

Report of the Month

ReportWatch e.com

June 2010

UCB

Brussels, Belgium



Report Facts

Company name: UCB S.A.
Fiscal year end: December 31, 2009
Report title: *Delivering for patients through innovation*
Chief Executive Officer: Roch Doliveux
Number of books: Two + CSR report.
Report length: 68 + 92 + 38 pages.
Auditors: PricewaterhouseCoopers AB
Design: Comfi
E-mail: antje.witte@ucb.com

Report Rating: ★★★(★)

(Rating scale below)

Profile-Products

UCB aspires to be the patient-centric global biopharmaceutical leader transforming the lives of people living with severe diseases. Major products address central nervous system diseases (epilepsy, Parkinson's) and immunology (rheumatoid arthritis, bone loss disorders...). (Excerpts, as from the report. Italics are own company's words)

Key Figures

Revenue: € 3,116 million
Operating income: € 837 million
Net income: € 513 million
Earnings per share: € 2.85
Dividend per share: € 0.96
R&D expenses: 21.6%
Net financial debt: € 1,752 million
Equity: € 4,417 million
Number of employees: 9,324

(Source: 2009 figures sourced from the annual report)

Competitors - Peers

- Cephalon
- Wilex
- Amgen
- AstraZeneca
- Johnson & Johnson
- Pfizer
- Sanofi-Aventis
- Lundbeck
- Sepracor
-

Report Rating: ★★★(★)

Triple A

- > A report that skillfully draws a patient-centric thread, and gives a vivid account of research and results.
- > *Year Milestones, Results, Pipeline, Operational Strategies* (see selected page), *Priorities* wrapped up in a few pages and lines.
- > Pictures tell stories –and make company’s focuses clear. Other visual ingredients (circles, dotted lines, sidebars) give the narrative a strong read appeal, as such and in comparison with wordy reports in the sector.
- > Each area is introduced with a matter-of-fact introduction *About the disease and patients’ unmet needs*.

Double A

- > Smart use of all covers -which all convey a message- also as a packaging for the twin-book format.
- > Short case stories spread all across, also for *Research* and *Development* sections.

Simple A

- > (Just a few) *Key Data* charted in the inside front cover. More *Key Figures* are set forth on the last page (why there? Why not?) and span over 3 years but without ratios.
- > Investor information and share indicators in the inside back cover.
- > Fair disclosure of governance policies, but remuneration details lag behind best practice.
- > Simply structured and not fully optimized yet visitor-friendly corporate and IR website.
- > The first CSR report revolves around *Patients, People, Planet* and *Ethics* and is designed with consistency to address those matters in a lively tone.

B sides ?

- > A mission, but where can the real company profile?
- > The *Operating and Financial Review* comes late in the second book, is not as legible as the first book (though not as worse as the usual 10-K or 20-F), is often short on comments and even purely descriptive e.g. on financial condition and liquidity matters. And there is a big lack of ratios, left to readers’ calculators.
- > First ever CSR report only published in May 2010. A laudable effort, lacking in measures, figures and targets.
- > Paper savings within reach? Lots of blank spaces, two pages for notes. More fundamentally, some might find some sections not elaborate enough compared with many big pharma long-winded books.

Rating Scale

★★★★: First-rate ★★★(★): Excellent ★★★★: Very good ★★★(★): Sound ★★: Average
★★(★): Uneven ★★: Common ★(★): Substandard ★: Poor (★): Uncompetitive

The rating is based on ReportWatch internal desk research and does not take into account the independent Rating Panel’s judgment. It may therefore differ from ratings (to be) published in the **Annual Report on Annual Reports**.

*How does the company report in key areas? What are the main report pluses and minuses?
The **Report Scan** gives an overview of strengths and weaknesses, and scores each item.*

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Operational Strategies

Seven operational strategies have been developed to focus and direct UCB towards its vision, which is to become the patient-centric global biopharmaceutical leader, transforming the lives of people living with severe diseases.



