

Nycomed fourth quarter and full year 2009 results

On track

Fourth quarter and full year 2009 highlights

- Strong growth of Key Products and in most emerging markets was offset by the negative impact of pantoprazole's patent expiry in Europe, the economic downturn, and adverse currency fluctuations
- Total net turnover decreased 3.6% (-0.6% in local currencies and excluding one-time effects) to €3,228.0 million (2008: €3,348.0 million). In the fourth quarter, total net turnover decreased 4.9% (-0.4% on a comparable basis) to €781.1 million (Q4/08: €821.1 million)
- Adjusted EBITDA decreased 11.0% (-3.8% in local currencies and excluding one-time effects) to €1,074.6 million (2008: €1,207.6 million). In the fourth quarter, adjusted EBITDA decreased 14.5% (-3.9% on a comparable basis) to €221.8 million (Q4/08: €259.5 million)
- Pantoprazole sales resilient despite loss of exclusivity in May. Newly-launched OTC variant performing strongly in Europe
- Roflumilast (Daxas[®]) submitted to EMEA and FDA for treatment of COPD. Agreement with Forest Laboratories on US commercialisation signed. Positive phase III trial results published in *The Lancet*
- Instanyl[®] for breakthrough cancer pain launched in Europe in September with very positive market response

Key figures

| | Q4 2009 (€m) | Q4 2008 (€m) | Change | FY 2009 (€m) | FY 2008 (€m) | Change |
|----------------------------|-----------------|-----------------|--------------------------------|-----------------|-----------------|---|
| Net turnover | 781.1 | 821.1 | -4.9% -0.4% ⁽¹⁾ | 3,228.0 | 3,348.0 | -3.6% ⁽²⁾ -0.6% ⁽¹⁾ |
| Gross profit | 537.6 | 577.9 | -7.0% | 2,332.8 | 2,463.4 | -5.3% |
| Margin | 68.8% | 70.4% | -2.2% | 72.3% | 73.6% | -1.8% |
| Operating profit (EBIT) | 7.2 | -19.2 | n/m | 288.0 | 352.0 | -18.2% |
| EBITDA | 197.8 | 221.9 | -10.8% | 999.1 | 1,142.8 | -12.6% |
| Margin | 25.3% | 27.0% | -6.3% | 31.0% | 34.1% | -9.3% |
| Adjusted EBITDA | 221.8 | 259.5 | -14.5% -3.9% ⁽¹⁾ | 1,074.6 | 1,207.6 | -11.0% ⁽²⁾ -3.8% ⁽¹⁾ |
| Margin | 28.4% | 31.6% | -10.2% | 33.3% | 36.1% | -7.7% |

For full results and an explanation of adjusted EBITDA, please see page 13.

(1) On a comparable basis: in local currencies and excluding one-time effects

(2) In local currencies, net turnover decreased 18% and adjusted EBITDA decreased 8.7%

n/m: not meaningful

Håkan Björklund, CEO, commented on the company's 2009 performance:

"Nycomed was on track in 2009 with net turnover reaching €3,228 million. Key Products and most emerging markets grew strongly despite the economic downturn. While the loss of exclusivity for pantoprazole in May showed the anticipated impact on sales, the post-expiry performance was robust.

Our key development project, roflumilast (Daxas), has been progressing well. It was submitted to EMEA and FDA and we are working closely with our partner Forest Laboratories on the US commercialisation of the product. In September, full results from four phase III trials were published in the medical journal *The Lancet* and presented at the European Respiratory Society meeting in Vienna. The results reinforce our confidence in the drug's strong commercial prospects.

Instanyl has been introduced to European markets since September and we are seeing faster market penetration than for recent competitor launches.

We are also continuing to strengthen our position in emerging markets. With the acquisition of a portfolio of 20 branded generic products, Nycomed strengthened its position in the faster growing markets of Central and Eastern Europe. In Russia, we will build a new production facility until 2014.

For 2010, our focus will be on pantoprazole, roflumilast and the emerging markets. We expect further decreases in sales of pantoprazole, our best-selling product which we continue to support. The launch of roflumilast will be crucial for the long-term, as will be our growth in emerging markets and we dedicate our efforts accordingly. We are continuously looking into managing our costs. Nycomed is in a good shape to take advantage of the opportunities lying ahead of us."

