

Nycomed

second quarter 2010 results

Significant milestones achieved

Second quarter 2010 highlights

- Strong growth of Key Products and in emerging markets, especially Russia/CIS and Brazil. Impact from pantoprazole's patent expiry in May 2009 in line with expectations
- Total net turnover steady at -0.1% (-5.0% in local currencies) to €786.5 million (Q2/2009: €786.9 million); total net turnover in local currencies and excluding Pantoprazole up 14.7% in Q2 and up 11.2% in H1 2010
- Adjusted EBITDA decreased by 22.5% (-27.3% in local currencies) to €197.4 million (Q2/2009: €254.8 million)
- Daxas[®] (roflumilast) approved in the EU; first market launches underway
- Co-promotion agreement signed with Merck & Co. for Daxas[®] in selected markets
- Validity of US patent for Protonix[®] (pantoprazole) confirmed by US district court
- TachoSil[®] approved by FDA for use in cardiovascular surgery
- Imaging joint venture formed with GE Healthcare in Russia/CIS

Key figures

	Q2 2010 (€m)	Q2 2009 (€m)	Change	H1 2010 (€m)	H1 2009 (€m)	Change
Net turnover	786.5	786.9	-0.1% -5.0% ⁽¹⁾	1,562.9	1,626.8	-3.9% -7.0% ⁽¹⁾
Gross profit	552.1	576.0	-4.1%	1,100.2	1,198.0	-8.2%
Margin	70.2%	73.2%		70.4%	73.6%	
Operating profit (EBIT)	16.1	74.7	-78.4%	57.6	205.6	-72.0%
EBITDA	188.5	249.3	-24.4%	401.0	551.3	-27.3%
Margin	24.0%	31.7%		25.7%	33.9%	
Adjusted EBITDA	197.4	254.8	-22.5% -27.3% ⁽¹⁾	430.4	561.8	-23.4% -26.0% ⁽¹⁾
Margin	25.1%	32.4%		27.5%	34.5%	

For full results and an explanation of adjusted EBITDA, please see page 14.

(1) In local currencies

Håkan Björklund, CEO, commented on the company's second quarter performance:

"Nycomed's performance in the second quarter was satisfactory, with sales of Key Products and in emerging markets, especially Russia/CIS and Brazil, continuing to help offset the revenue impact from the loss of exclusivity of pantoprazole. Turnover for the rest of the portfolio increased at double-digit rates. These results support our strategy of focusing on emerging markets and specialty products.

After the period end, Daxas received marketing authorisation in the EU, an important milestone for Nycomed. We are now launching in the first EU markets, starting with Germany and the UK, and early feedback from physicians is encouraging. We are working with our US partner Forest to respond to the FDA Complete Response Letter.

Our product portfolio was further strengthened by the FDA's approval of our surgical patch, TachoSil.

Another important milestone was achieved in July when a judge confirmed the findings of a jury which found the US patent for Protonix valid. We will continue to vigorously pursue claims for damages caused by generics launched at-risk in the United States.

In June we celebrated the groundbreaking for our manufacturing facility in Russia, demonstrating our commitment to the market. This followed news of our agreement with GE Healthcare to market diagnostic contrast agents in the Russia/CIS region.

2010 will be dominated by the effect of pantoprazole's loss of exclusivity. In several markets, authorities have announced price cutting measures for pharmaceuticals. However, we expect further growth in our portfolio of Key Products and the introduction of Daxas in several markets. Efforts to enhance our emerging market presence, especially in Asia, are well underway."

Financial Highlights

Total net turnover in the second quarter 2010 was almost unchanged from the previous year at €786.5 million (Q2/09: €786.9million), a change of -0.1%. Excluding currency effects, net turnover declined by 5.0% year-on-year. In the first half, net turnover declined by 3.9% (-7.0% in local currencies).

Adjusted EBITDA in the second quarter 2010 decreased by 22.5%, (-27.3% in local currencies), to €197.4million (Q2/09: €254.8million). In the first half, adjusted EBITDA declined by 23.4% (-26.0% in local currencies).

