across the United States. Of the 5,545 active cases, 2,106 cases are in the State of Pennsylvania where a mass tort program was certified. There are also coordinated proceedings in New Jersey (801 cases) and California (2,480 cases). Generally, these lawsuits have alleged that Schwarz Pharma, Inc., Wyeth and/or those companies that manufacture generic metoclopramide (an FDA-approved prescription drug used to treat gastroesophageal reflux disease and the active ingredient in Reglan®) failed to adequately warn about the "true" risk of side effects associated with the use of Reglan®, including: (a) that therapy with Reglan® for more than 12 weeks is unsafe; and (b) that the risk of developing tardive dyskinesia is far greater than as represented in the drug's labelling information. Few of the cases involved the ingestion of the Reglan® product itself, but rather involved generic metoclopramide. The issue of whether a brand manufacturer is liable for injuries caused by another company's generic product is the subject of litigation in various federal and state jurisdictions following the decision of the United States Supreme Court in 2011 in the Mensing case. The outcome of those litigations on this issue will likely have a material effect on results of many of the Schwarz Pharma Inc. cases. As of the date hereof, Schwarz Pharma, Inc. has not gone to trial on any of these cases and has been dismissed on Summary Judgment in approximately 40 cases.

(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.

(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 organised 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. The case is presently in discovery and trial is set for April 2013.

(i) Omeprazole Litigation

AaiPharma, a generic company, has filed a patent infringement suit against Kremers Urban for sale of its generic omeprazole product. The suit has been pending for more than 10 years, but following denial of various summary judgment motions is now moving forward. Discovery is completed and trial is currently expected to take place prior to the end of 2013.

(j) 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.

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

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

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

(l) 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 their 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.

(m) 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 €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.

17 Management and Corporate Governance

(a) Board of Directors

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:

Name	Position	Year First Appointed at current specific position	Year First Appointed as Board member	Up for Election in
Gerhard N. Mayr	Chairman of the Board	2012	2005	2015
Countess Evelyn du Monceau[3]	Vice Chair of the Board	2006	1984	2015
Roch Doliveux[1]	Executive Director	2004	2004	2013
Albrecht De Graeve[2]	Independent Director		2010	2013
Count Arnoud de Pret Roose de Calesberg[3]	Director		2005	2015
Harriet Edelman[2]	Independent Director		2012	2016
Dr Peter Fellner[2]	Independent Director		2005	2013
Charles-Antoine Janssen	Director		2012	2016
Dr Jean-Pierre Kinet[2]	Independent Director		2008	2015
Sir Tom McKillop[2]	Independent Director		2009	2016
Norman J-Ornstein[2]	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.

A native of Austria, *Gerhard Mayr* received a master's degree in chemical engineering from the Swiss Federal Institute of Technology (Zurich, Switzerland) in 1969, and a master of business administration degree from Stanford University in 1972. In March 2004, he retired as executive vice president of pharmaceutical operations at Eli Lilly & Company after 32 years of service. He had been responsible for global pharmaceutical operations and sales and marketing worldwide at Lilly – a leading innovation-driven corporation. Gerhard Mayr is a Member of the Board of Lonza Group Ltd (since 2006)., a member of the board of the Vienna Science, Research and Technology Foundation (since 2002) and a member of the board of Project Hope, USA (since 2002). He is a member of the circle of patrons of INSEAD Business School (since 2000).

Married and mother of three children, *Evelyn du Monceau* has graduated in Applied Economics from the Catholic University of Louvain UCL in Belgium. She followed courses in International Relations at the Kennedy School of Harvard University and in Soil Science, Animal Science and Zoology at the Agricultural and Technical College of Farmingdale (N.Y.). Evelyn du Monceau is a member of the Board of UCB since 1984 and has been elected Vice-Chair of the Board since 2006. She also is Chair of the Remuneration and Nomination Committee since 2006. She is a member of the Board of Directors of Financière de Tubize and member of the Board of Solvay S.A. She is a Member of the Nomination and of the Remuneration Committees of Solvay S.A. and a member of the Commission Corporate Governance.

Doctor in Veterinarian Medicine from Maisons-Alfort (France), *Roch Doliveux* is also Laureate of the Faculty of Medicine, Créteil, and holds an MBA from INSEAD (France) with distinction. He joined the pharmaceutical industry early, first at Ciba-Geigy (now Novartis) in Switzerland, in Peru and in France, and then at Schering-Plough Corporation in various positions, including President of Schering-Plough International. Then, Roch Doliveux joined the Pierre Fabre group as Chief Executive Officer of Pierre Fabre Pharmaceuticals. Roch Doliveux joined UCB in October 2003 as Director General of the Pharma Sector and Deputy Chairman of the Executive Committee. He became CEO and Chairman of the Executive Committee of UCB on January 1, 2005. He is a member of the Board of Directors of UCB, a member of the Board of Stryker Corporation in the US, as well as a member of the Board of the European Federation of Pharmaceutical Association (EFPIA), the Innovative Medicines Initiative (IMI) which is a public-private partnership between the European Union and EFPIA, WELBIO (Walloon Institute for Life Lead Sciences), the INSEAD International Council and Chairman of the Caring Entrepreneurship Fund (King Baudouin Foundation). Roch Doliveux was awarded the Doctor Honoris Causa degree of the University of Liège (Belgium) in October 2011.

Bert De Graeve (1955) is CEO of the Bekaert Group since May 2006. From 2002 until May 2006 he was Chief Financial and Administration Officer and General Secretary of the Bekaert group. He started his career in 1980 with Arthur Andersen & Co and joined Alcatel Bell in 1982. In 1991 he became

General Manager Shanghai Bell Telephone Equipment Mfg. Cy in Shanghai. In 1994 he was appointed Vice President, Director Operations, Alcatel Trade International and later Director International Affairs, Alcatel Alsthom in Paris. In 1996 he became Managing Director of the Flemish Public Radio & TV Broadcaster (VRT). Bert De Graeve holds a Master in Law from the University of Ghent (1980), studied Financial Management at IPO (Antwerp) and became Master in Tax Management at VLEKHO (Brussels). Bert De Graeve is Member of the International Business Leaders' Advisory Council for the Mayor of Shanghai (IBLAC), President of the Flanders-China Chamber of Commerce, Member of the Advisory Board of the Conference Board China Center for Economics and Business in Beijing, Member of the Board of Directors of UCB and Member of the Board of the Concours Reine Elisabeth.

Count Arnoud de Pret (1944), Director, Chairman of the Audit Committee, consultant. Commercial Engineer from UCL (Louvain). He started his career as Credit Officer with Morgan Guaranty Trust of New-York (Brussels and Antwerp) in 1971. He became Treasurer and Corporate Finance Manager of Cockerill (Liège) in 1978. He joined UCB (Brussels) in 1981 as Chief Financial Officer and Member of the Executive Committee. He became in 1990, Treasurer and Corporate Finance Manager at Société Générale de Belgique before joining Umicore in 1991 as Chief Financial Officer and Member of the Management Committee until May 2000. He is member of the Boards of Lesaffre & Cie, Silbelco, Umicore and l'Intégrale and of the Supervisory Board of NYSE Euronext. Count Arnoud de Pret is Chairman or Member of the Audit Committees of Umicore, Sibelco and NYSE Euronext b.v. and Chairman or Member of the Finance Committees of l'Intégrale and Lesaffre & Cie.

Harriet Edelman is currently Vice Chairman of Emigrant Bank, the largest privately held bank in the United States. She has responsibility for Finance Operations and Information Technology for New York Private Bank & Trust and its operating bank, Emigrant Bank. Harriet has been with the bank since 2008 and, prior to that, was employed at Avon Products, Inc., a leading global beauty company with over $10 billion in annual revenue. Harriet held a number of leadership roles at Avon Products throughout her career, including Senior Vice President & Chief Information Officer, Senior Vice President, Global Supply Chain and numerous prior executive positions in Marketing, Sales and Customer Service. Harriet serves as a director of Brinker International, Inc., an owner, operator and franchisor of restaurants, and Ariba, Inc., a provider of supply chain procurement and spend management solutions. She also serves on the Board of Trustees of Bucknell University and the New York Blood Center. Harriet holds a Bachelor degree from Bucknell University and a Master of Business Administration from Fordham University.

Peter Fellner (°1943) who is British, is currently Chairman of the medical device companies Consort Medical Plc and Optos Plc, and of the biotechnology company, Biotie Therapies Corp. He has also served as Chairman of the U.K. biotechnology company Vernalis plc since April 2003. He is Vice-Chairman of the US biotechnology company Astex Pharmaceuticals Inc. and serves as a member of the Novo A/S Advisory Group. He was previously Chairman of the life science companies Acambis plc and of Premier Research Group plc, until each was acquired during 2008. He was Chairman of Celltech Group plc, having previously served as its Chief Executive Officer from 1990 to 2003. He oversaw its development into the U.K.'s largest biotechnology company, and a FTSE 100 constituent, until its acquisition by UCB in 2004. Before Celltech he was he was Director of the Roche U.K. Research Centre from 1984 to 1986 then Chief Executive Officer of Roche UK, from 1986 to 1990.

Charles-Antoine Janssen joined UCB in 2001 where he held several management positions at global and local levels. Among other responsibilities he was head of Business Development, General Manager of Austria and India, and most recently managed International Major Markets Operations. Prior to UCB, Charles-Antoine worked for Merrill Lynch in London from 1996-2000 where he was Vice-President Equities Research then Vice-President New Derivatives Europe. He holds a bachelor of

Laws degree from Brussels University (ULB) and an AMP from Harvard Business School. Today Charles-Antoine Janssen teaches social entrepreneurship and sustainable development at the Solvay Brussels School of Management and Economics, Brussels University (ULB). Over the years, Charles-Antoine has volunteered with several non-profit organisations and launched various societal wealth creation initiatives.

Dr. Jean-Pierre Kinet has been a Director of UCB SA since April 24, 2008. He has been Professor of Pathology at Harvard Medical School since 1995, and the Director of the Division of Allergy and Immunology at the Beth Israel Deaconess Medical Center since 2000. He served as Head of the Molecular Allergy and Immunology section of the National Institute of Allergy and Infectious Diseases at the National Institutes of Health from 1989 to 1995. Dr. Kinet is best known for his work on cellular receptors and cell signaling, having authored over 170 publications in the field. He is a former practicing physician and earned his medical degree from the University of Liège. He holds 13 issued patents and is a founder and Board member of AB Science and a number of other biopharmaceutical companies.

Tom McKillop was born in Ayrshire, Scotland in 1943 and educated at Irvine Royal Academy, Glasgow University and Centre de Mecanique Ondulatoire Appliquee (Paris). He joined ICI's Corporate Research Laboratory at Runcorn in 1969 and his research interests ranged from synthetic chemistry to quantum mechanics and molecular biology. In 1975 he moved to ICI Pharmaceuticals Division and held a number of increasingly senior Research and Development positions until his appointment in1989 as Technical Director and Deputy Chairman of ICI Pharmaceuticals, a role in which he had global responsibility for Research, Development, Medical and Production. In 1994, he was appointed Chief Executive Officer of Zeneca Pharmaceuticals – Zeneca having demerged from ICI in 1993 – and, on completion of the merger of Astra and Zeneca in April 1999, he became Chief Executive of AstraZeneca PLC, a position he held until retiring on 31 December 2005. His wider industry activities included periods as Chairman of the British Pharma Group, President of the European Federation of Pharmaceutical Industries and Associations, Chairman of the Pharmaceutical Industry Task Force, and as a member of The European Round Table of Industrialists and the European Financial Round Table. Currently Sir Tom was president of The Science Council from 2007 -2011 and is currently a non-executive director of Almirall SA, Evolva Holding SA and Theravectys SAS. He has previously served as Chairman of the Royal Bank of Scotland, and as a non-executive director of BP plc, Amersham International plc (now GE Healthcare) and Lloyds TSB plc. During his career Sir Tom has received many scholarly awards and fellowships and was knighted in 2002 for services to the pharmaceutical industry.

Norman J. Ornstein is a resident scholar at the American Enterprise Institute for Public Policy Research based in Washington D.C., USA. He serves as senior counsellor to the Continuity of Government Commission and as election analyst for CBS News. He writes in several US newspapers and other major publications related to US politics. Mr. Ornstein has a B.A. from the University of Minnesota, from which he also received an honorary Doctor of Laws degree, and a M.A. and PhD from the University of Michigan. He served as a member of the Board of Public Broadcasting Service (PBS) and is currently on the Board of Directors of the Campaign Legal Center as well as of the Board of Trustees of the US Capitol Historical Society and the Center for U.S. Global Engagement.

She is married and mother of two children. *Mrs Jean van Rijckevorsel* is a member of the Board of Directors of privately owned investment companies.

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. In 2012, 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 Remuneration and Nomination Committee. The other members of the Executive Committee are appointed by the Board upon recommendation of the chairman of the Executive Committee and upon proposal by the Remuneration and Nomination Committee.

The current members of the Executive Committee are:

Name	Position
Roch Doliveux.....	Chief Executive Officer and Chairman of the Executive Committee
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.

Roch Doliveux please see the information above at Part (a) of this section.

Appointed Executive Vice President Corporate Human Resources of the UCB Group in March 2008, *Fabrice Enderlin* has a master degree in Political Sciences and a MBA in Human Resources. His passion for Human Resources became obvious when working in 1984, during his university studies, at McDonald's as Store manager. He then started his career as Training & Development Manager for Arcelor in the steel industry. He has extensive experience within the Biopharma world initially with Ciba-Geigy where he joined a production plant in 1991, before supporting the Novartis merger in 1997 as Vice President HR Pharma France. He joined GSK in 2000 leading as Vice President HR France broad change management activities during the merger of the two Anglo-Saxon companies. In 2003, he embraced an international career supporting the fast growth of the vaccines division of GSK as Vice President HR within GSK Biologicals, based in Belgium. Since he joined UCB, Fabrice has taken additional responsibilities welcoming, besides the initial HR activities, the operational excellence team, the Global Communication department as well as, more recently, the Corporate Societal Responsibility (CSR) area.

Ismail Kola holds a Ph.D. in Medicine from the University of Cape Town, South Africa. He joined UCB from Schering Plough Corporation where he was Senior Vice President, Discovery Research and Early Clinical Research & Experimental Medicine, Schering-Plough Research Institute, the pharmaceutical research arm of Schering-Plough Corporation, and Chief Scientific Officer, Schering Plough Corporation. Ismail came to Schering-Plough from Merck, where he was Senior Vice President Basic Research and Site Head, Rahway, Montreal and Madrid. He also chaired Merck's Antibacterial and Antifungal Worldwide Business Strategy Team. Prior to that, he was Vice President, Research, and Global Head, Genomics Science and Biotechnology, with Pharmacia Corporation. Prior to his move to Industry, Ismail was Professor of Human Molecular Genetics, Monash University Medical School and Director of the Research Center for Functional Genomics and Human Disease. He was at Monash for approximately 15 years. He holds Adjunct Professorships of Medicine at Washington University, St Louis, Missouri, USA, and Monash University Medical School, Melbourne, Australia; a Foreign Adjunct Professorship at The Karolinska Institute, Stockholm, Sweden; and is a William Pitt Fellow at Pembroke College, Cambridge University, UK. He is a member of the Board of Athersys Inc., Biotie Therapies, and Astex Pharmaceuticals.

Prof. Dr. med. Iris Löw-Friedrich is Executive Vice-President, Biopharma Development Solutions and Chief Medical Officer, UCB SA. She provides strategic global leadership for project leadership, clinical development and regulatory affairs for UCB's portfolio of pipeline projects and products. The mission of Biopharma Development Solutions is to develop products with proven value for patients suffering from severe diseases. Dr. Löw-Friedrich also oversees UCB's Patient Solutions function, which places a strategic focus on better understanding the patient experience to deliver innovative solutions that reach beyond new medicines to improve the lives of patients. Prior to taking on her current role in March 2008, Dr. Löw-Friedrich was UCB's Global Head of Development, during which time she oversaw clinical development of key neurology and immunology products. From 2001 to 2009, Dr. Löw-Friedrich also served as the head of Global Research and Development for Schwarz Pharma, which UCB moved to acquire in 2006. She was also on the Schwarz Pharma Executive Board. Dr. Löw-Friedrich held several medical and R&D roles, including Vice- President and Head of Global Projects at BASF Pharma, Ludwigshafen, Germany; Vice-President, Head of Global Clinical Management, HMR/Aventis, and Therapeutic Area Head Rheumatology and Bone Diseases, Hoechst/HMR, Bridgewater, New Jersey. Dr. Löw-Friedrich received her medical license and her PhD from Frankfurt University, Frankfurt, Germany, in 1985. From 1985 to 1992, Dr. Löw- Friedrich was the staff physician at the Department for Internal Medicine at the Frankfurt University Medical School, with sub-specialties in immunology, nephrology, and transplantation medicine. She is board-certified in internal medicine and holds a professorship at Frankfurt University Medical School.

Mark McDade is Chief Operating Officer and Executive Vice-President, Established Brands, Solutions and Supply. From 2002 until late 2007 he was Chief Executive Officer and a Director of PDL BioPharma, Inc. Prior to PDL, he served as CEO of Signature BioScience, Inc. and was previously a co-founder and director of Corixa Corporation, where he served as Chief Operating Officer from September 1994 through December 1998 and as President and Chief Operating Officer from January 1999 until his departure in late 2000. Before Corixa, Mark McDade was Chief Operating Officer of Boehringer Mannheim – Therapeutics, and prior to that held several positions at Sandoz Ltd. including business development, product management and general management. Mark McDade received a B.A. from Dartmouth College and an M.B.A. from Harvard Business School.

Anna Richo – Anna Richo is Executive Vice President and General Counsel. She joined UCB from Amgen Inc. where since 2008 she was Senior Vice President and Chief Compliance Officer. Prior to joining Amgen in 2003, Anna Richo spent 12 years at Baxter Healthcare Corporation where she held various Law positions and ultimately was Vice President, Law for the BioScience business. Anna Richo received her Juris Doctor degree from DePaul University, College of Law (Illinois) and her Bachelor's degree in Industrial and Labor Relations from Cornell University (New York).

Jean-Christophe Tellier is Executive Vice President, Biopharma Brands and Solutions. He has joined UCB from Ipsen where he was President & General Manager Ipsen US. His role at Ipsen was to strengthen Ipsen's specialty care business in North America, in the areas of endocrinology and neurology. He joined Ipsen in May 2009. Jean-Christophe started his career in 1988 in the marketing department of Synthelabo and joined Ciba France as Group Marketing Manager in 1990 and got various marketing & sales position until leading the Marketing & Sales department. In 1997, following the merger of Ciba and Sandoz to form Novartis, he was appointed Head of the Mass Market Business unit in France until the end of 1999 where he became Chief Operating Officer of Novartis France. From 2003 to mid-2006, JC Tellier was CEO of Novartis Pharma Belgium and during his tenure was elected president of Pharma.be, the Pharma trade association. At the end of 2006, he was promoted to Head of the Global Arthritis, Bone and Muscle disease Business Franchise at Novartis Headquarters in Basel, Switzerland. In February 2007, he was appointed Chairman and CEO of Novartis Pharma France and Novartis Group France until mid 2008 when he decided to join MacroGenics Inc., a Maryland-based biotechnology company, as Executive Vice President and Chief Commercial Officer. Jean-Christophe is a physician specialised in rheumatology (University of Paris V, France) and followed diverse executive training both at INSEAD and Harvard.

Detlef Thielgen is Chief Financial Officer and Executive Vice President, UCB SA. His first work experience was in banking followed by several roles in Finance with Schwarz Pharma AG in Europe and the US. In 1999 he was appointed Managing Director of the worldwide Manufacturing and Supply Chain Operations for Schwarz Pharma AG. From 2002 to 2007 he was Chief Financial Officer and later also Chief Executive Officer for Schwarz Pharma AG before being appointed in November 2007 to his current role. He studied economics and received his Diplom Oekonom from Wuppertal University.

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. In 2012, there was no situation which required the application of the conflict rules provided for in Article 524*ter* of the Belgian Companies Code.

(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 12 September 2012.

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). The Board approved the initial Charter on 28 October 2005 and the current version of the Charter was approved on 12 September 2012.

(d) 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, seven 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 tis 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 the website of UCB (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.

(e) 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.

(f) 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.

(g) 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 Medecines. 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.

(h) Compensation

The following table sets forth the remuneration paid to the members of the Board during the financial year ended 31 December 2012.

Name	**Remuneration (in €)**
Current Directors	
Gerhard Mayr (Chairman from 26 April 2012)	127,000
Karel Boone (Chairman until 26 April 2012)	49,000

Name	Remuneration (in €)
Evelyn du Monceau (Vice Chair)	115,500
Roch Doliveux (Executive Director)	67,000
Albrecht De Graeve	74,500
Arnoud de Pret	82,000
Peter Fellner	74,500
Jean-Pierre Kinet	74,500
Thomas Leysen (until 26 April 2012)	23,500
Tom McKillop	74,500
Norman Ornstein	67,000
Bridget van Rijckevorsel	67,000
Charles-Antoine Janssen (since 26 April 2012)	45,000
Gaëtan van de Werve (until 26 April 2012)	22,000
Harriet Edelman (since 26 April 2012)	45,000
Alexandre Van Damme (until 26 April 2012)	16,000

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

The chief executive officer's annual base salary for 2012 was €1,320,412. The chief executive officer's total compensation (base salary + bonus + long-term incentives) for 2012 amounts to €3,103,500 (excluding pension contributions and other benefits). The service contract for the chief executive officer of UCB and chairman of the Executive Committee, Roch Doliveux, provides that in case of termination, he will be eligible to a lump sum equal to 24 months of actual base compensation increased by the actual average variable compensation relating to the three previous years. In case of termination due to change of control, the lump sum will equal to 36 months.

The following table sets forth the remuneration paid to the members of the Executive Committee during the financial year ended 31 December 2012. Except for the chairman of the Executive Committee, Roch Doliveux, whose remuneration is disclosed on an individual basis, the remuneration paid to the remaining members of the Executive Committee is disclosed on an aggregate basis.

Name	Base salary	Bonus	Long term incentives	Other Components
		(in €)		
Roch Doliveux	1,320,412	457,963	1,325,125	2,071,971
Other members of the Executive Committee	4,572,493	1,867,576	4,607,340	3,096,022

For the financial year ended 31 December 2012, the aggregate compensation (base salary, bonus and long-term incentives) paid to all members of the Executive Committee (excluding the chairman) was EUR 11,047,408 (excluding pension contributions and other benefits).

(i) Stock option and stock award plans

UCB's remuneration practice is to also link a significant portion of equity-based compensation to mid-term and long-term company financial and strategic goals. The long-term incentive programmes are benchmarked against European Biopharmaceutical company practices. The offering currently follows a fixed number of shares approach (changing to a value-based approach as from the April 1 2013 grant, for upper management levels including the Executive Committee). It is a three-tiered incentive programme which includes a stock option plan, a free share plan (stock award) and a performance share plan.

The below descriptions highlight the current practice as well as the new policy for upper management, applicable as from the April 1, 2013 grant.

(i) Stock option

Eligibility for participation in the Stock Option Plan is at the Board's and management's discretion and is based on satisfactory performance, with the ability to reward overachievements. The vesting period is typically three years from date of grant but can be longer depending on local legislative requirements. Once vested, stock options are only exercisable once the share price exceeds the original grant price and thus employees are incentivised to increase the share price over the vesting period in order to benefit from their stock options. In the U.S., Stock Appreciation Rights are granted instead of stock options. These follow the same vesting rules as the Stock Option plan and result in employees receiving a cash amount equal to the appreciation of UCB stock, instead of actual shares.

All Stock Options and Stock Appreciation Rights expire on their tenth anniversary from the date of grant. The grant price is fixed on the grant date, without further discount on the underlying UCB share price.

Under the new scheme for upper management, applicable from April 1 2013, the grant of stock options will depend on the outcome of two performance multipliers, an individual performance multiplier ("IPM") which is defined by individual results and behaviours and a corporate performance multiplier ("CPM") which is based on company performance against a defined target.

The grant of stock options at these upper management levels will represent 30% of the total LTI grant and apart from the above multipliers, the number of options to be granted will be defined by the share price and the underlying expected value of the option (binomial valuation methodology).

