



Regulated Information  
Trading update 2<sup>nd</sup> quarter 2010



## ARSEUS REALISES TURNOVER GROWTH OF 7.8%

### FAGRON AND CORILUS REALISE STRONG GROWTH

Waregem (Belgium) / Rotterdam (the Netherlands)<sup>1</sup>, 14 July 2010 - In the second quarter, the consolidated turnover of Arseus increased 7.8% to € 107.9 million. Organic growth was 2.3%. In the first semester of 2010, the consolidated turnover increased 7.6% to € 204.7 million. Organic growth was 2.7%.

The evolution of turnover per division is as follows<sup>2</sup>:

| (x € 1,000)    | Q2 2010        | Q2 2009        | evolution    | organic growth |
|----------------|----------------|----------------|--------------|----------------|
| Fagron         | 46,443         | 38,678         | +20.1%       | +9.2%          |
| Arseus Dental  | 41,273         | 41,667         | -0.9%        | -0.9%          |
| Arseus Medical | 12,490         | 12,622         | -1.0%        | -12.2%         |
| Corilus        | 7,680          | 7,073          | +8.6%        | +8.6%          |
| <b>TOTAL</b>   | <b>107,886</b> | <b>100,041</b> | <b>+7.8%</b> | <b>+2.3%</b>   |

| (x € 1,000)    | H1 2010        | H1 2009        | evolution    | organic growth |
|----------------|----------------|----------------|--------------|----------------|
| Fagron         | 85,076         | 73,342         | +16.0%       | +8.5%          |
| Arseus Dental  | 79,697         | 79,586         | +0.1%        | -0.8%          |
| Arseus Medical | 25,122         | 23,157         | +8.5%        | -4.9%          |
| Corilus        | 14,783         | 14,088         | +4.9%        | +4.9%          |
| <b>TOTAL</b>   | <b>204,678</b> | <b>190,173</b> | <b>+7.6%</b> | <b>+2.7%</b>   |

**Ger van Jeveren, CEO of Arseus:** *“Our divisions showed varying performance in the second quarter. Fagron and Corilus saw excellent results with organic growth of 9.2% and 8.6%, respectively. Fagron’s continuing strong turnover growth is due to the successful strategy to revitalise pharmaceutical compounding, the strength of the Fagron brand, the optimum use of the knowledge and expertise available locally and the organisation’s sales and marketing power. The turnover of Corilus was driven by the attraction of new customers, the increase in the number of maintenance contracts, the launch of self-developed innovative software packages and the international rollout of software.*”

<sup>1</sup> This press release was sent out by Arseus NV and Arseus BV.

<sup>2</sup> Unaudited management figures.

*Arseus Dental had a somewhat less successful quarter and realised a decline in turnover of 0.9%. This decline was primarily due to the decreased demand for equipment in Belgium and France. A positive development was the fact that activities related to dental laboratories have continued their cautious recovery, the order portfolio of Swiss Hader has grown and the € 4-million cost-saving programme is on track. The development in turnover at Arseus Medical gives a distorted view since turnover in the second quarter of 2009 was driven by the delivery of a number of large orders that had been delayed. Turnover in the second quarter of 2010 was also negatively affected by the termination of activities with a low gross margin.*

*We look to the future of Arseus with confidence and consequently confirm the expectations for 2010 that we announced earlier.”*

### **FAGRON**

Fagron's turnover increased 20.1% to € 46.4 million in the second quarter. Organic growth was 9.2%. Virtually all Fagron countries realised strong organic growth. The greenfields in France and the United Kingdom even had a particularly strong quarter. Fagron's continuing strong turnover growth is due to the constant introduction of new concepts and products to make tailor-made preparations available to doctors, pharmacists and patients. The introductions are supported by Fagron's successful sales and marketing apparatus.

In the second quarter, Fagron acquired American Gallipot; the first acquisition outside of Europe. In 2009, Gallipot, a leading supplier of pharmaceutical raw materials for pharmaceutical compounding to pharmacies in the United States, realised turnover of approximately US\$ 12.5 million and an EBITDA margin in line with that of Fagron. Gallipot is consolidated from 1 April and will contribute to Arseus' earnings per share in 2010.

The acquisition of Gallipot is Fagron's first step as global consolidator in the rapidly growing niche market of pharmaceutical compounding. Fagron wants to further reinforce its leading market positions through robust organic growth and a focused buy-and-build strategy. The emphasis in Europe will be on acquisitions in existing markets, and in Scandinavia and Central and Eastern Europe. Fagron will also look for acquisition options outside Europe in order to strengthen its position in the United States, Canada and Latin America.

