

**PRESS RELEASE**

**Consolidated Results for Financial Year 2008**

**Vemedia Pharma experiences international growth due to the acquisition of Valdispert**

**Revenue increased by 25%, EBITDA more than doubled to € 11.0 million**

Kortrijk (Belgium), 16<sup>th</sup> of March 2009

Vemedia Pharma's consolidated revenue in 2008 increased by 24.5% to € 51.6 million. This is primarily due to the acquisition of Valdispert in June 2008, a sleeping- and tranquilizer product sold in various European countries and elsewhere. The consolidated organic growth is limited, however some divisions showed strong performance.

The EBITDA rose to € 11.0 million (€ 4.7 million in 2007) and the EBIT is approximately € 5.9 million. The net profit for the financial year is € 1.8 million.

These solid results demonstrate that Vemedia Pharma suffered little impact from the economic crisis in 2008. The acquisition of Valdispert also appears to have been right on the mark, with revenue and EBITDA exceeding budget.

**Yvan Vindevogel, CEO of Vemedia:** *"Vemedia Pharma's key brands, including Dagravit, ABC Chemicals and Valdispert, succeeded in reinforcing their position in their respective home markets. We view this as a confirmation of our strategy to focus on strong brands. The acquisition of Valdispert from Solvay has led to an international breakthrough and is creating a foundation for further growth. Consequently, Vemedia Pharma has confidence in the future, in spite of economic market conditions."*

**2008 Key Figures (IFRS)**

<b>INCOME STATEMENT (€ 000's)</b>	<b>2008</b>	<b>2007</b>	<b>Variance</b>
<b>Net revenue</b>	<b>51,553</b>	<b>41,424</b>	<b>+24.5%</b>
Gross margin	34,349	26,403	+30.1%
<i>As % of net revenue</i>	<i>66.6%</i>	<i>63.7%</i>	
Operating Costs	-23,344	-21,692	+7,6%
<b>EBITDA</b>	<b>11,005</b>	<b>4,711</b>	<b>+133.6%</b>
<i>As % of net revenue</i>	<i>21.3%</i>	<i>11.4%</i>	
Write-offs and depreciations	-5,112	-4,339	+17.8%
<b>EBIT</b>	<b>5,893</b>	<b>372</b>	<b>+1484.1%</b>
Financial result	-3,685	-1,107	+232.9%
Profit before tax	2,208	-735	+400.4%
Taxes	-371	-115	+222,6%
Net profit (loss) for the financial year	1,837	-850	+316.1%
Recurrent net profit (loss) for the financial year <sup>1</sup>	2,827	-864	+427.2%

<sup>1</sup> The recurrent net profit was adjusted for the revaluation of the financial derivatives.

<b>BALANCE SHEET (€ 000's)</b>	<b>31/12/2008</b>	<b>31/12/2007</b>
Intangible assets	58,851	28,816
Property, plant and equipment	4,945	6,114
Deferred tax assets	293	60
Other fixed assets	1,122	236
Working capital	9,954	7,810
Shareholders' equity	26,254	19,640
Provisions	1,554	1,922
Financial Instruments	972	33
Deferred tax liabilities	4,628	5,008
Net financial debt	41,757	16,433

## Notes to the consolidated financial figures

### *Income statement*

Consolidated revenue over 2008 is € 51.6 million. The growth is almost completely due to Valdispert whose revenue is included in the consolidation effective 15 May 2008.

The gross margin increased to 66.6% of net revenue. The 2007 figures were however distorted due to the application of IFRS 3 (valuation of inventories following a takeover) which reduced the gross margin as well as the EBITDA by € 1.2 million below normal levels.

Partly thanks to Valdispert, the EBITDA increased to € 11.0 million.

The financial result is € -3.7 million, a sharp increase that is caused by an increase in the net financial debt due to the acquisition of Valdispert. Furthermore, the revaluation of the financial derivatives has impacted this result by € -1.0 million. This relates to a decrease in the market value of the interest rate hedges.

The net profit is € 1.8 million or € 0.051 per share. The authorized capital at 31 December 2008 is represented by 36,089,950 shares. Adjusted for the revaluation of the financial derivatives the net profit rises to € 2.8 million or € 0.078 per share.