The grant of options and appreciation rights to levels below upper management level remains, at target, a fixed number of options, varying depending on the employee's job level. Individual performance can impact the size of the option grant, down to zero and up to a maximum of 125% of the target.

(ii) Stock award

The Stock Award Plan provides conditional rights to UCB common stock fulfilled upon remaining in employment with UCB three years after the grant date. The vesting period is three years from the date of grant. UCB's upper management is eligible for participation at the Board's discretion, based on satisfactory performance. Executives are incentivised to increase the company share price over the vesting period to optimise the value of their stock awards at the moment of vesting.

In some countries, delivery of the award may also be made in 'phantom shares' (an award for which the value is based on the evolution of the share price but which is settled in cash on a pre-determined vesting date), depending on the local legislative environment .

UCB's current practice has been to attribute a fixed number of stock awards, based on job level and then adjusted based on individual performance. Under the new upper management compensation scheme, stock awards will represent a fixed proportion of the total LTI grant, being 35% of this amount. Again the total target LTI level is defined by job level and the IPM and CPM are applied to the target. The number of awards granted also depends on the share price and the underlying expected value of the stock award (binomial valuation methodology).

(iii) Performance share plan

This plan ensures a strong link between pay and performance. Performance shares are grants of UCB common stock to upper management, for which certain corporate targets must be met at the time of vesting. The performance criteria and targets are defined by the Governance, Nomination and Compensation Committee and the Board at the time of grant. For the 2012 grant the metrics are UCB Adjusted Net Profit After Tax and UCB Revenue v Consensus Revenue Estimates (i.e. exceeding estimates of our revenues put forth by financial analysts). The targets are set at stretch levels.

The vesting period of the performance shares is three years. The number of shares awarded is adjusted at the end of the vesting period based on the company's performance against its goals. If actual company performance is below the target or if the beneficiary leaves prior to vesting, then typically no shares are awarded. The maximum award is capped at 150% of the original grant.

In some countries, delivery of the award may also be made in 'phantom shares', depending on the local legislative environment .

Until present, performance shares were granted only to upper management having an exceptional performance rating in the year preceding the grant.

Under the new upper management compensation scheme, performance shares will represent a fixed proportion of the total LTI grant, being 35% of this amount. Again the total target LTI level is defined by job level and the IPM and CPM are applied to the target. The number of performance shares granted also depends on the share price and the underlying expected value of the performance share (binomial valuation methodology).

(iv) Employee share purchase plan in the U.S.

The plan is intended to provide employees of UCB affiliates in the U.S. with an opportunity to purchase common shares of the Group. Shares are acquired at a discount of 15% which is funded by UCB. Employees save a defined percentage of their salary through payroll deduction and shares will be purchased with after-tax employee contributions.

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

• Between 1% and 10% of each participant's compensation;

• US$ 25 000 per year per participant;

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

As of 31 December 2011, the plan had 512 participants (2011: 388). There are no specific vesting conditions and the share-based payment expense incurred for this plan is immaterial.

(v) Share savings plan in the UK

The purpose of this plan is to encourage the holding of UCB shares by employees in the U.K. Participants save a certain portion of their salary through payroll deductions and UCB matches every 5 shares bought by each participant with 1 free share. Shares are held in an account in the employee's name by an independent company that acts as a trustee.

Employee contributions to the plan are limited to the lower of:

• 10% of each participant's compensation

• GBP 1 500 per year per participant.

As of 31 December 2012, the plan had 86 participants (2011: 66) and the share-based payment expense incurred for this plan is immaterial.

(vi) Share-based payment expense

The total share-based payment expense incurred for the Group amounted to € 34 million (2011: € 20 million), and has been included in the relevant functional lines within the income statement as follows:

€ million	***2012***	***2011***
Cost of sales	4	3
Marketing and selling expenses	8	6
Research and development expenses	9	6
General and administrative expenses	11	5
Other operating expenses	2	0
Total operating expense	***34***	***20***
Of which, Equity-settled:		
Share option plans	12	9
Share award plans	3	2
Performance share plan	2	1
Of which, Cash-settled:		
Share appreciation rights plan	15	7
Phantom share option, share award and performance share plans	2	1

For more details on stock option and stock award plans, see section "Share-based Payments in the notes to the consolidated financial statements of UCB.

18 Principal Shareholders

As at the date of 31 December 2012, the share capital of UCB amounted to €550,095,156 and consisted of 183,365,052 Ordinary Shares of no-par value. The Ordinary Shares are listed on Eurolist by NYSE Euronext, Brussels. They have been fully paid up.

The present major shareholders of UCB are, as at the date of 31 December 2012:

		Current	Voting	Date of latest declaration in compliance with the law of 2 May 2007
	Capital (€)	**550,095,156**		
	Ordinary Shares	**183,365,052**		
1.	Financière de Tubize S.A. (Tubize)	66,370,000	36.20%	1 March 2012
2.	UCB SA	801,706		
	Assimilated securities [(1)]	2,500,000	1.80%	1 March 2012
	Options [(2)]	6,606,638		1 March 2012
3.	UCB Fipar S.A.	891,534		
	Assimilated securities	1,800,000	1.47%	1 March 2012
4.	Schwarz Vermögensverwaltung GmbH	2,471,404	1.35%	5 October 2011
	Tubize + linked companies + concert 4 (excluding options)	**74,834,644**	**40.81%**	
5.	The Capital Group Companies	20,828,907	11.36%	5 September 2012
6.	Vanguard Health Care Fund	5,821,811	3.17%	25 April 2012

Notes:

(1) UCB SA/NV announced that, on Tuesday June 26th 2012, it sold 2.5 million UCB shares OTC for settlement on June 29th 2012 at a price of € 38.8302 per share. In combination with this spot transaction, also on Tuesday 26th June 2012, UCB SA/NV repurchased 2.5 million UCB shares OTC for settlement on 29th March 2013 at the same price per share, together a share swap transaction. The highest Brussels stock exchange price on June 26th 2012 was € 38.98.

(2) If all options were exercised, this would represent an additional 3.60%.

Tubize has declared acting in concert with Schwarz Vermögensverwaltung GmbH & Co. KG.

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.

Under a shareholders' agreement entered into on 24 September 2006 between Financière de Tubize S.A. and the Schwarz Family Holding (the "**Shareholders' Agreement**"), the Schwarz Family Holding and Financière de Tubize S.A. have agreed, subject to certain conditions and limitations, that prior to each General Meeting they shall meet and consult with each other during a pre-meeting with respect to the agenda of the General Meeting and the proposed decisions. The Schwarz Family Holding and Financière de Tubize S.A. will try to

reach a consensus with regard to each item of the agenda on how to exercise their voting rights at the respective General Meeting. In case such consensus cannot be reached, Financière de Tubize S.A. shall have a casting vote. At the relevant General Meeting, the Schwarz Family Holding and Financière de Tubize S.A. shall cast their votes in accordance with the decisions taken at the pre-meeting. These voting arrangements do not apply to certain specific decisions.

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

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

19 Related Party Transactions

During the financial years ending on 31 December 2011 and 31 December 2012 respectively all intra-UCB Group transactions were carried out based on assessments of mutual economic benefit to the parties involved, and the applicable conditions were established in accordance with the criteria of at arm's-length negotiations and fair dealing, and with a view to creating value for the entire UCB Group. Conditions governing the intra-UCB Group transactions were similar to conditions governing third party transactions.

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

Other than the Defensive Warrants, as described in Part (i) of Section 21 "Description of the shares and articles of association" of this Prospectus, there are no financial transactions with related parties other than affiliates of UCB.

20 Associated Companies and Shareholdings

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

Company name	Registered office	Percentage Voting rights at shareholders' meeting
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

Company name	Registered office	Percentage Voting rights at shareholders' meeting
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, Delaware 19801, U.S.A.	100
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	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
	(Yeoksam – dong), Gangnam – gu 13911 Seoul, South Korea	
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, Cumhurriyet Caddesi Gerçekler Sitesi B Blok Kat:6 Kavacik/Beykoz, Istanbul, Turkey	100
Oxford Glycosciences.....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Oxford GlycoSciences (UK) Ltd	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
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 Alimos, Greece	100
UCB Australia Pty. Ltd.	Level 1, 1155 Malvern Road — 3144 Malvern, Victoria, Australia	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
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 Corporate Park, Ganpatrao Kadam Marg, Lower Parel, 400013 Mumbai, India	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
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	Arme 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
UCB Pharma (H.K.) Ltd	Room 1501-08 Millenium City 5, 418 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong, China	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
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. Amelià, 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, 00-380Warszawa, Poland	100
UCB s.r.o…	Thamova,13, 186 00 Praha 8, Czech Republic	100
UCB S.C.A.	12 rue Eugène Rupert, 2453Luxembourg , 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
UCB Watford Ltd.....	208 Bath Road, Slough, Berkshire, SL1 3WE, U.K.	100
Uni Mediflex Private Ltd.	504 Peninsula Towers, Peninsula	100

Company name	Registered office	Percentage Voting rights at shareholders' meeting
	Corporate Park, Ganpatrao Kadam Marg, Lower Parel, 400013 Mumbai, India	
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

21 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 31 December 2012, the share capital of UCB amounted to €550,095,156 divided into 183,365,052 Ordinary Shares. The Ordinary Shares do not have a nominal value. The Ordinary Shares are admitted for listing and trading on Eurolist by Euronext Brussels.

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 per cent., 5 per cent., 7.5 per cent., 10 per cent., 15 per cent., 20 per cent. and any further multiple of 5 per cent. of the total number of voting rights attached to the outstanding financial instruments of 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 per cent. of the votes cast include, amongst others:

- amendments to the Articles other than mentioned below and the decision to grant financial assistance (75 per cent. of the votes cast at a meeting with an attendance quorum of 50 per cent. of the share capital, if such quorum is not met, a second meeting with the same agenda can decide regardless of what the attendance quorum is); and
- amendments of 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 per cent. of the votes cast at a meeting with an attendance quorum of 50 per cent. 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 per cent. of the votes cast at a General Meeting where at least 50 per cent. of the share capital is present or represented. In case of a capital increase in cash, the existing shareholders have, in principle, a preferential subscription right. The General Meeting may, however, restrict or cancel such preferential subscription rights, according to the same quorum and voting requirements. At the date hereof, the Board has no authorisation to proceed with any capital increase (within the framework of the authorised capital or otherwise) without the intervention of the General Meeting. Any reduction in capital similarly requires the same method of approval by shareholders in a General Meeting.

(i) Share capital conditional upon the exercise of stock options

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

For information on options and subscription rights granted to employees of the UCB Group, see Part 17 "*Management and Corporate Governance*".

(j) Authorised capital

UCB does not have any authorised capital.

(k) Other securities

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

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

On 27 October 2009, UCB issued EUR 750,000,000 5.75 per cent. fixed rate Bonds due 2014, EUR 750,000,000 of which remained outstanding on 31 December 2012. On 10 December 2009, UCB issued EUR 500,000,000 5.75 per cent. fixed rate Bonds due 2016, EUR 500,000,000 of which remained outstanding on 31 December 2012. On 18 March 2011, UCB issued EUR 300,000,000 7.75 per cent. perpetual subordinated Bonds due 2016, EUR 300,000,000 of which remained outstanding on 31 December 2012.

(l) Shareholding notification requirements

The Belgian law of 2 May 2007 on the disclosure of major shareholdings imposes disclosure requirements on any individual or entity acquiring or transferring voting securities, voting rights or assimilated financial instruments, as soon as the total number of voting rights directly or indirectly held by such individual or entity, alone or in concert with others, increases above or falls below a threshold of 5 per cent., or any multiple of 5 per cent., of the total number of voting rights attached to the securities issued by UCB. A disclosure must be made as soon as possible and at the latest within four trading days. Likewise, disclosure is required in case of a passive crossing of the thresholds, and in case of entering or terminating an agreement for concerted action. Disclosure must be made to the 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 per cent. of the total voting rights exercisable, before any possible reduction, at a General Meeting. The same procedure will have to be followed each time that the person obliged to make the initial declaration mentioned above increases his voting strength up to 5 per cent., 7.5 per cent., 10 per cent. and subsequently for each additional 5 per cent. of the total voting rights acquired as defined above or when, following the sale of Ordinary Shares, his voting rights fall below one of the limits specified above.

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

(m) Convertible securities

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

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

The bonds have been issued and will be redeemed at 100 per cent. of their principal amount and have a coupon of 4.5 per cent. per annum, payable semi-annually in arrear , and unless previously converted, repurchased or redeemed will mature on the 6th anniversary of their issue, in 2015. The initial conversion price is EUR 38.746 per share and was set at a premium of 35 per cent. to the volume-weighted average price of the Company's shares on Euronext Brussels from launch to pricing. If all of the Bonds were to be converted into new shares at the initial conversion price, 12,904,558 new shares would be issued, representing a dilution of 6.6 per cent. of the Company's share capital, before any exercise of the over-allotment option referred to above.

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 warrants and options described under Part 17 "*Management and Corporate Governance*" and under Section (i) "Share Capital Conditional Upon the Exercise of Stock Options" of this Part XI, UCB has no securities outstanding which, upon conversion or exercise, may lead to an increase of the Ordinary Shares outstanding.

(n) 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 per cent. of the votes cast at a meeting with an attendance quorum of at least 50 per cent. of the share capital of UCB. UCB together with its subsidiaries are not allowed to acquire more than 20 per cent. of its share capital.

As of 31 December 2012, UCB Fipar S.A., an affiliate indirectly controlled by UCB, held a total of 891,534 Ordinary Shares and had contracted to repurchase 1,800,000 Ordinary Shares under a share swap transaction for settlement on 29 March 2013, together representing 1.47 per cent. of the total number of Ordinary Shares.

As of 31 December 2012, UCB S.A. held a total of 801,706 Ordinary Shares and had contracted to repurchase 2,500,000 Ordinary Shares under a share swap transaction for settlement on 29 March 2013, together representing 1.80 per cent. 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. For more information on UCB's stock option plans, see Part 17 "*Management and Corporate Governance*".

(o) 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.

(p) 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.

(q) Rights regarding liquidation

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

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

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

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

DESCRIPTION OF UCB LUX

1 Overview

UCB LUX S.A. was incorporated on 6 December 2004 as a public limited liability company (*société anonyme*) under the Luxembourg law on commercial companies of 15 August 1915, as amended. Its registered office is located at 12 Rue Eugène Ruppert, L-2453 Luxembourg (tel.: +352 26 48 27 13). The articles of association were published in the Memorial C n°370 on 23 April 2005.

The articles of association were amended on 20 December 2004, 30 August 2005, 29 November 2005 and 28 December 2007. The duration of UCB LUX S.A. is unlimited. UCB LUX S.A. is registered with the Luxembourg Register of Commerce and Companies under number B 105267.

The business objectives of UCB LUX S.A. are to undertake, in Luxembourg and abroad, all operations related, directly or indirectly, to the acquisition of participations under any form in any undertaking as well as the administration, management, control and development of these participations. UCB LUX S.A. may also grant assistance to its affiliates, including through the form of loans, advances or guarantees. The business objectives of the company are also to hold, manage and develop all types of intellectual property rights. UCB LUX S.A. may borrow monies under any form and may issue any types of bonds.

UCB LUX S.A. is part of the UCB Group. For a description of the organisational structure of the UCB Group, please refer to Part 4 of the section "*Description of UCB*" of this Prospectus.

2 Selected Financial Highlights

Summary of UCB Lux's financial data (*EUR thousands*) based on UCB Lux's 2011 and 2012 financial statements:

Income Statement

	Actual 2012	**Actual 2011**
	(€thousands)	
Administrative expenses	(796)	(603)
Dividend Income	33 277	95 745
Interest and similar income	373 805	404 702
Interest and similar expenses	(194 971)	(216 009)
Realised exchange gain/(losses)	(66 213)	527
Unrealised exchange gain/(losses)	73 494	26 456
Other financial income/(expense)	65 758	55
Impairment of Loan Granted	-	(651 000)
Operating result	**284 354**	**(340 127)**
Profit/loss before income taxes	**284 354**	**(340 127)**
Income tax	(11.894)	184 979
Profit/loss for the year	**272 460**	**(155 148)**
Other comprehensive income		

	Actual 2012	Actual 2011
	(€thousands)	
Hedge accounting and revaluation of financial instruments	1 865	(203)
Total other comprehensive income	**1 865**	**(203)**
Total comprehensive income/loss	**274 325**	**(155 351)**

Balance sheet summary

	2012 31 December	2011 31 December
	(€thousands)	
Non-current assets	9 506 751	9 486 248
Current assets	1 570 194	2 010 397
Total assets	**11 076 945**	**11 496 645**
Equity	**4 051 323**	**4 076 795**
Non-current liabilities	5 931 772	5 799 779
Current liabilities	1 093 850	1 620 071
Total liabilities	**7 025 622**	**7 419 850**
Total equity and liabilities	**11 076 945**	**11 496 645**

3 Board of Directors

As at the date of this description, the Board of Directors of UCB LUX S.A. comprises the following persons:

Name	Principal activities performed by them outside UCB LUX S.A. which are significant with respect to UCB LUX S.A. (1)
Pierre Ahlborn	None
Gaëtan Dumont	None
Fernand Reiners	None
Detlef Thielgen	Executive Vice President and Chief Financial Officer of UCB SA
Frédéric Roch Doliveux	Chief Executive Officer and Chairman of the Executive Committee of UCB SA
Guy Van den Dorpe	Vice President Financial Controlling

Note:

(1) Except for their principal functions in UCB SA, their other functions in UCB SA have not been included.

For the purpose of this description, the address of the Directors is 12 Rue Eugène Ruppert, L-2453 Luxembourg.

To the knowledge of the Issuer, there are no potential conflicts of interests between any duties to the relevant Issuer of the members of the Board of Directors and their private interests and/or other duties.

Under Luxembourg company law, there is currently no legal corporate governance regime (other than ordinary corporate governance) that UCB LUX S.A. must comply with.

UCB SA, Société Financière UCB SA and UCB Fipar SA hold 127,429,778, 5,007,405 and 10 shares respectively, being in total 100 per cent. of the shares in UCB LUX S.A.

4 Share Capital

UCB LUX S.A. issued share capital at 31 December 2012 is € 3,382 million represented by 132,437,193 ordinary shares without a nominal value. UCB LUX S.A. has no other classes of shares. The share capital is fully paid up in cash. UCB LUX S.A. has no bonds cum warrants, nor convertible bonds outstanding.

5 Coordinated Articles of Association – Corporate Object

Article 4 of UCB LUX S.A.'s Articles of Association states:

- The corporate purpose of UCB LUX S.A. is to undertake, in Luxembourg and abroad, all operations related, directly or indirectly, to the acquisition of participations under any form in any undertaking as well as the administration, management, control and development of these participations.
- UCB LUX S.A. may also grant to any of its affiliates any type of assistance, and in particular granting any loan, advance, or guarantee, under any form, it being understood that financial transactions may not be performed vis-à-vis the public.
- The business objectives of the company are also to hold, manage and develop all types of intellectual property rights and licensing rights of any types, including, amongst others but not exclusively, trade marks, patents, copyrights and information rights, in Luxembourg and abroad.
- UCB LUX S.A. may borrow monies under any form and may issue any types of bonds.
- In general, UCB LUX S.A. may take all measures and carry out all operations including, without limitation, industrial, commercial, financial, movable or immovable transactions (directly or indirectly related to its corporate purpose or any similar or related purpose) that it deems necessary or useful to achieve and develop its corporate purpose.

6 Material Contracts

UCB LUX S.A. has not entered into any material contracts that are not entered into in the ordinary course of UCB LUX S.A.'s business, which could result in any UCB Group member being under an obligation or entitlement that is a material to UCB LUX S.A.'s ability to meet its obligations under this Prospectus.

TAXATION

EU Savings Directive

Under the European Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of another Member State details of payments of interest or similar income (similar income for this purpose includes, but is not limited to, payments on redemption of the Notes representing any discount on the issue of the Notes or any premium payable on redemption) paid by a person within its jurisdiction to an individual resident in that other Member State or to 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 (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

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 Notes issued by UCB and the Notes issued by UCB Lux and is of a general nature based on the information provided in this Prospectus and on the Issuers' understanding of Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Notes issued by UCB and/or UCB Lux under the laws of their countries of citizenship, residence, ordinary residence or domicile.

1 Notes issued by UCB

Belgian Withholding Tax

All payments by or on behalf of UCB of interest on the UCB Notes are in principle subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 25 per cent. Tax treaties may provide for lower rates subject to certain conditions and formalities.

In this regard, "interest" means the periodic interest income, any amount paid by UCB in excess of the issue price (whether or not on the maturity date) and, in case of a disposal of the UCB Notes between two interest payment dates, the pro rata amount of accrued interest corresponding to the holding period.

However, payments of interest and principal under the UCB Notes by or on behalf of UCB may be made without deduction of withholding tax in respect of the UCB Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible Investors (the "**Eligible Investors**", as further described below) 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 NBB Clearing System operated by the National Bank of Belgium (the "**NBB System**" and the "**NBB**"). Euroclear and Clearstream, Luxembourg are direct or indirect Participants for this purpose.

Holding the UCB Notes through the NBB System enables Eligible Investors to receive the gross interest income on their UCB Notes and to transfer the UCB Notes on a gross basis.

Participants in the NBB system must enter the UCB Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax ("*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*"/"*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*") which include, inter alia:

(a) Belgian corporations subject to Belgian corporate income tax;

(b) 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 Belgian Income Tax Code of 1992 ("code des impôts sur les revenus 1992"/"wetboek van inkomstenbelastingen 1992");

(c) 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 Belgian Income Tax Code 1992 ("arrêté royal d'exécution du code des impôts sur les revenus 1992"/"koninklijk besluit tot uitvoering van het wetboek inkomsten belastingen 1992");

(d) non-resident Investors provided for in article 105, 5° of the same decree;

(e) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

(f) tax payers provided for in article 227, 2° of the Belgian 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;

(g) the Belgian State in respect of investments which are exempt from withholding tax in accordance with article 265 of the Belgian Income Tax Code 1992;

(h) 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

(i) Belgian resident corporations, not provided for under (a), 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 (b) and (c) above.

Participants in the NBB System must keep the UCB Notes which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an "**N Account**"). In such instances, all payments of interest are subject to the 25 per cent. withholding tax.

Transfers of UCB Notes 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 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 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 UCB Notes between two X Accounts do not give rise to any adjustment on account of withholding tax.
- Transfers of UCB Notes between two N accounts give 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, and to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the same interest amount.

Upon opening of an X Account for the holding of UCB Notes, the relevant Eligible Investor is required to provide the relevant Participant with a statement of its eligible status on a form approved by the Belgian Minister of Finance. There is no ongoing declaration requirement to the NBB System as to the eligible status (although Eligible Investors must update their certification should their eligible status change).

An X Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of UCB Notes that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Belgian Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their UCB Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the relevant Intermediary.

These identification requirements do not apply to UCB Notes held in Euroclear or Clearstream, Luxembourg as Participants in the NBB Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold UCB Notes in such account.

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 ("*impôt des personnes physiques*"/"*personenbelasting*") and who hold the UCB Notes as a private investment, payment of the 25 per cent. 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 UCB Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare interest in respect of the UCB Notes in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at a flat rate of 25 per cent. (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 may be credited.

Capital gains realised on the disposal of the UCB Notes are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate or except to the extent they qualify as interest (as defined in the section "**Belgian Withholding Tax**"). Capital losses realised upon the disposal of the Notes held as a non-professional investment are in principle not tax deductible.

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

Belgian resident companies

Interest attributed or paid to corporations who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax ("*impôt des sociétés*"/"*vennootschapsbelasting*"), as well as capital gains realised upon the sale of the UCB Notes, are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. including a so-called 3 per cent. crisis surcharge. Capital losses realised upon the sale of the UCB Notes 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 per cent. 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 which consequently have received gross interest income are required to declare and pay the 25 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the UCB Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in the section "**Belgian Withholding Tax**"). Capital losses are in principle not tax deductible.

