Press release

Regulated information
10 March 2010 – 5:45 p.m. CET

Annual results for 2009

- **Slightly increasing annual turnover and EBITDA thanks to strong second half-year**
- **Net profit +41%; dividend +33%**
- **More than EUR 170 million operating free cash flow**
- **Current earnings per share increases to EUR 3.12**

Nazareth, Belgium, 10 March 2010, 5:45 p.m. CET. In spite of the economical crisis, Omega Pharma's turnover increased in 2009 by 0.3% to EUR 814 million. The Ebitda(1) amounted to EUR 130 million or 16% of the turnover. Thanks to an extensive cost savings plan, lower financial expenses, and the sale of the Arseus participation, net profit increased by 41% to EUR 77 million. These results and a considerably improved working capital generated significant free cash flows, which substantially strengthened the balance sheet.

Marc Coucke, CEO of Omega Pharma: "Thanks to a vigorous policy, 2009 was a challenging but finally very useful year for Omega Pharma. The cost base was reduced by more than EUR 33 million, non-core operations were sold, major R&D projects were launched in support of a strong brands policy, the geographical expansion continued (Omega Pharma is now active with own offices in 35 countries) and experienced management talent was recruited. All this means that Omega Pharma has emerged fundamentally strengthened from the 2009 crisis, and can now fully focus on pursuing a growth policy in Europe as well as in the emerging markets with own brands."

The key figures are as follows

Consolidated results (in EUR thousands)	2009	2008	Evolution
Net turnover	813,763	811,283	+ 0,3 %
Operating cash flow (EBITDA) (1)	130,304	130,148	+0,1 %
as a % of the turnover	*16,0 %*	*16,0%*	
Depreciations and amortisation (DA)	-21,164	-21,672	- 2 %
Non-recurring items	+1,948	-9,901	
Surplus value sale Arseus	+15,432		
Other non-recurring items	-13,484	-9,901	
Operating result (EBIT) (2)	111,087	98,575	+ 13 %
Financial result	-25,311	-39,867	- 37 %
Result before taxes	85,776	58,708	+ 46 %
Income taxes	-11,566	-7,900	+ 46 %
Net result before associates	74,210	50,808	+46 %
Net result from associates	2,702	3,569	
Net result of the group	76,912	54,377	+ 41 %
Minority interests	-88	-117	
Current net result of the Group (3)	72,754	66,442	+ 10 %
Data per share (in €)			
Average number of shares (4)	23,347,309	23,673,785	
Net result of the group per share	3.30	2.30	+ 43 %
Recurring net result of the group per share	3.12	2.81	+ 11 %
Other operating indicators			
Capex/investments as % of the turnover	3.4 %	2.6 %	
Net Financial debt (in EUR millions)	278	433	
Solvency	49 %	42 %	

(1) Operating cash flow (EBIT+DA) before non-recurring items but after corporate costs.
(2) Ebitda minus DA after adjustments of non-recurring items
(3) Net result from continuing operations - non-recurring items, including exchange rate differences, and related tax effects according to the effective tax rate.
(4) Calculated on the basis of the weighted average number of shares, after deduction of treasury shares.

Notes to the income statement

- The consolidated turnover increased by 0.3% compared to 2008. After a relatively weak first half-year (-3%), the turnover increased by 4% in the second half-year.
- The operating cash flow also increased slightly on an annual basis. After a fall of 10% in the first half-year, the cash flow was also recovered during the second half-year.
- The gross margin fell from 57.6% to 53.4%. This decrease is attributable to a number of exchange rate fluctuations during the first half-year, and to the product mix in which the distributions, especially Belgian generics, increased in importance.

- The cost basis decreased by EUR 34 million on an annual basis. The cost savings plan, which aimed to save EUR 30 million, was completed successfully. Overhead costs were drastically reduced, while forward-looking investments in innovations and growth countries were increased. In view of the uncertain macro-economic circumstances, brand-support expenditure was also reduced.
- The depreciations and amortisations decreased slightly compared to 2008.
- The extraordinary result consists of a number of significant one-off costs on the one hand (restructuring of certain production facilities and management structures) and from the surplus value from the sale of the Arseus participation, on the other.
- The financial result improved from minus EUR 40 million to minus EUR 25 million, thanks to the lower interest rates and the decreased debt.
- The net profit at group level thus increased by 41% to EUR 77 million.
- On a recurring basis, i.e. without the one-off effects and the Arseus contribution, the net profit increased by 10% to EUR 72.7 million.
- The profit per share rose by 43% to EUR 3.30; the EPS on a current basis amounts to EUR 3.12.

Notes to the balance sheet details and the cash flow statement

- Intangible assets increased by 3%, due to extending the scope of consolidation in emerging markets and as a result of R&D investments.
- Buildings and equipment decreased by 16% as a result of the closure and divestment of some manufacturing sites.
- The working capital decreased to EUR 58 million. The continuous working capital focus resulted in an improvement of more than EUR 66 million, due to lower inventories, factoring in Belgium and the Netherlands, and structural agreements with key suppliers.
- The high operating cash flow and the improvement of the working capital enabled realisation of an operating free cash flow of EUR 173 million.
- Net financial debt fell to EUR 278 million (before treasury shares and deferred Arseus payment). The net debt/EBITDA ratio (as used for the covenant calculations with a maximum of 3.25) thus amounts to 1.9 and offers possibilities for selective acquisition opportunities.
- Due to the high net result, equity increased to EUR 660 million.
- The solvency increased from 42% to 49%.