Financial Highlights

Total net turnover in the fourth quarter 2009 declined by 4.9% to €781.1 million (Q4/08: €821.1 million). On a comparable basis, net turnover was broadly flat (-0.4%), year-on-year. Net turnover for the full year 2009 fell by 3.6% (-0.6% on a comparable basis) to €3,228.0 million (FY 2008: €3,348.0 million).

Adjusted EBITDA in the fourth quarter 2009 decreased by 14.5%, (-3.9% on a comparable basis), to €221.8 million (Q4/08: €259.5 million). For the full year 2009, adjusted EBITDA decreased 11.0%, (-3.8% on a comparable basis) to €1,074.6 million (FY 2009: €1,207.6 million).

The performance was driven by strong growth of Key Products and in most emerging markets. This was offset by the negative impact of pantoprazole's patent expiry in Europe, the economic downturn, and adverse currency fluctuations. Adjusted EBITDA decreased proportionally more than turnover due to pantoprazole and currency effects.

One-time effects in 2008 and 2009 had an impact on the result. In H1 2008, Nycomed received a payment of \$150 million (€100.9 million) from Sepracor for the cidesonide United States licensing agreement, and payments of €20 million in third quarter 2008 for the divested oncology assets. In 2009, Nycomed received a payment of \$100 million (€70.7 million) from Forest Laboratories for the commercialisation rights to roflumilast in the United States. When stating comparable results in this report, effects of these payments have been excluded, as well as currency effects.

Overall costs remained flat, with decreased R&D expenses balanced by slightly rising marketing and sales and administration costs. This development mainly reflects the shift in priorities for roflumilast, moving from development to launch preparation, and costs to manage the pantoprazole loss of exclusivity.

Business Review*

Regional performance

| Region | Net Turnover Q4 2009 (€m) | Net Turnover Q4 2008 (€m) | Change | Change in local currencies | Net Turnover FY 2009 (€m) | Net Turnover FY 2008 (€m) | Change | Change in local currencies |
|---|---------------------------|---------------------------|--------------|----------------------------|---------------------------|---------------------------|--------------|----------------------------|
| Europe | 371.3 | 419.3 | -11.5% | -9.7% | 1,568.0 | 1,714.6 | -8.6% | -7.2% |
| Latin America | 78.9 | 78.1 | 1.1% | 7.1% | 290.9 | 310.7 | -6.4% | 4.6% |
| Russia/CIS | 103.7 | 103.9 | -0.2% | 17.4% | 343.4 | 329.9 | 4.1% | 17.1% |
| Asia-Pacific, Africa, Middle East | 61.6 | 49.6 | 24.1% | 20.3% | 212.2 | 174.3 | 21.7% | 20.9% |
| North America | 76.1 | 86.6 | -12.2% | -3.6% | 379.6 | 407.5 | -6.9% | -9.9% |
| Outlicensing | 66.3 | 65.4 | 1.4% | 9.4% | 353.2 | 337.2 | 4.7% | -0.7% |
| Contract Manufacturing | 23.3 | 18.1 | 28.4% | 13.0% | 80.8 | 73.7 | 9.6% | 8.8% |
| Total | 781.1 | 821.1 | -4.9% | -0.4% | 3,228.0 | 3,348.0 | -3.6% | -1.8% |
| <i>Total excluding one-time effects⁽¹⁾</i> | <i>781.1</i> | <i>821.1</i> | <i>-4.9%</i> | <i>-0.4%</i> | <i>3,157.3</i> | <i>3,247.1</i> | <i>-2.8%</i> | <i>-0.6%</i> |

⁽¹⁾ One-time payments for US rights to roflumilast (Forest Laboratories, US \$100.0 million / €70.7 million, Q3 2009) and ciclesonide (Sepracor, \$150 million / €100.9 million, H1 2008)

Total net turnover decreased by 0.4% during fourth quarter 2009 and by 1.8% for the full year. Excluding the impact of one-off payments, net turnover was broadly in line with last year in local currencies (-0.6% for the full year 2009).

European and North American turnover declined as expected, driven by the loss of exclusivity for pantoprazole in Canada and most of Europe. Strong performances in Russia/CIS, Latin America, and Asia-Pacific, Africa, Middle East helped to partly offset the economic downturn and pantoprazole patent losses. Total net turnover, excluding pantoprazole and one-time effects, grew by 7.8% in the fourth quarter and 4.3% in the full year.