Organisations for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision ("*Loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle*"/"*Wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*"), are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the UCB Notes through a permanent establishment in Belgium will in principle not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the UCB Notes provided that they qualify as Eligible Investors and that they hold their UCB Notes in an X Account. However, such non-residents may be liable to Belgian income tax on capital gains realised on the UCB Notes if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the investor were a Belgian tax resident (ii) the capital gain is realised upon a transfer of the UCB Notes to a Belgian resident individual, a Belgian resident company or entity, a Belgian public authority or a Belgian establishment and (iii) the capital gain is taxable in Belgium pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the investor does not demonstrate that the capital gain is effectively taxed in his State of residence.

Tax on stock exchange transactions and tax on repurchase transactions

A stock exchange tax ("*taxe sur les opérations de bourse*"/"*taks op de beursverrichtingen*") will be levied on the acquisition and disposal of the UCB Notes on the secondary market if executed in Belgium through a professional intermediary. The tax is due at a rate of 0.09 per cent. on each acquisition and disposal

separately, with a maximum amount of Euro 650 per transaction and per party. The tax is collected by the professional intermediary.

A tax on repurchase transactions (*"taxe sur les reports"/"taks op de reportverrichtingen"*) at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of Euro 650 per transaction and per party).

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including Investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional Investors, as defined in Article 126/1,2º of the Code of various duties and taxes ("*Code des droits et taxes divers*"/"*Wetboek diverse rechten en taksen*") for the tax on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

European Directive on taxation of savings income in the form of interest payments

The Savings 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 located within its jurisdiction to, or for the benefit of, an individual or residual entity resident in that other Member State (hereinafter "**Disclosure of Information Method**"), except that Austria and Luxembourg may instead impose a withholding system (hereinafter "**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.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the UCB Notes and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands 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 its 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 reaches a minimum of Euro 2.5.

2 Notes issued by UCB Lux

Withholding Tax and Income Tax

Belgian resident individuals

Belgian 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 UCB Lux Notes as a private investment, are in Belgium subject to the following tax treatment with respect to the UCB Lux Notes. Other tax rules apply to Belgian resident individuals who do not hold the UCB Lux Notes as a private investment.

In accordance with Belgian tax law, the following amounts are qualified and taxable as "interest": (i) periodic interest income (ii) amounts paid by UCB Lux in excess of the issue price (whether or not on the maturity date) (iii) in case of a disposal of the UCB Lux Notes between two interest payment dates, the pro rata amount of accrued interest corresponding to the holding period.

Payments of interest on the UCB Lux Notes made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the UCB Lux Notes in their personal income tax return, provided withholding tax was levied on these interest payments. They may nevertheless elect to declare interest in respect of the UCB Lux Notes in their personal income tax return.

If the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 25 per cent. (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, any withholding tax retained may be credited.

Capital gains realised on the sale of the UCB Lux Notes are in principle tax exempt, except if the capital gains are realised outside the scope of the management of one's private estate or except to the extent the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident companies

Interest paid or attributed to corporations who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting*"/"*Impôt des sociétés*") are subject to the following tax treatment in Belgium with respect to the UCB Lux Notes.

Interest derived by Belgian corporate investors on the UCB Lux Notes and capital gains realised on the UCB Lux Notes will be subject to Belgian corporate income tax of 33.99 per cent. Capital losses are in principle deductible.

Interest payments on the UCB Lux Notes (except Zero Coupon Notes and other Notes which provide for the capitalisation of interest) made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

Belgian legal entities

Legal entities who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting*"/"*impôt des personnes morales*") are subject to the following tax treatment in Belgium with respect to the UCB Lux Notes.

Payments of interest on the Notes (as defined above in the section "**Withholding Tax and Income Tax**" – "**Belgian resident individuals**") made through a paying agent in Belgium will in principle be subject to a 25 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is required to declare and pay the 25 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the UCB Lux Notes are in principle tax exempt, except to the extent that the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible.

Organisation for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision ("*Loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle*"/"*Wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*"), are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

Belgian non-residents

The interest income on the UCB Lux Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 25 per cent. withholding tax, unless the Noteholder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors can also obtain an exemption from Belgian withholding tax on interest from the UCB Lux Notes if they are the owners or *usufructors* of the UCB Lux Notes and they deliver an affidavit confirming that they have not allocated the UCB Lux Notes to business activities in Belgium and that they are non-residents, provided that (i) the interest is paid through a Belgian credit institution, stock market company or clearing or settlement institution and that (ii) the UCB Lux Notes are not used by UCB Lux for carrying on a business in Belgium.

Non-residents who use the UCB Lux Notes to exercise a professional activity in Belgium through a permanent establishment are in principle subject to the same tax rules as the Belgian resident companies (see above).

Non-resident Noteholders who do not allocate the UCB Lux Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax. However, such non-residents may be liable to Belgian income tax on capital gains realised on the UCB Lux Notes if the following three conditions are cumulatively met: (i) the capital gain would have been taxable if the investor were a Belgian tax resident (ii) the capital gain is realised upon a transfer of the UCB Lux Notes to a Belgian resident individual, a Belgian resident company or entity, a Belgian public authority or a Belgian establishment and (iii) the capital gain is taxable in Belgium pursuant to the applicable double tax treaty, or, if no such tax treaty applies, the investor does not demonstrate that the capital gain is effectively taxed in his State of residence.

Tax on stock exchange transactions and tax on repurchase transactions

A stock exchange tax ("*taxe sur les opérations de bourse*"/"*taks op de beursverrichtingen*") will be levied on the acquisition and disposal of the UCB Lux Notes on the secondary market if executed in Belgium through a professional intermediary. The tax is due at rate of 0.09 per cent. on each acquisition and disposal separately, with a maximum amount of Euro 650 per transaction and per party. The tax is collected by the professional intermediary.

A tax on repurchase transactions ("*taxe sur les reports*"/"*taks op de reportverrichtingen*") at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of Euro 650 per transaction and per party).

However, none of the taxes referred to above will be payable by exempt persons acting for their own account, including Investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional Investors, as

defined in Article 126/1, 2º of the Code of various duties and taxes ("*Code des droits et taxes divers*"/ "*Wetboek diverse rechten en taksen*") for the tax on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

European Directive on taxation of savings income in the form of interest payments

The Savings 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 located within its jurisdiction to, or for the benefit of, an individual or residual entity resident in that other Member State (hereinafter "**Disclosure of Information Method**"), except that Austria and Luxembourg may instead impose a withholding system (hereinafter "**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.

Individuals not resident in Belgium

Interest paid or collected through Belgium on the UCB Lux Notes and falling under the scope of application of the Savings Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Savings Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint Maarten, Sint Eustatius (formerly the Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands 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 its 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 reaches a minimum of Euro 2.5.

Luxembourg Taxation

The comments below are intended as a basic summary of certain tax consequences in relation to the purchase, ownership and disposal of the Notes under Luxembourg law. Persons who are in any doubt as to their tax position should consult a professional tax adviser.

Withholding Tax and Self-Applied Tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to certain individual Noteholders or so-called residual entities, there is no Luxembourg withholding tax on payments of interest (including accrued but unpaid interest). There is also no Luxembourg withholding tax, with the possible exception of payments made to certain individual Noteholders or so-called residual entities, upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Luxembourg non-residents

Under the Luxembourg laws dated 21 June 2005 (the "**Laws**") implementing the European Council Directive 2003/48/EC on the taxation of savings income and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union ("**EU**"), a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual or certain "residual entities" resident or established in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the exchange of information or, in case of

an individual beneficiary, the tax certificate procedure. "Residual entities" within the meaning of Article 4.2 of the Savings Directive are entities established in a Member State or in certain EU dependent or associated territories which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, which are not and have not opted to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands.

The current withholding tax rate is 35 per cent. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

The European Commission has proposed certain amendments to the Savings Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

Luxembourg residents

In accordance with the law of 23 December 2005, as amended by the law of 17 July 2008, on the introduction of a withholding tax on certain interest payments on savings income, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the European Council Directive 85/611/EEC as replaced by the European Council Directive 2009/65/EC or for the exchange of information regime) are subject to a 10 per cent. withholding tax.

Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive.

Income Taxation on Principal, Interest, Gains on Sales or Redemption

Luxembourg tax residency of the Noteholders

Noteholders will not be deemed to be resident, domiciled or carrying on business in Luxembourg solely by reason of holding, execution, performance, delivery, exchange and/or enforcement of the Notes.

Taxation of Luxembourg non-residents

Noteholders who are non-residents of Luxembourg and who do not have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, will not be subject to taxes (income taxes and net wealth tax) or duties in Luxembourg with respect to payments of principal or interest (including accrued but unpaid interest), payments received upon redemption, repurchase or exchange of the Notes or capital gains realised upon disposal or repayment of the Notes.

Taxation of Luxembourg residents

Noteholders who are residents of Luxembourg will not be liable for any Luxembourg income tax on repayment of principal.

Interest received by an individual resident in Luxembourg is, in principle, subject to withholding tax or to the self-applied 10 per cent. tax (see above "**Withholding Tax and Self-Applied Tax**" **– Luxembourg**

residents). This withholding tax or self declared tax represents the final tax liability for the Luxembourg individual resident taxpayers receiving the interest payment in the course of their private wealth. Individual Luxembourg resident Noteholders receiving the interest as business income must include this interest in their taxable base. If applicable, the 10 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident individual Noteholders are not subject to taxation on capital gains upon the disposal of the Notes, unless the disposal of the Notes precedes the acquisition of the Notes or the Notes are disposed of within six months of the date of acquisition of these Notes. Upon the sale, redemption or exchange of the Notes, accrued but unpaid interest will be subject to the 10 per cent. withholding tax, if applicable. Individual Luxembourg resident Noteholders receiving the interest as business income must also include the portion of the price corresponding to this interest in their taxable income. The 10 per cent. Luxembourg withholding tax levied will be credited against their final income tax liability.

Luxembourg resident corporate Noteholders, or Noteholders who have a permanent establishment, a permanent representative or a fixed base of business in Luxembourg with which the holding of the Notes is connected, must for income tax purposes include in their taxable income any interest (including accrued but unpaid interest) as well as the difference between the sale or redemption price and the lower of the cost or book value of the Notes sold or redeemed.

Luxembourg resident corporate Noteholders which are companies benefiting from a special tax regime (such as family wealth management companies subject to the law of 11 May 2007, undertakings for collective investment subject to the law of 17 December 2010 or specialised investment funds subject to the law of 13 February 2007) are tax exempt entities in Luxembourg, and are thus not subject to any Luxembourg tax (i.e. corporate income tax, municipal business tax and net wealth tax) other than the annual subscription tax calculated on their (paid up) share capital (and share premium) or net asset value.

Net Wealth tax

Luxembourg net wealth tax will not be levied on a corporate Noteholder, unless (a) such Noteholder is a Luxembourg resident other than a Noteholder governed by (i) the laws of 17 December 2010 and 13 February 2007 on undertakings for collective investment; (ii) the law of 22 March 2004 on securitisation; (iii) the law of 15 June 2004 on the investment company in risk capital; or (iv) the law of 11 May 2007 on family estate management companies, or (b) the Notes are attributable to an enterprise or part thereof which is carried on in Luxembourg through a permanent establishment or a permanent representative.

Other taxes

No stamp, registration, transfer or similar taxes or duties will be payable in Luxembourg by Noteholders in connection with the issue of the Notes, nor will any of these taxes be payable as a consequence of a subsequent transfer or redemption of the Notes, unless the documents relating to the Notes are voluntarily registered in Luxembourg.

There is no Luxembourg value added tax payable in respect of payments in consideration for the issuance of the Notes or in respect of the payment of interest or principal under the Notes or the transfer of the Notes. Luxembourg value added tax may, however, be payable in respect of fees charged for certain services rendered to UCB Lux, if for Luxembourg value added tax purposes such services are rendered or are deemed to be rendered in Luxembourg and an exemption from Luxembourg value added tax does not apply with respect to such services.

Noteholders not permanently resident in Luxembourg at the time of death will not be subject to inheritance or other similar taxes in Luxembourg in respect of the Notes. No Luxembourg gift tax is levied upon a gift or

donation of the Notes, if the gift is not passed before a Luxembourg notary or recorded in a deed registered in Luxembourg.

PRC CURRENCY CONTROLS

The following is a general description of certain currency controls in the PRC and is based on the law and relevant interpretations thereof in effect as at the date of this Prospectus, all of which are subject to change, and does not constitute legal advice. It does not purport to be a complete analysis of all applicable currency controls in the PRC relating to the Notes. Prospective holders of Notes who are in any doubt as to PRC currency controls are advised to consult their own professional advisers.

Remittance of Renminbi into and outside the PRC

The Renminbi is not a freely convertible currency. The remittance of Renminbi into and outside the PRC is subject to controls imposed under PRC law.

Current Account Items

Under PRC foreign exchange control regulations, current account item payments include payments for imports and exports of goods and services, payments of income and current transfers into and outside the PRC.

Prior to July 2009, all current account items were required to be settled in foreign currencies. Since July 2009, the PRC has commenced a scheme pursuant to which Renminbi may be used for settlement of imports and exports of goods between approved pilot enterprises in five designated pilot cities in the PRC being Shanghai, Guangzhou, Dongguan, Shenzhen and Zhuhai and enterprises in designated offshore jurisdictions including Hong Kong and Macau. On 17 June 2010, the PRC government promulgated the Circular on Issues concerning the Expansion of the Scope of the Pilot Program of Renminbi Settlement of Cross-Border Trades (Yin Fa (2010) No. 186) (the "**Circular**"), pursuant to which (i) Renminbi settlement of imports and exports of goods and of services and other current account items became permissible, (ii) the list of designated pilot districts was expanded to cover 20 provinces including Beijing, Shanghai, Tianjin, Chongqing, Guangdong, Jiangsu, Zhejiang, Liaoning, Shandong and Sichuan, and (iii) the restriction on designated offshore jurisdictions was lifted. Accordingly, any enterprises in the designated pilot districts and offshore enterprises are entitled to use Renminbi to settle any current account items between them (except in the case of payments for exports of goods from the PRC, such Renminbi remittance may only been effected by approved pilot enterprises in designated pilot districts in the PRC). In particular, any foreign invested enterprises located in the designated pilot districts may remit all lawful dividends and distribution payments in Renminbi to its foreign investors outside the PRC. The pilot scheme was further extended in August 2011 to cover all provinces in the PRC and to make RMB trade and other current account settlement available in all countries worldwide.

As a new regulation, the Circular will be subject to interpretation and application by the relevant PRC authorities. Local authorities may adopt different practices in applying the Circular and impose conditions for settlement of current account items.

Capital Account Items

Under PRC foreign exchange control regulations, capital account items include cross-border transfers of capital, direct investments, securities investments, derivative products and loans.

Prior to October 2011, capital account items of foreign invested entities were generally required to be made in foreign currencies. For instance, foreign investors (including any Hong Kong investors) were generally required to make any capital contribution to foreign invested enterprises in a foreign currency in accordance with the terms set out in the relevant joint venture contracts and/or articles of association as approved by the relevant authorities. Foreign invested enterprises or any other relevant PRC parties were also generally

required to make capital account item payments including proceeds from liquidation, transfer of shares and reduction of capital in a foreign currency. That said, the relevant PRC authorities could approve a foreign entity to make a capital contribution or shareholder's loan to a foreign invested enterprise with Renminbi lawfully obtained by it outside the PRC and for the foreign invested enterprise to service interest and principal repayment to its foreign investor outside the PRC in Renminbi on a trial basis. The foreign invested enterprise could also be required to complete registration and verification process with the relevant PRC authorities before such RMB remittances.

According to the Circular on Issues concerning Foreign Investment Management promulgated by the Ministry of Commerce of the PRC ("**MOFCOM**") (the "**MOFCOM Circular**") on 25 February 2011, if a foreign investor intends to make investments by way of (i) establishing a new enterprise, (ii) increasing the registered capital of an existing enterprise, (iii) acquiring an onshore enterprise or (iv) providing a loan in the PRC, in each case, with Renminbi that is generated from cross-border trade settlement or that is lawfully obtained outside the PRC, such investments need to be approved by MOFCOM. On 7 April 2011, the State Administration of Foreign Exchange ("**SAFE**") promulgated the Circular on Issues Concerning the Capital Account Items in connection with Cross-Border Renminbi (the "**SAFE Circular**"), which provides that borrowing by an onshore entity of Renminbi loans from an offshore entity shall in principle follow the current regulations on borrowing foreign debts.

On 3 June 2011, PBOC issued the Notice on Relevant Issues Clarifying the Cross-Border Renminbi Business (the "**PBoC Notice**"), which provided that the pilot programme of foreign direct investment in RMB would be launched on a case by case basis, and approval by the PBoC is required for foreign direct investment in RMB. For industries under restrictions or strictly regulated by the PRC government, foreign direct investment in RMB is prohibited.

On 12 October 2011, MOFCOM promulgated the Circular on Issues in relation to Cross-border RMB Foreign Direct Investment (the "**MOFCOM RMB FDI Circular**"). In accordance with the MOFCOM RMB FDI Circular, MOFCOM's prior written consent which was previously required under the MOFCOM Circular, is no longer required for RMB foreign direct investment ("**RMB FDI**"), and MOFCOM and its local counterparts are authorised to approve RMB FDI in accordance with existing PRC laws and regulations regarding foreign investment, with the following exceptions which require the preliminary approval by the provincial counterpart of MOFCOM and the consent of MOFCOM: (i) RMB FDI with the capital contribution in Renminbi of RMB300 million or more; (ii) RMB FDI in financing guarantee, financing lease, micro financing or auction industries; (iii) RMB FDI in foreign invested investment companies, venture capital or equity investment enterprises; or (iv) RMB FDI in cement, iron & steel, electrolytic aluminium, shipbuilding or other policy sensitive sectors. In addition, RMB FDI in real estate sector is allowed following the existing rules and regulations of foreign investment in real estate, although RMB foreign debt remains unavailable to foreign invested real estate enterprises. The proceeds of RMB FDI may not be used towards investment in securities, financial derivatives or entrustment loans in the PRC, except for investments in PRC domestic listed companies through private placements or share transfers by agreement.

On 13 October 2011, PBoC issued the Measures on Administration of the RMB Settlement in relation to Foreign Direct Investment ("**PBOC RMB FDI Measures**"), pursuant to which, PBoC special approval for RMB FDI and shareholder loans which is required by the PBoC Notice is no longer necessary. The PBoC RMB FDI Measures provide that, among other things, foreign invested enterprises are required to conduct registrations with the local branch of PBoC within ten working days after obtaining the business licenses for the purpose of RMB settlement, a foreign investor is allowed to open a RMB expense account to reimburse some expenses before the establishment of a foreign invested enterprise and the balance in such an account can be transferred to the RMB capital account of such foreign invested enterprise when it is established, commercial banks can remit a foreign investor's RMB proceeds from distribution (dividends or otherwise) by

its PRC subsidiaries out of the PRC after reviewing certain requisite documents, if a foreign investor intends to use its RMB proceeds from distribution (dividends or otherwise) by its PRC subsidiaries, the foreign investor may open a RMB re-investment account to pool the RMB proceeds, and the PRC parties selling stake in domestic enterprises to foreign investors can open RMB accounts and receive the purchase price in RMB paid by foreign investors. The PBoC RMB FDI Measures also state that the foreign debt quota of a foreign invested enterprise constitutes its RMB debt and foreign currency debt from its offshore shareholders, offshore affiliates and offshore financial institutions, and a foreign invested enterprise may open a RMB account to receive its RMB proceeds borrowed offshore by submitting the RMB loan contract to the commercial bank and make repayments of principal of and interest on such debt in RMB by submitting certain documents as required to the commercial bank.

As the MOFCOM Circular, the SAFE Circular, the PBoC Notice, the MOFCOM RMB FDI Circular and the PBOC RMB FDI Measures are relatively new circulars, they will be subject to interpretation and application by the relevant PRC authorities.

Further, if any new PRC regulations are promulgated in the future which have the effect of permitting or restricting (as the case may be) the remittance of Renminbi for payment of transactions categorised as capital account items, then such remittances will need to be made subject to the specific requirements or restrictions set out in such rules.

SUBSCRIPTION AND SALE

Summary of Programme Agreement

Subject to the terms and on the conditions contained in a programme agreement dated 6 March 2013 (the "**Programme Agreement**") between the Issuers, the Guarantor, the Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuers to the Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuers through the Dealers, acting as agents of the relevant Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuers will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuers have agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme.

The Issuers have agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuers.

Selling Restrictions

United States

The Notes have not been and will not be registered under the Securities Act, as amended and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Notes in bearer form having a maturity of more than one year are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

Each Dealer has represented and agreed that, except as permitted by the Programme Agreement, it has not offered, sold or delivered and will not offer, sell or deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche as determined, and certified to the relevant Issuer, by, in case of UCB Notes, the Belgian Domiciliary and Paying Agent or, in the case of UCB Lux Notes, the Fiscal Agent, or in the case of Notes issued on a syndicated basis, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed in respect of the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

(i) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the relevant Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(ii) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(iii) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or

(iv) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (ii) to (iv) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed in respect of the Programme will be required to represent and agree, that:

- in relation to any Notes which have a maturity of less than one year, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is

reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the United Kingdom Financial Services and Markets Act 2000 by the relevant Issuer;

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the United Kingdom Financial Services and Markets Act 2000) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the United Kingdom Financial Services and Markets Act 2000 does not apply to the relevant Issuer or the Guarantor; and
- it has complied and will comply with all applicable provisions of the United Kingdom Financial Services and Markets Act 2000 with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

The Republic of Italy

Unless it is specified within the applicable Final Terms that a non-exempt offer may be made in Italy, the offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of this Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

(i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time ("**Regulation No. 11971**"); or

(ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above must be:

(a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Banking Act**"); and

(b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

Please note that in accordance with Article 100-bis of the Financial Services Act, where no exemption from the rules on public offerings applies under (i) and (ii) above, the subsequent distribution of the Notes on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

France

Each Dealer has represented and agreed and each further Dealer appointed in respect of the Programme will be required to represent and agree, that

- Offer to the public in France:

  It has only made and will only make an offer of Notes to the public in France in the period beginning (i) when a prospectus in relation to those Notes has been approved by the *Autorité des marchés financiers* ("**AMF**"), on the date of such approval or, (ii) when a prospectus has been approved by the competent authority of another Member State of the European Economic Area which has implemented the EU Prospectus Directive No. 2003/71/EC, on the date of notification of such approval to the AMF, and ending at the latest on the date which is 12 months after the date of approval of the Prospectus, all in accordance with Articles L.412-1 and L.621-8 of the French *Code monétaire et financier* and the *Règlement général* of the AMF; or

- Private placement in France

  It has not offered or sold and will not offer or sell, directly or indirectly, Notes to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus, the relevant Final Terms or any other offering material relating to the Notes, and that such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, Articles L.411-1, L.411-2, D.411-1, L.533-16 and L.533-20 of the French *Code monétaire et financier*.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the "**FIEA**"). Accordingly, each of the Dealers has represented and agreed, and each further Dealer appointed in respect of the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act. N°228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws, regulations and ministerial guidelines of Japan.

Hong Kong

Each Dealer has represented and agreed and each further Dealer appointed in respect of the Programme will be required to represent and agree, that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons

outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Taiwan

Each Dealer has, represented, warranted and agreed and each further Dealer appointed in respect of the Programme will be required to represent, warrant and agree, that they have not offered, or sold, or delivered, and will not offer, sell or deliver, at any time, directly or indirectly, any Notes acquired by them as part of the offering of the Notes, in Taiwan or to, or for the account or benefit of, any resident of Taiwan.

The People's Republic of China

Each Dealer has represented and agreed and each further Dealer appointed in respect of the Programme will be required to represent and agree, that neither it nor any of its affiliates has offered or sold or will offer or sell any of the Notes in the People's Republic of China (excluding Hong Kong, Macau and Taiwan) as part of the initial distribution of the Notes.

General

These selling restrictions may be modified by the agreement of the Issuer, the Guarantor and the Dealers following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it shall, to the best of its knowledge, comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Prospectus, any other offering material or any Final Terms therefore in all cases at its own expense.

FORMS OF FINAL TERMS

The forms of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, are set out below.

