

HALF-YEAR FINANCIAL REPORT

2013 half year profit increased by 3.13%.

This report consists of:

1. The condensed interim financial information
2. The interim report of the board of directors
3. A representation about the true and fair view of the condensed interim financial information and the information included in the interim report of the board of directors
4. Indications about the external audit.

Brussels, 31 July 2013

The board of directors

1. Condensed interim financial information

1.1. The **consolidated** condensed interim financial information as at 30 June 2013 and for the six months then ended, prepared in accordance with the International Accounting Standard 34, is included in the annex to the present report.

1.2. The **non consolidated** condensed results can be summarised as follows:

(€ 000)	For the six months ended		Notes
	30/06/2013	30/06/2012	
Dividend UCB	67,697	66,370	(1)
Other financial income	28	30	
Financial expenses	-5,392	-6,310	(2)
Financial results	62,333	60,090	
Operating expenses	-536	-171	(3)
Profit	61,797	59,919	

(1) The dividend from UCB amounts to € 1.02 per share, compared to € 1.00 in 2012 for a same number of shares.

(2) The decrease of the financial expenses is linked to the average outstanding financial debt, which was € 35 million lower during the first half of 2013 compared to the first half of 2012. In addition, the costs of coupon services (€ 115k for the first half of 2013) have been reclassified to the operating expenses.

(3) The increase in operating expenses can be primarily explained by the following elements:

- The reclassification of the costs of coupon services from financial to operating expenses
- The replacement of the manager involving a transition period during which the company had to support the compensation for the services rendered by both the old and the new manager
- The costs related to the structuring of the career end of the old manager.

1.3. The **non consolidated** condensed balance sheet can be summarised as follows:

(€ 000)	30/06/2013	31/12/2012	Notes
Investment in UCB	1,580,240	1,580,240	(1)

Receivable from UCB	-	600	(2)
Cash and cash equivalents	30,687	193	(3)
Other assets	47	7	
Total assets	1,610,974	1,581,040	
Equity	1,357,661	1,295,864	
Financial debt	245,000	261,000	(3)
Other liabilities	8,313	24,176	(4)
Total equity and liabilities	1,610,974	1,581,040	

(1)The investment in UCB (66,370,000 shares, or 36.2%) has not changed compared to 31 December 2012. Its book value amounts to € 23.81 per share. The UCB stock price amounted to € 41.385 and € 43.22 at 30 June 2013 respectively 31 December 2012.

(2) The UCB bond 2008-2013 came to maturity and was reimbursed by UCB.

(3)The dividend received from UCB (€ 67,697k) on 7 May 2013 has been utilised on the one hand to pay the dividend of Financière de Tubize (€ 21,412k) and on the other hand to reimburse a drawing of € 16 million on a credit line. The remaining balance has been short term invested in cash equivalents with Belgian credit institutions till its mobilisation on 29 July 2013 to reimburse a tranche of € 35 million of financial debt.

(4)The evolution of this heading is primarily explained by:

- The payment of the dividend of Financière de Tubize (- € 21,412k)
- The increase of the accrued interest payable (+ € 5,319k).

2. Interim report of the board of directors

2.1. The **significant events** of the first half year of 2013 can be summarised as follows:

- Receipt of the UCB dividend
- Payment of the Financière de Tubize dividend
- Reimbursement of a € 16 million drawing on a variable rate medium term credit facility
- Reimbursement by UCB of its 2008-2013 bond.

The impact of these events on the condensed interim financial information is set out in section 1 of the present report.

2.2. **Subsequent to the period end**, on 29 July 2013, the financial debt has been reduced by € 26 million, on the one hand by the reimbursement of € 35 million on a fixed rate medium term loan, and on the other hand by a new drawing of € 9 million on the variable rate medium term credit facility.

2.3. Because Financière de Tubize's sole asset consists of an investment in UCB, the **principal risk factors and uncertainties** the company will be facing during the remainder of the financial year 2013 are similar to those of UCB. In addition, Financière de Tubize is exposed to the market risk related to the evolution of the UCB stock price..

The board has confidence in the long-term development perspectives of the UCB group.

The received dividend will allow the planned debt reimbursement during the second half of the year.

The cash flow risk related to variable rate bank loans is to a large extent covered by interest rate swaps.

2.4. Except for the dividend receipt and the reimbursement of the UCB bond, there have been no **related party transactions** with a significant impact on the financial position or the results of the company.

3. Representation about the true and fair view of the condensed interim financial information and the information included in the interim report of the board of directors

The directors attest that, to the best of their knowledge:

- The consolidated condensed interim financial information, prepared in accordance with the International Accounting Standard 34, gives a true and fair view of the financial position of Financière de Tubize at 30 June 2013 and of its financial performance and its cash flows for the six months then ended
- The information included in the interim report of the board of directors gives a true and fair view of (i) the important events of the first half year and their impact on the condensed interim financial information, (ii) the principal risk factors and uncertainties for the remainder of the financial year, and (iii) related party transactions that occurred during the first half year and had a significant impact on the financial position or the results of the company.

4. Indications about the external audit

The consolidated condensed interim financial information at 30 June 2013 and for the six months then ended, prepared in accordance with the International Accounting Standard 34, has been reviewed by the external auditor. His entire report is included in the annex to this report.

