



# Interim Financial Report

6 months ending 30 June 2009

Regulated information



## Table of contents

Management statement.....	3
Consolidated income statement.....	4
Consolidated balance sheet.....	5
Condensed consolidated cash flow statement.....	6
Consolidated statement of changes in equity.....	7
Interim report.....	8
Selected notes.....	9
General information.....	9
Summary of significant accounting policies.....	9
Segment reporting.....	11
Other notes.....	12
1. Income tax.....	12
2. Associates.....	12
3. Equity - treasury shares.....	12
4. Contingencies.....	12
5. Business combinations.....	13
6. Related parties.....	13
7. Significant events after balance sheet date.....	13
Review report of the statutory auditor.....	14

# Management statement

The undersigned hereby declare that, to the best of their knowledge, the interim financial statements for the six-months period ended June 30, 2009, which have been prepared in accordance with the IAS 34 'Interim Financial Reporting' as adopted by the European Union, give a true and fair view of the equity, the financial situation and the results of Omega Pharma NV and the companies that are included in the consolidation scope.

The undersigned also declare that, to the best of their knowledge, the interim financial report provides a true and fair review of the important events that have occurred during the first six months of the financial year and of the other legally required information.

In the name and for the account of the Board of Directors

Marc Coucke, CEO

Barbara De Saedeleer, CFO

26 August 2009

# Consolidated income statement

<i>Figures submitted to a limited review, IFRS in thousand euro</i>	<b>January-June 2009</b>	<b>January-June 2008</b>
<b>Operating income</b>	<b>415 144</b>	<b>426 999</b>
Turnover	411 156	423 652
Other operating income	3 988	3 347
<b>Operating expenses</b>	<b>364 141</b>	<b>-364 102</b>
Trade goods	-187 447	-173 087
<i>Trade goods purchased</i>	-186 111	-171 395
<i>Changes in inventories of raw materials, components, work in     progress and finished goods.</i>	-1 336	-1 692
Services and other goods	-106 852	-123 202
Employee benefit expenses	-50 363	-54 490
Depreciations and amortization	-10 469	-9 296
Changes in provisions for liabilities	181	2 668
Other operating expenses	-9 192	-6 694
<i>Of which restructuring charges</i>	-5 905	-2 952
<i>Of which other</i>	-3 286	-3 742
<b>Operating result</b>	<b>51 003</b>	<b>62 897</b>
Financial income	476	488
Financial expense	-13 799	-15 908
<b>Financial result</b>	<b>-13 322</b>	<b>-15 420</b>
<b>Net result excluding associates and before income tax</b>	<b>37 680</b>	<b>47 478</b>
Net result of associates (accounted for according to the equity method)	2 247	2 371
<b>Result from ordinary activities before income tax</b>	<b>39 927</b>	<b>49 849</b>
Income tax	-5 922	-8 207
<b>Result from ordinary activities after income tax</b>	<b>34 005</b>	<b>41 642</b>
<i>Of which Minority interests</i>	157	64
<b>Result of the period</b>	<b>33 848</b>	<b>41 578</b>
<i>Total number of shares outstanding on June 30</i>	24 227 303	24 207 968
<i>Of which treasury shares)</i>	879 994	934 994
<i>Weighted average after deduction of treasury shares</i>	23 347 309	24 059 515
<i>Earnings per share (in EUR)</i>	1.45	1.73
<i>Earnings per share from continuing operations excluding associates</i>	1.35	1.63
<i>Diluted earnings per share (in EUR) *</i>	1.45	1.73