The performance was driven by strong growth in Key Products and in most emerging markets, especially Russia/CIS and Brazil, which helped to offset some of the anticipated impact from pantoprazole's patent expiry in Europe in May 2009 and declining sales of pantoprazole in the US, due to at-risk launches of generics. Adjusted EBITDA decreased proportionally more than turnover due to the change in product mix, investments in the launch of Daxas[®], and increased marketing and sales expenses in emerging markets.

In June 2010, Nycomed's lenders agreed to amend our loan agreement. The amended agreement provides more flexibility in the loan documentation, more headroom on the leverage covenant over the next two years and increased flexibility to negotiate and finance future acquisitions. It also prepares the loan documentation for any potential future IPO. The waiver request achieved almost full consent from the lenders. In accordance with the Senior Facility Agreement the amendment required a minimum consent of 50.1%.

Business Review*

Regional performance

Region	Net Turnover Q2 2010 (€m)	Net Turnover Q2 2009 (€m)	Change	Change in local currencies	Net Turnover H1 2010 (€m)	Net Turnover H1 2009 (€m)	Change	Change in local currencies
Europe	340.1	390.3	-12.9%	-14.2%	704.6	846.8	-16.8%	-17.9%
Latin America	92.5	72.0	28.5%	11.3%	177.6	143.4	23.8%	9.9%
Russia/CIS	125.7	79.6	57.9%	44.6%	229.1	158.3	44.7%	35.4%
Asia-Pacific, Africa, Middle East	52.6	47.2	11.4%	-0.1%	106.0	91.7	15.6%	6.1%
North America	114.2	104.5	9.3%	1.8%	207.9	202.7	2.6%	0.5%
Outlicensing	36.4	73.8	-50.7%	-52.4%	94.8	145.8	-35.0%	-34.7%
Contract Manufacturing	25.0	19.5	28.2%	24.8%	42.9	38.1	12.6%	9.1%
Total	786.5	786.9	-0.1%	-5.0%	1,562.9	1,626.8	-3.9%	-7.0%

Total net turnover was down 5.0% in local currencies* in the second quarter year-on-year (-7.0% in the first half of 2010).

The main drivers of the decrease were the European pantoprazole patent expiry in May 2009, and lower sales of Protonix® in the United States, due to generics launched at-risk. While sales of pantoprazole in Europe and US decreased, they increased significantly in Middle-East and Asia Pacific as well as in most of Latin America.

The decrease in most of Europe was partly offset by strong performance in other regions, mainly from Russia/CIS, Brazil and the recently acquired branded generics portfolio in Eastern Europe. Excluding pantoprazole, total net turnover was up 14.7% in the quarter year-on-year and up 11.2% for the first half of 2010.

Europe

European net turnover in the second quarter decreased by 14.2%, due to the patent expiry of pantoprazole in May 2009 (-17.9% in the first half).

The remaining portfolio performed well, with sales increasing 5.4% in the second quarter (+3.7% in the first half). Notable contributions came from the Czech Republic (related to the acquisition of the portfolio from Sanofi-Aventis and Zentiva), Spain, Italy and UK. The performance in Greece was impacted by economic uncertainty and the compulsory overall price cut of over 20% from May 1, 2010. Further price cuts have been announced in several countries.

*Unless otherwise noted, turnover in the "Business Review" section is stated in local currencies

Latin America

Latin America performed very well, with net turnover increasing by 11.3% in the second quarter (+9.9% in the first half). Intensified advertising and commercial activities at pharmacies in Brazil contributed to this development, boosting both sales of Rx and OTC. Pantoprazole sales in Brazil also grew 25.7% in the first half, compared to last year. Argentina posted significant growth as well.

Performance in Mexico continued to stabilize with the second quarter ending 3% above last year. Venezuela continued its strong growth in the first half of 2010, but remained below expectations as sales continue to be hampered by the political and macro-economical environment.

Russia/CIS

The second quarter was yet another strong quarter for Russia/CIS with an increase in sales of 44.6% (+35.4% in the first half). This was driven by sales of Key Products and local Rx products on the Russian home market. Especially strong were Actovegin (+69.3% in the second quarter), Concor (+73.8), Avonex (+85.4%), and Nasivin (+87.2%). Kazakhstan and Ukraine also performed well, with growth rates of 45.6% and 21.7% respectively, where Actovegin, Calcium and Concor led sales growth.

