



Omega Pharma acquires the Bittner Pharma Group

- **Milestone acquisition gives Omega Pharma access to Central and Eastern Europe with focus on Russia, the Ukraine and Poland as key markets.**
- **The Bittner Pharma Group is fully complementary to Omega Pharma.**
- **Omega Pharma will benefit from the expansion of Bittner's brands to Western Europe.**
- **Omega Pharma achieves a position as a leading player, fully dedicated to OTC, and further raises its growth profile.**
- **Aside from this project, Omega Pharma also completed an add-on acquisition in Italy**

Nazareth (Belgium)/Vienna (Austria), 24 October 2006 — Today, Omega Pharma has reached an agreement with the shareholders of the Bittner Pharma Group to acquire this Austrian OTC company, which has major operations in Central and Eastern Europe, focused on Russia, the Ukraine and Poland.

The Bittner Pharma Group is a major OTC company with main operations in Russia, the Ukraine and Poland as well as in many other markets in Central and Eastern Europe, the Baltics and in the Commonwealth of Independent States (CIS). While the Bittner Pharma Group has subsidiaries in Austria, Poland and Latvia, it operates through representative offices in various other markets in the region.

In 2005, the Bittner Pharma Group generated a turnover of more than EUR 40 million. For 2006, this figure is estimated to grow to EUR 50 million. The average annual growth rate for the period 2000-2005 was 20%.

Since the early 1990ies, the Bittner Pharma Group has successfully gained a key position in the fast-growing OTC markets in Central and Eastern Europe by focusing on the attractive niche segments for phytopharmaceuticals and homeopathic specialties.

All products of the Bittner Pharma Group meet the highest scientific standards and have fully passed clinical trials, thus demonstrating their effectiveness. At present, the group has 16 medical products on the market and another 21 fully-developed products in the pipeline. All products are manufactured in the group's facilities, based in Austria, which are fully compliant with all EU/GMP requirements.

Examples of Bittner's most successful products include: Bittner Balsam, Aflubin and Memoria. The herbal tonic Bittner Balsam is market leader in Russia, the Ukraine and Poland. Recently, it also achieved registration in China where its market launch is now under preparation. Aflubin is a prophylactic medicine against the flu that holds 11% share

of the Russian market for phytopharmaceutical cold-&-flu therapies. Memoria is a medicine that is indicated for memory and concentration disorders.

Famulan and Astomera are examples of Bittner's R&D capabilities. Famulan is currently registered for anti-allergy indications. Astomera stems from Bittner's R&D pipeline and has received registration approval for treatment of stomach disorders.

Among the Bittner Pharma Group employees there are more than 70 medical representatives who provide scientific information to pharmacists as well as physicians. The brands of the Bittner Pharma Group have a high consumer brand awareness resulting from a long-standing and proven marketing strategy that includes TV advertising and point-of-sales activities.

The Bittner Pharma Group is expected to realise over EUR 20 million EBITDA in 2007. The acquisition of 100% of the shares against cash represents an EBITDA-multiple that is commonly applied for the takeover of a major regional OTC company. The acquisition will be fully supported by additional financing provided by ING Wholesale Banking. The Bittner Pharma Group was advised by ABN AMRO as sole financial advisor on this transaction. Closing of the deal is awaited for the end of 2006 or the beginning of 2007 when all conditions precedent are expected to be fulfilled (subject to regulatory approval for certain markets).

Richard Bittner, CEO of the Bittner Pharma Group comments: "Our company was aiming at new strategic options to provide additional resources for our high stand-alone ambitions. We were looking for a dynamic and fast-growing partner, enabling us to market our brands in Western Europe. We have a large number of new promising products in the pipeline that are ready to be launched in the coming months and years. Furthermore, we have specific action plans to introduce numerous existing products in those CEE and CIS markets where they are currently not yet available. In addition, we have recently obtained selected product registrations in China and Germany – 2 countries for which we have well-developed and advanced plans for market entry. Omega Pharma proved to be the best candidate for pursuing these ambitions. As an integral part of one of Europe's leading OTC-players we will be able to pursue our ambitious growth strategy and strengthen our operations in Austria and the CEE-countries. This will create great career opportunities for our staff. The strong synergy potential will allow both companies to continue their success story, whereby the new business combination will become a world-class player in Consumer Health (OTC)."

Jan Cassiman, CEO of Omega Pharma adds: "This acquisition represents an important step in our ambition to become a world player in OTC. Our company was not yet active in the fast-growing OTC markets in Central and Eastern Europe and the CIS. With this acquisition, all our products will be made available to the country organisations of the Bittner Pharma Group. Alternatively, we will also analyse the market potential of the Bittner products in specific West-European markets."

Marc Coucke, President of the Board of Directors of Omega Pharma concludes: "Omega Pharma currently holds the 7th position in the European OTC market and aims to break the EUR 1 billion sales barrier in 2006. Following this acquisition, the referential framework for Omega Pharma is now the world-wide OTC market. The Bittner Pharma Group is fully complementary to Omega Pharma. This milestone acquisition will generate great synergies and tremendous opportunities for both companies, their products and their employees. When the transaction is completed, Omega Pharma will be a leading

and dedicated OTC company with a growth profile which is even higher than before Omega Pharma entered the CEE/CIS markets.”

Aside from this project, Omega Pharma also completed the add-on acquisition of an Italian OTC company that markets a range of skin care and feminine care products under the Bergamon and other brand names. Last year, the company generated about EUR 6 million of turnover, of which 1/3rd in the traditional pharmacy channel and the other 2/3rd in the general retail channel. The company’s expertise in this last area is an interesting asset as registered OTC medicines are recently also allowed to be sold in non-pharmacy outlets in Italy.

These important projects demonstrate the ambition of Omega Pharma to play an active role in the world-wide consolidation of the OTC sector, by combining strategic vision and operational excellence.

About Omega Pharma:

Omega Pharma (OMEB) is listed on Eurolist by Euronext in Brussels. Since its foundation in 1987, Omega Pharma has continuously grown and has become by the end of 2005 a European group with about 3,000 employees in 17 countries and an annual turnover of EUR 960 million. Omega Pharma is offering products and services with high added value to pharmacists and other medical professions. About 70% of its turnover is derived from prescription-free medicines and healthcare products (Consumer Health, OTC); the remaining 30% from products and services for professional use by pharmacists, dentists, nursing home staff and other medical professions (Professional Health, B2B). The B2B-activities are structured in a separate division, Arseus, which is preparing itself for an IPO in 2008.

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