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

# Consolidated balance sheet

<i>Figures submitted to a limited review, IFRS in thousand euro</i>	30 June 2009	31 December 2008
<b>Non-current assets</b>	<b>1 012 646</b>	<b>1 002 647</b>
Intangible assets	886 564	878 967
Property, plant and equipment	48 751	50 074
Financial assets	46 566	46 467
<i>Of which: Associates</i>	44 626	44 527
Deferred income tax assets	29 879	26 318
Other non-current assets	886	821
<b>Current assets</b>	<b>386 796</b>	<b>414 606</b>
Inventories	112 413	122 931
Trade receivables	178 117	202 242
Other current assets	53 790	55 640
<i>Of which deferred income tax assets</i>	22 809	28 085
Cash and cash equivalents	42 476	33 793
<b>TOTAL ASSETS</b>	<b>1 399 442</b>	<b>1 417 253</b>
<b>EQUITY</b>	<b>616 971</b>	<b>600 520</b>
Share capital and share premium	366 841	366 841
Retained earnings	282 757	262 815
Treasury shares	-24 144	-24 144
Fair value and other reserves	-959	4 641
Cumulative translation adjustments	-7 964	-9 850
Minority interests	440	217
<b>LIABILITIES</b>	<b>782 471</b>	<b>816 733</b>
<b>Non-current liabilities</b>	<b>425 962</b>	<b>439 299</b>
Provisions	3 757	3 887
Pension obligations	6 243	6 147
Deferred income tax liabilities	69 198	69 045
Borrowings (non-current financial liabilities)	320 330	344 781
Other non-current liabilities	63	14
Derivative financial instruments	26 371	15 425
<b>Current liabilities</b>	<b>356 509</b>	<b>377 434</b>
Borrowings (current financial liabilities)	71 948	101 850
Trade payables	200 369	200 930
Income tax liabilities	34 564	27 207
Taxes, remuneration and social security	13 053	13 762
Other current payables	31 249	28 631
Derivative financial instruments	5 326	5 054
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 399 442</b>	<b>1 417 253</b>

# Condensed consolidated cash flow statement

<i>Figures submitted to a limited review, IFRS in thousand euro</i>	<b>January-June 2009</b>	<b>January-June 2008</b>
<b>Profit before income tax excluding associates</b>	<b>37 680</b>	<b>47 478</b>
Taxes paid	2 796	-5 091
Adjustments for operational non-cash items	13 668	4 347
Adjustments for interests and financial non-cash items	11 843	14 444
<b>Gross cash flow from operating activities</b>	<b>65 986</b>	<b>61 179</b>
Changes in working capital	31 098	-15 508
<b>Total cash flow from operating activities</b>	<b>97 084</b>	<b>45 671</b>
Capital expenditure	-9 338	-13 960
Disposals of investment goods	347	1 524
Cash and cash equivalents from acquisitions	75	0
Investments in existing shareholdings (post payments) and in new holdings	-5 442	-9 698
Dividends received	2 250	450
<b>Total cash flow from investing activities</b>	<b>-12 109</b>	<b>-21 684</b>
Proceeds from the issue of share capital	0	81
Purchases of own shares	0	-47 696
Dividend distribution	-11 859	-11 456
Change in debts	-52 296	43 106
Interests received (paid)	-12 266	-13 992
<b>Total cash flow from financing activities</b>	<b>-76 421</b>	<b>-29 958</b>
<b>Net increase/decrease of cash flows for the period</b>	<b>8 554</b>	<b>-5 970</b>
Cash and cash equivalents - start of the period	33 793	35 429
Gains or losses on currency exchange on liquid assets	129	-151
Cash and cash equivalents - end of the period	42 476	29 308
<b>Total net cash flow of the period</b>	<b>8 554</b>	<b>-5 970</b>