APPENDIX TO THE 2013 HALF YEAR FINANCIAL REPORT

Condensed consolidated interim financial information at 30 June 2013 and for the six months then ended

The consolidated condensed interim financial information as at 30 June 2013 and for the six months then ended consists of:

1. The statutory auditor's report on the review of the condensed consolidated interim financial information
2. The condensed consolidated statement of comprehensive income
3. The condensed consolidated statement of financial position
4. The condensed consolidated statement of cash flows
5. The condensed consolidated statement of changes in equity
6. A selection of explanatory notes.

1. Statutory auditor's report on the review of the condensed consolidated interim financial information of Financière de Tubize SA for the period ended 30 June 2013

Introduction

We have reviewed the *condensed consolidated interim financial information* of FINANCIERE DE TUBIZE SA as at 30 June 2013 and for the period of six months ended on that date, including the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity, and a selection of explanatory notes.

The board of directors is responsible for the preparation and fair presentation of this condensed consolidated interim financial information in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34 - *Interim Financial Reporting* as adopted by the European Union.

Brussels, 31 July 2013

Mazars Réviseurs d'Entreprises SCRL, Statutory auditor, represented by Philippe GOSSART

2. Condensed consolidated statement of comprehensive income

(€ 000)	For the six months ended	
	30/06/2013	30/06/2012 ⁽¹⁾
Share in the profit of UCB (equity method)	33,333	49,595
Finance cost	-6,040	-6,831
Other income and expenses	-511	-271
Profit before tax	26,782	42,493
Tax expense	-30	-792
Profit	26,752	41,701
Cash flow hedge	1,198	-3,122
Share in the other components of comprehensive income of UCB (equity method):		
Translation adjustments	-5,421	1,673
Financial assets held for sale	-560	-1,196
Cash flow hedge	4,720	-1,321
Employee benefits	-7,567	-5,054
Comprehensive income	19,122	32,681
Profit per share ⁽²⁾ (€)	0.60	0.93

⁽¹⁾ Restated (see note 6.1.)

⁽²⁾ The basic profit per share and the diluted profit per share are identical. The number of shares amounts to 44,608,831

3. Condensed consolidated statement of financial position

(€ 000)	30/06/2013	31/12/2012 ⁽¹⁾	Notes
Investment in UCB (equity method)	1,749,043	1,782,740	6.2.
Other non current assets	-	600	
Total non current assets	1,749,043	1,783,340	
Cash and cash equivalents	30,687	193	
Other current assets	46	7	
Total current assets	30,733	200	
Total assets	1,779,776	1,783,540	
Equity	1,497,220	1,490,007	
Long term financial debt	205,050	220,399	6.3.
Hedging financial instruments	13,671	14,869	

- Share based payments			2,369							2,369
- Treasury shares			-6,051	15,196						9,145
- Dividends to holders of subordinated perpetual bonds			-4,172							-4,172
- Others		-36	2,131	29	-3	47			-7	2,161
Balance at 30/06/2013	236,225	106,653	1,343,681	-71,257	10,185	-142,888	-1,502	-3,815	19,938	1,497,220

(€ 000)	Capital and share premium	Hybrid capital	Profits carried forward	Reserve treasury shares	Other reserves	Translation differences	Financial assets held for sale	Cash flow hedge	Net investment hedge	Total equity
Balance at 01/01/2012	236,225	106,689	1,296,854	-95,031	57,677	-110,042	-327	-7,899	19,945	1,504,091
Comprehensive income			41,701		-5,054	1,673	-1,196	-4,443		32,681
Share in other transactions:										
- Dividends			-21,412							-21,412
- Share based payments			2,682							2,682
- Treasury shares			-3,300	-1,360						-4,660
- Dividends to holders of subordinated perpetual bonds			-4,191							-4,191
- Business combinations					-10,497					-10,497
- Convertible bonds					-2,674					-2,674
- Others			145							145
Balance at 30/06/2012	236,225	106,689	1,312,479	-96,391	39,452	-108,369	-1,523	-12,342	19,945	1,496,165

6. Selection of explanatory notes

6.1. Accounting policies

This consolidated condensed interim financial information has been prepared in accordance with International Accounting Standard 34 Interim financial reporting as adopted by the European Union. The adopted accounting policies are identical to those applied in the 31 December 2012 consolidated financial statements.

However, the early adoption in 2012 by UCB of the revised standard IAS 19 and the revision by UCB of its initial accounting for a 2012 business combination have resulted in a restatement of certain comparative numbers.

6.2. Carrying value of the investment in UCB

The carrying value of the investment in UCB according to the equity method has moved as follows:

	€ 000
Value on 1 January 2013 (restated)	1,782,740
Dividend distribution	-67,697
Share in the profit	33,333
Share in the other components of comprehensive income	-8,828
Share in other transactions	9,503

Other adjustments -8

Value on 30 June 2013 1,749,043

The fair value of the investment in UCB based on the 30 June share price quotation (€ 41.385) amounts to € 2,746 million, which exceeds the carrying value by € 997 million.

6.3. Financial debt

The financial debt has decreased from € 261 million face value at 31 December 2012 to € 245 million face value at 30 June 2013. A € 16 million drawing on a variable rate medium term facility has been reimbursed on 15 May 2013.

Subsequent to the period-end, on 29 July 2013, the financial debt has further decreased by € 26 million through a € 35 million reimbursement on a fixed rate medium term loan, partly compensated by a new € 9 million drawing on the variable rate medium term facility.