Europe

Sales in Europe declined as a result of the pantoprazole patent expirations in 12 European countries in May 2009. Despite losses of exclusivity in those major markets, Nycomed has managed to defend the position of pantoprazole in important markets such as Italy and Germany. Furthermore, strong performance continued in countries where no patent protection has existed, such as Greece and several Central and Eastern European countries. Despite the overall year on year decline, total pantoprazole sales were in line with expectations for the quarter and full year.

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

In the fourth quarter 2009, total European turnover declined by 97% year-on-year. Excluding pantoprazole, the European portfolio grew strongly in the fourth quarter, with an increase of 8.0%.

For the full year 2009, total European net turnover decreased by 72%. As in the fourth quarter, pantoprazole was the main driver of the decrease. Excluding pantoprazole, net turnover for the year decreased by 0.3%.

Latin America

Latin America saw a strong performance, especially at the end of the year. The main contribution came from Venezuelan sales of pantoprazole, as well as activities in Brazil focused on the Rx portfolio. Sales of pantoprazole continued to be a very important driver of growth in Latin America.

The growth was offset by the development in Mexico, where substantial stocks had accumulated in the distribution channel since 2008, partly as a result of generics substitution at the pharmacy level. Nycomed has actively reduced these stocks and has implemented a new commercial approach to the point of sales. While the entire year was significantly below our expectations, the fourth quarter showed signs of normalisation.

Currency movements had a strong negative impact on the reported result in this region both in the last quarter and full year.

Net turnover in Latin America in the fourth quarter 2009 was up 7.1%. For the full year 2009, net turnover increased by 4.6%.

Russia/CIS

Russia/CIS experienced difficult market conditions due to the economic downturn. Nevertheless, sales in the region grew strongly, mainly due to the strong performance of local and regional Rx products. Currency movements had a strong negative impact on the reported result in this region both in the last quarter and full year.

Russia/CIS net turnover in the fourth quarter 2009 increased by 17.4%. For the full year 2009, total net turnover increased by 17.1%. In Russia, which accounts for more than two thirds of the region's sales, growth in local currency was 26.2% during the year, driven by strong performance in Rx products.

Asia-Pacific, Africa, Middle East

Asia-Pacific, Africa and Middle East continue to show significant growth throughout the year. Strong pantoprazole sales in Australia and China helped to drive performance, as did sales in Egypt. South Africa benefited from the impact of full consolidation of the South African subsidiary following buyout of the joint venture there.

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Asia-Pacific, Africa and Middle East net turnover in the fourth quarter 2009 was up 20.3%. For the full year 2009, total net turnover increased by 20.9%.

North America

The development of sales in North America was dominated by the generic erosion of pantoprazole in Canada. This was partly offset by increased sales at Nycomed US, helped by the acquisition of Bradley.

North American net turnover in the fourth quarter 2009 was down 3.6%. For the full year 2009, total net turnover decreased by 9.9%.

Outlicensing

Outlicensing turnover rose in the full year driven mainly by pantoprazole sales through Wyeth (a fully owned subsidiary of Pfizer). Overall, pantoprazole has continued to regain US market share since the introduction of Wyeth's own generic, partially offsetting the losses incurred by the patent infringements. The one-time payments from Sepracor (2008) and Forest (2009) had a negative impact on turnover when comparing 2009 to 2008.

Net turnover from outlicensing in the fourth quarter 2009 was up 9.4%. For the full year 2009, total net turnover remained broadly flat at -0.7%. Excluding the impact from the one-time milestone and execution payments, sales grew by 16.3% in the full year.

Contract Manufacturing

Total net turnover for Contract Manufacturing in the fourth quarter 2009 grew by 13.0%.

Total net turnover from Contract Manufacturing for the full year 2009 was up 8.8%. The increase was driven mainly by our ability to utilise excess capacity in European sites.

