



MEDEVA LIMITED

Annual report and financial statements for the
financial year ended 31 December 2011



MEDEVA LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2011

DIRECTORS' REPORT

The directors submit their annual report and audited financial statements of the Company for the year ended 31 December 2011

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity of the Company (registered number 2086530) is that of providing investment and treasury services to fellow Group companies

The company made a profit after taxation of £28,901,000 (2010 £11,419,000 profit)

The performance of the Company during and at the end of the year was considered to be satisfactory by the directors

PRINCIPAL RISKS AND UNCERTAINTIES

A global risk management policy, applicable for the whole UCB Group and its affiliates worldwide, describes UCB's commitment to provide an effective risk management system across the Group in order to minimise its exposure to risks that could threaten UCB's corporate objectives

The Board of Directors is responsible for approving the UCB Group's strategy, goals and objectives and overseeing the establishment, implementation and review of the Group's risk management system. The Board of Directors is assisted by the Audit Committee in its responsibility for the appreciation of risk and risk management. The Audit Committee examines on a regular basis the areas where risk could significantly affect the Group's financial situation and reputation and monitors the overall risk management process of the Group.

The Corporate Risk Management Committee, consisting of Executive Committee members and senior management representatives of all business functions and reporting to the Executive Committee, provides strategic leadership that endorses the corporate risk assessment and prioritisation process that drives the establishment of risk mitigation plans within all business functions and operations, supported by a global risks management system to effectively and efficiently assess, report, mitigate and manage actual or potential risk or exposures.

Medeva Limited is part of the UK Group of UCB Companies and as such is included within the global risk management policy.

FINANCIAL RISK MANAGEMENT

The company is exposed to various financial risks arising from its operations and Group corporate finance activities. The Group manages, on behalf of the subsidiaries, these financial risks. These financial risks are market risk (including currency risk, interest risk and price risk), credit risk and liquidity risk.

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 profit and loss. The objective of market risk management is to manage and control market risk exposures. The Group enters into derivative financial instruments and also incurs financial liabilities in order to manage market risk.

Foreign exchange risk

The Company as part of 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 sterling. The Group actively monitors its currency exposures, and when appropriate enters into transactions with the aim of preserving the value of assets and anticipated transactions. The Group uses forward contracts, foreign exchange options and cross currency swaps to hedge certain committed and anticipated foreign exchange flows and financing transactions.

Interest rate risk

Changes in interest rates may cause variations in interest income and expenses resulting from interest bearing assets and liabilities. The Group uses interest rate derivatives to manage its interest rate risk.

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.

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 liquidity risk is managed by the Group. The Group'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 Group's reputation. The Group maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements at all times. In addition the Group has certain unutilised revolving committed facilities at its disposal.

MEDEVA LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2011

KEY PERFORMANCE INDICATORS (KPI's)

Given the straightforward nature of the business and the fact that the Company is not engaged in any trading activities, the Company's Directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development performance or position of the business

RESULTS AND DIVIDENDS

An interim dividend of £1,500,000 was paid during the year (2010 £75,007,000). The directors do not recommend the payment of a final dividend in respect of the year ended 31 December 2011 (2010 £nil)

FUTURE DEVELOPMENTS

The Company will continue to provide investment and treasury services to fellow Group companies

DIRECTORS

The directors who held office during the year and up to the date of signing the financial statements are listed below

M G Hardy
M de Cannart d'Hamale (resigned 29 April 2011)
S C Jones
A C van der Toorn

DIRECTORS' INDEMNITIES

Qualifying third party indemnity provisions (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the directors and former directors who held office during 2011

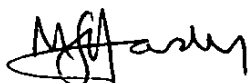
DISCLOSURE OF INFORMATION TO AUDITORS

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they be reappointed will be put forward to the members

On behalf of the Board



M G Hardy
Director

29/06/2012

MEDEVA LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 DECEMBER 2011

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MEDEVA LIMITED

We have audited the financial statements of Medeva Limited for the year ended 31 December 2011 which comprise the Profit and Loss Account, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors Responsibilities set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

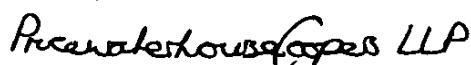
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.

Other matters

The Company has passed a resolution in accordance with Section 506 of the Companies Act 2006 that the senior statutory auditor's name should not be stated.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Reading

4 July 2012.

MEDEVA LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Operating profit	2	-	-
Income from shares in group undertakings	3	46,076	15,733
Interest receivable and similar income	4	745	404
Amounts written off investments		-	(151)
Interest payable and similar charges	5	(7,344)	(6,202)
Profit on ordinary activities before taxation		39,476	9,784
Taxation on profit on ordinary activities	7	(10,575)	1,635
Profit for the financial year	13	28,901	11,419

The notes on pages 7 to 11 form part of these financial statements

All results derive from continuing operations

The Company has no recognised gains and losses other than those included in the results above and therefore no separate statement of total recognised gains and losses has been presented