# Consolidated statement of changes in equity

Including total recognized result for the period

<i>Figures submitted to a limited review, IFRS in thousand euro</i>	Number of shares	Share capital and share premium	Treasury shares	Fair value & other reserves	Cumulative translation adjustments	Retained earnings	Minorities	Total equity
<b>Amount 31 December 2007</b>	<b>24 867 310</b>	<b>366 294</b>	<b>-63 242</b>	<b>4 212</b>	<b>-1 762</b>	<b>306 664</b>		<b>612 166</b>
Fair value gains/(losses) on cash flow hedges				1 356				1 356
Fair value gains/(losses) on cash flow hedges - tax effect				-461				-461
Currency translation adjustments					-1 726			-1 726
Profit for the period from the consolidated income statement						41 578		41 578
Total recognized income for the period		0	0	895	-1 726	41 578	0	40 747
<i>Other changes in equity</i>								
Capital increases	2 120	81						81
Employee share options scheme				53				53
Treasury shares cancelled			85 346			-85 346		0
Treasury shares purchased	-1 596 456		-47 696					-47 696
Dividend on treasury shares						1 217		1 217
Dividend						-13 104		-13 104
Share of movement in reserves of investments accounted for according to the equity method						-295		-295
Minority interests							204	204
<b>Amount 30 June 2008</b>	<b>23 272 974</b>	<b>366 375</b>	<b>-25 592</b>	<b>5 160</b>	<b>-3 488</b>	<b>250 714</b>	<b>204</b>	<b>593 373</b>
<b>Amount 31 December 2008</b>	<b>23 347 309</b>	<b>366 841</b>	<b>-24 144</b>	<b>4 641</b>	<b>-9 850</b>	<b>262 815</b>	<b>217</b>	<b>600 520</b>
Fair value gains/(losses) on cash flow hedges				-8 509				-8 509
Fair value gains/(losses) on cash flow hedges - tax effect				2 892				2 892
Currency translation adjustments					1 885			1 885
Profit for the period from the consolidated income statement						33 848	157	34 005
Total recognized income for the period		0	0	-5 617	1 885	33 849	157	30 274
<i>Other changes in equity</i>								
Capital increases		0						0
Employee share options scheme				17				17
Dividend on treasury shares						528		528
Dividend						-14 536		-14 536
Share of movement in reserves of investments accounted for according to the equity method						102		102
Minority interests							66	66
<b>Amount 30 June 2009</b>	<b>23 347 309</b>	<b>366 841</b>	<b>-24 144</b>	<b>-959</b>	<b>-7 965</b>	<b>282 758</b>	<b>440</b>	<b>616 971</b>

# Interim report

## Major events of the first half of 2009

- More information on the operational performance in the various regions in the course of the first and the second quarter 2009 is included in the Trading Updates of April 16 and July 16, 2009, as well as in the press release of today, 27 August 2009. These documents are available on [www.omega-pharma.be](http://www.omega-pharma.be) under the section “Press Releases”.
- On 28 April 2009, the company announced the creation of the joint-venture Modi Omega Pharma (India) Private Limited, which will bring the first eight brands of Omega Pharma to the Indian market between October 2009 and April 2010.
- The annual General Meeting of Shareholders of 4 May 2009 approved all resolutions for decisions included in the agenda, and hence also approved the annual accounts for the period ended 31 December 2008. This General Meeting also established the annual remuneration for the year 2009 for the president of the board of directors at 60,000 euro and for all other non-executive directors at 30,000 euro each. Furthermore, the General Meeting acknowledged the resignation as director by Jan Cassiman BVBA (represented by its permanent representative, Mr. Jan Cassiman), who remains though member of the Executive Committee.
- The Extraordinary General Meeting of Shareholders of 9 June 2009 has, for the implementation of the articles 6 to 17 of the law of May 2nd 2007 on the disclosure of major holdings, set the applicable quota at 3%, 5 %, 7.5% and the multiples of 5%. This Extraordinary Meeting has moreover renewed the authorization to the board of directors to acquire or alienate treasury shares for a period of five years. In the course of the six months period ended 30 June 2009, no use has been made of this authorization.

## Main risks and uncertainties

At closing of the interim period ended on June 30, 2009 Omega Pharma cannot distinguish any other risks than those included in the pages 79 to and including 87 of the 2008 annual report.

([http://www.omega-pharma.be/EN/pdf/jaarverslag\\_en\\_def.pdf](http://www.omega-pharma.be/EN/pdf/jaarverslag_en_def.pdf))

## Prognosis <sup>(1)</sup>

The most recent trends indicate that the demand for Omega Pharma products is picking up again slightly. This confirms that the 2009 turnover will remain in the vicinity of the 2008 turnover, despite the weaker first half of the year.

Over the past twelve months, Omega Pharma has restructured its operations in order to achieve a lower cost basis, and has invested in new geographic markets and future-oriented innovative launches and cross-fertilizations. It therefore looks with full confidence to the future after this period of recession.

*(1) Disclaimer: This press release contains forward-looking information which 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 which is inherent in the current economic environment, differences between expectations and reality may vary more strongly than before.*

## Selected notes

### General information

Since its creation in 1987, Omega Pharma NV (the ‘Company’) has grown into a multinational group with numerous subsidiaries (together the “Group”), approximately 2,000 staff and operations in over 35 countries mainly spread over Western, Central, and Eastern Europe, as well as in other continents beyond Europe. Omega Pharma is one of the few global companies dealing solely in OTC products. Even though approximately 90% of the group turnover is currently generated in Western Europe, Omega Pharma already features in the world-wide Top Twenty ranking in the market for over-the-counter medicines and personal care products.