### *Balance sheet information*

The increase in intangible assets is largely attributable to the acquisition of Valdispert.

On 28 March 2008, share capital was increased by € 4.5 million (including the share premium) to facilitate the acquisition of Valdispert.

Working capital is higher in comparison to 2007 due to the revenue increase.

The net financial debt increased due to the acquisition of Valdispert which was largely financed with bank debt.

## Overview by Division

### *OTC Netherlands (Vemedia BV and Distributiecure BV)*

Vemedia BV, the Dutch sales and marketing organization, experienced a growth of 1.4%. The most important brand, Dagravit, succeeded in further expanding its market share and conquered the number 3 position in the vitamins and minerals market, thereby overtaking Centrum (Wyeth). Valdispert, Otalgan, Roxasect and Norit also succeeded in significantly reinforcing their market position. In contrast to this, Distributiecure BV's "Leef Vitaal" products experienced a very difficult year due to major price competition in the Dutch glucosamine market. Growth is nevertheless expected for 2009 in spite of the economic crisis.

### *Production Netherlands (Vemedia Manufacturing BV)*

Production operations performed in accordance with budget and in line with prior year. An increased number of company-owned products were produced in-house.

### *Belgium (ABC Chemicals and Methapharma NV)*

In Belgium, the ABC Chemicals division that sells raw materials to pharmacists, experienced strong growth in comparison to 2007 (+20%). Methapharma (included in the 2007 consolidation for only 6 months), active in promoting food supplements to pharmacists and doctors, realised a 3.7% annualized growth rate.

### *Valdispert*

Elsewhere in Europe, where Vemedia is active with Valdispert, revenue and the contribution to profit was better than expected. Exports beyond Europe also performed well.

## Dividend

Because of the commitments made to financiers in relation to the acquisition of Valdispert, it is not possible to issue a dividend for the financial year 2008.

## Auditor's Opinion

Vemedia Pharma NV's statutory auditor, BDO Atrio Bedrijfsrevisoren Burg. Ven. CVBA, has substantially completed his audit procedures on the consolidated balance sheet and income statement as at 31 December 2008 included in the press release.

The statutory auditor has confirmed that his audit procedures have not revealed material adjustments that would have to be made to the accounting information and management comments included in this press release with respect to the consolidated balance sheet and income statement of Vemedia Pharma NV as at 31 December 2008. The statutory auditor is also of the opinion that with respect to the above consolidated balance sheet and income statement there is no material omission of information in the press release.

## Post closing events

Valdispert is also sold on the German market under the name Baldrian Dispert. The German OTC market is considered to be highly competitive and very difficult for foreign companies to penetrate. Vemedia does not have its own sales organisation there and has therefore decided to sell the German and Austrian rights to Baldrian Dispert to Cheplapharm.

However, Vemedia Manufacturing BV will continue to manufacture Baldrian Dispert for Cheplapharm. Cheplapharm furthermore is an ideal partner for launching the line extensions in Germany and possibly in Austria, in addition to the existing products.

The proceeds of the sale of Baldrian Dispert will entirely be used for the reimbursement of financial debt.

## Outlook<sup>2</sup>

Management is projecting further growth in revenues due to the introduction of new products and line extensions in various countries, such as Belgium, Spain and Italy. The Valdispert portfolio plays an important role in this.

Creating shareholder value continues to be a priority for Vemedia Pharma. In addition to organic growth, there is potential for improving the EBITDA through stricter costs controls.

Vemedia Pharma is currently conducting a feasibility study on the creation of the Vemedia Innovation Centre in collaboration with Ghent University.

## About Vemedia Pharma

The Vemedia Pharma Group, including operating companies in Diemen (the Netherlands), Woutersbrakel (Belgium), Barcelona (Spain) and Turin (Italy), is a leading and innovative player in OTC (prescription-free medicines), self-care and in-pharmacy-compounding. The group is active in various European countries and also exports its products beyond Europe.

For additional information about the Vemedia Pharma Group see [www.vemediapharma.com](http://www.vemediapharma.com).

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<sup>2</sup> Disclaimer: This press release contains forward looking statements that are based on current internal forecasts prepared by management and expected market trends. These forward looking statements contain inherent risks and are only valid on the date on which they are issued. Actual results may significantly differ from those specified in the forward looking statements.