FORM OF FINAL TERMS 1

FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF LESS THAN EUR 100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET AND/OR OFFERED TO THE PUBLIC ON A NON-EXEMPT BASIS IN THE EEA

Final Terms dated [●]

[UCB SA/UCB Lux S.A.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by UCB SA]

under the EUR 3,000,000,000 Euro Medium Term Note Programme

(a) in those Non-exempt Offer Jurisdictions mentioned in Paragraph 7(vi) of Part B below, provided such person is of a kind specified in that paragraph and that such offer is made during the Offer Period specified for such purpose therein; or,

(b) otherwise in circumstances in which no obligation arises for the Issuer[, the Guarantor] or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer.

Neither the Issuer[, nor the Guarantor,] and any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression "**Prospectus Directive**" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "**2010 PD Amending Directive**" means Directive 2010/73/EU.

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 6 March 2013 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. However, a summary of the issue of the Notes is annexed to these Final Terms. The Prospectus has been published on [Issuer's/financial intermediaries'/regulated market/competent authority] website.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Prospectus dated [original date] [and the supplement(s) to it dated [●]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the [Base] Prospectus), save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]] and attached hereto. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Prospectus [and the supplement(s) dated [●]]. However, a summary of the issue of the Notes is annexed to these Final Terms. The Prospectus has been published on [Issuer's/financial intermediaries'/ regulated market/ competent authority] website.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

1.	[(i)] Issuer:	[UCB SA]/[UCB Lux S.A.]
	[[(ii) Guarantor	[UCB SA]]
2.	[(i)] Series Number:	[●]
	[(ii) Tranche Number:	[●]
	[(iii) Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the Issue Date].]
3.	[(i)] Specified Currency or Currencies:	[●]
	[(ii) Relevant Currency:	[●] *(N.B. only relevant in relation to Condition 7(f) when the Specified Currency is Renminbi, otherwise, delete)*)
4.	Aggregate Nominal Amount:	[●]
	[(i)] Series:	[●]
	[(ii) Tranche:	[●]]
5.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued

		interest from [insert date] *(if applicable)*]
6.	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
7.	(i) Issue Date:	[●]
	(ii) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date:	[●] *[Interest Payment Date falling in or nearest to the relevant month and year]*
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*specify particular reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
10.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
11.	Put/Call Options:	[Issuer Call] [Change of Control Put] [Investor Put]
12.	[Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[●] [and [●], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	[●] in each year
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[30/360/Actual/Actual/Actual/365 (Fixed)/Actual/Actual (ICMA)/Actual/360/30E/360/30E/360 (ISDA)]
	(vi) [Determination Dates:	[●] in each year]/[Not Applicable]
	(vii) [Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	[- Step-up/Step-down Margin:	[●] per cent. per annum]]
14.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Interest Period(s):	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
	(ii) Specified Interest Payment Dates:	[●]

(iii)	Interest Period Date:	[Interest Payment Date/[●]]
(iv)	First Interest Payment Date:	[[●] in each year , subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
(v)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
(vi)	Business Centre(s):	[●]
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	[Reference Banks	[●]]
(ix)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
(x)	Screen Rate Determination:	
	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
(xi)	ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	- ISDA Definitions:	2006
(xii)	Margin(s):	[+/-][●] per cent. per annum
(xiii)	Minimum Rate of Interest:	[●] per cent. per annum
(xiv)	Maximum Rate of Interest:	[●] per cent. per annum
(xv)	Day Count Fraction:	[30/360/Actual/Actual/Actual/365 (Fixed)/Actual/Actual (ICMA)/Actual/360/30E/360/30E/360 (ISDA)]
(xvi)	[Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	[- Step-up/Step-down Margin:	[●] per cent. per annum]]
15.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	[Amortisation/Accrual] Yield:	[●] per cent. per annum
(ii)	[Reference Price:	[●]]
(iii)	[Day Count Fraction in relation to Early Redemption:	[30/360/Actual/Actual/Actual/365 (Fixed)/Actual/Actual (ICMA)/Actual/360/30E/360/30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16.	**Issuer Call**	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[●]

(ii)	Optional Redemption Amount(s) of each Note	
	Reference Bond:	[CA Selected Bond: Belgium's *obligations linéaires – lineaire obligaties* (OLOs)/ CA Selected Bond: German *Bundesobligationen*/CA Selected Bond:[●]/[*specify non-CA Selected Bond*]]
	Quotation Time:	[●]
	Optional Redemption Margin:	[●] per cent.
	Reference Rate Determination Day:	[●]
	Floor:	[[●]/Not Applicable]
(iii)	If redeemable in part:	[Applicable/Not applicable]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
17.	**Change of Control Put Option**:	[Applicable, subject to subparagraph 17(ii) below/Not Applicable]
(i)	Change of Control Resolution Approval Deadline	[[●]/Not Applicable]
(ii)	Change of Control Step-Up Margin	[[●]/Not Applicable]
(iii)	Put Redemption Rate	[MIN ([●] per cent.; [●] per cent. × Exp (T × 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 Issue Date until (and including) the Early Redemption Event /[●] %]
18.	**Investor Put**	[Applicable/Not Applicable]
(i)	Optional Redemption Date(s):	[●]
(ii)	Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
(iii)	Notice period:	[As set out in Condition 6(e)(ii)/[●]]
19.	**Final Redemption Amount of each Note**	[●] per Calculation Amount
20.	**Early Redemption Amount**	[●] per Calculation Amount
	Early Redemption Amount(s) per	[●]

	Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	**Form of Notes :**	[**Bearer Notes**: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [ ] day's notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] **Dematerialised Notes**]
22.	New Global Note	[Yes] [No] [Not Applicable]
23.	Financial Centre(s):	[Not Applicable/*give details*]
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]

THIRD PARTY INFORMATION

The Issuer [and the Guarantor] accept[s] responsibility for the information contained in these Final Terms. [*(Relevant third party information)* has been extracted from *(specify source)*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [name of the Issuer]:

By: .....
Duly authorised

[Signed on behalf of UCB SA as Guarantor]:

By: .....
Duly authorised]

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market]*] with effect from [●].] [Not Applicable.]

2. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."]

3. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer	[●]
[(ii)] Estimated net proceeds:	[[●]
[(iii)] Estimated total expenses:	[●]

4. **[*Fixed Rate Notes only* – YIELD**

[●]
Calculated as indicated in Section C.9 of "Summary of the Notes" on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **[*Floating Rate Notes only* – HISTORIC INTEREST RATES**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

6. **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
Any clearing system(s) other than NBB Clearing System, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant addresses and identification number(s):	[Not Applicable/*give name(s) and number(s)]*
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [Note that the designation "yes" does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met. The Notes will be deposited initially upon issue with [one of the ICSDS acting as common safekeeper/ [a non-ICSD] common safekeeper.][Include this text if "yes" selected in which case

bearer Notes must be issued in NGN form]]

7. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	
	(A) Names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names, addresses and underwriting commitments*]
	(B) Date of [Subscription] Agreement:	[●]
	C) Stabilising Manager(s) if any:	[Not Applicable/*give name*]
(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
(iv)	Indication of the overall amount of the underwriting commission and of the placing commission:	[●] per cent. of the Aggregate Nominal Amount
(v)	US Selling Restrictions (Categories of potential investors to which the Notes are offered):	[Reg. S Compliance Category 2; TEFRA C/TEFRA D/ TEFRA not applicable]]
(vi)	Non-exempt Offer:	[Not Applicable] [An offer of the Notes may be made by the Dealers [and [ ]] (together [with the Dealers], the "**Initial Authorised Offerors**" [and any other Authorised Offerors in accordance with paragraph [ ] below] other than pursuant to Article 3(2) of the Prospectus Directive in [ ] (the "**Non-exempt Offer Jurisdictions**") during the period from [*specify date*] until [*specify date*] ("**Offer Period**"). See further Paragraph [ ] below.
(vii)	General Consent:	[Applicable][Not Applicable]
(viii)	Any other conditions relating to the Non-exempt Offer	[Not Applicable/*Give details*]

8. **TERMS AND CONDITIONS OF THE OFFER**

Offer Price:	[Issue Price][*specify*]
Conditions to which the offer is subject:	[Not Applicable/*give details*]
Description of the application process:	[Not Applicable/*give details*]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*give detail*]
Details of the minimum	[Not Applicable/*give details*]

and/or maximum amount of application:	
Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/*give details*]
Manner in and date on which results of the offer are to be made public:	[Not Applicable/give details]
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]
Whether tranche(s) have been reserved for certain countries:	[Not Applicable/*give details*]
Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/*give details*]
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*give details*]
Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	The Initial Authorised Offerors identified in paragraph [ ] above [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Prospectus in connection with the Non-exempt Offer and who are identified on the website of [ ] as an Authorised Offeror] (together, the "**Authorised Offerors**").

ANNEX

SUMMARY OF THE NOTES

[●]

FORM OF FINAL TERMS 2

FOR USE IN CONNECTION WITH ISSUES OF SECURITIES WITH A DENOMINATION OF AT LEAST EUR 100,000 (OR ITS EQUIVALENT IN ANY OTHER CURRENCY) TO BE ADMITTED TO TRADING ON AN EEA REGULATED MARKET

Final Terms dated [●]

[UCB SA/UCB Lux S.A.]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by UCB SA]

under the EUR 3,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 6 March 2013 [and the supplement(s) to it dated [●]] which [together] constitute[s] a base prospectus (the "**Prospectus**") for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus has been published on [Issuer's/financial intermediaries'/regulated market/competent authority] website.

The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the Conditions) set forth in the Prospectus dated [original date] [and the supplement(s) to it dated [●]] [which are incorporated by reference in the Prospectus dated [current date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Prospectus dated [current date] [and the supplement(s) to it dated [●]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the Prospectus, save in respect of the Conditions which are extracted from the Prospectus dated [original date] [and the supplement(s) to it dated [●]] and attached hereto. Full information on the Issuer[, the Guarantor(s)] and the offer of the Notes is only available on the basis of the combination of these Final Terms, the Prospectus [and the supplement(s) dated [●]]. The Prospectus has been published on [Issuer's/financial intermediaries'/ regulated market/ competent authority] website.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted. Italics denote guidance for completing the Final Terms.]

1.	[(i)]	Issuer:	[UCB SA] [UCB Lux S.A.]
	[[(ii)	Guarantor:	[UCB SA]]
2.	[(i)]	Series Number:	[●]
	[(ii)	Tranche Number:	[●]
	[(iii)	Date on which the Notes become fungible:	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series*] on [*insert date*/the

		Issue Date].]
3.	[(i)] Specified Currency or Currencies:	[●]
	[(ii) Relevant Currency:	[●] *(N.B. only relevant in relation to Condition 7(f) when the Specified Currency is Renminbi, otherwise, delete)*)
4.	Aggregate Nominal Amount:	[●]
	[(i)] Series:	[●]
	[(ii)] Tranche:	[●]]
5.	Issue Price:	[●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(if applicable)*]
6.	(i) Specified Denominations:	[●]
	(ii) Calculation Amount:	[●]
7.	(iii) Issue Date:	[●]
	(iv) Interest Commencement Date:	[*Specify*/Issue Date/Not Applicable]
8.	Maturity Date	[●]*[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
9.	Interest Basis:	[[●] per cent. Fixed Rate] [[*specify particular reference rate*] +/– [●] per cent. Floating Rate] [Zero Coupon] (further particulars specified below)
10.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [●] per cent. of their nominal amount.
11.	Put/Call Options:	[Issuer Call] [Change of Control Put][Investor Put] [(further particulars specified below)]
12.	[Date [Board] approval for issuance of Notes [and Guarantee] obtained:	[●] [and [●], respectively]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes or related Guarantee)*]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Rate[(s)] of Interest:	[●] per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	[●] in each year
	(iii) Fixed Coupon Amount[(s)]:	[●] per Calculation Amount
	(iv) Broken Amount(s):	[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]
	(v) Day Count Fraction:	[30/360/Actual/Actual/Actual/365 (Fixed)/Actual/Actual

		(ICMA)/Actual/360/30E/360/30E/360 (ISDA)]
	(vi) [Determination Dates:	[●] in each year] [Not Applicable]
	(vii) [Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	[- Step-up/Step-down Margin:	[●] per cent. per annum]]
14.	**Floating Rate Note Provisions**	[Applicable/Not Applicable] (*if not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i) Interest Period(s):	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
	(ii) Specified Interest Payment Dates:	[●]
	(iii) Interest Period Date:	[Interest Payment Date/[●]]
	(iv) First Interest Payment Date:	[[●] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below]
	(v) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]
	(vi) Business Centre(s):	[●]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
	(viii) [Reference Banks	[●]]
	(ix) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Agent]):	[●]
	(x) Screen Rate Determination:	
	– Reference Rate:	[●]
	– Interest Determination Date(s):	[●]
	– Relevant Screen Page:	[●]
	(xi) ISDA Determination:	
	– Floating Rate Option:	[●]
	– Designated Maturity:	[●]
	– Reset Date:	[●]
	-ISDA Definitions:	2006
	(xii) Margin(s):	[+/-][●] per cent. per annum
	(xiii) Minimum Rate of Interest:	[●] per cent. per annum
	(xiv) Maximum Rate of Interest:	[●] per cent. per annum
	(xv) Day Count Fraction:	[30/360/Actual/Actual/Actual/365 (Fixed)/Actual/Actual

		(ICMA)/Actual/360/30E/360/30E/360 (ISDA)]
	(xvi) [Ratings Step-up/Step-down:	[Applicable/Not Applicable]
	[- Step-up/Step-down Margin:	[●] per cent. per annum]]
15.	**Zero Coupon Note Provisions**	[Applicable/Not Applicable]
	(i) [Amortisation/Accrual] Yield:	[●] per cent. per annum
	(ii) [Reference Price:	[●]]
	(iii) [Day Count Fraction in relation to Early Redemption Amounts:	[30/360/Actual/Actual/Actual/365 (Fixed)/Actual/Actual (ICMA)/Actual/360/30E/360/30E/360 (ISDA)]

PROVISIONS RELATING TO REDEMPTION

16.	**Issuer Call**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note	
	Reference Bond:	[CA Selected Bond: Belgium's *obligations linéaires - lineaire obligaties* (OLOs)/CA Selected Bond: German *Bundesobligationen*/CA Selected Bond:[●]/*[specify non-CA Selected Bond]*]]
	Quotation Time:	[●]
	Optional Redemption Margin:	[●] per cent.
	Reference Rate Determination Date:	[●]
	Floor:	[[●]/Not Applicable]
	(iii) If redeemable in part:	[Applicable/Not Applicable]
	(a) Minimum Redemption Amount:	[●] per Calculation Amount
	(b) Maximum Redemption Amount:	[●] per Calculation Amount
17.	**Change of Control Put Option**:	[Applicable, subject to subparagraph 17(ii) below/Not Applicable]
	(i) Change of Control Resolution Approval Deadline	[[●]/Not Applicable]
	(ii) Change of Control Step-Up Margin	[[●]/Not Applicable]
	(iii) Put Redemption Rate	[MIN ([●] per cent.; [●] per cent. × Exp (T × 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 Issue Date until (and including) the Early Redemption Event /[●] %]
18.	**Investor Put**	[Applicable/Not Applicable]
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note:	[●] per Calculation Amount
	(iii) Notice period:	[As set out in Condition 6(e)(ii)/[●]]
19.	**Final Redemption Amount of each Note**	[●] per Calculation Amount
20.	**Early Redemption Amount**	[●] per Calculation Amount
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption:	[●]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

21.	**Form of Notes**:	[**Bearer Notes**: [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [ ] day's notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] **Dematerialised Notes**]
22.	New Global Note	[Yes] [No] [Not Applicable]
23.	Financial Centre(s):	[Not Applicable/*give details.*]
24.	Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. *If yes, give details*]

THIRD PARTY INFORMATION

[*(Relevant third party information)* has been extracted from *(specify source)*.[Each of the] [The] Issuer [and the Guarantor(s)] confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by *(specify source)*, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [name of the Issuer]:

By: .....
Duly authorised

[Signed on behalf of UCB SA as Guarantor]:

By: .....
Duly authorised]

PART B – OTHER INFORMATION

1. **LISTING AND ADMISSION TO TRADING**

(i) Admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market]*] with effect from [●].] [Not Applicable.]
(ii) Estimate of total expenses related to admission to trading:	[●]

2. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

"Save as discussed in ["Subscription and Sale"], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer." (*Amend as appropriate if there are other interests)*]

3. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer	[●]
[(ii)] Estimated net proceeds:	[●]
[(iii)] Estimated total expenses:	[●]

4. **[*Fixed Rate Notes only* – YIELD**

[●]
The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **OPERATIONAL INFORMATION**

ISIN Code:	[●]
Common Code:	[●]
Any clearing system(s) other than NBB Clearing System, Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)]*
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Paying Agent(s) (if any):	[●]
[Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes][No] [Note that the designation "yes" does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

The Notes will be deposited initially upon issue with [one of the ICSDS acting as common safekeeper/ [a non-ICSD] common safekeeper.][Include this text if "yes" selected in which case bearer Notes must be issued in NGN form]]

6. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated:	
	(A) Names and addresses of Managers and underwriting commitments:	[Not Applicable/*give names, addresses and underwriting commitments*]
	(B) Date of [Subscription] Agreement:	[●]
	C) Stabilising Manager(s) if any:	[Not Applicable/*give name*]
(iii)	If non-syndicated, name and address of Dealer:	[Not Applicable/*give name and address*]
(iv)	US Selling Restrictions (Categories of potential investors to which the Notes are offered):	[Reg. S Compliance Category 2; TEFRA C/TEFRA D/ TEFRA not applicable]]

GENERAL INFORMATION

(1) Application has been made for Notes issued under the Programme to be admitted to the regulated market of NYSE Euronext Brussels.

(2) The listing of the Notes on NYSE Euronext Brussels will be expressed as a percentage of their nominal amount (exclusive of accrued interest). It is expected that each Tranche of the Notes which is to be admitted on NYSE Euronext Brussels will be admitted separately as and when issued. Prior to official listing and admission to trading, however, dealings may be permitted by NYSE Euronext Brussels in accordance with their rules. However, unlisted Notes or Notes listed on another market may be issued pursuant to the Programme.

(3) Each of the Issuers and the Guarantor has obtained all necessary consents, approvals and authorisations in Belgium and in Luxembourg in connection with the establishment of the Programme and the Guarantee. The establishment of the Programme was authorised by the Board of Directors of UCB on 20 September 2012 and confirmed on 13 December 2012 and by the Board of Directors of UCB Lux on 26 November 2012.

(4) There has been no significant change in the financial or trading position of UCB or of the UCB Group since 31 December 2012, there has been no significant change in the financial or trading position of UCB Lux since 31 December 2012 and there has been no material adverse change in the prospects of the Issuers or of the Guarantor or of the UCB Group since 31 December 2012.

(5) Except as disclosed in Section "Description of the Issuer" (Heading "Legal Proceedings") of this Prospectus, neither the Issuers nor any of their subsidiaries nor the Guarantor is involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers or Guarantor 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 or the Guarantor.

(6) Notes have been accepted for clearance through the NBB System, Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium, the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg and the address of the NBB is Boulevard de Berlaimont 14, 1000 Brussels, Belgium. The address of any alternative clearing system will be specified in the applicable Final Terms.

(7) There are no material contracts entered into other than in the ordinary course of the Issuers' or Guarantor's business, which could result in any member of the UCB Group being under an obligation or entitlement that is material to the Issuers' or Guarantor's ability to meet their obligations to noteholders in respect of the Notes being issued.

(8) Where information in this Prospectus has been sourced from third parties this information has been accurately reproduced and as far as the relevant 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.

(9) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes.

(10) For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the relevant Issuer and, in case of UCB Notes, the Belgian Domiciliary and Paying Agent or, in case of UCB Lux Notes, the Fiscal Agent:

- the Belgian Domiciliary and Paying Agency Agreement;
- the Agency Agreement;
- the Clearing Services Agreement;
- the Articles of Association of UCB;
- the Articles of Association of UCB Lux;
- the published annual report and audited financial statements of the Issuers, the Guarantor and the UCB Group for the two years ended 31 December 2011 and 31 December 2012 and the audited consolidated financial statements of UCB for the two years ended 31 December 2011 and 31 December 2012;
- each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Belgian Domiciliary and Paying Agent or the Fiscal Agent, as the case may be, as to its holding of Notes and identity);
- a copy of this Prospectus together with any Supplement to this Prospectus or further Prospectus; and
- all reports, letters and other documents, balance sheets, valuations and statements by any expert any part of which is extracted or referred to in this Prospectus.

This Prospectus and the Final Terms for Notes that are listed on NYSE Euronext Brussels' regulated market will be published on the website of the website of NYSE Euronext Brussels (www.nyse.com).

(11) Copies of the latest annual report and consolidated financial statements of UCB, the latest interim consolidated financial statements of UCB and latest financial statements of UCB Lux may be obtained, and copies of the Belgian Domiciliary and Paying Agency Agreement, Agency Agreement and Clearing Services Agreement will be available for inspection, at the specified offices of each of, in case of UCB Notes, the Belgian Domiciliary and Paying Agent, in case of UCB Notes, or Fiscal Agents during normal business hours, so long as any of the Notes is outstanding. UCB Lux does not publish interim financial statements.

(12) PwC Réviseurs d'Entreprises SCCRL (member of the *Institut des Réviseurs/Instituut der Bedrijfsrevisoren*), Woluwedal 18, 1932 Zaventem, Belgium have audited, and rendered unqualified audit reports on, the consolidated financial statements of UCB for the years ended 31 December 2011 and 31 December 2012.

(13) PricewaterhouseCoopers, Société coopérative, 400 Route d'Esch, L-1471 Luxembourg, Luxembourg have audited, and rendered unqualified audit reports on, the financial statements of UCB Lux for the years ended 31 December 2011 and 31 December 2012.

(14) The Dealers and their affiliates (including their respective parent companies, where applicable) have engaged in, and may in the future engage in, investment banking and other commercial dealings with, and may perform services for, the relevant Issuer, the Guarantor (if applicable) or their respective affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates (including their respective parent companies, where applicable) may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the relevant Issuer, the Guarantor (if applicable) or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with an Issuer routinely hedge their credit exposure to such Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates (including their respective parent companies, where applicable) may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ANNEX:
UCB LUX FINANCIAL STATEMENTS

This annex includes:

- the audited annual non-consolidated separate financial statements of UCB Lux for the financial year ended 31 December 2011, drawn up in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), together with the audit report thereon;
- the audited annual non-consolidated separate financial statements of UCB Lux for the financial year ended 31 December 2012, drawn up in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS), together with the audit report thereon.