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Product performance

| Area | Net Turnover Q4 2009 (€m) | Net Turnover Q4 2008 (€m) | Change | Change in local currencies | Net Turnover FY 2009 (€m) | Net Turnover FY 2008 (€m) | Change | Change in local currencies |
|---|---------------------------|---------------------------|--------------|----------------------------|---------------------------|---------------------------|--------------|----------------------------|
| Gastrointestinal | 265.3 | 313.9 | -15.5% | -13.4% | 1,216.2 | 1,324.8 | -8.2% | -7.4% |
| Specialty Products | 154.5 | 150.7 | 2.5% | 8.2% | 553.9 | 519.4 | 6.6% | 9.7% |
| Respiratory | 20.1 | 15.3 | 31.1% | 37.7% | 69.5 | 55.5 | 25.3% | 34.8% |
| Respiratory one-time ⁽²⁾ | - | - | - | - | 70.7 | 100.9 | -29.9% | -37.3% |
| Subtotal Respiratory | 20.1 | 15.3 | 31.1% | 37.7% | 140.2 | 156.4 | -10.3% | -14.7% |
| Subtotal Key Products | 439.9 | 479.9 | -8.3% | -5.1% | 1,910.3 | 2,000.6 | -4.5% | -3.7% |
| OTC ⁽¹⁾ | 93.8 | 95.5 | -1.7% | 2.7% | 343.2 | 367.4 | -6.6% | 0.2% |
| Regional and local Rx | 189.3 | 178.8 | 5.9% | 11.7% | 664.5 | 707.7 | -6.1% | -0.8% |
| Nycomed US | 58.1 | 67.0 | -13.3% | -3.2% | 310.0 | 272.3 | 13.8% | 6.1% |
| Total | 781.1 | 821.1 | -4.9% | -0.4% | 3,228.0 | 3,348.0 | -3.6% | -1.8% |
| Total excluding one-time Respiratory ⁽²⁾ | 781.1 | 821.1 | -4.9% | -0.4% | 3,157.3 | 3,247.1 | -2.8% | -0.6% |
| Total OTC ⁽¹⁾ | 113.4 | 117.7 | -3.6% | 1.8% | 417.5 | 441.4 | -5.4% | 0.6% |

⁽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.

⁽²⁾ One-time payments for US rights to roflumilast (Forest Laboratories, US \$100.0 million (€70.7 million), Q3 2009) and ciclesonide (Sepracor, H1 2008).

Product performance was dominated by the loss of exclusivity for pantoprazole, partly offset by the strong performance of other Key Products. Specialty products grew by 8.2% in the fourth quarter and 9.7% in the full year. Key products excluding Pantoprazole and one-time effects grew by 12.0% in 2009. Growth was primarily driven by strong performances in Actovegin[®], Matrifen[®], TachoSil[®], Preotact[®], and Circadin[®]. Calcium sales have remained stable despite the negative impact of the economic downturn, particularly in the CIS countries.

Since September, Instanyl[®] for the treatment of breakthrough pain has been introduced to European markets, with a very positive response from authorities and prescribers. The sales in the first couple of months show faster market penetration than recent competitor launches, a good indicator for future success.

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Total OTC sales excluding the US dermatology portfolio grew by 47% in the fourth quarter and 1.4% in the full year. The fourth quarter performance shows a trend towards recovery after the economic downturn. Main contributors to this were pantoprazole OTC (see below) and the success of the respiratory OTC category due to increased winter pathologies.

Pantoprazole (Gastrointestinal)

Pantoprazole sales demonstrated continued resilience after patent expirations in major EU countries in May 2009. Sales and volumes of pantoprazole in the loss-of-exclusivity countries were in line with Nycomed's expectations. This robust post-expiry performance is due to the adoption of tailored strategic approaches in each country. Sales in Italy benefitted from an early price reduction. In Belgium and Germany, varieties to compete on price with generic proton pump inhibitors were introduced successfully. Nycomed is benefitting from a trend to switch to the molecule pantoprazole (i.e., sales of Nycomed brands and generics taken together) at the expense of other generic proton pump inhibitors.

Growth of pantoprazole in the Latin American markets was 10.9% in the fourth quarter, year-on-year and 14.7% for the full year. It was impacted by the situation in Mexico (see Regional Performance: Latin America).

Total net turnover of pantoprazole in the fourth quarter 2009 was down 13.4%. For the full year 2009, net turnover decreased by 7.4%.

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, further LOEs in Australia and Switzerland during 2010. For 2010, further price erosion is expected, most notably through newly introduced public tenders in the German market.

Pantoprazole OTC (Pantozol Control®)

After having received European marketing authorisation in June 2009 for pantoprazole OTC (Pantozol Control®), Nycomed has launched the product in 14 countries so far, and it has performed above expectations.

In Germany, Pantozol control® acquired a 7% market share of the total heartburn market three months after launch, which makes it one of the leading OTC proton pump inhibitors. The other markets are also showing very encouraging reactions and Nycomed anticipates that this positive trend will continue.

