

Press Release

Moving ahead – strong results in second quarter 2008

- Strong sales in key home markets
- Core products continue to develop very well
- Veltuzumab in-licensing significantly strengthens pipeline
- Oncology sale successfully closed

The financial results reported in this press release are related to Nycomed S.C.A. SICAR and comprise all of the Nycomed Group's operations. A full interim report is available at www.nycomed.com | [investors](#) | [financials](#).

In the first six months of 2008, Nycomed's adjusted EBITDA increased by 4.9% to €653.7 million compared to €623.3 million in the first six months of 2007, benefiting from the cost decreasing effects of last year's restructuring and as a result of the successful integration. Most of Nycomed's markets and key products have performed well for the first half year of 2008 and provided a counterweight to the decreasing sales of Pantoprazole in the US.

Total net turnover decreased by 3.4% to €1,714.5 million compared to €1,774.0 million in the first six months of 2007 primarily due to the negative effect of "at-risk" launches of generic Pantoprazole in the US and positively impacted by the execution payment from the out-licensing agreement with Sepracor. Adjusting for these effects and the loss of the imaging business from Bracco, total net turnover in the first half year increased by 3.1% compared to the same period in 2007.

"We are pleased to report that the second quarter of 2008 has been very satisfactory for Nycomed. Our home markets, especially the Western European key markets, continue to trade significantly above our expectations," said Håkan Björklund, Nycomed's Chief Executive Officer.

"The in-licensing agreement with Immunomedics on veltuzumab is a significant addition to our pipeline. Veltuzumab offers an excellent strategic fit with Nycomed's other programs in the field of autoimmune and inflammatory diseases," he added.

Key figures

	Q2 2008 (m€)	Q2 2007 (m€)	Change	2008 YTD (m€)	2007 YTD (m€)	Change
Net turnover	884.2	900.5	-1.8%	1,714.5	1,774.0	-3.4%
Gross profit margin	681.6 77.1%	655.1 75.6%	+4.0% +2.0%	1,295.8 75.6%	1,287.2 75.4%	+0.7% +0.2%
Operating income	178.7	149.9	+19.2%	261.7	199.4	+31.3%
EBITDA margin	335.9 38.0%	293.7 32.6%	+14.4% +16.5%	634.6 37.0%	523.9 29.5%	+21.1% +25.3%
Adjusted EBITDA margin	349.6 39.5%	337.0 37.4%	+3.8% +5.7%	653.7 38.1%	623.3 35.1%	+4.9% +8.5%

Markets

Most markets have performed well for the first six months of 2008. Sales in Russia/CIS grew by 18.0% (37.0% in local currency) while sales in Germany developed satisfactorily despite significant price reductions. Pantoprazole sales in Canada and Spain were impacted by generic competition and price reductions respectively.

In **Europe**, sales in the first six months remained stable compared to the same period 2007. Most of the Scandinavian and Central European countries are characterised by a stable demand with single-digit market growth. In Italy, sales in the second quarter have increased considerably, showing a 28.8% growth compared to the same period in 2007. Excluding the imaging business, sales in Germany increased by 6.2% for the six-month period. The markets in Eastern Europe showed double-digit growth compared to first half 2007, notably Czech Republic and Croatia, while Romania and Greece nearly doubled net turnover.

In the **Latin America, Canada and South Africa region** (Argentina, Brazil, Mexico, Canada and South Africa) total net turnover decreased by 6.9% for the first six months compared to the same period in 2007. The declining growth is mainly caused by considerably lower Pantoprazole sales in the second quarter of 2008 in Canada as a result of the entry of generics. Sales in Argentina are showing very positive trends. June year-to-date sales in Brazil were slightly above sales for the first six months of 2007 in local currency, whereas sales in Mexico and South Africa have slightly decreased in local currency compared to the previous year.

In **Russia /CIS**, Nycomed's fastest growing region, sales increased by 18.0% for the first six months of 2008 compared to the same period in 2007. However, adjusting for the unfavourable impact from exchange rates, sales growth was approximately 37.0% in local currency for the first six months. Sales growth, in local currencies, was approximately 28.0% for the second quarter.

Total sales of **Nycomed US**, a specialty business focusing on dermatology and emergency care in the United States, increased by 14.4% for the first six months. This result was impacted by the acquisition of Bradley. Adjusting for this and for the

unfavourable impact of the US dollar, sales increased by 3.0% for the first six months of 2008 compared to 2007.

For the total **International Sales/Export** business, excluding Australia, product sales for the first six months decreased approximately 7.0% compared to the same period in 2007 mainly due to lower sales of Pantoprazole and a few other products in Asia.

Contract production grew by 18.9% to € 35.4 millions for the first six months of 2008 due to increased demand related to Nycomed's contract manufacturing agreements.