UCB Lux S.A.
Société Anonyme

Financial statements
as at December 31, 2011

12, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg: B 105267

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STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	Notes	2011	2010
Administrative expenses	5	(603)	(1 180)
Dividend Income		95.745	-
Interest and similar income		404.702	381 232
- Intercompany		*363 313*	*364 338*
- Third party		*41 389*	*16 894*
Interest and similar expenses	7	(216 009)	(241 613)
- Intercompany		*(189 050)*	*(183 453)*
- Third party		*(26 959)*	*(58 160)*
Realized exchange gain/(losses)		527	(20 077)
- Intercompany		*(12 032)*	*(92 232)*
- Third party		*12 559*	*72 155*
Unrealized exchange gain/(losses)		26 456	(5 733)
- Intercompany		*100 055*	*5 558*
- Third party		*(73 599)*	*(11 291)*
Other financial income/(expense)		55	2 054
- Intercompany		-	*(122)*
- Third party		*55*	*2 176*
Impairment of Loan Granted	8	(651 000)	-
Operating result		**(340 127)**	**114 683**
Profit/loss before income taxes		**(340 127)**	**114 683**
Income tax	9	184 979	722
Profit/loss for the year		**(155 148)**	**115 405**
Other comprehensive income:			
Hedge accounting and revaluation of financial instruments		(203)	11 313
Total other comprehensive income		**(203)**	**11 313**
Total comprehensive income/loss		**(155 351)**	**126 718**

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

(in € thousands)	Notes	31.12.2011	31.12.2010
ASSETS			
Non-current assets			
Intangible assets	10	13	19
Property, plant and equipment	11	2	3
Investment in subsidiaries	12	4 267 435	4 267 435
Investment in associates	12	22 565	22 565
Deferred tax assets	13	185 187	-
Intercompany loans	14	4 987 758	6 080 906
Derivative financial instruments	20	23 288	10 339
Total non-current assets		**9 486 248**	**10 381 267**
Current assets			
Trade and other receivables	15	71 646	97 053
- Intercompany		*64 974*	*91 946*
- Third party		*6 672*	*5 107*
Derivative financial instruments	20	72 043	107 353
- Intercompany		*34 106*	*48 132*
- Third party		*37 937*	*59 221*
Intercompany loans and receivables	14	1 049 761	789 640
Cash and cash equivalents	16	816 947	1 064 265
- Cash at bank		*222 319*	*405 981*
- Intercompany current account		*594 628*	*658 284*
Total current assets		**2 010 397**	**2 058 311**
Total assets		**11 496 645**	**12 439 578**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	3 382 272	3 382 272
Legal reserve	17	18 877	13 107
Other reserves		(203)	-
Retained earnings		830 997	721 362
Profit for the year		(155 148)	115 405
Total equity		**4 076 795**	**4 232 146**
Non-current liabilities			
Borrowings	19	2 609 296	2 616 275
- Intercompany		*2 609 296*	*2 616 275*
Derivative financial instruments	20	59 796	37 841
Employee benefits		-	318
Other payables - intercompany	21	3 130 687	3 130 687
Total non-current liabilities		**5 799 779**	**5 785 121**
Current liabilities			
Borrowings	19	1 448 144	2 247 187
- Intercompany		*9 827*	*274 144*
- Third party		-	*299 267*
- Intercompany current account		*1 438 317*	*1 673 776*
Derivative financial instruments	20	133 925	119 780
- Intercompany		*45 333*	*50 213*
- Third party		*88 592*	*69 567*
Other payables	21	38 002	55 345
- Intercompany		*24 873*	*39 235*
- Third party		*13 129*	*16 110*
Total current liabilities		**1 620 071**	**2 422 312**
Total liabilities		**7 419 850**	**8 207 433**
Total equity and liabilities		**11 496 645**	**12 439 578**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(in € thousands)	2011	2010
Profit for the year	**(155 148)**	**115 405**
Adjustments for :		
Depreciation of property, plant and equipment	1	5
Amortisation of intangible assets	6	7
Finance income	(404 702)	(381 232)
Finance costs	212 328	232 499
Change in fair value of financial instruments	58 257	(6 695)
Impairment	651 000	-
Income tax expense	209	(722)
Sub-total	**361 951**	**(40 733)**
Increase in trade & other receivables and other assets	(181 653)	(12 127)
Increase in trade & other payables	(12 994)	15 472
Decrease in employee benefits payable	(318)	(4 055)
Net cash used in operating activities	**166 986**	**(41 443)**
Interest received	426 574	326 182
Interest paid	(216 734)	(210 139)
Income taxes paid	(151)	722
Cash flows from operating activities	**376 675**	**75 323**
Impairment on assets	(651 000)	-
Cash flows from/used in investing activities	**(651 000)**	**-**
Repayments of borrowings	(799 043)	(1 512 231)
Proceeds from payment of intercompany loan receivables	833 028	52 070
Proceeds from disposals of available-for-sale financial assets	-	134 839
Dividend paid	-	(40 000)
Proceeds from borrowings	(6 979)	1 776 948
Cash flows (used in) from financing activities	**27 006**	**411 626**
Net increase in cash and cash equivalents	**(247 319)**	**486 948**
Cash and cash equivalents at the beginning of the year	1 064 266	577 318
Cash and cash equivalents at the end of the year	**816 947**	**1 064 266**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	Attributed to equity holders of UCB Lux SA				
(in € thousands)	Share capital	Retained earnings [1]	Other reserves	Cash flow hedges	Total shareholders' equity
Balance at January 1, 2011	**3 382 272**	**836 767**	**13 107**	**-**	**4 232 146**
Comprehensive income/loss					
Loss for the year	-	(155 148)	-	-	(155 148)
Other comprehensive income/loss					
Revaluation of available-for-sale	-	-	(203)		(203)
Total comprehensive income/loss	-	(155 148)	(203)		(155 351)
Legal reserve allocation	-	(5 770)	5 770	-	-
Balance at December 31, 2011	**3 382 272**	**675 849**	**18 877**	**(203)**	**4 076 795**

[1] includes profit for the year

	Attributed to equity holders of UCB Lux SA				
(in € thousands)	Share capital	Retained earnings [1]	Other reserves	Cash flow hedges	Total shareholders' equity
Balance at January 1, 2010	**3 382 272**	**764 515**	**9 954**	**(11 313)**	**4 145 428**
Comprehensive income					
Profit for the year	-	115 405	-	-	115 405
Other comprehensive income					
Cash flow hedges net of tax	-	-	-	11 313	11 313
Total comprehensive income	-	115 405	-	11 313	126 718
Legal reserve allocation	-	(3 153)	3 153	-	-
Dividends paid	-	(40 000)	-	-	(40 000)
Balance at December 31, 2010	**3 382 272**	**836 767**	**13 107**	**-**	**4 232 146**

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

UCB Lux S.A. (the "Company") was incorporated on December 6, 2004 and organized under the laws of Luxembourg as "Société Anonyme" for an unlimited period.

The registered office of the Company is established at 12, rue Eugène Ruppert, L-2453 Luxembourg.

The Company's financial year starts on January 1st and ends on December 31st of each year.

UCB Lux S.A. belongs to the UCB Group which is a global biopharmaceutical group focused on severe diseases in two therapeutic areas namely Central Nervous System disorders and Immunology.

The main activity of the Company is to carry out all transactions pertaining directly or indirectly to the acquisition of participating interests as well as the financing of UCB Group companies. The Company may further invest in the acquisition and management of a portfolio of patents and/or other intellectual property rights of any nature or origin whatsoever.

The Company is included in the consolidated accounts of UCB S.A., forming the largest body of undertakings of which the Company forms part as a subsidiary undertaking. As the Company itself is a subsidiary of UCB S.A. which does prepare and publish consolidated accounts, in which its yearly statements of accounts are included, these accounts are published on an unconsolidated basis. UCB S.A., the parent company, is a limited liability company incorporated and domiciled in Belgium. The registered office is at 60, Allée de la Recherche, B-1070 Brussels, Belgium. UCB S.A. is listed on the Euronext Brussels Stock Exchange.

The Board of Directors approved these financial statements for issue on May 16, 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements have been prepared using the historical cost convention, except for certain items including available-for-sale financial assets, derivative financial instruments and cash-settled share-based payment arrangements which are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 NEW FINANCIAL REPORTING STANDARDS

Certain new standards, amendments and interpretations to existing standards have been published and their impact on the Company's accounting policies is considered below.

a. Changes in accounting policy and disclosures

New and amended standards adopted by the Company:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2011 that had a material impact on the Company.

b. New standards and interpretations not yet adopted

The following new standards, amendments to existing standards, and interpretations have been issued but are not effective for the financial year beginning on 1 January 2011 and have not been early adopted.

IFRS 9, Financial instruments (effective from 1 January 2013)
The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is currently assessing IFRS 9's full impact.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 10, Consolidated Financial Statements (effective from 1 January 2013)
IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing IFRS 10's full impact.

IFRS 11, Joint Arrangements (effective from 1 January 2013)
IFRS 11 seeks to provide users of financial statements with greater clarity about an entity's involvement in joint arrangements by requiring the entity to recognise the contractual rights and obligations arising from the joint arrangement in which it participates, independently from the arrangement's legal structure. There are now only two forms of joint arrangement under IFRS 11 – joint operations and joint ventures. The Group is currently evaluating the impact of this standard.

IFRS 12, Disclosures on Interests in Other Entities (effective from 1 January 2013)
IFRS 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company is still evaluating the impact of this standard on its financial statements.

IFRS 13, Fair Value Measurement (effective from 1 January 2013)
IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS's. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company has yet to assess IFRS 13's full impact.

IAS 19, Employee Benefits
IAS 19 was amended in June 2011. The impact on the Company will be as follows: to eliminate the corridor approach and recognize all actuarial gains and losses in OCI as they occur; to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Company is assessing the full impact of the amendments.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

Items included in the financial statements of the Company are measured using the Euro (€), which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Euro.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Comprehensive income, except when deferred in equity as qualifying cash flow hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for–sale are included in the available-for-sale reserve in equity.

2.4 INCOME

Interest income

Interest is recognised on a time proportion basis that takes into account the effective yield on the asset.

Dividend income

Dividends are recognised when the shareholder's right to receive the payment is established.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are presented in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 INCOME TAXES

The income tax expense for the period comprises current and deferred income taxes. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income. Deferred income tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognised for all taxable temporary differences and deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit.

A deferred tax asset shall also be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are not discounted.

2.7 INTANGIBLE ASSETS

Intangible assets are shown at historical cost.

Intangible assets are amortised over their useful lives on a straight-line basis as from the moment they are available for use. Estimated useful life is based on the lower of the contract life or the economic useful life. Intangible assets are considered to have a finite economic useful life; therefore no intangible assets with an indefinite life have been identified.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (5 years) on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes all directly attributable costs of bringing the asset to its working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed as they are incurred.

Depreciation is calculated using the straight line method to allocate the cost of assets, to their residual values over their estimated useful lives. Depreciation commences when the asset is ready to be used.

The residual value and the useful life of an asset is reviewed at least at each financial year-end.

The following useful lives are applicable to the main property, plant and equipment categories:

- Furniture and fixtures 7 years

2.9 LEASES

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Lease payments under an operating lease are recognised in the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2.10 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and in associates are accounted for at cost. At year-end, the Company assesses whether there is objective evidence that a subsidiary or an associate is impaired. A subsidiary or an associate is impaired and impairment losses are incurred only if there is objective evidence of impairment as result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the value that can be reliably estimated. The asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.11 FINANCIAL ASSETS AND LIABILITIES

a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale; and its financial liabilities in the following categories: at amortised cost and at fair value through profit and loss. The classification depends on the purpose for which the financial assets and liabilities were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets and liabilities are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's financial market risk management policy. Derivative financial instruments are also categorised as held for trading unless they are designated as hedges (see Note 2.12).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value and the transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method, less any impairment losses.

The fair value of listed investments is based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are recognised in the statement of comprehensive income in the period in which they arise while gains or losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in other comprehensive income (equity). On disposal/impairment of available-for-sale financial assets, any cumulative gains or losses that have been deferred in equity are recycled to the statement of comprehensive income.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in profit or loss – is removed from other comprehensive income and recognised in the statement of comprehensive income.

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. The Company does not engage in speculative transactions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Derivative financial instruments are initially recorded at fair value and attributable transaction costs are recognised in the statement of comprehensive income when incurred. Derivative financial instruments are subsequently re-measured at their fair value. The method of recognising the resulting gains or losses depends on whether the derivative financial instrument is designated as a hedging instrument and if so, the nature of the item being hedged. The Company designates derivative financial instruments as either cash flow hedges or fair value hedges.

The Company documents at inception of the transaction the relationship between the hedging instrument and the hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an ongoing basis, as to whether the derivative financial instruments that are used in hedging transactions are highly effective in off-setting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative financial instrument is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Embedded derivative financial instruments are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative financial instrument are not closely related, a separate instrument with the same terms as the embedded derivative financial instrument would meet the definition of a derivative financial instrument, and the combined instrument is not measured at fair value through profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

A cash flow hedge relationship is discontinued prospectively if the hedge fails the effectiveness test, the hedging instrument is sold, terminated or exercised, management revokes the designation or the forecasted transactions is no longer highly probable. Where a forecasted transaction is no longer highly probable but still expected to occur, hedging gains and losses previously deferred in other comprehensive income remain in other comprehensive income until the transaction affects profit or loss. Once the forecasted transaction is no longer expected to occur, any gain or loss is released immediately to the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Derivative financial instruments that do not qualify for hedge accounting

Certain derivative financial instruments do not qualify for hedge accounting. Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

2.13 TRADE DATE AND SETTLEMENT DATE OF ACCOUNTING

All regular transactions on non-derivative financial instruments are recognised and derecognised at "settlement date" which is the date that an asset is delivered to or by the Company. Derivative financial instruments are recognised at trade date.

2.14 TRADE RECEIVABLES

Trade receivables are recognised initially at fair value, and are subsequently measured at amortised cost using the effective interest rate method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

2.15 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the amount reported in the balance sheet if and only if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.16 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 SHARE CAPITAL

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The Company did not issue any preference or mandatory redeemable preference shares.

2.18 BORROWINGS

Borrowings and overdrafts are initially measured at fair value, net of transaction costs incurred, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.19 TRADE PAYABLES

Trade payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method.

2.20 SHARE-BASED PAYMENTS

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense, with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is re-measured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in the statement of comprehensive income.

2.21 PROVISIONS

Provisions are recognised in the balance sheet when:

a) There is a present obligation (legal or constructive) as a result of a past event;
b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c) A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

3. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements in conformity with IFRS as adopted for use by the EU requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making the reported amounts of revenue and expenses that may not be readily apparent from other sources. Actual results will by definition not equal those estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary.

3.1 DEFERRED TAXES

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management judgement is based on a 5 year business plan that evidences the existence of taxable profits in this future period.

3.2 IMPAIRMENT OF INTERCOMPANY RECEIVABLES, AVAILABLE-FOR-SALE FINANCIAL ASSETS, SUBSIDIARIES AND ASSOCIATES

The Company follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates on a regular basis and at each reporting date, among other factors, the duration and extent to which the fair value of an investment is less than its cost; the equity, the solvency, the credit status and the near-term business outlook of the counterparty, including factors such as financial performance, changes in operational and financing cash flows.

4. FINANCIAL RISK MANAGEMENT

UCB Lux SA has a mandate to manage a portion of the financial risks of the Group by entering the financial markets to hedge them. The Company is exposed to various financial risks arising from its underlying operations and corporate finance activities. These financial risks are market risk (including currency risk and interest risk), credit risk and liquidity risk. Financial risks are managed at the level of UCB Group.

This note presents information about the UCB Group's exposure to the above-mentioned risks, the policies and processes for managing these risks and the UCB Group's management of capital. Risk management is carried out by the UCB Group's treasury department under policies approved by UCB Group Financial Risk Management Committee (FRMC). The FRMC includes the UCB Group's Chief Financial Officer, heads of Accounting, Reporting & Consolidation department, Financial Control department, Internal Audit department, Tax department and Treasury & Risk department.

The FRMC is responsible for:
a) reviewing the results of UCB's risk assessment;
b) approval of the recommended risk management strategies (proposed by the Group Treasury & Risk Management department);
c) monitoring compliance with the financial market risk management policy;
d) approval of policy changes; and
e) reporting to the Audit Committee.

The UCB Group's financial risk management policies established by the FRMC need to identify and analyse the risks faced by the UCB Group and the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed by the FRMC on a semi-annual basis to reflect changes in market conditions and the Company's activities.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's statement of Comprehensive income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures. The Company enters into derivative financial instruments and also incurs financial liabilities in order to manage market risk. Generally the Company seeks to apply hedge accounting in order to manage volatility in the statement of comprehensive income. It is the Company's policy and practice not to enter into derivative transactions for speculative purposes.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK (CONTINUED)

Foreign exchange risk

The UCB Group operates across the world and is exposed to movements in foreign currencies affecting its net income and financial position, as expressed in euros. The Company actively monitors the UCB Group's currency exposures, and when appropriate, enters into transactions with the aim of preserving the value of assets and anticipated transactions. The Company uses forward contracts, foreign exchange options and cross-currency swaps to hedge certain committed and anticipated foreign exchange flows and financing transactions. The Company acts as a back-to-back vehicle for the transactional hedging. A Foreign currency contract with a bank is always backed by an opposite forward with one affiliate of the Group.

The instruments purchased to hedge transaction exposure are primarily denominated in US dollar, GB pound, Japanese yen and Swiss franc, the currencies where the UCB Group has its most important exposures. The UCB Group financial risk management policy is to hedge for a period of minimum 6 and maximum 26 months of anticipated cash flows derived from sales, royalties or out-licensing revenues provided that no natural hedges exist.

Currency exposure arising from the net assets of the Group's foreign operations in the USA is also managed through borrowings of the Company denominated in US dollar. This provides an economic hedge. The Company's investments in other subsidiaries are not hedged by means of borrowings in the relevant foreign currency as those currencies are not considered to be material or are long-term neutral.

Effect of currency fluctuations

At December 31, 2011, if the euro had strengthened or weakened by 10% against the following currencies, with all other variables being held constant, the impact on equity and post-tax profit for the year would have been as follows:

(in € million)	Change in rate	Impact on equity: (loss)/gain	Impact on statement of comprehensive income: (loss)/gain
At 31 December 2011			
USD	10%	-	27
	-10%	-	(26)
GBP	10%	-	48
	-10%	-	(44)
CHF	10%	-	(4)
	-10%	-	3
At 31 December 2010			
USD	10%	-	16
	-10%	-	(16)
GBP	10%	-	47
	-10%	-	(42)
CHF	10%	-	(30)
	-10%	-	28

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK (CONTINUED)

Interest rate risk

Changes in interest rates may cause variations in interest income and expense resulting from interest-bearing assets and liabilities. The interest rates on the Company's syndicated credit facility are floating rates. The Company uses interest rate derivatives to manage its interest rate risk.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Following the UCB Group refinancing by end of 2011, the Company has adjusted its interest rates hedging by offsetting a large portion of them.

Effect of interest rate fluctuations

(in € million)	Change in rate	Impact on equity: (loss)/gain	Impact on statement of comprehensive income: (loss)/gain
At 31 December 2011			
USD	1%	-	(8)
	-1%	-	9
EUR	1%	-	14
	-1%	-	(14)
At 31 December 2010			
USD	1%	8	(1)
	-1%	(8)	(11)
EUR	1%	-	-
	-1%	-	-

Fair Value Hierarchy

Effective January 1st, 2009, the Company adopted the Amendments to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. The Amendment requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK (CONTINUED)

Financial assets measured at fair value

In € thousands

31.12.2011	Level 1	Level 2	Level 3	Total
Financial assets				
Available-for-sale assets				
Quoted Debt securities (Note 15)	879	-	-	879
Derivative financial assets (Note 21)				
Forward foreign exchange contracts – fair value through profit and loss	-	72 267	-	72 267
Interest rate swaps – fair value through profit and loss	-	23 064	-	23 064
Total	-	**95 331**	-	**96 210**

Financial liabilities measured at fair value

In € thousands

31.12.2011	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities (Note 21)				
Forward exchange contracts – fair value through profit and loss	-	163 499	-	163 499
Interest rate swaps – fair value through profit and loss	-	30 222	-	30 222
Total	-	**193 721**	-	**193 721**

Financial assets measured at fair value

In € thousands

31.12.2010	Level 1	Level 2	Level 3	Total
Financial assets				
Derivative financial assets (Note 21)				
Forward foreign exchange contracts – fair value through profit and loss	-	111 602	-	111 602
Interest rate swaps – fair value through profit and loss	-	6 090	-	6 090
Total	-	**117 692**	-	**117 692**

Financial liabilities measured at fair value

In € thousands

31.12.2010	Level 1	Level 2	Level 3	Total
Financial liabilities				
Derivative financial liabilities (Note 21)				
Forward exchange contracts – fair value through profit and loss	-	120 144	-	120 144
Interest rate swaps – fair value through profit and loss	-	37 477	-	37 477
Total	-	**157 621**	-	**157 621**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 CREDIT RISK

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations causing a financial loss to the Company. Trade receivables are subject to a policy of active risk management, which focuses on the assessment of country risk, credit availability, ongoing credit evaluation and account monitoring procedures.

The exposure of other financial assets to credit risk is controlled by setting a policy for limiting credit exposure to high-quality counterparties, regular reviews of credit ratings, and setting defined limits for individual counterparty. Where appropriate to reduce exposure, netting agreements under an ISDA master agreement (International Swaps and Derivatives Association) are signed with the respective counterparties. The maximum exposure to credit risk resulting from financial activities, without considering netting agreements, is equal to the carrying amount of financial assets plus the positive fair value of derivative instruments.

Credit exposure on borrowing Group entities is limited to credit levels set-up into loan documentations. The exposures are periodically controlled. The credit limits are reviewed ad-hoc.

Intercompany financing conditions are defined based on solvency ratio, leverage ratio, activities of the entity and its location.

Cash deposits are made with banks with minimum rating defined by the Financial risk Management Committee. S&P "A" rating was the lowest long term rating for cash deposits outstanding as at balance sheet closing. Large portion of the cash is also invested into "AAA" "Govies" money market funds.

As of December 31, 2011 no financial assets are past due or to be impaired.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal circumstances without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient reserves of cash to meet its liquidity requirements at all times. In addition, the Company has certain unutilized committed facilities at its disposal. Liquidity risk regarding intercompany balances is managed from a Group perspective.

At the balance sheet date, the Company has the following sources of liquidity available:

(in € million)	2011	2010
Cash and cash equivalents	222	406
Available-for-sale financial assets	-	-
Unused committed Group facilities	1 000	701

The Company is also lending cash to Group related parties for 6 632 million in 2011 (non current loans € 4 988 million, current loans € 1 050 million and current accounts € 594 million) and € 7 529 million in 2010

At the balance sheet date, the Company's existing total committed facilities amount to € 1 000 million falling due in October 2016. No outstanding amounts drawn in the facility at balance sheet date.

The table below analyses the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, excluding the impact of netting. The amounts mentioned below with respect to the financial derivatives are indicative of the contractual undiscounted cash flows.

(in € million)	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2011					
Bank Borrowings	-	-	-	-	-
Other payables - Intercompany	3 131	-	-	-	3 131
Other Borrowings - Intercompany	4 057	1 448	-	2 550	59
Trade and other liabilities	38	38	-	-	-
Interest rate swaps	(14)	(16)	(3)	4	-
Forward exchange contracts and other derivative financial instruments at fair value through profit or loss					
Outflow		6 360	455	231	-
Inflow		6 299	455	203	-

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 LIQUIDITY RISK (CONTINUED)

(in € million)	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2010					
Bank Borrowings	299	299	-	-	-
Other payables - Intercompany	3 131	-	-	-	3 131
Other Borrowings - Intercompany	4 564	1 948	-	2 050	566
Trade and other liabilities	55	55	-	-	-
Interest rate swaps	(98)	(33)	(32)	(33)	-
Forward exchange contracts and other derivative financial instruments at fair value through profit or loss					
□ Outflow		5 703	1 165	224	-
□ Inflow		5 718	1 134	203	-

4.4 CAPITAL RISK MANAGEMENT

The Company's policy with respect to managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders, maintain a strong capital base to support the development of its business and to reduce the Company's external debt in order to obtain a capital structure that is consistent with others in the industry.

5. ADMINISTRATIVE EXPENSES

The detail of the administrative expenses of the Company is as follows:

(in € thousands)	**2011**	**2010**
Rent & Operating Lease	(109)	(92)
Hired services	(236	(160)
• *Intercompany*	*(41)*	*(8)*
• *Third party*	*(195)*	*(152)*
Other expenses	(76)	(132)
Personnel Expenses	(173)	(784)
• *Payroll and social security*	*(491)*	*(417)*
• *Share based payment*	*318*	*(367)*
Depreciation and amortization	(9)	(12)
Total administrative expenses	**(603)**	**(1 180)**

6. FOREIGN EXCHANGE RESULT

(in € thousands)	2011	2010
Foreign exchange result from derivative financial instruments	(72 027)	(135 802)
Other exchange result	99 010	109 992
Total foreign exchange result	**26 983**	**(25 810)**

7. FEES AND COMMISSION EXPENSES

Fees and commission expenses amount to K€ 3 752, included in the "Interests and similar expenses", and consists of the following:

(in € thousands)	2011	2010
Bank charges	(71)	(38)
Commitment fees	(3 681)	(9 076)
Total fees and commission expenses	**(3 752)**	**(9 114)**

8. IMPAIRMENT OF LOAN GRANTED

In the financial year 2011 the income statement shows an Impairment of Loan Granted of K€ 651 000. This expense was caused by a waiver of claims pursuant to a loan agreement and a current account agreement and totalling to K€ 651 000 owed by UCB Manufacturing Ireland Ltd., Ireland, an affiliated company. UCB Manufacturing Ireland Ltd. is indirectly held by UCB GmbH, Germany, an affiliated company that was at high risk of becoming insolvent due to potential over-indebtedness. As a consequence the Board of Directors of the Company decided unanimously to waive the claim owed by UCB Manufacturing Ireland Ltd..