### **ARSEUS DENTAL**

Arseus Dental's turnover in the second quarter decreased 0.9% to € 41.3 million. The decrease was due to lower than expected sales of equipment in Belgium and France as a result of dentists postponing purchasing decisions and a number of dental trade fairs that will take place in the second semester. The reduced demand for equipment has resulted in competition on price and a decline of the gross margin of Arseus Dental. The cautious recovery in the activities related to dental laboratories continued in the second quarter. The order portfolio of Swiss Hader, which manufactures precision components for the dental orthopaedic industry, grew in the second quarter.

Good progress was made in the second quarter with the cost-saving programme at Arseus Dental. In addition to cost saving, programmes were also launched to improve the quality and efficiency of service provision.

### **ARSEUS MEDICAL**

In the second quarter Arseus Medical achieved turnover of € 12.5 million, a decline of 1.0% compared to the same period in 2009. Organic growth was -12.2%. The comparison is distorted since the second quarter of 2009 was an exceptionally good quarter because of the delivery of two large orders that had been postponed from the first quarter of 2009. Moreover, turnover in the second quarter of 2010 was also negatively affected by the termination of activities with a low gross margin (turnover of approximately € 7 million on annual basis).

Corrected for the large, delayed orders and for the terminated activities with low gross margin, there was turnover growth in the second quarter of 2010. In line with Arseus Medical's growth strategy, this growth was realised in new activities with a high gross margin, such as sterilisation, ventilation, cardiology, lasers and medication management and in bandagistry and high-grade medical equipment. Good progress was made at Duo-Med, acquired in September 2009, with the further expansion of activities in Belgium and the introduction of the medical products in the Netherlands.

The further expansion of new, exclusive distributions and the introduction of the new Arseus Medical marketing platform with webportal will strengthen the demand for activities with a high added value and good service in the second half of 2010.

### **CORILUS**

Corilus had an excellent second quarter. The turnover of Corilus grew 8.6% in comparison to the strong result achieved in the same period last year. Successes were achieved internationally. Softalmo, the software package for ophthalmologists, was successfully implemented in a number of French hospitals. Corilus also entered into a partnership with HD Medi to sell the Multidose software for fractionation of medicines by pharmacies in Spain. The first customer has since started and three new customers have already signed a contract.

Corilus introduced a new version of Baltes, the software package for dentists, onto the market in the second quarter. Baltes Imaging Edition contains integrated software for digital image processing. With this, the image processing system is digitally linked, the quality of radiography is substantially improved and the images are automatically linked to the medical records when taken. With the successful software packages Accrimed, Medicoc and Medigest, Corilus is responding to the rapid growth of medical group practices in Belgium. In Flanders, Corilus has had a breakthrough in the market for home care nurses and elderly homes.

### **ACQUISITION OF TREASURY SHARES**

During the period of 2 March to 22 June, Arseus purchased 349,635 treasury shares at an average price of € 9.0138 per share. At 30 June 2010, Arseus owned 1,323,550 treasury shares. This represents 4.24% of the total number of outstanding shares.

### **PROSPECTS FOR 2010**<sup>3</sup>

Based on the current view and the existing Arseus portfolio, Arseus' management is expecting turnover growth of between 5% and 10% in 2010 and a recurring EBITDA that is expected to grow faster than turnover.

### **CONFERENCE CALL**

Ger van Jeveren (CEO) and Jan Peeters (CFO) will provide further details on the trading update for the second quarter of 2010 during a conference call scheduled for today. The conference call starts at 9:30 CET. You can join from 9:15 onwards by calling +31 10 713 72 95 (the Netherlands) or +32 24 04 03 34 (Belgium). The recording of the conference call can be listened to on telephone number +31 20 713 34 87 (reference 315253#) for one month after it has taken place.

### **FINANCIAL CALENDAR**

|             |                                       |
|-------------|---------------------------------------|
| 20 August*  | Results 1 <sup>st</sup> semester 2010 |
| 15 October* | Trading update third quarter 2010     |

\* Results and trading updates will be published at 07:30 a.m.

### **ARSEUS PROFILE**

Arseus is a multinational group of companies that supplies products, services and concepts to professionals and institutions in the European healthcare sector. Arseus is subdivided into four divisions and operates in the markets for pharmaceutical compounding for pharmacies, dental products, medical and surgical products, and medical IT-solutions. The Belgian company Arseus NV is located in Waregem, and is listed on NYSE Euronext Brussels and NYSE Euronext Amsterdam. The operational activities of the Arseus group are driven by the Dutch company Arseus BV. The head office of Arseus BV is located in Rotterdam.

#### **For more information:**

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*In the event of any discrepancy between the English translation and the original Dutch version of this press release, the latter shall prevail.*

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<sup>3</sup> Disclaimer: This press release contains data on the future based on the current internal estimates and forecasts in addition to market forecasts. The statements concerning the future contain inherent risks and are only applicable on the date on which they are issued. There may be substantial differences between the actual results and the results cited in the statements about the future.