To foster commercialisation, Nycomed has entered into a co-marketing agreement with Novartis, which will introduce Pantoloc Control® in pharmacies across 14 European countries later in 2010.

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Pantoprazole US

Nycomed and its licensee Wyeth (a fully owned subsidiary of Pfizer) remain convinced of the validity and enforceability of its US pantoprazole patent and will continue to pursue litigation vigorously.

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Company Update

Roflumilast (Daxas®)

Nycomed filed marketing authorisation applications for Daxas® in Europe in May and in the US in July, as a once-daily oral treatment for patients with COPD. Subject to approval by the regulatory authorities, the first launches of the product are expected in 2010.

In August, Nycomed announced an exclusive agreement with Forest Laboratories for the development, manufacturing and commercialisation of roflumilast in the United States. Nycomed will retain marketing rights to roflumilast in Europe and the rest of the world. Under the terms of the agreement, Nycomed has received an upfront payment of US \$100.0 million (€70.7 million) and will receive additional milestone payments based on defined regulatory and commercialisation achievements.

Results of four placebo-controlled Phase III trials of roflumilast in COPD were published in the medical journal *The Lancet* in August and presented in September at the European Respiratory Society Congress in Vienna. Data showed significant improvement in lung function and reductions in exacerbations. It demonstrated that roflumilast works independently of current treatments and provides additional benefits when combined with current standard bronchodilator therapy. These results confirm our confidence in the strong commercial prospects for roflumilast.

Instanyl®

Since September, Instanyl for the treatment of breakthrough pain has been introduced to European markets, with a very positive response from authorities and prescribers. Sales in the first couple of months show faster market penetration than recent competitor launches, a good indicator for future success.

Acquisition of CEE portfolio from Sanofi-Aventis and Zentiva

Nycomed has completed its purchase from Sanofi-Aventis and Zentiva of 20 branded generic products in several Central and Eastern European (CEE) countries. Announced in July, the deal provides Nycomed with additional products in the Czech Republic, Slovakia, Romania, Hungary, Estonia and Bulgaria, with a total annual turnover of approximately €17.0 million.

Investment in new Russian pharmaceutical production plant

In September, Nycomed announced its decision to invest in a state-of-the-art pharmaceutical production plant for local products near the city of Yaroslavl in Russia. Total investments over the next five years will be between €65 million to €75 million. Construction starts in 2010 and the plant will start production in 2014.

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

Financial Report

Net Turnover

Total net turnover in the fourth quarter 2009 declined by 4.9% to €781.1 million (Q4/08: €821.1 million). In local currencies, net turnover was broadly flat (-0.4%), year-on-year. Net turnover for the full year 2009 fell by 3.6% to €3,228 million (FY 2008: €3,348 million). Excluding one-time effects (Sepracor and Forest) and currency fluctuation, net turnover only declined 0.6% in 2009.

The performance was driven by strong growth of Key Products and in most emerging markets. This was offset by the negative impact of pantoprazole's patent expiry in Europe, the economic downturn, and adverse currency fluctuations.

For more details please refer to section business review (page 3), with regional overview (page 3) and product sales (page 6).

Cost of sales

Cost of sales for the fourth quarter 2009 of €243.5 million remained flat compared to the same period last year. As a percentage of net sales the cost of goods sold increased to 31.9% from 30.2% in Q4'08.

For the full year 2009 cost of goods sold increased 1.2% to €895.2 million. As percentage of net sales, cost of goods sold increased 1.1 percentage points to an average of 28.8% for this period.

The change in COGS is primarily a result of the continued shift in product portfolio, caused by the patent expiry for pantoprazole in Europe.

Operating expenses

For 2009 operating expenses decreased 0.6% or €8.0 million as compared to full year 2008. This is mainly driven by the decline in Research and Development costs by €26.1 million due to completion of the roflumilast studies in 2008. This decrease is balanced by a slight increase in marketing and sales expenses, which included a one-time gain of €20 million for the sales of oncology assets in 2008, as well as a slight increase in administration expenses. The development in marketing expenses reflects the increased costs for pantoprazole and investments for emerging markets opportunities

Operating expenses for the fourth quarter in 2009 are 7.4% or €28.2 million below the comparable period last year mainly driven by the decrease in marketing and sales expenses of €16.3 million and a reduction of 8.5 million in administration expenses. The remaining part is related to a slight decline of R&D expenses in the last quarter of 2009.