Asia-Pacific, Africa, Middle East

Total second quarter net turnover was virtually flat (-0.1%) compared to 2009 (+6.1% in the first half).

Asia-Pacific benefitted from pantoprazole sales, although sales in Australia declined due to loss of exclusivity. After a slow start, sales in China are picking up in June.

Middle-East and Africa also saw an excellent performance of pantoprazole.

North America

Total net turnover in the second quarter for North America increased by 1.8% (+0.5% in the first half), driven by sales of emergency products and Imiquimod cream in the United States. Canada was down 9.1% from declining sales of pantoprazole, although sales of the rest of the portfolio showed an increase of 10.8%, mainly from Alvesco[®] and Omnaris[®].

Outlicensing

Outlicensing net turnover decreased by 52.4% in the first half of 2010 due to lower sales of Protonix[®] through Pfizer, caused by generics launched at-risk by Teva and Sun.

For an update on the Protonix[®] patent litigation, see page 7.

*Unless otherwise noted, turnover in the "Business Review" section is stated in local currencies

Contract Manufacturing

Total net turnover for Contract Manufacturing was up 24.8% in the second quarter and up 9.1% in the first half.

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Product performance

Area	Net Turnover Q2 2010 (€m)	Net Turnover Q2 2009 (€m)	Change	Change in local currencies	Net Turnover H1 2010 (€m)	Net Turnover H1 2009 (€m)	Change	Change in local currencies
Gastroenterology	213.1	316.2	-32.6%	-35.0%	463.0	678.3	-31.7%	-33.0%
Specialty Products	161.6	131.2	23.2%	19.1%	316.1	260.3	21.4%	18.7%
Respiratory	22.6	16.0	41.3%	31.4%	44.0	35.5	23.9%	17.6%
<i>Subtotal Key Products</i>	<i>397.3</i>	<i>463.4</i>	<i>-14.3%</i>	<i>-17.4%</i>	<i>823.1</i>	<i>974.1</i>	<i>-15.5%</i>	<i>-17.2%</i>
Key Products excl. pantoprazole	184.2	147.2	25.1%	20.5%	360.1	295.8	21.7%	18.6%
OTC ⁽¹⁾	83.8	73.3	14.3%	1.0%	171.1	161.5	5.9%	-4.3%
Regional and local Rx	211.2	164.2	28.6%	21.4%	397.1	323.3	22.8%	16.9%
Nycomed US	94.2	86.0	9.5%	4.8%	171.6	167.9	2.2%	2.9%
Total	786.5	786.9	-0.1%	-5.0%	1,562.9	1,626.8	-3.9%	-7.0%
Total OTC ⁽¹⁾	96.9	84.4	14.9%	4.9%	200.2	183.0	9.4%	1.4%

⁽¹⁾ "OTC" does not include calcium OTC and pantoprazole OTC, which are included in Specialty Products and Gastrointestinal, respectively. "Total OTC" includes calcium OTC and pantoprazole OTC.

Product performance was dominated by the loss of exclusivity for pantoprazole in Europe in May 2009, but also by decreasing Protonix[®] sales in the US as a consequence of infringement by generics launched at-risk. Pantoprazole sales in emerging markets continued to grow. Excluding pantoprazole, turnover for the remaining portfolio increased by 14.7% (11.2% in the first half), primarily driven by strong performance of Key Products and Local and Regional Rx. OTC growth picked up the second quarter (total OTC up 4.9% in the second quarter and +1.4% in the first half).

Specialty Products, Respiratory, Regional and local Rx

Specialty Products and Respiratory continued their double digit growth in the second quarter, with rates of +19.1% (+18.7% in the first half) and +31.4% (+17.6% in the first half) respectively. This was primarily driven by Actovegin (+42% in the first half), Calcium (+18% in the first half) and TachoSil (+20% in the first half). The increase in Actovegin and Calcium is to a large extent driven by sales on in Russia/CIS while the increase in TachoSil is driven by a mix of new launches, for example in Brazil and Saudi Arabia, and growth in well established markets like Germany, Spain, and Italy.