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents

MEDEVA LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2011

	Notes	2011 £'000	2010 £'000
Fixed Assets			
Investments	8	768,278	768,278
Other long term investment	8	9,670	9,670
		<u>777,948</u>	<u>777,948</u>
Current Assets			
Debtors	9	408,593	419,086
Cash at bank and in hand		92	-
		<u>408,685</u>	<u>419,086</u>
Creditors amounts falling due within one year	10	<u>(592,499)</u>	<u>(630,301)</u>
Net current liabilities		<u>(183,814)</u>	<u>(211,215)</u>
Total assets less current liabilities		<u>594,134</u>	<u>566,733</u>
Net Assets		<u>594,134</u>	<u>566,733</u>
Capital and reserves			
Called up share capital	11	35,902	35,902
Share premium account	12	218,781	218,781
Other reserve	12	1,700	1,700
Capital reserve	12	310,411	310,411
Profit and loss account	12	27,340	(61)
Total shareholders' funds	13	<u>594,134</u>	<u>566,733</u>

The notes on page 7 to 11 form part of these financial statements

The financial statements were approved by the Board of Directors on 29 June 2012 and signed on their behalf by



S C Jones
Director

Medeva Limited Registered Number 2086530

MEDEVA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

1 ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items in relation to the financial statements

ACCOUNTING CONVENTION

The financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

The Company is exempt by virtue of part 15, section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

GOING CONCERN

The directors consider that the Company has adequate resources to continue in business in the foreseeable future and that it is therefore appropriate to adopt the going concern basis in preparing the financial statements. The directors have received confirmation that Celltech Group Limited intends to support the company for at least one year after these financial statements are signed.

CASH FLOW STATEMENT

The Company is a wholly owned subsidiary company of a group headed by UCB S.A., and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption within FRS 1 (revised 1996) 'Cash flow statements' from preparing a cash flow statement.

INTEREST RECEIVABLE AND PAYABLE

Interest receivable and payable are recognised on an accruals basis.

DIVIDENDS

Dividends receivable are recognised at the date on which their payment becomes irrevocable. Dividend distributions to the Company shareholders are recognised in the period when they are paid or become an irrevocable committed obligation.

RELATED PARTY TRANSACTIONS

The Company is exempt, under FRS 8, from the requirement to disclose related party transactions on the grounds that it is a wholly owned subsidiary undertaking. This exemption covers transactions with other Group undertakings.

FOREIGN CURRENCIES

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction or, if hedged forward, at the rate of exchange under the related forward currency contract. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

DEFERRED TAXATION

Deferred taxation is provided on timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

INVESTMENTS IN SUBSIDIARY COMPANIES

Investments are held at cost less any provision for impairment.

IMPAIRMENT OF INVESTMENT

The carrying values of investments are reviewed for impairment when there is an indication that the investment might be impaired. Any provision resulting from an impairment review is charged to the Profit and Loss Account in the year concerned.

TRADE AND OTHER DEBTORS

Trade and other debtors are carried at the lower of their original invoiced value and recoverable amount. Provision is made when there is objective evidence that the Company will not be able to recover balances in full, with the charge being recognised in the profit and loss account. Balances are written off when the probability of recovery is assessed as being remote.

TRADE AND OTHER CREDITORS

Trade and other creditors are stated at cost.

MEDEVA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

2 OPERATING PROFIT

In 2011 auditors' remuneration of £2,535 has been borne by fellow subsidiary companies (2010 £3,169)
The Company has no employees (2010 nil) and no staff costs (2010 £nil)
None of the directors received nor were due remuneration from the Company during the year (2010 £nil)
The directors are paid by other group undertakings. It is not possible to make an accurate apportionment of their emoluments and accordingly the Profit and Loss Account includes no amounts for these individuals

3 INCOME FROM SHARES IN GROUP UNDERTAKINGS

	2011 £'000	2010 £'000
Dividend received from Group undertakings	46,076	15,733

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2011 £'000	2010 £'000
Interest receivable from third parties	13	7
Foreign exchange gains	732	397
	745	404

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2011 £'000	2010 £'000
Interest payable to Group undertakings	6,900	5,954
Foreign exchange losses	444	245
Bank charges	-	3
	7,344	6,202

6 DIVIDENDS

	2011 £'000	2010 £'000
Equity – Ordinary		
Interim dividend paid £0.04p per £0.10 share (2010 £2.09)	1,500	75,007

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2011 £'000	2010 £'000
Current tax		
UK Corporation tax / (credit) on profit of the year	(1,742)	(1,635)
Adjustment in respect of prior year	12,317	-
Tax on profit on ordinary activities	10,575	(1,635)

The tax assessed for the year is higher (2010 lower) than the standard rate of corporation tax in the UK 26.5% (2010 28%)
The differences are explained below

	2011 £'000	2010 £'000
Profit on ordinary activities before tax	39,476	9,784
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom 26.5% (2010 28%)	10,461	2,740
Effects of		
Non-taxable income	(12,210)	(4,405)
Expenses not deductible for tax purposes	-	42
Group relief surrendered	7	(12)
Adjustment in respect of prior year	12,317	-
Current tax credit for the period	10,575	(1,635)

MEDEVA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

The prior period tax adjustment of £12,317,000 has arisen due to various tax enquiries reaching a conclusion in the year. The Finance Act 2011, which was substantively enacted on 5 July 2011, included legislation reducing the main UK corporation tax rate from 28% to 26%, effective from 1 April 2011. A further reduction to 25%, effective from 1 April 2012, was also substantively enacted on this date.