The Company’s shares are listed on the regulated market Euronext Brussels.

The condensed consolidated interim financial statements for the six months’ period ended 30 June 2009 have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the European Union. This document should be read together with the consolidated annual accounts for the period 2008 (including the significant accounting policies) as published in the 2008 annual report, which is available on [www.omega-pharma.be](http://www.omega-pharma.be) (Investor Center).

These condensed consolidated interim financial statements have been approved for publication by the Board of Directors of August 25, 2009. They have been submitted to a limited review by the Statutory Auditor (cf. page 14).

## Summary of significant accounting policies

The principal accounting policies applied in preparation of these consolidated interim financial report are identical to those applied in preparation of the consolidated financial statements for the year ended on December 31, 2008.

A summary of the principal accounting policies can be found on the pages 68 to and including 78 of the 2008 annual report, which can be consulted and downloaded via the following web link: [http://www.omega-pharma.be/EN/pdf/jaarverslag\\_en\\_def.pdf](http://www.omega-pharma.be/EN/pdf/jaarverslag_en_def.pdf).

The following new standards and amendments to standards are mandatory for the financial year beginning 1 January 2009 and have been adopted by the Group, when relevant

- IFRS 8, “Operating segments”
- IAS 1 (amendment), “Presentation of financial statements”
- IFRS 2 (amendment), “Share-based payments”
- IAS 32 (amendment), “Financial instruments: Presentation”
- IAS 39 (amendment), “Financial instruments: Recognition and measurement”
- IFRIC 13, “Customer loyalty programs”
- IFRIC 14, “The limit on a defined benefit asset, minimum funding requirements and their interactions”
- IFRIC 16, “Hedges of a net investment in a foreign operation”
- IAS 23 (amendment), “Borrowing costs”.

The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- IFRS 3 (revised), “Business combinations” and consequential amendments to IAS 27 “Consolidated and separate financial statements”, IAS 28 “Investments in associates” and IAS 31 “Interests in joint ventures”.

## Segment reporting

Since the beginning of 2009 the Group applies a new segmentation. The segment Belgium corresponds with the previously applied segment. This is also the case for the segment France, except for the export activities that are operated from France, which have been transferred to the segment Emerging Markets in the new segmentation, as this provides a more transparent view for investors. The previous segments Northern Europe and Southern Europe have been added together with the operations in the United Kingdom, Ireland and the Netherlands, thus forming the segment Western Europe. The aforementioned segment Emerging Markets includes the operations in the growth markets of Central and Eastern Europe as well as in other continents. This new segment corresponds with the previous segment Rest Of World to which the export operations that are managed out of France have been added, and from which the operations in the UK, Ireland and the Netherlands have been withdrawn.

In order to provide for a fair comparison, the results of the first half of 2008 have been reworked in accordance with the new segmentation. These results are as follows:

<i>Figures submitted to a limited review, IFRS in thousand euro</i>	Total turnover	Inter-segment turnover	Net turnover	REBITDA*	Operating result of the segment
Belgium	107 134	-4 216	102 918	15 499	13 401
France	92 695	-1 680	91 015	9 996	7 447
Western Europe	199 444	-8 835	190 609	41 416	38 274
Emerging Markets	39 110	0	39 110	13 212	14 777
Not allocated	-	-	-	-4 977	-11 002
<b>Total Omega Pharma</b>	<b>438 383</b>	<b>-14 731</b>	<b>423 652</b>	<b>75 146</b>	<b>62 897</b>

The segment results for the period ending June 30, 2008 are as follows:

<i>Figures submitted to a limited review, IFRS in thousand euro</i>	Total turnover	Inter-segment turnover	Net turnover	REBITDA*	Operating result of the segment
Belgium	117 019	-5 054	111 965	14 716	12 460
France	85 276	-1 936	83 340	9 655	9 425
Western Europe	187 284	-12 412	174 872	38 796	32 342
Emerging Markets	40 979	0	40 979	10 450	7 502
Not allocated	-	-	-	-6 238	-10 726
<b>Total Omega Pharma</b>	<b>430 558</b>	<b>-19 402</b>	<b>411 156</b>	<b>67 377</b>	<b>51 003</b>

*Reconciliation with the result from ordinary activities before income tax*

Depreciations and amortization	-	-	-10 469		
Non-recurring items (restructuring charges)			- 5 905		
Financial result			- 13 322		
Net result from associated companies			2 247		
<b>Result from ordinary activities before income tax</b>			<b>39 927</b>		

(\*) Operating result before non-recurring items, increased with depreciations and amortization.