Contributing to the strong growth was the Regional and Local Rx portfolio with Concor and Magnyl in Russia/CIS and the CEE portfolio acquired in 2009 from Sanofi-Aventis and

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Zentiva showing significant growth rates. Mesavancol, a newly launched in-licensed product in Italy, was also performing very well.

Pantoprazole (Gastroenterology)

Pantoprazole sales demonstrated continued resilience despite patent expirations in major EU countries in May 2009. Total net turnover of pantoprazole in the second quarter 2010 was down 35.0%. The robust post-expiry performance is due to the adoption of tailored strategic approaches in each country where pantoprazole lost its patent protection. In Switzerland, Nycomed introduced its own generic before the patent expired in June 2010. In the United States, Protonix[®] sales to Pfizer declined, as a result of at-risk launch generics.

Sales of Pantoprazole outside Europe and US continued the positive trend with significant growth rates in Middle-East, Asia and South America.

Nycomed remains confident in its ability to generate sustained long-term turnover from pantoprazole, although sales in 2010 will be impacted by the full year effect of the European loss of exclusivity in May 2009 and by further patent expirations in Australia and Switzerland during 2010. For 2010, planned price cuts in some markets remain a source of volatility. In January 2011, the paediatric extension of exclusivity for pantoprazole in the United States will expire.

Nycomed's US patent for Protonix[®] (pantoprazole) confirmed to be valid

After the period ended, on July 16, 2010, Judge Jose L. Linares of the US District Court for the District of New Jersey confirmed the jury verdict in favour of Nycomed and Pfizer Inc. The decision upholds the jury verdict issued on April 23, 2010, confirming that the patent is valid and rejecting allegations by the defendants that the patent was invalid as obvious and invalid for double patenting.

All issues regarding validity and infringement of Nycomed's US patent for Protonix[®] (pantoprazole) have been decided by the District Court in Nycomed's and Pfizer's favour.

Against KUDCo, the US generic drug business of the Schwarz Pharma Group, which did not at-risk launch, final Judgement was entered as a result of Judge Jose L. Linares' rulings. On August 13, 2010, the Court has entered an order requiring the FDA to withdraw KUDCo's approval for generic pantoprazole tablets and set the effective approval date for KUDCo's product to a date not earlier than January 20, 2011, which is the first day after expiry of paediatric exclusivity period for Protonix[®].

Nycomed will continue to vigorously pursue its damage claims in this case, resulting from the launch of generic versions of Protonix[®] at-risk by Teva and Sun.

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OTC

OTC growth picked up the second quarter (total OTC was up 4.9% in the second quarter and 1.4% in the first half). This was mainly driven by Nasivin in Russia/CIS, Neosaldina which benefitted from increased commercial activities in Brazil, and Riopan in Mexico. Net turnover decreased in the Nordic countries and Germany. In Germany, Faktu Akut had to be withdrawn following a regulatory authority decision regarding products containing bufexamac. Sales of Xymelin (mainly in Russia) and Sanostol declined.

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Company Update

Roflumilast (Daxas[®]) approved in European Union

After the period ended, on July 6, 2010 the European Commission granted marketing authorisation for Daxas[®] (roflumilast) in the European Union.

Daxas[®] is indicated for maintenance treatment of severe COPD (FEV1 post-bronchodilator less than 50% predicted) associated with chronic bronchitis in adult patients with a history of frequent exacerbations as an add-on to bronchodilator treatment. Daxas, an oral tablet taken once a day, is the first drug in a new class and is expected to be launched soon in the first European countries, starting with Germany and the UK. Initial feedback from physicians in Germany is very positive.

FDA issued Complete Response Letter, requested no additional patient trials

On May 17, 2010, Nycomed and Forest Laboratories, Inc. announced that the US Food and Drug Administration (FDA) issued a Complete Response Letter regarding the New Drug Application (NDA) for roflumilast (Daxas[®]). Roflumilast was reviewed as a potential treatment to reduce COPD exacerbations associated with chronic bronchitis in patients at risk for exacerbations.