Products and pipeline

Sales of Nycomed's top-earner **Pantoprazole** were adversely affected by the "at-risk" launch of generic Pantoprazole tablets in the United States. Other core products such as **Calcium**, **TachoSil**[®], **Preotact**[®] and **Alvesco**[®] continue to develop very well.

In January 2008, Nycomed and Wyeth launched an own generic version of **Pantoprazole in the United States**. While this own generic has had some success in the market, its sales have not and cannot offset the substantial harm caused by the launch of infringing generics. Nycomed and Wyeth remain convinced of the validity and enforceability of their patent and will continue to vigorously pursue litigation.

In mid-April, Nycomed launched its nasal corticosteroid **Omnaris**[™] in Canada. In the United States, business partner Sepracor launched the product mid-April.

Licensing and acquisitions

Nycomed signed two significant licensing agreements in the second quarter 2008 and successfully finalised the divestment of its oncology portfolio by transferring it to Bayer Schering Pharma and 4SC AG.

Veltuzumab. On 14 July 2008, Nycomed and Immunomedics announced a collaboration and licensing agreement on Immunomedics' veltuzumab. Under the agreement, Nycomed will receive the exclusive, worldwide rights to develop, manufacture and commercialise the subcutaneous formulation of veltuzumab for the treatment of all non-cancer indications. Veltuzumab presents a significant enhancement to Nycomed's autoimmune and inflammation pipeline, and Nycomed will develop veltuzumab in rheumatoid arthritis (RA) as the primary indication.

Atimos[®]. In late June, Nycomed Canada Inc. announced a licensing agreement with Chiesi Farmaceutici SpA to market Atimos[®] (formoterol), a treatment anticipated for asthma and chronic obstructive pulmonary disease (COPD).

Oncology Projects. Following the introduction of its new research and development (R&D) strategy in 2007, Nycomed reviewed all drug development projects. In order to focus its resources on its core therapeutic areas, Nycomed decided to discontinue its cancer research activities and sell the related projects.

Nycomed agreed with **4SC AG**, Germany, on the sale of a major part of Nycomed's R&D projects in the field of oncology. Eight projects in the preclinical and first clinical stage have been transferred to 4SC. The company, based in Martinsried, will assume full ownership of the eight projects, while Nycomed retains rights to research, develop and commercialise outside the scope of the patents sold. The transaction closed on 31 July 2008. Nycomed received a total payment of € 14 million.

As the second step in the divestment of its Oncology portfolio, Nycomed signed a contract with **Bayer Schering Pharma** on 24 July 2008. This agreement comprises two potential drug candidates and an extensive back-up program for which Bayer Schering Pharma will assume full development and commercialisation rights. Nycomed will receive an initial reward, as well as payments upon completion of agreed preclinical and regulatory milestones. Overall compensation could total € 52 million.

Bradley. Nycomed successfully completed the acquisition of Bradley Pharmaceuticals, a company focused on niche therapeutic markets in the United States making Nycomed US a leader in the US dermatology market, with combined annualised dermatology sales of US \$ 450 million. In the second quarter of 2008, the synergies from the integration were even greater than expected, resulting in a positive effect on cost savings in marketing, sales and administration.

Outlook for 2008

Based on the current market conditions and exchange rate movements, we expect an adjusted EBITDA for the year of 2008 of approximately € 1,160.0 billion.

Financial background

Adjusted EBITDA and EBITDA are key figures used in order to have a more comprehensive analysis of our operating performance and of our ability to service our debt.

Adjusted EBITDA means net earnings before net financial items, income taxes, depreciation of tangible assets and amortization of intangible assets, adjusted for certain unusual or non-recurring items.

In connection with Nycomed's acquisition of Altana Pharma AG on 29 December 2006, a new holding structure became effective by way of a share exchange between the private equity investors of Nycomed A/S (the former holding company of the Nycomed Group) and the new holding company, Nycomed S.C.A. SICAR, Luxembourg. At that date, Nycomed S.C.A. SICAR became the ultimate parent company in the Nycomed Group. Comparison figures are presented as if Nycomed S.C.A. SICAR had always been the ultimate parent company.

About Nycomed

Nycomed is a privately owned pharmaceutical company that provides medicines for hospitals, specialists and general practitioners, as well as over-the-counter medicines in selected markets.

The company is active in a range of therapeutic areas, focusing on gastroenterology, respiratory, inflammation, pain management, osteoporosis and surgical management. New products are sourced both, from its own research and from business partners.

Nycomed is European based with a presence in over 50 countries worldwide and an increasing emphasis on fast growing markets.

The combined group employs 12,000 people. In 2007, it had annual sales of € 3.5 billion and an adjusted EBITDA of € 1.2 billion.

For more information visit www.nycomed.com

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