



Roskilde, 12 May 2004

Press Release

Nycomed Group interim results – first quarter 2004

The financial results reported in this release are related to the fully-owned Nycomed subsidiary, Nyco Holdings 2 ApS, which through its subsidiaries and affiliates comprises all of the Nycomed Group's operations.

Highlights

Satisfactory results according to plan

- Nycomed achieved a total net turnover of € 160.6 million in the first quarter of 2004, which represents a decrease of 0.3% compared to the same period last year. Adjusted for the net turnover from the divested consumer health business, net turnover increased by € 8.1 million or 5.3%. Adjusting also for exchange rate fluctuations, our net turnover increased by € 14.3 million or 9.1%.
- Especially Russia/CIS continued to show strong performance in the first quarter of 2004 with an increase in net turnover of 33.7% (57.0% in local currency) over first quarter of 2003. All other regions developed according to plan with single digit growth, except for Scandinavia, where net turnover declined as expected by 18.3%, primarily due to the sale of the consumer health business.
- Net income increased by € 14.3 million from a loss of € 21.4 million for the first quarter of 2003, to a loss of € 7.1 million in the same period in 2004. The increase primarily relates to a non-cash cost of € 20.6 million, booked as indirect production cost in the first quarter of 2003, which relates to the change in ownership in November 2002.
- Adjusted EBITDA (see below) increased by € 0.7 million or 2.3% in the first quarter of 2004 to € 31.3 million. Excluding EBITDA from the divested consumer health business, adjusted EBITDA grew by € 2.2 million or 7.6% compared to the same period last year. Adjusting also for exchange rate fluctuations, our adjusted EBITDA increased by € 3.1 million or 11.0%.

Preparing for continued growth

- The preparations to launch two key products, Angiox™ (bivalirudin) and TachoSil™ continued according to plan. On 27 February the Scientific Committee under the European Agency for the Evaluation of Medicinal Products (EMA) recommended that the Commission issue an EU marketing authorisation for TachoSil™. TachoSil™ is expected to be ready for launch in initial markets in September 2004 and Angiox™ on a pan-European basis in the fourth quarter of 2004.

- The expansion of the production capacity for TachoSil™ in Linz, Austria, is expected to be finalised in 2004. After validation the production will start gradually in 2005.
- To effectively coordinate pan-European product launches and focus our continued growth, a new sales and marketing organisation was implemented in the first quarter of 2004. The new organisation consists of five regions: Scandinavia; Western Europe; Russia/CIS; Central Europe and Baltics/Finland/Poland. All now report to Head of Marketing & Sales, Senior Vice President, Timo Tiivola.
- In the first quarter of 2004, Nycomed signed a collaboration agreement with Alliance Pharmaceutical Corp. to develop and commercialise Oxygent™, a synthetic oxygen carrier, in Europe. If the concept holds and the product is proven by a planned clinical trial, it could represent a valuable alternative to transfusion of blood.

New inlicensing agreement signed in second quarter of 2004

- On 21 April Nycomed Group and NPS Pharmaceuticals Inc signed a distribution and license agreement granting Nycomed rights to develop and market the investigational osteoporosis drug, PREOS® in Europe, CIS and Turkey.

CEO statement

- "Despite tougher market conditions and major investments in the build-up of our sales organisation, Nycomed's results continue to develop satisfactorily. 2004 and 2005 will be investment years, but with the expected launches of our Angiox™ and TachoSil™ later this year and several new strong products in our pipeline, all with good market potential, I am confident about our performance over the next years," said Håkan Björklund, Nycomed CEO.

Financial background

Adjusted EBITDA means net income 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 the acquisition of Nycomed Holding ApS on 29 November 2002, purchase accounting has been applied and has affected and will continue to affect our results of operations, which are included in the adjusted EBITDA.

We have recorded significant adjustments to intangible assets (patents and other intellectual property rights, goodwill, in-process-research and development and the contract manufacturing business) and tangible assets (property, plant and equipment). The purchase accounting also led to adjusted inventory values at the time of the acquisition to reflect its resale value rather than its cost, this has resulted in a non-recurring, non-cash charge of € 40.2 million of which € 6.6 million was booked in December 2002, € 20.6 million in the first quarter of 2003 and € 13.0 million in the second quarter of 2003, booked to indirect production costs.

For further information

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Financial Calendar

Half-year results are expected to be announced on 18 August 2004.

About Nycomed

Nycomed is a pharmaceutical company differentiating itself by its European focus. The company's capabilities include product sourcing, late-stage clinical trials, registration, pricing and reimbursement negotiation and product life-cycle management. Dedicated sales teams target general practitioners, hospital specialists and pharmacists.

With 2,800 people, mostly in marketing & sales, Nycomed covers 19 European markets including Russia/CIS. Products are also exported to other countries including Japan and the United States. Nycomed is a privately owned company with 2003 revenue of € 635.5 million.

Further information is available on: www.nycomed.com