Dividend

At the General Meeting, the Board of Directors will propose the pay out of a gross dividend of EUR 0.80 per share (EUR 0.60 net per share) for the year 2009. This is a 33% increase compared to 2008, and represents a payout ratio of 24%.

Notes on the strategy

- 2009 was a year of poor visibility, mainly due to the uncertain macro-economic circumstances. Therefore, at the start of 2009, Omega Pharma's Board of Directors decided to pursue a prudent policy with emphasis on cost savings and working capital control.
- This led to drops in turnover and profitability of 3% and 10% respectively during the first half-year. As from the third quarter, however, increased demand for Omega Pharma products was identified, resulting in turnover and profit from the OTC operations even reaching record levels.
- Once the results were improving again, it was decided to resume forward-looking spending and investments. Thus, the R&D budget and the surrounding innovation services were reinforced, the management structures for operations and supply were thoroughly restructured, and operations were started up in various new growth markets.
- The supply chain was also optimised by the sale of a factory in France, the closing of a factory in the Netherlands and the initiation of a Joint Venture in India.
- The non-core participation in Arseus was sold.
- Omega Pharma's Board of Directors is thus convinced that the group structure at the end of 2009 has improved considerably compared to the start of the year: more focus, less overhead, stronger balance sheet, optimised management, more operations in growth markets, and improved innovations. Combined with a strong brands policy, this should be a solid foundation for positive development of future results.

Results per business unit

Non-audited consolidated results in EUR millions	Turnover 2009	Turnover 2008	Turnover Development	EBITDA [1] 2009	EBITDA [1] 2008	EBITDA [1] Development
Western Europe	326.7	335.9	- 3 %	63.5	65.1	- 3 %
Belgium	227.7	205.0	+ 11 %	30.5	29.7	+ 3 %
Emerging Markets	102.3	98.5	+ 4 %	27.9	25.9	+ 8 %
France	157.1	171.9	- 9 %	18.7	19.4	- 4 %
OTC Operational	813.8	811.3	+ 0.3 %	140.6	140.1	+ 0.3 %
Corporate Cost				- 10.3	- 10.0	
Omega Pharma	**813.8**	**811.3**	**+0.3 %**	**130.3**	**130.1**	**+0.1 %**

[1] *Operating result before non-recurring items, plus depreciation and amortisation*

Comments by business-unit (see press release dated 21 January 2010)

- Western Europe:

  In Western Europe, turnover and profitability both developed slightly unfavourably, mainly due to exchange rate effects and a poor first half-year.
- Belgium

  Omega Belgium had a strong 2009 in terms of turnover. Distributions, especially of generics, outperformed the company's own brands, which resulted in lower profit growth.
- Emerging markets

  Omega Pharma has already been investing significantly for several years in growth countries, such as Eastern and Central Europe, CIS countries, Australia, Turkey, South America, etc. In 2009, these already represented more than 12% of turnover and more than 20% of the profit.
- France

  As a result of the cost savings plan, the fall in turnover only led to a limited drop in profit.

Prospects*

Thanks to highly promising brands with high growth potential and a large number of growth markets, Omega Pharma is convinced that the sales growth of 4% achieved in the 2nd semester of 2009 can be maintained in 2010, with at least the same profitability growth. As a result of the expected decrease in the financial expenses, a stronger increase in EPS is possible.

* Disclaimer: This press release contains forward-looking information that is based on current internal estimates and expectations as well as market expectations. Forward-looking statements contain inherent risks and apply exclusively on the date they are made. The actual results may differ substantially from those included in the forward-looking statements. Considering the reduced visibility that is inherent to the current economic environment, differences between expectations and reality may vary more strongly than before.

Statement

This press release has been prepared by the Board of Directors of Omega Pharma.

Statement of the statutory auditor

"The statutory auditor, PricewaterhouseCoopers Bedrijfsrevisoren BCVBA, represented by Peter Van den Eynde, has confirmed that the audit of the consolidated balance sheet, consolidated income statement and consolidated cash flow statement, which is substantially completed, has to date not revealed any material misstatements. The statutory auditor has also confirmed that the accounting data included in the enclosed press release do not include any material inconsistencies with the consolidated balance sheet, consolidated income statement and consolidated cash flow statement from which the press release has been derived."