9. INCOME TAX

(in € thousands)	2011	2010
Current income taxes in respect of the current year	(209)	(65)
Current income taxes in respect of the previous years	-	787
Total current income tax	**(209)**	**722**
Deferred tax income	185 188	-
Total tax income/(expense)	**184 979**	**722**

Please refer to note 15 regarding the deferred tax income of €K 185 188.

The current income tax expense on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows:

(in € thousands)	2011	2010
Operating result	(340 127)	114 683
Non-deductable expenses	651 000	-
Profit from continuing operations	310 873	114 683
Tax rate	28.80%	29.63%
Income tax expense calculated at domestic tax rates	(89 531)	(33 981)
Tax effects of:		
Non-taxable income	89 531	33 981
Other taxes	(209)	(65)
Total income tax expense	**(209)**	**(65)**
Effective tax rate	**0.07%**	**0.06%**

10. INTANGIBLE ASSETS

Intangible assets are comprised only of computer software. The movement during the year is detailed as follows:

(in € thousands)	31.12.2011	31.12.2010
Gross carrying amount at 1 January	**33**	**34**
Additions	-	-
Disposals	-	-
Gross carrying amount at 31 December	**33**	**34**
Accumulated amortisation at 1 January	**(14)**	**(8)**
Amortisation charge for the year	(6)	(7)
Disposals	-	-
Accumulated amortisation at 31 December	**(20)**	**(15)**
Net carrying amount at 31 December	**13**	**19**

11. PROPERTY, PLANT AND EQUIPMENT

Tangible assets are comprised only of furniture and fixtures. The movement during the year is detailed as follows:

(in € thousands)	31.12.2011	31.12.2010
Gross carrying amount at 1 January	**17**	**16**
Additions	-	-
Disposals	-	-
Gross carrying amount at 31 December	**17**	**16**
Accumulated depreciation at 1 January	**(12)**	**(8)**
Depreciation charge for the year	(3)	(5)
Disposals	-	-
Accumulated depreciation at 31 December	**(15)**	**(13)**
Net carrying amount at 31 December	**2**	**3**

None of the Company's property, plant and equipment is subject to restrictions on title nor has any property, plant and equipment been pledged as security for liabilities.

12. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries are composed of the following:

(in € thousands, except %) Name	Country of residence	Ownership*	31.12.2011	31.12.2010
UCB Ireland Unlimited Company	Ireland	100%	3 131 001	3 131 001
Celltech Group Ltd	United Kingdom	100%	1 136 403	1 136 403
UCB S.C.A.	Luxembourg	99.97%	31	31
Total			**4 267 435**	**4 267 435**

**** Ownership percentage and not control percentage.***

Investments in associates are composed of the following:

(in € thousands, except %) Name	Country of residence	Ownership*	31.12.2011	31.12.2010
UCB Inc	USA	27,27%	22 562	22 562
UCB Fipar	Belgium	0.004%	3	3
Total			**22 565**	**22 565**

**** Ownership percentage and not control percentage.***

13. DEFERRED TAX ASSETS

The deferred tax asset of €185.188m shown in the financial year relates to previously unrecognized tax losses. A deferred tax asset can be recognized only to the extent that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilized. €405m of tax losses remain unrecognized at the balance sheet date in view of the uncertain character of the recovery.

14. INTERCOMPANY LOANS & RECEIVABLES

Intercompany loans are composed of the following:

Non-current Intercompany loans

(in € thousands) Name	Country of Residence	31.12.2011	31.12.2010
UCB Pharma AS	Turkey	2 245	-
UCB Celltech - branch of UCB SA	United Kingdom	2 350 070	1 839 722
UCB Investments SA	Switzerland	-	21 000
The Viking Trading Co Ltd	United Kingdom	-	8 021
UCB Pharma Spa	Italy	8 000	8 000
UCB Pharma SA	Spain	-	72 942
UCB Inc	USA	385 802	374 084
Celltech Limited	United Kingdom	-	374 084
Vedim España SA	Spain	40 000	40 000
UCB Canada Inc	Canada	24 289	24 076
UCB GmbH	Germany	1 950 000	2 500 000
Darwin Discovery Ltd	United Kingdom	83 761	81 647
Medeva Ltd	United Kingdom	143 591	186 622
Schwarz Pharma Ireland Ltd	Ireland	-	550 708
Total		**4 987 758**	**6 080 906**

Current Intercompany loans

(in € thousands) Name	Country of Residence	31.12.2011	31.12.2010
UCB Celltech - branch of UCB SA	United Kingdom	-	224 876
UCB Investissements SA	Switzerland	21 000	-
UCB Pharma SA	Spain	72 942	-
Viking Trading Co. Ltd	United Kingdom	9 296	-
UCB Inc	USA	626 918	257 999
UCB Pharma LLC	Russia	924	681
Celltech RD Ltd	United Kingdom	-	9 559
Celltech Limited	United Kingdom	15 445	55 322
Chiroscience R&D Limited	United Kingdom	-	6 556
Darwin Discovery Limited	United Kingdom	-	10 357
Medeva Limited	United Kingdom	-	22 859
UCB Bulgaria EOOD	Bulgaria	300	450
UCB GmbH	Germany	290 239	200 932
UCB Pharma Logistics LLC	Russia	12 697	49
Total		**1 049 761**	**789 640**

15. TRADE AND OTHER RECEIVABLES

Trade and other receivables are composed of:

(in € thousands)	31.12.2011	31.12.2010
Trade receivables	64 912	84 284
Other receivables	6 734	12 769
Total trade and other receivables	**71 646**	**97 053**

None of the trade and other receivables is past due. (2010: zero)

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

(in € thousands)	31.12.2011	31.12.2010
EUR	58 681	89 411
USD	2 522	954
GBP	7 921	6 569
Other currencies	2 522	119
Trade and other receivables	**71 646**	**97 053**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

16. CASH AND CASH EQUIVALENTS

(in € thousands)	31.12.2011	31.12.2010
Short-term bank deposits and investments	175 880	380 600
Cash pooling/in transit	594 628	658 284
Cash at bank and on hand	46 439	25 381
Cash and cash equivalents	**816 947**	**1 064 265**

17. CAPITAL AND RESERVES

Share capital

As at December 31, 2011, the issued share capital of the Company amounts to € 3 382 million (31.12.2010: € 3 382 million), and is represented by 132 437 193 shares (2010: 132 437 193 shares). The Company's shares are without par value, all of which are fully paid up.

Legal reserve

In accordance with Luxembourg company law, the Company is required to appropriate a minimum of 5% of the net profit after tax for the year to a legal reserve until the balance of such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution to shareholders except upon the dissolution of the Company.

During 2011, the Company allocated to the legal reserve € 5 770 thousand of its 2010 net profit (2010: € 3 153 thousand).

18. SHARE-BASED PAYMENTS

The UCB Group, to which the Company belongs, operates several equity-based compensation plans, including a share award plan and a performance share plan to compensate employees for services rendered. The share award plan and the performance share plan are equity-settled.

Share award plan

The Remuneration Committee granted free UCB S.A. shares to certain members of the Leadership Team. The free shares have service conditions attached to them whereby beneficiaries are required to remain in service for three years post grant date.

Share awards lapse upon leaving the UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the vesting period. As from 2011, no share awards are outstanding in the books of UCB Lux SA.

Performance share plan

The Remuneration Committee granted performance shares to certain members of the Leadership Team who achieved an outstanding performance. The performance shares are conditional on the beneficiary completing three years of service (the vesting period) and are also subject to the fulfilment of certain conditions at the time of vesting as defined by the Remuneration and Nomination Committee and the Board. As from 2011, no performance shares are outstanding in the books of UCB Lux SA.

Performance shares lapse upon leaving the UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the vesting period.

Share-based payment expense

The total share-based payment expense incurred for the equity-based compensation plans amounted to € 0 million (2010: € 0.4 million), and has been included in the relevant functional lines within the statement of comprehensive income as follows:

(in € thousands)	2011	2010
Administrative expenses	-	367
Total operating expenses	-	**367**
Of which, equity-settled:		
• Share award plans	-	367

A reversal entry for €318k has been recorded to close the share based plan balances.

18. SHARE-BASED PAYMENTS (CONTINUED)

Share award plans

The share-based payment expense related to these share awards is spread over the vesting period of three years. As stated above, no share awards are outstanding as from January 1st 2011:

(in € thousands, except number of shares)	Number of shares 2011	Weighted average fair value	Number of shares 2010	Weighted average fair value
Outstanding at 1 January	-	-	44 475	42,67
+ New share awards granted	-	-	-	-
(-) Awards forfeited	-	-	1 500	42,67
(-) Awards vested and paid out due to retirement	-	-	42 975	42,67
Outstanding at 31 December	-	-	-	-

Performance share plans

The movement in the number of performance shares outstanding at 31 December is as follows. As stated above, no performance shares are outstanding as from January 1st 2011:

(in € thousands, except number of shares)	Number of shares 2011	Weighted average fair value	Number of shares 2010	Weighted average fair value
Outstanding at 1 January	-	-	97 000	43,57
+ New performance shares granted				
(-) Performance shares forfeited	-	-	16 798	43,57
(-) Performance shares vested and paid out due to retirement	-	-	80 202	43,57
Outstanding at 31 December	-	-	-	-

19. BORROWINGS

The carrying amounts and fair values of borrowings are as follows:

	31.12.2011	31.12.2010	31.12.2011	31.12.2010
(in € thousands)	Carrying amount		Fair value	
Non-current				
Intercompany	2 609 296	2 616 275	2 609 296	2 616 275
Total non-current borrowings	**2 609 296**	**2 616 275**	**2 609 296**	**2 616 275**
Current				
Bank loans	-	299 267	-	299 267
Intercompany	9 827	274 144	9 827	274 144
Intercompany current account	1 438 317	1 673 776	1 438 317	1 673 776
Total current borrowings	**1 448 144**	**2 247 187**	**1 448 144**	**2 247 187**

Bank loans are composed of the following:

Current liabilities			
(in € thousands) **Name**	**Country of Residence**	**31.12.2011**	**31.12.2010**
BNP Paribas Fortis Bank	Belgium	-	299 267

Intercompany borrowings are composed of the following:

Non current liabilities			
(in € thousands) **Name**	**Country of Residence**	**31.12.2011**	**31.12.2010**
UCB S.A.	Belgium	1 809 296	1 816 275
FIN UCB SA	Belgium	800 000	800 000
		2 609 296	**2 616 275**

Current liabilities			
(in € thousands) **Name**	**Country of Residence**	**31.12.2011**	**31.12.2010**
UCB AUSTRALIA Pty. Ltd.	Australia	-	15 373
FIN UCB SA	Belgium	-	150 000
UCB Japan Co. Ltd.	Japan	8 510	26 636
Fipar Ltd.	United Kingdom	1 026	3 304
UCB PHARMA G.m.b.h.	Austria	-	2 688
UCB Ireland	Ireland	291	297
UCB PHARMA Ltd.	United Kingdom	-	70 500
Oxford GlycoSciences Ltd	United Kingdom	-	4 379
Confirmant Ltd	United Kingdom	-	944
Medeva Pharma Schweiz AG	Switzerland	-	23
		9 827	**274 144**

19. BORROWINGS (CONTINUED)

Intercompany current accounts are composed of the following:

Current liabilities

(in € thousands) Name	Country of Residence	31.12.2011	31.12.2010
UCB S.A.	Belgium	33 912	59 190
Société Financière UCB SA	Luxemburg	3 567	3 785
UCB Fipar SA	Belgium	5 237	2 874
UCB Finance NV	Netherlands	306 714	136 316
UCB Actias SA	Belgium	-	17
Fin UCB	Belgium	94 533	111 124
UCB Farchim SA (AG Ltd)	Switzerland	22	327 912
Vedim Espana SA	Spain	-	158
UCB Investissements SA	Switzerland	-	868
Doutors Réassurance SA	Switzerland	37 677	20 287
UCB Belgium SA	Belgium	3 377	5 055
UCB Pharma SA	France	34 943	65 751
UCB Pharma BV	Netherlands	8 752	7 876
UCB Pharma Ireland Ltd	Ireland	1 647	801
Vedim SP Zoo	Poland	-	365
UCB Hungary Ltd	Hungary	-	874
Sifar SA	Belgium	1 125	243
UCB Pharma GmbH	Austria	4 046	-
UCB Pharma Honk Kong Ltd	Honk Kong	-	1 767
UCB Pharma SA	Belgium	770 151	428 474
UCB S.C.A.	Luxemburg	-	98
UCB Pharma SA	Spain	-	2 547
UCB Canada Inc	Canada	-	21 670
Medeva Holdings BV	Netherlands	-	174
Medeva BV	Netherlands	36 211	62 795
Medeva Pharma Schweiz AG	Switzerland	7 430	12 844
UCB Pharma Ltd	United Kingdom	78 643	-
OGS UK Ltd	United Kingdom	6 313	-
Confirmant Ltd	United Kingdom	949	-
UCB Pharma GmbH	Germany	-	319 200
Schwarz Pharma Ireland Ltd	Ireland	655	76 665
Kudco Ireland Ltd	Ireland	2 413	4 046
		1 438 317	**1 673 776**

19. BORROWINGS (CONTINUED)

Bank loans

On December 15, 2009, UCB SA announced the successful negotiation and conclusion of a new € 1.5 billion revolving credit facility (the "Facility"). The purpose of this Facility, together with the bond issuances (Convertible bond: € 421 million, Retail bond: € 739 million and Institutional eurobond: € 494 million), was to refinance the Company's € 4 billion Syndicated Loan Facility Agreement arranged in connection with the 2006 acquisition of Schwarz Pharma, which had been amortized to € 3.3 billion and was due to mature in October 2011. The new facility was expiring on 31 December 2012 with a one-year extension option at the end of the first year, subject to lenders' approval. In October 2011, the revolving credit facility has been restated with a new maturity in October 2016, better interests conditions and removal of the covenants.

At year end, the total amount drawn down on the Facility by the Company was nihil (2010: € 299 million). The borrowings linked to the Facilities Agreement (if any) bear interest using a Euribor or Libor interest rate plus a margin depending on UCB's leverage ratio on the covenants of the agreement. The fees paid for the arrangement of the Facilities Agreement are amortized over the estimated term of the Facility.

The fair value of the non-current borrowings is determined based on the present value of the payments associated with the debt instruments, using the applicable yield curve and UCB's credit spread for the various different currencies. Since the bank borrowings are at a floating interest rate that is reset every six months, the carrying amount of the bank borrowings equates to its fair value. With respect to the current borrowings, the carrying amounts approximate their fair values as the effect of discounting is considered to be insignificant.

Please refer to Note 4.3 for the maturity analysis of the Company's borrowings.

The carrying amounts of the Company's bank borrowings are denominated in the following currencies:

(in € thousands)	31.12.2011	31.12.2010
USD	-	299 267
Total bank borrowings	-	299 267
Bank overdrafts (EUR)	-	-
Total bank borrowings	**-**	**299 267**

20. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are composed of the following:

	Assets		Liabilities	
(in € thousands)	31.12.2011	31.12.2010	31.12.2011	31.12.2010
Forward foreign exchange contracts – fair value through profit and loss	72 268	111 602	163 499	120 145
Interest rate swaps – fair value through profit and loss	23 063	6 090	30 222	37 477
Total	**95 331**	**117 692**	**193 721**	**157 622**
Of which:				
Non-current	**23 288**	**10 339**	**59 796**	**37 841**
Current	**72 043**	**107 353**	**133 925**	**119 781**

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

Following the refinancing transaction executed at the end of 2010, the Company is not applying hedge accounting anymore on its interest rate derivatives.

Foreign currency derivatives

The fair values of the foreign currency derivative contracts are as follows:

	Assets		Liabilities	
(in € thousands)	31.12.2011	31.12.2010	31.12.2011	31.12.2010
USD	41 224	41 418	85 318	60 140
GBP	5 769	27 739	54 065	7 003
JPY	17 297	3 973	15 039	3 234
Other currencies	7 978	38 472	9 077	49 768
Total foreign currency derivatives	**72 268**	**111 602**	**163 499**	**120 145**

The foreign currency derivatives maturity analysis is noted below:

(in € thousands)	31.12.2011	31.12.2010
1 year or less	(62 139)	14 027
1-5 years	(28 092)	(22 570)
Beyond 5 years	-	-
Total foreign currency derivatives – net asset/(net liability)	**(91 231)**	**(8 542)**

21. OTHER PAYABLES

Other non-current payables

(in € thousands)	31.12.2011	31.12.2010
Other payables – intercompany	3 130 687	3 130 687
Total other non-current payables	**3 130 687**	**3 130 687**

The € 3 130,7 million represents the uncalled amount of the subscribed capital during the setting up of UCB Ireland Unlimited Company (during the year 2005) and the capital increase (during the year 2007).
That debt does not bear interest.

Other current payables

(in € thousands)	31.12.2011	31.12.2010
Trade payables	147	14 436
Income tax payable	-	65
Payroll and social security liabilities	84	82
Other payables	8 466	7 373
Accrued interest	29 305	33 389
Total other current payables	38 002	**55 345**

Other current payables mature over a period of less than 12 months and their carrying amounts approximate fair value.

22. INCOME TAX PAYABLE

The movement of income tax payable during the year is as follows:

(in € thousands)	2011	2010
Balance at 1 January	65	784
Tax on profit for the year	209	65
Income tax paid (adjustment previous years)	-	(784)
Deferred taxes previous years	(185 188)	-
Balance at 31 December	**(184 914)**	**65**

23. RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business of the Company. These include loans, deposits, interest rate swaps and foreign currency transactions.

The volume of related-party transactions, outstanding balances at year-end, and related expense and income for the year are as follows:

For the year-end 2011: (in € thousands)	Assets	Liabilities	Income	Expenses
Parent company	43	1 843 963	12	134 176
Subsidiaries	3 797 853	291	95 939	4
Associates	1 035 648	5 213	35 581	42
Key management personnel	-	-	318	-
Other related parties	6 372 871	2 278 180	617 698	718 527

For the year-end 2010: (in € thousands)	Assets	Liabilities	Income	Expenses
Parent company	1 545	1 907 050	12 355	(164 085)
Subsidiaries	4 267 601	396	203	(38)
Associates	655 954	2 874	61 498	(12 100)
Key management personnel	-	318	-	(4 422)
Other related parties	6 560 025	2 743 312	471 532	(240 159)

Remuneration of the Board of Directors, Management and other executives of the Company:

(in € thousands)	31.12.2011	31.12.2010
Long-term incentives		
Stock awards	-	1 938
Performance shares	-	2 484
Total	**-**	**4 422**

The Company employed an average of 5 full time employees (2010: 4) during the financial year.

24. DIVIDEND PAID

The activities of UCB Lux S.A. generated in 2010 a net profit of € 115 404 765 after income taxes. After taking into account the profit brought forward of € 721 362 330, the amount available for distribution is € 836 767 095. Allocation to legal reserves was approved for € 5 770 238.

There was no dividend paid in 2011.

25. EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Company since the year-end.

pwc

Audit report

To the Shareholders
UCB Lux S.A.

We have audited the accompanying financial statements of UCB Lux S.A., which comprise the balance sheet as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

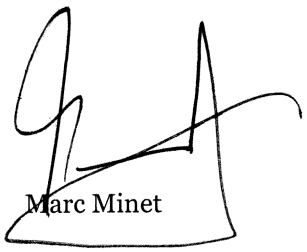
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of UCB Lux S.A. as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

PricewaterhouseCoopers S.à r.l.
Represented by



Marc Minet

Luxembourg, 6 June 2012

UCB Lux S.A.
Société Anonyme

Financial statements
as at December 31, 2012

12, rue Eugène Ruppert
L-2453 Luxembourg
R.C.S. Luxembourg: B 105267

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STATEMENT OF COMPREHENSIVE INCOME

(in € thousands)	Notes	2012	2011
Administrative expenses	5	(796)	(603)
Dividend Income		33 277	95 745
Interest and similar income		373 805	404 702
- Intercompany		*352 658*	*363 313*
- Third party		*21 147*	*41 389*
Interest and similar expenses		(194 971)	(216 009)
- Intercompany		*(169 951)*	*(189 050)*
- Third party		*(25 020)*	*(26 959)*
Realized exchange gain/(losses)		(66 213)	527
- Intercompany		*(45 408)*	*(12 032)*
- Third party		*(20 805)*	*12 559*
Unrealized exchange gain/(losses)		*73 494*	26 456
- Intercompany		*3 136*	*100 055*
- Third party		*70 358*	*(73 599)*
Other financial income/(expense)		65 758	55
- Intercompany		*57 918*	-
- Third party		*7 840*	*55*
Impairment of Loan Granted	8	-	(651 000)
Operating result		**284 354**	**(340 127)**
Profit/loss before income taxes		**284 354**	**(340 127)**
Income tax	9	(11 894)	184 979
Profit/loss for the year		**272 460**	**(155 148)**
Other comprehensive income:			
Hedge accounting and revaluation of financial instruments		1 865	(203)
Total other comprehensive income		**1 865**	**(203)**
Total comprehensive income/loss		**274 325**	**(155 351)**

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

(in € thousands)	Notes	31.12.2012	31.12.2011
ASSETS			
Non-current assets			
Intangible assets	10	249	13
Property, plant and equipment	11	-	2
Investment in subsidiaries	12	4 512 308	4 267 435
Investment in associates	12	22 565	22 565
Financial assets available for sales		74 441	
Deferred tax assets	13	173 397	185 187
Intercompany loans	14	4 701 529	4 987 758
Derivative financial instruments	20	22 262	23 288
Total non-current assets		**9 506 751**	**9 486 248**
Current assets			
Trade and other receivables	15	37 709	71 646
- Intercompany		*31 388*	*64 974*
- Third party		*6 321*	*6 672*
Derivative financial instruments	20	44 407	72 043
- Intercompany		*12 081*	*34 106*
- Third party		*32 326*	*37 937*
Intercompany loans and receivables	14	486 689	1 049 761
Cash and cash equivalents	16	1 001 389	816 947
- Cash at bank		*427 028*	*222 319*
- Intercompany current account		*574 361*	*594 628*
Total current assets		**1 570 194**	**2 010 397**
Total assets		**11 076 945**	**11 496 645**
EQUITY AND LIABILITIES			
Equity			
Share capital	17	3 382 272	3 382 272
Legal reserve	17	18 877	18 877
Other reserves		1 865	(203)
Retained earnings		375 849	830 997
Profit for the year		272 460	(155 148)
Total equity		**4 051 323**	**4 076 795**
Non-current liabilities			
Borrowings	19	2 750 615	2 609 296
- Intercompany		*2 600 615*	*2 609 296*
- Third party		*150 000*	-
Bonds - Fixed Rate		*(2 802)*	
Derivative financial instruments	20	53 272	59 796
Other payables - intercompany	21	3 130 687	3 130 687
Total non-current liabilities		**5 931 772**	**5 799 779**
Current liabilities			
Borrowings	19	1 031 655	1 448 144
- Intercompany		*606 267*	*9 827*
- Third party		*115 809*	-
- Intercompany current account		*309 579*	*1 438 317*
Derivative financial instruments	20	30 834	133 925
- Intercompany		*11 198*	*45 333*
- Third party		*19 636*	*88 592*
Other payables	21	31 361	38 002
- Intercompany		*23 466*	*24 873*
- Third party		*7 895*	*13 129*
Total current liabilities		**1 093 850**	**1 620 071**
Total liabilities		**7 025 622**	**7 419 850**
Total equity and liabilities		**11 076 945**	**11 496 645**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

(in € thousands)	2012	2011
Profit for the year	**272 460**	**(155 148)**
Adjustments for :		
Depreciation of property, plant and equipment	2	1
Amortisation of intangible assets	6	6
Finance income	(373 806)	(404 702)
Finance costs	191 542	212 328
Change in fair value of financial instruments	(78 883)	58 257
Impairment	-	651 000
Income tax expense	104	209
Sub-total	**11 425**	**361 951**
Increase in trade & other receivables and other assets	24 662	(181 653)
Increase in trade & other payables	(3 287)	(12 994)
Decrease in employee benefits payable	-	(318)
Net cash used in operating activities	**32 800**	**166 986**
Interest received	394 872	426 574
Interest paid	(194 886)	(216 734)
Income taxes paid	(104)	(151)
Cash flows from operating activities	**232 682**	**376 675**
Acquisition of participation	(244 873)	-
Acquisition of available-for-sale financial assets	(74 441)	-
Acquisition of intangible assets	(253)	-
Impairment on assets	-	(651 000)
Cash flows from/used in investing activities	**(319 567)**	**(651 000)**
Repayments of borrowings	(416 489)	(799 043)
Proceeds from payment of intercompany loan receivables	849 300	833 028
Dividend paid	(300 000)	-
Proceeds from borrowings	138 516	(6 979)
Cash flows (used in) from financing activities	**271 327**	**27 006**
Net increase in cash and cash equivalents	**184 442**	**(247 319)**
Cash and cash equivalents at the beginning of the year	816 947	1 064 266
Cash and cash equivalents at the end of the year	**1 001 389**	**816 947**

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(in € thousands)	Attributed to equity holders of UCB Lux SA				
	Share capital	**Retained earnings [1]**	**Other reserves**	**Cash flow hedges**	**Total shareholders' equity**
Balance at January 1, 2012	**3 382 272**	**675 849**	**18 877**	**(203)**	**4 076 795**
Comprehensive income/loss					
Gain for the year	-	272 460	-	-	272 460
Other comprehensive income/loss					
Other reserves - derivatives	-	-	-	(1 310)	(1 310)
Revaluation of available-for-sale	-	-	3 378	-	3 378
Total comprehensive income/loss	-	272 460	3 378	(1 310)	274 528
Legal reserve allocation	-	-	-	-	-
Dividends paid	-	(300 000)	-	-	(300 000)
Balance at December 31, 2012	**3 382 272**	**648 309**	**22 255**	**(1 513)**	**4 051 323**

[1] includes profit for the year

(in € thousands)	Attributed to equity holders of UCB Lux SA				
	Share capital	**Retained earnings [1]**	**Other reserves**	**Cash flow hedges**	**Total shareholders' equity**
Balance at January 1, 2011	**3 382 272**	**836 767**	**13 107**	**-**	**4 232 146**
Comprehensive income/loss					
Loss for the year	-	(155 148)	-	-	(155 148)
Other comprehensive income/loss					
Revaluation of available-for-sale	-	-	(203)	-	(203)
Total comprehensive income/loss	-	(155 148)	(203)		(155 351)
Legal reserve allocation	-	(5 770)	5 770	-	-
Balance at December 31, 2011	**3 382 272**	**675 849**	**18 877**	**(203)**	**4 076 795**

[1] includes profit for the year

The accompanying notes are an integral part of these financial statements.