In the Complete Response Letter the FDA requested certain additional information and analyses. No additional patient trials have been requested for the continued review of the NDA. Nycomed and Forest are committed to working with the FDA to address the outstanding matters and the companies anticipate a response to the FDA during the third quarter of 2010.

Co-Promotion agreement with Merck & Co. in Europe and Canada

On April 26, 2010, Nycomed and Merck & Co., Inc. (based in Whitehouse Station, New Jersey and known as MSD outside the USA and Canada) announced that they have entered into a co-promotion agreement for Canada and certain European countries for the commercialization of Daxas[®]. In addition, the two companies have signed an exclusive distribution agreement for the commercialization of Daxas[®] in the United Kingdom.

Under the terms of the agreement, Nycomed will receive an undisclosed upfront fee from Merck and is eligible for certain payments based on defined regulatory and commercialization milestones for Daxas[®]. Merck and Nycomed will co-promote Daxas[®] in France, Germany, Italy, Spain, Portugal, and Canada. Nycomed will manufacture and distribute the finished product in all countries covered by the co-promotion agreement. In the United Kingdom Merck will have exclusive commercialization rights and Nycomed will supply finished product and has retained a co-promotion option.

TachoSil® received FDA approval

On April 6, 2010, Nycomed and its partner Baxter International Inc. received the approval for TachoSil®, a surgical patch, from the US Food and Drug Administration (FDA). TachoSil® has been approved as an adjunct to haemostasis (control of bleeding) in cardiovascular surgery. TachoSil® is the key product in Nycomed's tissue management portfolio and fulfils the market need for a ready-to-use surgical patch, developed to assist surgeons in achieving fast and reliable bleeding control.

In the United States, the product will be distributed and marketed by Baxter, which plans to launch TachoSil® during the second half of 2010. Nycomed will manufacture the product and holds the licence with the FDA. TachoSil® was filed with the FDA in 2009, based on international clinical trial results in cardiovascular surgery.

GE Healthcare and Nycomed to form joint venture to sell, market and distribute diagnostic imaging pharmaceuticals in Russia and CIS

On April 27, 2010, GE Healthcare, a unit of General Electric Company, and Nycomed announced the signing of an agreement to form a joint venture for the local sales, marketing and distribution of GE Healthcare's medical diagnostic contrast agents in Russia, the Commonwealth of Independent States (CIS), Georgia and Mongolia.

The agreement further reinforces the two companies' commitment to local investment and growth in Russia and the CIS, and comprises the formation of a Moscow-based sales, marketing and distribution company. The new company will sell, market and distribute GE Healthcare Medical Diagnostics x-ray and magnetic resonance imaging contrast media products which are used to enhance a physician's ability to distinguish structures and tissues in medical imaging.

GE Healthcare's contrast media are currently marketed in Russia through a distribution agreement with Nycomed, and this agreement is intended to further strengthen the presence of these key products on the Russian and CIS markets. It is expected that the new company will have around 40 employees in its Moscow offices and across the region it serves.

Groundbreaking for Yaroslavl manufacturing facility

The project to set up a manufacturing plant to meet the needs of the Russia/CIS market is progressing well. On June 18, 2010, Nycomed hosted the groundbreaking ceremony. On the same day, Russian Prime Minister Vladimir Putin visited the construction site.

Financial Report

Net Turnover

Total net turnover of the second quarter of 2010 remained broadly flat at €786.5 million compared to the second quarter of the previous year (Q2/09 €786.9 million). In local currencies, total net turnover declined by 5.0% during the quarter.

Year to date, total net turnover is 3.9% below H1 2009, or -7.0% in local currencies. The decrease in turnover seen in the first quarter 2010, continued in the second quarter, from pantoprazole in Europe (due to patent expiry) and from the US (due to generics launched at-risk). This was outweighed by another set of strong performances in Russia/CIS and Latin America.

Please refer for more details to the Business Review (page 3), Regional Overview (page 3) and Product Sales (page 6) sections.

Cost of sales

Cost of sales in the second quarter 2010 increased by €23.6 million to €234.4 million, which is 11.2% higher than last year. As a percentage of net sales the cost of goods sold increased to 30.6%, from 27.2% in Q2 09, reflecting the continued deterioration of the margin for pantoprazole due to the full effect of the loss of exclusivity and an ongoing shift in product portfolio.