Financial Items

Total net financial items for 2009 amounted to an expense of €15.3 million compared to an expense of €475.6 million in 2008, a decrease of €460.3 million. The 2009 net financial

items comprised interest income and other financial income of €13.5 million (€22.4 million in 2008), third party interest expenses of €216.0 million (€347.8 million in 2008) and net gain from derivatives of €11.6 million (net gain of €110.5 million in 2008). Furthermore, total net financial items for 2009 comprised unrealised foreign exchange gain of €168.9 million (a loss of €267.9 million in 2008), which primarily related to revaluation of debt denominated in US dollar and Norwegian kroner. As part of the USD debt was swapped into EUR, part of this unrealised foreign exchange gain is offset by a negative market value of the cross currency swaps. Finally, net financial items also comprised amortisation of financing fees of €17.0 million and other financial expenses of €10.0 million.

Net result of the period

Net result for the fourth quarter shows a gain of €24.5 million compared to a loss of €164.4 million during the fourth quarter 2008. For the full year 2009 the net result amounts to €232.8 million, an increase of €310.7 million compared to 2008, which is mainly the effect of an improved net financial result of €460.3 million to €15.3 million for 2009. This improvement is partially offset by deterioration of the operating result by €64.0 million, which is the effect of the decrease in gross margin by €130.7 million, partially offset by lower expenses of €66.7 million, mainly amortizations of fair value adjustments.

Taxes

Corporate income tax expenses for the period January to December 2009 increased by €85.6 million from an income of €45.7 million to an expense of €39.9 million mainly as a result of increased profit before tax. The income tax expense is determined through the country specific tax rates and the effect of non-deductible items, withholding taxes, adjustments for uncertain tax provisions, tax on dividends received and impact from change of tax rates.

Adjusted EBITDA

Adjusted EBITDA, which is an important measure of Nycomed's performance, totalled €221.8 million during the fourth quarter 2009. This is €37.7 million or 14.5% below the comparable period last year. Taking out the currency effect the decrease is only 3.9%.

For the full year 2009 adjusted EBITDA amounts to €1,074.6 million which is 11.0% below 2008. Excluding the currency fluctuation and the one time effects for Sepracor in 2008 and Forest in 2009 the decrease was only 3.8% reflecting the development of pantoprazole and the situation in Mexico (see page 4, Latin America).

Cash flow

Cash flow from operating activities showed an inflow of €715.6 million compared to an inflow of €811.4 million in 2008. EBITDA decreased by €143.6 million, which is partly offset by a positive impact in provisions and working capital.

Cash flow from investing activities showed an outflow of €234.1 million, compared to an outflow of €409.1 million in 2008. The outflow included €6.1 million in 2009 for the acquisition of the remaining 50% of Nycomed Madaus (Pty) Ltd (South Africa), while in 2008 the outflow for acquisition in subsidiaries amounted to €238.1 million which was mainly related to the acquisition of Bradley Pharmaceuticals Inc. (United States). The outflow related to intangible assets of €161.6 million, compared to an outflow of €119.5 in 2008, is mainly acquisition of patents and rights during the year. The outflow related to tangible assets amounting to €70.6 million in 2009 compared to €56.3 million in 2008 is mainly related to investments in our production facilities.

Cash flow from financing activities showed an outflow of €237.2 million compared to an outflow of €382.3 million in 2008. An amount of €235.8 million relates to the payment of instalments at the end of June and December on the senior credit facility. In addition, the cash flow from financing activities was impacted by €88.8 million net effect from the sales and purchase activity of own debt during the period. Furthermore, Nycomed has drawn the restructuring facility which resulted in a cash inflow of €318.4 million. Net interest expenses amounted to €209.7 million for the year 2009. The closing of part of the cross currency swaps resulted in an outflow of €11.2 million.

Capital Resources

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

As of the end of December 2009 Nycomed had a cash position of €747.7 million compared to a cash position of €496.7 million at the end of 2008.

As of the end of December 2009 Nycomed had a total senior debt of €4,450.6 million (excluding the local debt of €0.3 million and the effect of the outstanding financing fees of €53.7 million), compared to €4,575.9 million at the end of 2008 (excluding the local debt of €7.1 million and the effect of the outstanding financing fees of €70.4 million).

Nycomed has committed facilities of €443.4 million under the In-Licensing / Restructuring Facility, which have been fully drawn as at 31 December 2009. Nycomed has a committed revolver facility of €250 million, which remains un-drawn.