1. GENERAL INFORMATION

UCB Lux S.A. (the "Company") was incorporated on December 6, 2004 and organized under the laws of Luxembourg as "Société Anonyme" for an unlimited period.

The registered office of the Company is established at 12, rue Eugène Ruppert, L-2453 Luxembourg.

The Company's financial year starts on January 1st and ends on December 31st of each year.

UCB Lux S.A. belongs to the UCB Group which is a global biopharmaceutical group focused on severe diseases in two therapeutic areas namely Central Nervous System disorders and Immunology.

The main activity of the Company is to carry out all transactions pertaining directly or indirectly to the acquisition of participating interests as well as the financing of UCB Group companies. The Company may further invest in the acquisition and management of a portfolio of patents and/or other intellectual property rights of any nature or origin whatsoever.

The Company is included in the consolidated accounts of UCB S.A., forming the largest body of undertakings of which the Company forms part as a subsidiary undertaking. As the Company itself is a subsidiary of UCB S.A. which does prepare and publish consolidated accounts, in which its yearly statements of accounts are included, these accounts are published on an unconsolidated basis. UCB S.A., the parent company, is a limited liability company incorporated and domiciled in Belgium. The registered office is at 60, Allée de la Recherche, B-1070 Brussels, Belgium. UCB S.A. is listed on the Euronext Brussels Stock Exchange.

The Board of Directors has approved these financial statements for issue on March 1st, 2012.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 BASIS OF PREPARATION

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS). The financial statements have been prepared using the historical cost convention, except for certain items including available-for-sale financial assets, derivative financial instruments and cash-settled share-based payment arrangements which are measured at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 NEW FINANCIAL REPORTING STANDARDS

Certain new standards, amendments and interpretations to existing standards have been published and their impact on the Company's accounting policies is considered below.

a. Changes in accounting policy and disclosures

New and amended standards adopted by the Company:

There are no IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on 1 January 2012 that had a material impact on the Company.

b. New standards and interpretations not yet adopted

The following new standards, amendments to existing standards, and interpretations have been issued but are not effective for the financial year beginning on 1 January 2012 and have not been early adopted.

IFRS 9, Financial instruments (effective from 1 January 2015)
The standard addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Company is currently assessing IFRS 9's full impact. IFRS 9 has not yet been endorsed by the European Union.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 NEW FINANCIAL REPORTING STANDARDS (CONTINUED)

IFRS 10, Consolidated Financial Statements (effective from 1 January 2014)
IFRS 10 builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Company is currently assessing IFRS 10's full impact.

IFRS 11, Joint Arrangements (effective from 1 January 2014)
IFRS 11 seeks to provide users of financial statements with greater clarity about an entity's involvement in joint arrangements by requiring the entity to recognize the contractual rights and obligations arising from the joint arrangement in which it participates, independently from the arrangement's legal structure. There are now only two forms of joint arrangement under IFRS 11 – joint operations and joint ventures. The Company is currently evaluating the impact of this standard.

IFRS 12, Disclosures on Interests in Other Entities (effective from 1 January 2014)
IFRS 12 includes disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Company is still evaluating the impact of this standard on its financial statements.

IFRS 13, Fair Value Measurement (effective from 1 January 2014)
IFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRS's. The requirements, which are largely aligned between IFRS and US GAAP, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs or US GAAP. The Company has yet to assess IFRS 13's full impact.

IAS 19, Employee Benefits (effective from 1 January 2013)
IAS 19 was amended in June 2011. The impact on the Company is as follows: to eliminate the corridor approach and recognize all actuarial gains and losses in OCI as they occur; to immediately recognize all past service costs; and to replace interest cost and expected return on plan assets with a net interest amount that is calculated by applying the discount rate to the net defined benefit liability (asset). The Company is assessing the full impact of the amendments.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency
Items included in the financial statements of the Company are measured using the Euro (€), which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Euro.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of Comprehensive income, except when deferred in equity as qualifying cash flow hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in the carrying amount are recognised in equity.

Translation differences on non-monetary financial assets and liabilities are reported as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as available-for–sale are included in the available-for-sale reserve in equity.

2.4 INCOME

Interest income

Interest is recognised on a time proportion basis that takes into account the effective yield on the asset.

Dividend income

Dividends are recognised when the shareholder's right to receive the payment is established.

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are presented in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 INCOME TAXES

The income tax expense for the period comprises current and deferred income taxes. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company operates and generates taxable income. Deferred income tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognised for all taxable temporary differences and deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affects neither accounting nor taxable profit.

A deferred tax asset shall also be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred income tax assets and liabilities are not discounted.

2.7 INTANGIBLE ASSETS

Intangible assets are shown at historical cost.

Intangible assets are amortised over their useful lives on a straight-line basis as from the moment they are available for use. Estimated useful life is based on the lower of the contract life or the economic useful life. Intangible assets are considered to have a finite economic useful life; therefore no intangible assets with an indefinite life have been identified.

Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (5 years) on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are carried at cost less accumulated depreciation and impairment losses. Cost includes all directly attributable costs of bringing the asset to its working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Borrowing costs directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are expensed as they are incurred.

Depreciation is calculated using the straight line method to allocate the cost of assets, to their residual values over their estimated useful lives. Depreciation commences when the asset is ready to be used.

The residual value and the useful life of an asset is reviewed at least at each financial year-end.

The following useful lives are applicable to the main property, plant and equipment categories:

- Furniture and fixtures 7 years

2.9 LEASES

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases

Lease payments under an operating lease are recognised in the statement of comprehensive income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

2.10 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and in associates are accounted for at cost. At year-end, the Company assesses whether there is objective evidence that a subsidiary or an associate is impaired. A subsidiary or an associate is impaired and impairment losses are incurred only if there is objective evidence of impairment as result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the value that can be reliably estimated. The asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

2.10 INVESTMENT IN SUBSIDIARIES AND ASSOCIATES (CONTINUED)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the reversal of the previously recognised impairment loss is recognised in the statement of comprehensive income.

2.11 FINANCIAL ASSETS AND LIABILITIES

a) Classification

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available-for-sale; and its financial liabilities in the following categories: at amortised cost and at fair value through profit or loss. The classification depends on the purpose for which the financial assets and liabilities were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets and liabilities at fair value through profit or loss

An instrument is classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial assets and liabilities are designated at fair value through profit or loss if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's financial market risk management policy. Derivative financial instruments are also categorised as held for trading unless they are designated as hedges (see Note 2.12).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. They are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the balance sheet.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

Available-for-sale financial assets are initial recognised at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognised in the consolidated statement of comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognised. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognised in the consolidated statement of comprehensive income is recognised in the consolidated income statement. However, interest is calculated using the effective interest method, and foreign currency gains and losses on monetary assets classified as available for sale are recognised in the consolidated income statement.

Other liabilities

Financial liabilities that are not classified as at fair value through profit or loss fall into this category and are measured at amortised cost. Financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest method. Other liabilities include trade payables and borrowings. Other liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

b) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on the trade date - the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets at fair value through profit or loss are initially recognised at fair value and the transaction costs are expensed in the statement of comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when extinguished.

The fair value of listed assets/liabilities are based on current bid/ask prices. If the market for a financial asset/liability is not active (and for unlisted securities), the Company establishes fair value by using valuation techniques.

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are recognised in the statement of comprehensive income in the period in which they arise while gains or losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in other comprehensive income (equity). On disposal/impairment of available-for-sale financial assets, any cumulative gains or losses that have been deferred in equity are recycled to the statement of comprehensive income.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognised in profit or loss - is removed from other comprehensive income and recognised in the statement of comprehensive income.

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. The Company does not engage in speculative transactions.

Derivative financial instruments are initially recorded at fair value and attributable transaction costs are recognised in the statement of comprehensive income when incurred. Derivative financial instruments are subsequently re-measured at their fair value. The method of recognising the resulting gains or losses depends on whether the derivative financial instrument is designated as a hedging instrument and if so, the nature of the item being hedged. The Company designates derivative financial instruments as either cash flow hedges or fair value hedges.

The Company documents at inception of the transaction the relationship between the hedging instrument and the hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Company also documents its assessment, both at hedge inception and on an on-going basis, as to whether the derivative financial instruments that are used in hedging transactions are highly effective in off-setting changes in fair values or cash flows of hedged items.

The full fair value of a hedging derivative financial instrument is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Embedded derivative financial instruments are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative financial instrument are not closely related, a separate instrument with the same terms as the embedded derivative financial instrument would meet the definition of a derivative financial instrument, and the combined instrument is not measured at fair value through profit or loss.

Cash flow hedges

The effective portion of changes in the fair value of derivative financial instruments that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the statement of comprehensive income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (CONTINUED)

A cash flow hedge relationship is discontinued prospectively if the hedge fails the effectiveness test, the hedging instrument is sold, terminated or exercised, management revokes the designation or the forecasted transactions is no longer highly probable. Where a forecasted transaction is no longer highly probable but still expected to occur, hedging gains and losses previously deferred in other comprehensive income remain in other comprehensive income until the transaction affects profit or loss. Once the forecasted transaction is no longer expected to occur, any gain or loss is released immediately to the statement of comprehensive income.

Fair value hedges

Changes in the fair value of derivative financial instruments that are designated and qualify as fair value hedges are recorded in the statement of comprehensive income, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Derivative financial instruments that do not qualify for hedge accounting

Certain derivative financial instruments do not qualify for hedge accounting. Changes in the fair value of any derivative financial instruments that do not qualify for hedge accounting are recognised immediately in the statement of comprehensive income.

2.13 TRADE DATE AND SETTLEMENT DATE OF ACCOUNTING

All regular transactions on non-derivative financial instruments are recognised and derecognised at "settlement date" which is the date that an asset is delivered to or by the Company. Derivative financial instruments are recognised at trade date.

2.14 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the amount reported in the balance sheet if and only if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 SHARE CAPITAL

Shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. The Company did not issue any preference or mandatory redeemable preference shares.

2.17 PROVISIONS

Provisions are recognised in the balance sheet when:

a) There is a present obligation (legal or constructive) as a result of a past event;
b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
c) A reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

3. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of the financial statements in conformity with IFRS as adopted for use by the EU requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making the reported amounts of revenue and expenses that may not be readily apparent from other sources. Actual results will by definition not equal those estimates. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary.

3.1 DEFERRED TAXES

Deferred tax assets are recognised where it is probable that future taxable profit will be available against which the temporary differences can be utilised. Management judgement is based on a 5 year business plan that evidences the existence of taxable profits in this future period.

3. CRITICAL JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 IMPAIRMENT OF INTERCOMPANY RECEIVABLES, AVAILABLE-FOR-SALE FINANCIAL ASSETS, SUBSIDIARIES AND ASSOCIATES

The Company follows the guidance of IAS 39 to determine when a financial asset is impaired. This determination requires significant judgment. In making this judgment, the Company evaluates on a regular basis and at each reporting date, among other factors, the duration and extent to which the fair value of an investment is less than its cost; the equity, the solvency, the credit status and the near-term business outlook of the counterparty, including factors such as financial performance, changes in operational and financing cash flows.

4. FINANCIAL RISK MANAGEMENT

UCB Lux S.A. has a mandate to manage a portion of the financial risks of the Group by entering the financial markets to hedge them. The Company is exposed to various financial risks arising from its underlying operations and corporate finance activities. These financial risks are market risk (including currency risk and interest risk), credit risk and liquidity risk. Financial risks are managed at the level of UCB Group.

This note presents information about the UCB Group's exposure to the above-mentioned risks, the policies and processes for managing these risks and the UCB Group's management of capital. Risk management is carried out by the UCB Group's treasury department under policies approved by UCB Group Financial Risk Management Committee (FRMC). The FRMC includes the UCB Group's Chief Financial Officer, heads of Accounting, Reporting & Consolidation department, Financial Control department, Internal Audit department, Tax department and Treasury & Risk department.

The FRMC is responsible for:
a) reviewing the results of UCB's risk assessment;
b) approval of the recommended risk management strategies (proposed by the Group Treasury & Risk Management department);
c) monitoring compliance with the financial market risk management policy;
d) approval of policy changes; and
e) reporting to the Audit Committee.

The UCB Group's financial risk management policies established by the FRMC need to identify and analyse the risks faced by the UCB Group and the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies are reviewed by the FRMC on a semi-annual basis to reflect changes in market conditions and the Company's activities.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's statement of Comprehensive income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures. The Company may enter into derivative financial instruments and also incurs financial liabilities in order to manage market risk. Generally the Company seeks to apply hedge accounting in order to manage volatility in the statement of comprehensive income. It is the Company's policy and practice not to enter into derivative transactions for speculative purposes.

Foreign exchange risk

The UCB Group operates across the world and is exposed to movements in foreign currencies affecting its net income and financial position, as expressed in euros. The Company actively monitors the UCB Group's currency exposures, and when appropriate, enters into transactions with the aim of preserving the value of assets and anticipated transactions. The Company may use forward contracts, foreign exchange options and cross-currency swaps to hedge certain committed and anticipated foreign exchange flows and financing transactions. The Company acts as a back-to-back vehicle for the transactional hedging. A Foreign currency contract with a bank is always backed by an opposite forward with one affiliate of the Group. Hence hedge accounting as defined by IAS39 is not applied. Changes in fair value are recorded in profit or loss and are offset naturally.

The instruments purchased to hedge transaction exposure are primarily denominated in US dollar, GB pound, Japanese yen and Swiss franc, the currencies where the UCB Group has its most important exposures. The UCB Group financial risk management policy is to hedge for a period of minimum 6 and maximum 26 months of anticipated cash flows derived from sales, royalties or out-licensing revenues provided that no natural hedges exist.

Currency exposure arising from the net assets of the Group's foreign operations in the USA is also managed through borrowings of the Company denominated in US dollar. This provides an economic hedge at Group level. The Company's investments in other subsidiaries are not hedged by means of borrowings in the relevant foreign currency as those currencies are not considered to be material or are long-term neutral. Those are then hedged as well via forward contracts and considered as funding hedges.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK (CONTINUED)

Effect of currency fluctuations

At December 31, 2012, if the following currencies had strengthened or weakened by 10% against the euro, with all other variables being held constant, the impact on equity and post-tax profit for the year would have been as follows:

(in € million)	Change in rate	Impact on equity: (loss)/gain	Impact on statement of comprehensive income: (loss)/gain
At 31 December 2012			
USD	10%	-	12
	-10%	-	(11)
GBP	10%	-	55
	-10%	-	(50)
CHF	10%	-	(4)
	-10%	-	3
At 31 December 2011			
USD	10%	-	27
	-10%	-	(26)
GBP	10%	-	48
	-10%	-	(44)
CHF	10%	-	(4)
	-10%	-	3

Interest rate risk

Changes in interest rates may cause variations in interest income and expense resulting from interest-bearing assets and liabilities. The interest rates on the Company's syndicated credit facility are floating rates. The Company uses interest rate derivatives to manage its interest rate risk.

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit or loss.

Following the UCB Group refinancing by end of 2011, the Company has adjusted its interest rates hedging by offsetting a large portion of them.

UCB Lux SA is converting its natural EUR fixed rate debt situation into partially floating USD and partially floating EUR debt. Strategy is to keep high level of fixed debt in the first 2 years. Portion of the fixed debt is then decreasing over the following years.

Non-current loan receivables / payables are bearing fixed rates in general, as opposed to current loan receivables / payables which are floating rates. The loans receivables / payables are generally denominated in the functional currency of the counterpart.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.1 MARKET RISK (CONTINUED)

Effect of interest rate fluctuations

(in € million)	Change in rate	Impact on equity: (loss)/gain	Impact on statement of comprehensive income: (loss)/gain
At 31 December 2012			
USD	1%	-	(7)
	-1%	-	7
EUR	1%	18	12
	-1%	(20)	(12)
At 31 December 2011			
USD	1%	-	(8)
	-1%	-	9
EUR	1%	-	14
	-1%	-	(14)

Fair Value Hierarchy

Effective January 1st, 2009, the Company adopted the Amendments to IFRS 7 for financial instruments that are measured in the balance sheet at fair value. The Amendment requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly;
- Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets measured at fair value

In € thousands

31.12.2012	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted Debt securities	74 441	-	-	74 441
Forward foreign exchange contracts – fair value through profit or loss	-	45 312	-	45 312
Interest rate swaps – fair value through profit or loss	-	6 803	-	6 803
Equity options	-	14 554	-	14 554
Total	**74 441**	**66 669**	**-**	**141 110**

Financial liabilities measured at fair value

In € thousands

31.12.2012	Level 1	Level 2	Level 3	Total
Financial liabilities				
Forward exchange contracts – fair value through profit or loss	-	54 380	-	54 380
Sold equity options	-	14 554	-	14 554
Interest rate swaps – fair value through profit or loss	-	15 173	-	15 173
Total	**-**	**84 107**	**-**	**84 107**

Financial assets measured at fair value

In € thousands

31.12.2011	Level 1	Level 2	Level 3	Total
Financial assets				
Quoted Debt securities	879	-	-	879
Forward foreign exchange contracts – fair value through profit or loss	-	72 267	-	72 267
Interest rate swaps – fair value through profit or loss	-	23 064	-	23 064
Total	**-**	**95 331**	**-**	**96 210**

Financial liabilities measured at fair value

In € thousands

31.12.2011	Level 1	Level 2	Level 3	Total
Financial liabilities				
Forward exchange contracts – fair value through profit or loss	-	163 499	-	163 499
Interest rate swaps – fair value through profit or loss	-	30 222	-	30 222
Total	**-**	**193 721**	**-**	**193 721**

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.2 CREDIT RISK

Credit risk arises from the possibility that the counterparty to a transaction may be unable or unwilling to meet its obligations causing a financial loss to the Company. Trade receivables are subject to a policy of active risk management, which focuses on the assessment of country risk, credit availability, on-going credit evaluation and account monitoring procedures.

The exposure of other financial assets to credit risk is controlled by setting a policy for limiting credit exposure to high-quality counterparties, regular reviews of credit ratings, and setting defined limits for individual counterparty. Where appropriate to reduce exposure, netting agreements under an ISDA master agreement (International Swaps and Derivatives Association) are signed with the respective counterparties. The maximum exposure to credit risk resulting from financial activities, without considering netting agreements, is equal to the carrying amount of financial assets plus the positive fair value of derivative instruments.

Credit exposure on borrowing Group entities is limited to credit levels set-up into loan documentations. The exposures are periodically controlled. The credit limits are reviewed ad-hoc.

Intercompany financing conditions are defined based on solvency ratio, leverage ratio, activities of the entity and its location.

Cash deposits are made with banks with minimum rating defined by the Financial risk Management Committee. S&P "A" rating was the lowest long term rating for cash deposits outstanding as at balance sheet closing. Large portion of the cash is also invested into "AAA" "Government bonds" money market funds.

As of December 31, 2012 no financial assets are past due or to be impaired.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal circumstances without incurring unacceptable losses or risking damage to the Company's reputation.

The Company maintains sufficient reserves of cash to meet its liquidity requirements at all times. In addition, the Company has certain unutilized committed facilities at its disposal. Liquidity risk regarding intercompany balances is managed from a Group perspective.

At the balance sheet date, the Company has the following sources of liquidity available:

(in € million)	2012	2011
Cash and cash equivalents	311	222
Available-for-sale financial assets	-	-
Unused committed Group facilities	1 000	1 000

The Company is also lending cash to Group related parties for 5 763 million in 2012 (non-current loans € 4 702 million, current loans € 487 million and current accounts € 574 million) and € 6 632 million in 2011.

At the balance sheet date, the Company's existing total committed facilities amount to € 1 000 million falling due in October 2016. No outstanding amounts drawn in the facility at balance sheet date.

On 26 April 2012, UCB Lux SA also purchased € 70 million (1,400 units of € 50k) of UCB SA's outstanding convertible bonds at 117,8% for a total cash-out of €82.46 million (excl. accrued interest). During September 2009, UCB SA issued senior unsecured convertible bonds amounting to € 500 million. The closing date for the transaction was 22 October 2009 and the Bonds maturity date is 22 October 2015 (i.e. 6 year duration). The convertible bonds were issued and will be redeemed at 100% of their principal amount and will bear a coupon of 4.5%, payable semi-annually in arrears. The conversion premium (i.e. the price that the bonds will be converted at) has been set at € 38 746. Bondholders have the right to convert the Bonds into new and/or existing shares of the Company (the 'Cash settlement Option' was revoked after issuance). The bond component is classified as available for sales.

On 16 October 2012, UCB Lux SA sold an option to UCB SA mirroring the terms in the option embedded in the convertible bond. The premium amount was equal to € 19 385 225 and was settled on 18 October 2012. Changes in the fair value of both the embedded equity conversion option and the option sold to UCB SA should be recognized in profit or loss resulting in offsetting amounts in P&L as the instruments have the same terms.

The table below analyses the contractual maturities of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date, excluding the impact of netting. The amounts mentioned below with respect to the financial derivatives are indicative of the contractual undiscounted cash flows. All financial transactions are contracted at market and arm's length conditions. Interests and expenses on financial assets and liabilities are at amortized costs.