For the first six months of 2010, the cost of goods sold increased by 7.9% to €462.7 million. Cost of goods sold as a percentage of net sales increased by 3.6% to an average of 30.3% for the period.

Operating expenses

In the second quarter of 2010, operating expenses were 9.8% above the comparable period in 2009, at €387.6 million (Q2/09 €352.9 million). Marketing and Sales expenses increased by 8.8% to €261.5 million, primarily related to increased marketing activities in emerging markets and investments in the Daxas[®] launch. Research and Development expenses decreased slightly on a comparable basis. Administration expenses increased by 23.3% to €76.1 million (Q2/09 €61.7 million), which was mainly due to changes in the corporate IT infrastructure, increased legal expenses, and other corporate projects.

Half year operating expenses increased by 5.7% compared to the same period last year.

To improve margins and productivity, Nycomed has reviewed its general and administrative functions in Europe. The analysis showed potential for cost-savings through consolidation and standardisation of processes and services. A number of initiatives will be implemented over the next 18 months.

Financial Items

Total net financial items for the first six months of 2010 amounted to an expense of €190.7 million compared to an income of €27.3 million at the end of June 2009, representing a decrease of €218.0.

The net financial expenses for the first six months of 2010 is impacted by interest income of €7.5 million (€8.5 million in 2009), interest expenses on Senior Loans of €89.2 million (€127.0 million in 2009), a net realized foreign currency gain of €41.1 million (€13.3 million in 2009) related to intercompany current trading and debt and FX contracts offset by loss on the USD part of our senior debt repayments, amortized financing fees of €6.9 million (€7.6 million in 2009) and a net unrealized foreign exchange loss of €192.5 million compared to an unrealized gain of €90.6 million in June 2009, which is primarily related to the fluctuation of the USD/EUR exchange rate.

Net result of the period

The net result of the second quarter 2010 showed a loss of €85.1 million compared to a gain of €74.4 million in the same period last year.

For the first six months, the net result of –€96.5 million was €258.6 million below the result from the same period last year.

Taxes

Corporate income tax expenses for the second quarter 2010 decreased by €61.6 million, to a gain of €33.6 million, mainly as a result of negative profit before tax. Taxes are determined through country-specific tax rates and the effect of non-deductible items, withholding taxes, adjustments for uncertain tax provisions, taxes on dividends received and change of tax rates.

Adjusted EBITDA

Adjusted EBITDA, which is an important measurement for the group, was €197.4 million during second quarter 2010. The decline of €57.4 million versus Q2 2009 is caused by a lower gross profit, mainly due to the loss of exclusivity of pantoprazole and higher operating expenses.

For the first half of 2010, adjusted EBITDA was €430.4 million, 23.4% below the first six months last year.

Cash flow

Cash flow from operating activities for the first six months of 2010 was €375.2 million, which is slightly below the cash flow from operating activities realized in the first six months of 2009. Compared to the same period in 2009, EBITDA has decreased, offset somewhat by a positive impact in taxes and working capital.

Cash flow from investing activities during the first six months of 2010 showed an outflow of €69.8 million compared to an outflow of €74.3 million in the same period in 2009. Cash flow from investing activities in 2010 includes compensation of €12.0 million relating to the 2006 acquisition costs for Altana Pharma. During the first six months of 2010 Nycomed paid €14.5 million in relation to the acquisition of distribution rights from Recordati for €6.0 million and the Xefo[®] repatriation in Turkey (about €4.0 million).

Cash flow from financing activities showed an outflow of €290.4 million for the first six months of 2010, compared to €348.9 million in the same period for 2009. During the first six months of 2010 Nycomed paid €199.3 million in installments (of which €46.4 million related to the payment of cash sweep for 2009 paid in March 2010).

Interest expenses amounted to €89.6 million for the first six months of 2010 compared to an amount of €128.6 million for the first six months of 2009.

In May 2010 Nycomed closed the remaining part of its Cross Currency Swaps, totaling €800.0 million, realizing a gain of €14.5 million.