Income Statement

| | Q4 2009 (€m) | Q4 2008 (€m) | FY 2009 (€m) | FY 2008 (€m) |
|--|-----------------|-----------------|------------------|------------------|
| Net sales | 764.3 | 805.8 | 3,109.2 | 3,191.8 |
| Royalties / other income | 16.8 | 15.3 | 118.8 | 156.2 |
| Net turnover | 781.1 | 821.1 | 3,228.0 | 3,348.0 |
| Cost of sales | (243.5) | (243.2) | (895.2) | (884.6) |
| Gross profit | 537.6 | 577.9 | 2,332.8 | 2,463.4 |
| Sales and marketing expenses | (232.6) | (248.9) | (931.5) | (916.2) |
| Amortisation of fair value adjustments on patents and rights from acquisitions | (154.8) | (178.8) | (579.7) | (646.0) |
| Total sales and marketing expenses | (387.4) | (427.7) | (1,511.2) | (1,562.2) |
| Research and development expenses | (48.0) | (51.4) | (198.6) | (224.7) |
| Administrative expenses | (69.5) | (78.0) | (260.0) | (257.2) |
| Integration / Restructuring costs | (25.5) | (40.0) | (75.0) | (67.3) |
| Operating Income / (Loss) | 7.2 | (19.2) | 288.0 | 352.0 |
| Financial income | 59.8 | 238.9 | 258.0 | 279.0 |
| Financial expenses | (92.5) | (484.1) | (273.3) | (754.6) |
| Profit / loss before tax | (25.5) | (264.2) | 272.7 | (123.5) |
| Income tax | 50.0 | 99.8 | (39.9) | 45.7 |
| Net result of the period | 24.5 | (164.4) | 232.8 | (77.9) |

| EBITDA / Adjusted EBITDA | | | | |
|---|--------------|----------------|----------------|----------------|
| Net result of the period | 24.5 | (164.4) | 232.8 | (77.9) |
| Adjustments | | | | |
| Net financial items | 32.7 | 245.1 | 15.3 | 475.7 |
| Income tax expense (benefit) | (50.0) | (99.8) | 39.9 | (45.7) |
| Depreciation and amortisation | 190.6 | 241.1 | 711.1 | 790.7 |
| EBITDA | 197.8 | 221.9 | 999.1 | 1,142.7 |
| Adjustments | | | | |
| Integration/restructuring and project costs (exclude depreciation already in EBITDA) | 24.0 | 33.8 | 70.4 | 61.1 |
| Warrants | - | 3.8 | 5.1 | 3.8 |
| Adjusted EBITDA | 221.8 | 259.5 | 1,074.6 | 1,207.6 |

Balance Sheet

| Assets | 31.12.2009 (€m) | 31.12.2008 (€m) |
|--|--------------------|--------------------|
| Non-current assets | | |
| Patents and rights and currently marketed products | 2,589 | 2,956 |
| Goodwill | 2,175 | 2,159 |
| Development projects in progress | 442 | 487 |
| Total intangible assets | 5,206 | 5,602 |
| Total property, plant and equipment | 618 | 624 |
| Other investments in shares and bonds | 37 | 32 |
| Other receivables | 7 | 8 |
| Deferred tax assets | 113 | 97 |
| Total non-current assets | 5,981 | 6,362 |
| Current assets | | |
| Total inventories | 494 | 435 |
| Trade receivables | 560 | 579 |
| Income tax receivable | 14 | 18 |
| Other receivables and prepayments | 83 | 70 |
| Marketable securities | 6 | 12 |
| Cash | 748 | 497 |
| Total current assets | 1,905 | 1,610 |
| Total assets | 7,886 | 7,972 |
| Equity and liabilities | | |
| Capital stock | 17 | 17 |
| Reserves | 1,483 | 1,270 |
| Equity attributable to equity holders of the parent | 1,500 | 1,286 |
| Non-controlling interests | 38 | 35 |
| Total Stockholders' Equity | 1,539 | 1,321 |
| Non-current liabilities | | |
| Pension commitments | 310 | 288 |
| Deferred tax | 870 | 970 |
| Provisions | 88 | 60 |
| Deferred income and other non-current liabilities | 90 | 7 |
| Financial institutions | 4,093 | 4,275 |
| Total non-current liabilities | 5,451 | 5,600 |
| Current liabilities | | |
| Financial institutions | 304 | 238 |
| Trade payables | 229 | 265 |
| Income tax payable | 39 | 50 |
| Provisions | 182 | 209 |
| Other payables | 102 | 204 |
| Deferred income | 40 | 85 |
| Total current liabilities | 896 | 1,051 |
| Total liabilities | 6,347 | 6,651 |
| Total equity and liabilities | 7,886 | 7,972 |