The reported non-recurring items are restructuring charges and mainly refer to the termination of the operations in the Bional plant in the Netherlands, which are transferred to the site in Rotterdam, and to a number of other integrations.

No significant changes in the assets per segment occurred in the reporting period and consequently no additional information is hereby included.

## Other notes

### 1. Income tax

The amount of the income taxes is a management estimate and is based on an expected average effective tax rate of 14.8% for the entire accounting period 2009.

### 2. Associates

After the Arseus IPO, Omega Pharma holds 24% of the share capital of Arseus and this participation is recognized on the balance sheet according to the equity method.

### 3. Equity - treasury shares

In accordance with article 620 of the Belgian Company Code, the Extraordinary General Meetings of Shareholders of 7 July 2006, 6 July 2007, 9 June 2007 and 9 June 2008 granted authorization to the Board of Directors to buy back Company shares.

During the first six months of 2009 no use has been made of this authorization. On 30 June 2009, Omega Pharma held 879,994 treasury shares which were previously purchase, and which then represented a total amount of 24.1 million euro.

### 4. Contingencies

During the first six months of 2009 no material changes occurred to the situation as described in Note 22 on page 123 of the 2008 annual report.

### 5. Business combinations

In the course of the period from January to June 2009 an acquisition of a smaller supplier of the Group has been completed. The combined 2008 annual turnover of this acquired company represented less than one per cent of the consolidated 2008 turnover of the Group. Consequently this acquisition is deemed not sufficiently material for providing further details. The purchase price allocation has been temporary defined on June 30, 2009.

## 6. Related parties

Related parties refer to the members of the Executive Committee, the non-executive members of the Board of Directors and Arseus NV, in which the Company holds a 24 percent participation.

The remuneration of the members of the Executive Committee and the non-executive members of the Board of Directors is determined on an annual basis, for which reason no further details are included in this interim financial report.

The chart hereunder provides an overview of the transactions between the Company and Arseus NV in the period from January 1 to and including June 30, 2009.

<i>in thousand euro</i>	January-June 2009	January-June 2008
<b>Sale of goods and services</b>	<b>116</b>	<b>110</b>
Sale of goods to Arseus companies	108	53
Sale of services to Arseus companies	8	57
<b>Purchase of goods and services</b>	<b>92</b>	<b>78</b>
Purchase of goods from Arseus companies	92	78
Purchase of services from Arseus companies	0	0

## 7. Significant events after balance sheet date

No significant events occurred after 30 June 2009.

# Review report of the statutory auditor

## **Report of the statutory auditor on the review of the condensed consolidated interim financial statements of Omega Pharma NV for the half year ended 30 June 2009**

We have reviewed the accompanying consolidated condensed consolidated interim financial statements of Omega Pharma NV (“the Company”) and its subsidiaries (jointly “the Group”), as of and for the six-month period ended 30 June 2009, consisting of the interim consolidated balance sheet, the related consolidated income statement, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended, as well as the selected explanatory notes, with a balance sheet total of EUR’000 1.399.442 and a profit for the period, part of the Group, of EUR’000 33.848. The board of directors is responsible for the preparation and fair presentation of these consolidated condensed interim financial statements in accordance with IAS 34 as adopted by the European Union. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our 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.

Based on our review, nothing has come to our attention that causes us to believe that the consolidated condensed interim financial statements referred to above are not prepared, in all material respects, in accordance with IAS 34 as adopted by the European Union.

Antwerp, 26 August 2009

PricewaterhouseCoopers Bedrijfsrevisoren bcvba  
Represented by

Peter Van den Eynde  
Statutory auditor