Capital Resources

Nycomed expects to generate significant cash flow in 2010 to support the strategy and services of debt.

As of the end of June 2010, Nycomed had a cash position of €777.4 million, compared to €453.3 million by the end of June 2009.

As of the end of June 2010, Nycomed had total senior debt of €4,547.8 million, compared to €4,229.7 million at the end of June 2009. The increase of €318.1 million is primarily due to the drawing of the restructuring / in-licensing facility which occurred in December 2009 (€325.0 million) and the negative impact of the USD/EUR foreign exchange rate compared to the same period for 2009. The combination of these two effects more than offset the positive impact from a repayment end of June and a cash sweep paid in March.

Nycomed has committed facilities of €250.0 million under the revolving facility, which remains undrawn.

Income Statement

	Q2 2010 (€m)	Q2 2009 (€m)	H1 2010 (€m)	H1 2009 (€m)
Net sales	766.8	773.6	1,526.1	1,603.3
Royalties / other income	19.7	13.3	36.8	23.5
Net turnover	786.5	786.9	1,562.9	1,626.8
Cost of sales	(234.4)	(210.8)	(462.7)	(428.8)
Gross profit	552.1	576.0	1,100.2	1,198.0
Sales and marketing expenses	(261.5)	(240.3)	(494.5)	(472.9)
Amortisation of fair value adjustments on patents and rights from acquisitions	(138.7)	(141.7)	(276.0)	(283.1)
Total sales and marketing expenses	(400.2)	(382.0)	(770.5)	(756.0)
Research and development expenses	(50.0)	(50.9)	(97.1)	(98.4)
Administrative expenses	(76.1)	(61.7)	(144.4)	(125.3)
Integration / Restructuring costs	(9.7)	(6.8)	(30.6)	(12.7)
Operating Income (Loss)	16.1	74.7	57.6	205.6
Financial income	134.7	76.2	259.3	176.2
Financial expenses	(269.5)	(48.4)	(450.0)	(148.9)
Profit (loss) before tax	(118.7)	102.4	(133.1)	232.8
Income tax	33.6	(28.0)	36.6	(70.8)
Net result of the period	(85.1)	74.4	(96.5)	162.1

EBITDA / Adjusted EBITDA				
Net result of the period	(85.1)	74.4	(96.5)	162.1
Adjustments				
Net financial items	134.8	(27.8)	190.7	(27.3)
Income tax expense (benefit)	(33.6)	28.0	(36.6)	70.8
Depreciation and amortisation	172.4	174.6	343.4	345.7
EBITDA	188.5	249.3	401.0	551.3
Adjustments				
Integration/restructuring and project costs (exclude depreciation already in EBITDA)	8.9	5.5	29.4	10.5
Warrants	-	-	-	-
Adjusted EBITDA	197.4	254.8	430.4	561.8

Balance Sheet

Assets	30.6.2010 (€m)	31.3.2009 (€m)
Non-current assets		
Patents and rights and currently marketed products	2,367	2,590
Goodwill	2,182	2,175
Development projects in progress	450	442
Total intangible assets	4,998	5,206
Total property, plant and equipment	623	618
Other investments in shares and bonds	38	37
Other receivables	9	7
Deferred tax assets	134	113
Total non-current assets	5,803	5,981
Current assets		
Total inventories	546	494
Trade receivables	609	560
Income tax receivable	58	14
Other receivables and prepayments	98	83
Marketable securities	10	6
Cash	777	748
Total current assets	2,097	1,905
Total assets	7,900	7,886
Equity and liabilities		
Capital stock	17	17
Reserves	1,410	1,522
Total Stockholders' Equity	1,427	1,539
Non-current liabilities		
Pension commitments	321	310
Deferred tax	798	870
Provisions	86	88
Deferred income and other non-current liabilities	8	90
Financial institutions	4,158	4,093
Total non-current liabilities	5,371	5,450
Current liabilities		
Financial institutions	390	304
Trade payables	259	229
Income tax payable	67	39
Provisions	215	182
Other payables	113	102
Deferred income	58	40
Total current liabilities	1,102	897
Total liabilities	6,473	6,347
Total equity and liabilities	7,900	7,886