Cash Flow

| | Q4 2009 (€m) | Q4 2008 (€m) | FY 2009 (€m) | FY 2008 (€m) |
|---|-----------------|-----------------|-----------------|-----------------|
| Cash flow from operating activities | | | | |
| Operating income | 7.2 | -19.2 | 288.0 | 352.0 |
| Adjustments to reconcile operating profit to net cash flow | | | | |
| Depreciation and impairment of property, plant and equipment | 24.2 | 31.2 | 86.8 | 93.4 |
| Amortisation and impairment of intangible assets | 166.4 | 209.9 | 624.3 | 697.3 |
| Amortisation of inventory step-up | - | - | - | - |
| Movements in provisions, pensions and other liabilities | -22.8 | -53.7 | -15.4 | -54.8 |
| Share-based payments | - | -0.5 | 5.1 | 3.8 |
| Other adjustments | 1.5 | 0.6 | -6.4 | 0.6 |
| Change in working capital | -33.2 | 24.5 | -95.7 | -111.8 |
| Income taxes received (paid) | -41.9 | -33.3 | -171.2 | -169.1 |
| Net cash flow from (used in) operating activities | 101.5 | 159.6 | 715.6 | 811.4 |
| Cash flow from investing activities | | | | |
| Acquisition of subsidiaries ^{(1),(2)} | 0.3 | 5.0 | -6.1 | -238.1 |
| Purchase of intangible assets | -50.3 | -39.7 | -161.6 | -119.5 |
| Proceeds from sale of intangible assets | -0.3 | -0.6 | 2.0 | 2.0 |
| Purchase of tangible assets | -26.6 | -22.6 | -70.6 | -56.3 |
| Proceeds from sale of tangible assets | 3.3 | 1.1 | 4.7 | 2.8 |
| Purchase of other investments | -2.7 | - | -2.5 | - |
| Net cash flow from (used in) investing activities | -76.3 | -56.7 | -234.1 | -409.1 |
| Cash flow from financing activities | | | | |
| Repayment of senior credit facility | -122.5 | -114.9 | -235.8 | -248.3 |
| Drawn restructuring facility | 318.4 | - | 318.4 | - |
| Acquisition of own shares from minority holders | - | - | -2.9 | - |
| Repayment of local bank borrowings | 0.2 | 0.5 | -7.7 | -10.7 |
| Buy-back of debt | -162.1 | -33.9 | -262.1 | -33.9 |
| Sale of debt | - | - | 173.7 | - |
| Financial income received | 1.7 | 1.4 | 13.8 | 21.2 |
| Financial expenses paid | -45.0 | -83.8 | -223.5 | -337.8 |
| Realised net foreign exchange gain on unwinding of cross-currency swaps | - | 227.2 | -11.2 | 227.2 |
| Net cash flow from (used in) financing activities | -9.3 | -3.6 | -237.2 | -382.3 |
| Net cash flow | 16.0 | 99.3 | 244.2 | 20.0 |
| Cash as of beginning of period | 730.0 | 404.9 | 496.7 | 484.2 |
| Currency translation adjustments | 1.8 | -7.5 | 6.7 | -7.5 |
| Cash as of end of the period | 747.7 | 496.7 | 747.7 | 496.7 |

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

(2) Acquisition of Bradley Pharmaceuticals Inc. (United States) in 2008

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 website: <http://www.nycomed.com>

Conference Call

Nycomed will host a conference call on March 1, 2010, 16:00 CET.

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

| | |
|---------|------------------|
| UK | +44 208 817 9301 |
| US | +1718 354 1226 |
| Denmark | +45 70 26 50 40 |
| Ireland | +353 1 436 4265 |

For a full list of alternate global numbers, please click here

<http://www.yourconferencecentre.com/r.aspx?p=12&a=DUwJlSTAzPqtI>

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 March 09, 2010 12:59 AM GMT+1.

| | |
|------------------------------|----------------------------------|
| Digital replay phone numbers | +353 1 436 4267 +442077696425 |
|------------------------------|----------------------------------|

| | |
|----------|----------|
| Passcode | 2307822# |
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