Calendar for Shareholders

18 March 2010 (3:00 p.m. CET)	: Analysts meeting
15 April 2010 (5:45 p.m. CET)	: Trading Update Q1 2010
3 May 2010 (7:00 p.m. CET)	: General Meeting
5 May 2010	: Probable ex-dividend listing
10 May 2010	: Probable dividend payment
19 July 2010 (5:45 p.m. CET)	: Trading Update first half-year of 2010
26 August 2010 (5:45 p.m. CET)	: Results of first half-year of 2010
19 October 2010 (5:45 p.m. CET)	: Trading Update Q3 2010

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Consolidated income statement

IFRS figures *in thousand euro*	2009	2008
Operating income	**822,825**	**817,490**
Turnover	813,763	811,283
Other operating income	9,062	6,207
Operating expenses	**- 727,170**	**- 718,916**
Trade goods	- 379,349	- 344,201
Trade goods purchased	*- 372,620*	*- 341,969*
Changes in inventories of raw materials, components, work in progress and finished goods.	*- 6,729*	*- 2,232*
Services and other goods	- 208,185	- 232,526
Employee benefit expenses	- 99,415	- 107,408
Depreciations and amortization	- 21,164	- 21,672
Changes in provisions for liabilities	2,560	3,389
Other operating expenses	- 21,617	- 16,497
Of which restructuring charges	*- 13,484*	*- 9,901*
Of which other	*- 8,133*	*- 6,596*
Operating result	**95,655**	**98,574**
Financial income	965	1,315
Financial expense	-26,276	-41,182
Financial result	**-25,311**	**-39,867**
Result excluding associates and before income tax	**70,344**	**58,707**
Result of associates	**18,134**	**3,569**
Result of associates (accounted for according to the equity method)	2,702	3,569
Surplus value on the sale of associates	15,432	0
Result from ordinary activities before income tax	**88,478**	**62,276**
Income tax	- 11,566	- 7,900
Result from continuing operations	**76,912**	**54,376**
Minority interests	-88	-117
Result of the period	**76,824**	**54,259**
Total number of shares outstanding on December 31	*24,227,303*	*24,227,303*
Of which treasury shares (June 30)	*879,994*	*879,994*
Weighted average after deduction of treasury shares	*23,347,309*	*23,673,785*
Earnings per share (in EUR)	*3.30*	*2.30*
Diluted earnings per share (in EUR) *	*3.26*	*2.30*

** Taking the dilutive impact of outstanding warrants which are "in the money" into account*

Consolidated balance sheet

IFRS figures in thousand euro	2009	2008
Non-current assets	**987,882**	**1,002,647**
Intangible assets	905,319	878,967
Property, plant and equipment	43,244	50,074
Financial assets	1,940	46,467
Of which: Associates	*0*	*44,527*
Deferred income tax assets	29,028	26,318
Other non-current assets	8,351	821
Current assets	**350,570**	**414,606**
Inventories	109,794	122,931
Trade receivables	164,223	202,242
Other current assets	51,324	55,640
Of which deferred income tax assets	*22,534*	*28,085*
Cash and cash equivalents	25,229	33,793
TOTAL ASSETS	**1,338,452**	**1,417,253**
EQUITY	**660,518**	**600,520**
Share capital and share premium	366,841	366,841
Retained earnings	325,219	262,815
Treasury shares	-24,144	-24,144
Fair value and other reserves	-1,284	4,641
Cumulative translation adjustments	-6,659	-9,850
Minority interests	545	217
LIABILITIES	**677,934**	**816,733**
Non-current liabilities	**369,473**	**439,299**
Provisions	4,475	3,887
Pension obligations	4,587	6,147
Deferred income tax liabilities	71,947	69,045
Borrowings (non-current financial liabilities)	258,332	344,781
Other non-current liabilities	61	14
Derivative financial instruments	30,071	15,425
Current liabilities	**308,461**	**377,434**
Borrowings (current financial liabilities)	19,085	101,850
Trade payables	215,731	200,930
Income tax liabilities	35,076	27,207
Taxes, remuneration and social security	13,760	13,762
Other current payables	24,809	28,631
Derivative financial instruments	0	5,054
TOTAL EQUITY AND LIABILITIES	**1,338,452**	**1,417,253**

Condensed consolidated cash flow statement

IFRS figures *in thousand euro*	2009	2008
Result excluding associates and before income tax	70,344	58,708
Taxes paid	6,060	-9,289
Adjustments for operational non-cash items	20,200	15,353
Interests and financial non-cash items	22,233	31,712
Gross cash flow from operating activities	**118,837**	**96,484**
Changes in working capital (strict definition)	65,957	-27,328
Other elements in the working capital (changes in consolidation circle, others)	-11,025	-17,800
Total cash flow from operating activities	**173,769**	**51,356**
Cash flow from divestments	52,500	
Capital expenditures (purchases)	-27,562	-23,066
Disposals of investment goods	4,609	1,845
Cash and cash equivalents from acquisitions	233	631
Investments in existing shareholdings (post payments) and in new holdings	-6,287	-18,006
Dividends received	2,250	450
Total cash flows from investing activities	**25,743**	**-38,147**
Proceeds from the issue of share capital	0	547
Purchases of own shares	0	-47,676
Dividend distribution	-14,014	-11,464
Change in debts	-171,583	72,845
Interests received (paid)	-23,091	-27,548
Total cash flow from financing activities	**-208,688**	**-13,296**
Cash and cash equivalents - start of the period	33,793	35,429
Gains or losses on currency exchange on cash and cash equivalents	612	-1,549
Cash and cash equivalents - end of the period	25,229	33,793