Cash Flow

	Q2 2010 (€m)	Q2 2009 (€m)	H1 2010 (€m)	H1 2009 (€m)
Cash flow from operating activities				
Operating income	16.1	74.7	57.7	205.6
Adjustments to reconcile operating profit to net cash flow				
Depreciation and impairment of property, plant and equipment	20.1	20.8	40.7	41.0
Amortisation and impairment of intangible assets	152.3	153.8	302.7	304.7
Movements in provisions, pensions and other liabilities	-6.7	-14.6	22.1	-8.2
Other adjustments	9.9	-0.1	1.6	-0.6
Change in working capital	64.5	-19.6	20.4	-60.4
Income taxes received (paid)	-34.0	-70.6	-70.0	-103.9
Net cash flow from (used in) operating activities	222.2	144.4	375.2	378.2
Cash flow from investing activities				
Acquisition of subsidiaries ⁽¹⁾	-	-	-	-6.4
Purchase of intangible assets	-31.8	-26.7	-57.8	-43.3
Proceeds from sale of intangible assets	0.3	-0.2	0.7	1.7
Purchase of tangible assets	-16.0	-18.6	-28.6	-27.2
Proceeds from sale of tangible assets	2.1	0.3	4.1	1.1
Purchase of other investments	-0.6	-0.2	-0.2	-0.2
Refund for 2006 acquisition costs	-	-	12.0	-
Net cash flow from (used in) investing activities	-46.0	-45.4	-69.8	-74.3
Cash flow from financing activities				
Repayment of senior credit facility	-152.9	-113.9	-199.3	-113.9
Acquisition of own shares from minority holders	-3.3	-0.1	-3.3	-2.9
Repayment of local bank borrowings	-0.8	-6.9	-1.5	-7.4
Debt buy-back	-	-33.2	-	-92.6
Financial income received	3.6	4.2	6.6	8.4
Financial expenses paid	-45.9	-46.1	-89.6	-128.6
Realised net foreign exchange gain (loss) on unwinding of cross-currency swaps	14.5	-12.0	14.5	-12.0
Other financial expenses paid	-17.9	-	-17.9	-
Net cash flow from (used in) financing activities	-202.6	-208.0	-290.4	-348.9
Net cash flow	-26.4	-109.0	14.9	-45.0
Cash as of beginning of period	797.5	560.2	747.6	496.7
Currency translation adjustments	6.3	2.1	14.8	1.6
Cash as of end of the period	777.4	453.3	777.4	453.3

(1) Acquisition of 50.0% of Nycomed Madaus (Pty) Ltd (South Africa) in 2009.

Notes

In this report, references to “we”, “us”, “our”, “Nycomed” and “the Nycomed Group” are to Nycomed S.C.A. SICAR and its consolidated subsidiaries and affiliates.

This Interim Report has been drawn up in accordance with International Financial Reporting Standards (IFRS), as set forth in the Annual Report 2009. This discussion should be read in conjunction with the audited consolidated financial statement of Nycomed S.C.A. SICAR as of and for the twelve months ended 31 December 2009.

For further information, please see the Nycomed website: <http://www.nycomed.com>

Forward-looking statements

The forward-looking statements in this report reflect management’s expectations of future events based on the information presently available to Nycomed and must be viewed in the context of the business environments, currency markets and regulatory developments which may cause actual results to deviate materially from those projected by Nycomed. For further information on factors, which may cause deviations, please see <http://www.nycomed.com>

Conference Call

Nycomed will host a conference call on August 17, 2010, 16:00 CET.

To access, participants should dial one of the following phone numbers:

International / UK	+44 208 817 9301
US	+1 718 354 1226
Denmark	+45 70 26 50 40
Ireland	+353 1 436 4265

This conference will be transcribed and digitally recorded. All participants who dial in will be requested to give their full name and company name for the conference call. These details will be requested to ensure the screening process for all participants.

The conference will be available in digital replay. This service will be available approximately two hours after the conference call has ended, and will be available until August 25, 2010 12:59 AM CET.

Digital replay phone numbers	+353 1 4364267 +44 2077696425
Passcode	3350 453#

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