Further reductions to the UK corporation tax rate were announced in the March 2012 Budget. A resolution passed by Parliament on 26 March 2012 reduced the main rate of corporation tax to 24% from 1 April 2012. Legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013 is expected to be included in the Finance Act 2012. A further reduction to the main rate is also proposed to reduce the rate to 22% from 1 April 2014. None of these rate reductions had been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements.

8 FIXED ASSET INVESTMENTS

	Shares in subsidiary undertakings £'000
Cost	
At 1 January 2011	1,364,631
At 31 December 2011	1,364,631
Provisions	
At 1 January 2011	(596,353)
At 31 December 2011	(596,353)
Net book value	
At 31 December 2011	768,278
At 31 December 2010	768,278

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The Company owns an allocation of \$18,660,000 (£9,670,000) Preference A Shares in UCB Pharma Inc which carries an interest rate of 6% per annum.

At 31 December 2011 the Company held shareholdings in the following subsidiary undertakings:

Subsidiary Undertaking	Principal business activity	Country of Incorporation	Percent of shareholding held	Description of shares held
Celltech Limited	Lending to group companies	England and Wales	100%	Ordinary shares
Celltech Pharma Europe Limited	Holding of licenses and registrations	England and Wales	100%	Ordinary shares
Medeva Holdings BV	Lending to group companies	Netherlands	100%	Ordinary shares
Medeva BV	Lending to group companies	Netherlands	100%	Ordinary shares
Medeva Pharma Suisse SA	Sales company	Switzerland	100%	Ordinary shares
UCB Nordic AS	Sales company	Denmark	100%	Ordinary shares
Evans Healthcare Limited	Holding company	England and Wales	100%	Ordinary shares
UCB Pharma Limited	Sale and marketing of a range of branded speciality and generic pharmaceutical products	England and Wales	100%	Ordinary shares
Medeva International Limited	Dormant	England and Wales	100%	Ordinary shares
Fipar	Lending to group companies	England and Wales	100%	Ordinary shares
Celltech US LLC	Dormant	USA	100%	Ordinary shares

All interests are direct except the interest in UCB Pharma Limited which is by virtue of the Company's interest in Evans Healthcare Limited. The interest in UCB Nordic AS, Medeva Holdings BV, Medeva BV and Medeva Pharma Suisse SA are by virtue of the Company's interest in Celltech Pharma Europe Limited.

MEDEVA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

9 DEBTORS

	2011 £'000	2010 £'000
Amounts owed by Group undertakings	<u>408,593</u>	<u>419,086</u>

Amounts owed by Group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

10 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £'000	2010 £'000
Amounts owed to Group undertakings	<u>592,499</u>	<u>630,301</u>

Amounts owed to Group undertakings are unsecured, £450,506,000 (2010 £450,703,000) are interest free, £141,993,000 (2010 £179,598,000) bears interest at a rate of 7.08% (2010 5.29%), have no fixed date of repayment and are repayable on demand

11 CALLED UP SHARE CAPITAL

	2011 £'000	2010 £'000
Authorised		
460,000,000 (2010 460,000,000) Ordinary shares of £0.10	<u>46,000</u>	<u>46,000</u>
Allotted and fully paid		
359,018,045 (2010 359,018,045) Ordinary shares of £0.10	<u>35,902</u>	<u>35,902</u>

12 RESERVES

	Share Premium Account £'000	Capital Redemption Reserve £'000	Capital Reserve £'000	Profit and Loss Account £'000	Total £'000
At 1 January 2011	218,781	1,700	310,411	(61)	530,831
Dividends	-	-	-	(1,500)	(1,500)
Profit for the financial year	-	-	-	28,901	28,901
At 31 December 2011	218,781	1,700	310,411	27,340	558,232

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2011 £'000	2010 £'000
Profit for the financial year	28,901	11,419
Dividends	(1,500)	(75,007)
Retained profit / (loss) for the financial year	27,401	(63,588)
Net addition to shareholders' funds	27,401	(63,588)
Opening shareholders' funds	566,733	630,321
Closing shareholders' funds	594,134	566,733

MEDEVA LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2011

14 RELATED PARTY TRANSACTIONS

The Company is exempt, under FRS 8, from the requirement to disclose related party transactions on the grounds that it is a wholly owned subsidiary undertaking. This exemption covers transactions with other Group undertakings.

There were no other related party transactions in the year.

15 PARENT UNDERTAKING

The immediate parent company is Celltech Group Limited, a Company incorporated in England and Wales.

The ultimate parent company and controlling party of the Company is UCB S A, a company incorporated in Belgium, which is the parent undertaking of the smallest and largest group in which the Company's results are consolidated.

Copies of the respective financial statements of each of these companies can be obtained from Celltech Group Limited, 208 Bath Road, Slough, Berkshire, SL1 3WE.