4. FINANCIAL RISK MANAGEMENT (CONTINUED)

4.3 LIQUIDITY RISK (CONTINUED)

(in € million)	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2012					
Bank Borrowings	150	2	2	7	153
Other payables - Intercompany	3 131	3 131	-	-	-
Other Borrowings - Intercompany	3 516	1 085	1 714	1 145	-
Trade and other liabilities	144	144	-	-	-
Interest rate swaps	(17)	(7)	(3)	(5)	(2)
Forward exchange contracts and other derivative financial instruments at fair value through profit or loss					
Outflow	4 538	4 248	290	-	-
Inflow	4 528	4 262	266	-	-

(in € million)	Total	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2011					
Bank Borrowings	-	-	-	-	-
Other payables - Intercompany	3 131	3 131	-	-	-
Other Borrowings - Intercompany	4 057	1 448	-	2 550	59
Trade and other liabilities	38	38	-	-	-
Equity options				14 554	
Interest rate swaps	(14)	(16)	(3)	4	-
Forward exchange contracts and other derivative financial instruments at fair value through profit or loss					
Outflow	7 046	6 360	455	231	-
Inflow	6 957	6 299	455	203	-

4.4 CAPITAL RISK MANAGEMENT

The Company's policy with respect to managing capital is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders, maintain a strong capital base to support the development of its business and to reduce the Company's external debt in order to obtain a capital structure that is consistent with others in the industry.

5. ADMINISTRATIVE EXPENSES

The detail of the administrative expenses of the Company is as follows:

(in € thousands)	2012	2011
Rent & Operating Lease	(94)	(109)
Hired services	(160)	(236)
• *Intercompany*	*(56)*	*(41)*
• *Third party*	*(104)*	*(195)*
Other expenses	(76)	(76)
Personnel Expenses	(454)	(173)
• *Payroll and social security*	*(454)*	*(491)*
• *Share based payment*	-	*318*
Depreciation and amortization	(9)	(9)
Total administrative expenses	**(796)**	**(603)**

6. FOREIGN EXCHANGE RESULT

(in € thousands)	2012	2011
Foreign exchange result from derivative financial instruments	(50 462)	(72 027)
Other exchange result	57 743	99 010
Total foreign exchange result	**7 281**	**26 983**

7. FEES AND COMMISSION EXPENSES

Fees and commission expenses amount to K€ 3 429, included in the "Interests and similar expenses", and consists of the following:

(in € thousands)	2012	2011
Bank charges	(95)	(71)
Commitment fees	(3 334)	(3 681)
Total fees and commission expenses	**(3 429)**	**(3 752)**

8. IMPAIRMENT OF LOAN GRANTED

In the previous year the income statement showed an Impairment of Loan Granted of K€ 651 000. This expense was caused by a waiver of claims pursuant to a loan agreement and a current account agreement and totalling to K€ 651 000 owed by UCB Manufacturing Ireland Ltd., Ireland, an affiliated company. UCB Manufacturing Ireland Ltd. is indirectly held by UCB GmbH, Germany, an affiliated company that was at high risk of becoming insolvent due to potential over-indebtedness. As a consequence the Board of Directors of the Company decided unanimously to waive the claim owed by UCB Manufacturing Ireland Ltd.

9. INCOME TAX

(in € thousands)	2012	2011
Current income taxes in respect of the current year	(104)	(209)
Total current income tax	**(104)**	**(209)**
Deferred tax expense/income	(11 790)	185 188
Total tax income/(expense)	**(11 894)**	**184 979**

Please refer to note 13 regarding the deferred tax expense of €K 11 894.

The current income tax expense on the Company's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to profits of the Company as follows:

(in € thousands)	2012	2011
Operating result	284 354	(340 127)
Non-deductable expenses	-	651 000
Profit from continuing operations	284 354	310 873
Tax rate	28.80%	28.80%
Income tax expense calculated at domestic tax rates	(81 894)	(89 531)
Tax effects of:		
Non-taxable income	81 894	89 531
Other taxes	(104)	(209)
Total income tax expense	**(104)**	**(209)**
Effective tax rate	**0.04%**	**0.07%**

10. INTANGIBLE ASSETS

Intangible assets are comprised only of computer software. The movement during the year is detailed as follows:

(in € thousands)	31.12.2012	31.12.2011
Gross carrying amount at 1 January	**33**	**33**
Additions	243	-
Disposals	-	-
Gross carrying amount at 31 December	**276**	**33**
Accumulated amortisation at 1 January	**(20)**	**(14)**
Amortisation charge for the year	(7)	(6)
Disposals	-	-
Accumulated amortisation at 31 December	**(27)**	**(20)**
Net carrying amount at 31 December	**249**	**13**

11. PROPERTY, PLANT AND EQUIPMENT

Tangible assets are comprised only of furniture and fixtures. The movement during the year is detailed as follows:

(in € thousands)	31.12.2012	31.12.2011
Gross carrying amount at 1 January	**17**	**17**
Additions	-	-
Disposals	-	-
Gross carrying amount at 31 December	**17**	**17**
Accumulated depreciation at 1 January	**(15)**	**(12)**
Depreciation charge for the year	(2)	(3)
Disposals	-	-
Accumulated depreciation at 31 December	**(17)**	**(15)**
Net carrying amount at 31 December	**0**	**2**

None of the Company's property, plant and equipment is subject to restrictions on title nor has any property, plant and equipment been pledged as security for liabilities.

12. INVESTMENT IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries are composed of the following:

(in € thousands, except %) Name	Country of residence	Ownership*	31.12.2012	31.12.2011
UCB Ireland Unlimited Company	Ireland	100%	3 131 001	3 131 001
UCB (Investments) Ltd	United Kingdom	100%	1 381 276	-
Celltech Group Ltd	United Kingdom	100%	-	1 136 403
UCB S.C.A.	Luxembourg	99.97%	31	31
Total			**4 512 308**	**4 267 435**

**** Ownership percentage and not control percentage.***

Investments in associates are composed of the following:

(in € thousands, except %) Name	Country of residence	Ownership*	31.12.2012	31.12.2011
UCB Inc	USA	27,27%	22 562	22 562
UCB Fipar	Belgium	0.004%	3	3
Total			**22 565**	**22 565**

**** Ownership percentage and not control percentage.***

In the course of 2012 UCB Lux SA acquired UCB (Investments) Ltd participations from UCB SA, UCB Fipar SA and UCB Investissements SA. UCB Lux SA then contributed its Celltech Group Ltd participation to UCB (Investments) Ltd again new shares issued in UCB (Investments) Ltd.

13. DEFERRED TAX ASSETS

The deferred tax asset relates to unused tax losses. A deferred tax asset can be recognized only to the extent that it is probable that sufficient taxable profits will be available in the future against which the unused tax losses can be utilized. € 407m of tax losses remain unrecognized at the balance sheet date in view of the uncertain character of the recovery.

14. INTERCOMPANY LOANS & RECEIVABLES

Intercompany loans are composed of the following:

Non-current Intercompany loans

(in € thousands) Name	Country of Residence	31.12.2012	31.12.2011
UCB Pharma AS	Turkey	-	2 245
UCB Celltech - branch of UCB Pharma SA	United Kingdom	2 054 929	2 350 070
UCB Finance NV	The Netherlands	1 260 000	-
UCB Pharma Spa	Italy	4 000	8 000
UCB Pharma SA	Spain	70 000	-
UCB Inc	USA	757 748	385 802
Vedim España SA	Spain	40 000	40 000
UCB Canada Inc	Canada	-	24 289
UCB GmbH	Germany	281 020	1 950 000
Darwin Discovery Ltd	United Kingdom	86 149	83 761
Medeva Ltd	United Kingdom	147 683	143 591
Total		**4 701 529**	**4 987 758**

Fair values of non-current intercompany loans is estimated to € 4.986.386.170 as of end 2012 (€5.233.757.920 in 2011)

Current Intercompany loans

(in € thousands) Name	Country of Residence	31.12.2012	31.12.2011
UCB Pharma AS	Turkey	2 329	-
UCB Investissements SA	Switzerland	21 000	21 000
UCB Pharma SA	Spain	-	72 942
Viking Trading Co. Ltd	United Kingdom	-	9 296
UCB Inc	USA	158 742	626 918
UCB Pharma LLC	Russia	2 107	924
Celltech Limited	United Kingdom	-	15 445
UCB Bulgaria EOOD	Bulgaria	450	300
UCB GmbH	Germany	293 210	290 239
UCB Pharma Logistics LLC	Russia	8 851	12 697
Total		**486 689**	**1 049 761**

Fair values of current intercompany loans approximate their carrying value.

15. TRADE AND OTHER RECEIVABLES

Trade and other receivables are composed of:

(in € thousands)	31.12.2012	31.12.2011
Trade receivables	33 414	64 912
Other receivables	4 295	6 734
Total trade and other receivables	**37 709**	**71 646**

None of the trade and other receivables is past due. (2011: zero)

The carrying amounts of the Company's trade and other receivables are denominated in the following currencies:

(in € thousands)	31.12.2012	31.12.2011
EUR	27 206	58 681
USD	3 042	2 522
GBP	7 059	7 921
Other currencies	402	2 522
Trade and other receivables	**37 709**	**71 646**

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable mentioned above. The Company does not hold any collateral as security.

The carrying value approximates the fair value.

16. CASH AND CASH EQUIVALENTS

(in € thousands)	31.12.2012	31.12.2011
Short-term bank deposits and investments in money market funds	200 000	175 880
Cash pooling/in transit	574 360	594 628
Cash at bank and on hand	227 029	46 439
Cash and cash equivalents	**1 001 389**	**816 947**

17. CAPITAL AND RESERVES

Share capital

As at December 31, 2012, the issued share capital of the Company amounts to € 3 382 million (31.12.2011: € 3 382 million), and is represented by 132 437 193 shares (2011: 132 437 193 shares). The Company's shares are without par value, all of which are fully paid up.

Legal reserve

In accordance with Luxembourg company law, the Company is required to appropriate a minimum of 5% of the net profit after tax for the year to a legal reserve until the balance of such reserve is equal to 10% of the issued share capital. The legal reserve is not available for distribution to shareholders except upon the dissolution of the Company.

No allocation to legal reserves occurred in 2012 (2011: € 5 770 thousand).

18. SHARE-BASED PAYMENTS

The UCB Group, to which the Company belongs, operates several equity-based compensation plans, including a share award plan and a performance share plan to compensate employees for services rendered. The share award plan and the performance share plan are equity-settled.

Share award plan

The Remuneration Committee granted free UCB S.A. shares to certain members of the Leadership Team. The free shares have service conditions attached to them whereby beneficiaries are required to remain in service for three years post grant date.

Share awards lapse upon leaving the UCB Group, except upon leaving on retirement or death in which case they vest immediately. The beneficiary is not entitled to dividends during the vesting period. As from 2011, no share awards are outstanding in the books of UCB Lux SA.

A reversal entry for €318k has been recorded in 2011 to close the share based plan balances.

19. BORROWINGS

The carrying amounts and fair values of borrowings are as follows:

	31.12.2012	31.12.2011	31.12.2012	31.12.2011
(in € thousands)	Carrying amount		Fair value	
Non-current				
Intercompany	2 600 615	2 609 296	2 836 498	2 836 256
Third party	150 000	-	150 000	-
Total non-current borrowings	**2 750 615**	**2 609 296**	**2 986 498**	**2 836 256**
Current				
Intercompany	606 267	9 827	606 267	9 827
Intercompany current account	309 579	1 438 317	309 579	1 438 317
Third party	115 809		115 809	
Total current borrowings	**1 031 655**	**1 448 144**	**1 031 655**	**1 448 144**

Bank loans are composed of the following:

Current liabilities

(in € thousands) **Name**	**Country of Residence**	**31.12.2012**	**31.12.2011**
European Investment Bank	Luxembourg	150 000	-

Intercompany borrowings are composed of the following:

Non current liabilities

(in € thousands) **Name**	**Country of Residence**	**31.12.2012**	**31.12.2011**
UCB S.A.	Belgium	1 800 615	1 809 296
FIN UCB SA	Belgium	800 000	800 000
		2 600 615	**2 609 296**

Current liabilities

(in € thousands) **Name**	**Country of Residence**	**31.12.2012**	**31.12.2011**
UCB Fipar SA	Belgium	79 450	-
UCB Japan Co. Ltd.	Japan	-	8 510
Fipar Ltd.	United Kingdom	1 014	1 026
UCB Ireland	Ireland	286	291
Celltech Pharma Ireland Ltd	Ireland	525 517	-
		606 267	**9 827**

19. BORROWINGS (CONTINUED)

Intercompany current accounts are composed of the following:

Current liabilities

(in € thousands) Name	Country of Residence	31.12.2012	31.12.2011
UCB S.A.	Belgium	25 586	33 912
Société Financière UCB SA	Luxembourg	14 757	3 567
UCB Fipar SA	Belgium	21 812	5 237
UCB Finance NV	Netherlands	-	306 714
Fin UCB	Belgium	4 388	94 533
UCB Farchim SA (AG Ltd)	Switzerland	16 319	22
Doutors Réassurance SA	Switzerland	43 789	37 677
UCB Belgium SA	Belgium	568	3 377
UCB Pharma SA	France	23 908	34 943
UCB Pharma BV	Netherlands	6 734	8 752
UCB Pharma Ireland Ltd	Ireland	2 601	1 647
Sifar SA	Belgium	641	1 125
UCB Pharma GmbH	Austria	1 521	4 046
UCB Pharma Honk Kong Ltd	Honk Kong	3 145	-
UCB Pharma SA	Belgium	-	770 151
Medeva BV	Netherlands	-	36 211
Medeva Pharma Schweiz AG	Switzerland	33	7 430
Celltech Pharma Ireland Ltd	Ireland	3 159	-
Celltech Group Ltd	United Kingdom	204	-
Celltech Pharma Europe Ltd	United Kingdom	33 200	-
Celltech R&D Ltd	United Kingdom	16 862	-
UCB Investments Ltd	United Kingdom	153	-
UCB Pharma Ltd	United Kingdom	71 180	78 643
OGS UK Ltd	United Kingdom	-	6 313
Confirmant Ltd	United Kingdom	13 290	949
Schwarz Pharma Ireland Ltd	Ireland	-	655
Kudco Ireland Ltd	Ireland	5 729	2 413
		309 579	**1 438 317**

19. BORROWINGS (CONTINUED)

Bank loans

On December 15, 2009, UCB SA announced the successful negotiation and conclusion of a new € 1.5 billion revolving credit facility (the "Facility"). The purpose of this Facility, together with the bond issuances (Convertible bond: € 421 million, Retail bond: € 739 million and Institutional eurobond: € 494 million), was to refinance the Company's € 4 billion Syndicated Loan Facility Agreement arranged in connection with the 2006 acquisition of Schwarz Pharma, which had been amortized to € 3.3 billion and was due to mature in October 2011. The new facility was expiring on 31 December 2012 with a one-year extension option at the end of the first year, subject to lenders' approval. In October 2011, the revolving credit facility has been restated with a new maturity in October 2016, better interests conditions and removal of the covenants.

At year end, the total amount drawn down on the Facility by the Company was nihil (2011: nihil). The borrowings linked to the Facilities Agreement (if any) bear interest using a Euribor or Libor interest rate plus a margin depending on UCB's leverage ratio on the covenants of the agreement. The fees paid for the arrangement of the Facilities Agreement are amortized over the estimated term of the Facility.

On May 21, 2012, UCB Lux SA entered into a Finance Contract with the European Investment Bank. The amount is € 150 million and the maturity of the loan is in 2019.

The fair value of the non-current borrowings is determined based on the present value of the payments associated with the debt instruments, using the applicable yield curve and UCB's credit spread for the various different currencies. Since the bank borrowings are at a floating interest rate that is reset every six months, the carrying amount of the bank borrowings equates to its fair value. With respect to the current borrowings, the carrying amounts approximate their fair values as the effect of discounting is considered to be insignificant.

Please refer to Note 4.3 for the maturity analysis of the Company's borrowings.

The carrying amounts of the Company's bank borrowings are denominated in the following currencies:

(in € thousands)	31.12.2012	31.12.2011
€	150 000	-
Total bank borrowings	150 000	-
Bank overdrafts (EUR)	-	-
Total bank borrowings	**150 000**	**-**

20. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are composed of the following:

	Assets		Liabilities	
(in € thousands)	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
Forward foreign exchange contracts - fair value through profit or loss	45 312	72 268	54 379	163 499
Equity options	-	-	14 554	-
Interest rate swaps - fair value through profit or loss	6 803	23 063	15 173	30 222
Total	**52 115**	**95 331**	**84 106**	**193 721**
Of which:				
Non-current	**7 708**	**23 288**	**53 272**	**59 796**
Current	**44 407**	**72 043**	**30 834**	**133 925**

The full fair value of a hedging derivative is classified as a non-current asset or liability if the remaining maturity of the hedged item is more than 12 months and, as a current asset or liability, if the maturity of the hedged item is less than 12 months.

The equity option is the one UCB Lux SA sold to UCB SA mirroring the terms in the option embedded in the convertible bond as stated in note 4.3.

Some interests rate swaps are valued in other comprehensive income following hedge accounting policy. The nominal amount is €150 million and perfectly matching the EIB loan interests flows for the same amount. The IRS were contracted in 2012 and the fair value portion recognized in equity for 2012 is negative for €1 310 thousands. Portion of it will be recognized in income statements every year until its maturity in 2017.

Foreign currency derivatives

The fair values of the foreign currency derivative contracts are as follows:

	Assets		Liabilities	
(in € thousands)	**31.12.2012**	**31.12.2011**	**31.12.2012**	**31.12.2011**
USD	30 184	41 224	44 010	85 318
GBP	6 413	5 769	1 317	54 065
JPY	6 695	17 297	6 695	15 039
Other currencies	2 020	7 978	2 357	9 077
Total foreign currency derivatives	**45 312**	**72 268**	**54 379**	**163 499**

The foreign currency derivatives maturity analysis is noted below:

(in € thousands)	**31.12.2012**	**31.12.2011**
1 year or less	14 866	(63 139)
1-5 years	(23 934)	(28 092)
Beyond 5 years	-	-
Total foreign currency derivatives - net asset/(net liability)	**(9 068)**	**(91 231)**

21. OTHER PAYABLES

Other non-current payables

(in € thousands)	31.12.2012	31.12.2011
Other payables – intercompany	3 130 687	3 130 687
Total other non-current payables	**3 130 687**	**3 130 687**

The € 3 130,7 million represents the uncalled amount of the subscribed capital during the setting up of UCB Ireland Unlimited Company (during the year 2005) and the capital increase (during the year 2007).

That debt does not bear interest and is payable on demand.

Other current payables

(in € thousands)	31.12.2012	31.12.2011
Trade payables	121	147
Income tax payable	0	0
VAT payable	48	-
Payroll and social security liabilities	64	84
Other payables	5 238	8 466
Accrued interest	25 890	29 305
Total other current payables	**31 361**	**38 002**

Other current payables mature over a period of less than 12 months and their carrying amounts approximate fair value.

22. RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business of the Company. These include loans, deposits, interest rate swaps and foreign currency transactions.

The volume of related-party transactions, outstanding balances at year-end, and related expense and income for the year are as follows:

For the year-end 2012: (in € thousands)	Assets	Liabilities	Income	Expenses
Parent company	112	1 842 496	18 889	137 767
Subsidiaries	292 840	663 985	56 722	18 387
Associates	916 163	102 290	59 081	18 455
Key management personnel	-	-	-	-
Other related parties	4 590 845	938 510	431 223	141 480

For the year-end 2011: (in € thousands)	Assets	Liabilities	Income	Expenses
Parent company	43	1 843 963	12	134 176
Subsidiaries	3 797 853	291	95 939	4
Associates	1 035 648	5 213	35 581	42
Key management personnel	-	-	318	-
Other related parties	6 372 871	2 278 180	617 698	718 527

23. DIVIDEND PAID

The activities of UCB Lux S.A. generated in 2011 a net loss of € 155 148 249 after income taxes. After taking into account the profit brought forward of € 830 996 854, the amount available for distribution was € 675 848 605. No allocation to legal reserves occurred in 2012.

A dividend of € 300 000 000 was paid out in 2012.

24. SEGMENT REPORTING

Operating segment are reported in a manner consistent with the internal reporting used by the managing director (MD). The MD is responsible for allocating resources and assessing performance of the operating segment (financing and hedging activities).

The MD makes the strategic resource allocations on behalf of the company. The MD is responsible for the Company's activity and considers the business to have a single operating segment. The MD's asset allocation, funding and hedging decisions are based on a single, integrated investment strategy, and the Company's performance is evaluated on an overall basis. The internal reporting provided to the MD for the assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of IFRS. There were no changes in the reportable segment during the year

25. EVENTS AFTER THE REPORTING PERIOD

There were no significant events affecting the Company since the year-end.

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Audit report

To the Shareholders
UCB Lux S.A.

We have audited the accompanying financial statements of UCB Lux S.A., which comprise the balance sheet as at 31 December 2012, and the statement of comprehensive income, statement of changes in shareholder's equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Board of Directors responsibility for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the "Réviseur d'entreprises agréé"

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgment of the "Réviseur d'entreprises agréé" including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "Réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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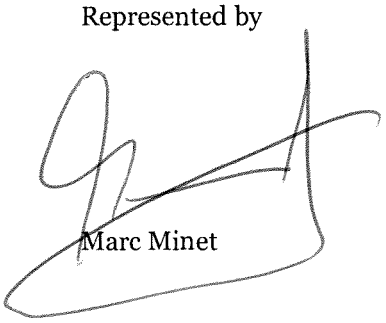
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of UCB Lux S.A. as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

PricewaterhouseCoopers, Société coopérative
Represented by

Luxembourg, 1 March 2013



Marc Minet

Registered Office of UCB SA

Allée de la Recherche 60
B-1070 Brussels
Belgium

Registered Office of UCB Lux S.A.

12 rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

Arranger

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

Dealers

Banca IMI S.p.A.
Largo Mattioli 3
20121 Milan
Italy

Banco Santander, S.A.
Ciudad Grupo Santander
Edificio Encinar
Avenida de Cantabria s/n
28660, Boadilla del Monte, Madrid
Spain

Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

BNP Paribas Fortis SA/NV
Montagne du Parc 3
B-1000 Brussels
Belgium

Commerzbank Aktiengesellschaft
Kaiserstraβe 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank
9, quai du Président Paul Doumer 9
F-2920 Paris-la-Défense Cedex
France

DNB Bank ASA
Dronning Eufemias gate 30
P.O. Box 1600 Sentrum
N-0021 Oslo
Norway

ING Bank N.V. Belgian Branch
Avenue Marnixlaan 24
B-1000 Brussels
Belgium

ING Belgium N.V./S.A.
Avenue Marnixlaan 24
B-1000 Brussels
Belgium

KBC Bank NV
Havenlaan 12
B–1080 Brussels
Belgium

Merrill Lynch International
2 King Edward Street
London EC1A 1HQ
United Kingdom

Mitsubishi UFJ Securities International plc
Ropemaker Place
25 Ropemaker Street
London EC2Y 9AJ
United Kingdom

Mizuho International plc
Bracken House
One Friday Street
London EC4M 9JA
United Kingdom

SMBC Nikko Capital Markets Limited
One New Change
London EC4M 9AF
United Kingdom

Société Générale
29 Boulevard Haussmann
F-75009 Paris
France

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

Belgian Domiciliary and Paying Agent

BNP Paribas Securities Services SCA, Brussels Branch
Boulevard Louis Schmidt 2
B-1040 Brussels
Belgium

Fiscal and Paying Agent

BNP Paribas Securities Services, Luxembourg Branch
33 rue de Gasperich
Howald-Hesperange
2085 Luxembourg
Luxembourg

Listing Agents

Luxembourg Listing Agent

BNP Paribas Securities Services, Luxembourg branch
33 rue de Gasperich
Howald-Hesperange
2085 Luxembourg
Luxembourg

Belgian Listing Agent

BNP Paribas Securities Services SCA, Brussels Branch
Allée de la Recherche 60
B-1070 Brussels
Belgium

Auditors

To UCB SA

PwC Réviseurs d'Entreprises SCCRL
Woluwedal 18
1932 Zaventem
Belgium

To UCB Lux S.A.

PricewaterhouseCoopers, Société coopérative
400 Route d'Esch
B.P. 1443
L-1014 Luxembourg
Luxembourg

Legal Advisers to the Issuers

as to Belgian law

Linklaters LLP
13 rue Brederode
Brussels
Belgium

as to Luxembourg law

Linklaters LLP
35 av. J.F. Kennedy
1853 Luxembourg
Luxembourg

Legal Advisers to the Dealers

Allen & Overy LLP
One Bishops Square
London E1 6AD
United Kingdom